



## Legislation Text

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File #: 22-02, Version: 2

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### Memorandum

Date: January 25, 2022

To: The Honorable Lake County Board of Supervisors

From: Todd Metcalf, MPA, Director Behavioral Health Services

Subject: a) Waive the formal bidding process, pursuant to the Lake County Code Section 38.2, as it is not in the public interest due to the unique nature of goods or services; and b) Consideration of Agreement between New Life Health Authority dba New Life, LLC. for Substance Use Disorder Outpatient Drug Free Services, Intensive Outpatient Treatment Services, and Narcotic Treatment Program Services for Fiscal Year 2021-22, not to exceed \$400,000 and authorize the Board Chair to sign.

#### Executive Summary:

The contract now before the Board represents a trail blazing effort in expanding services to Lake County Medi-Cal beneficiaries with Substance Use Disorder Treatment needs with a particular focus on Tribal members. New Life Clinic has opened their doors in Mendocino County to provide Intensive Outpatient Treatment services (OTP), Outpatient Drug Free services (ODF), and Narcotic Treatment Program (NTP) services for both Tribal and non-tribal beneficiaries of Lake as a Tribal Compact Clinic. Tribal Contract or Compact Health Centers (also called a 638 contract or compact) are operated by Tribes or Tribal organizations and Urban Indian Health Centers and are outpatient health care programs and facilities that specialize in caring for American Indians and Alaska natives.

The Indian Self-Determination and Education Assistance Act (ISDEAA) of 1975 authorized the Secretary of the Interior, the Secretary of Health, Education, and Welfare, and some other government agencies to enter into contracts with, and make grants directly to, federally recognized Indian tribes. The ISDEAA, also known as P.L. 93-638, authorizes Indian Tribes and Tribal Organizations to contract for the administration and operation of certain Federal programs which provide services to Indian Tribes and their members: <https://www.ihs.gov/odsct/title1/>

LCBHS, as a current Drug Medi-Cal provider, is required to provide NTP services to Medi-Cal beneficiaries. This is an entitlement service, which means there need be no authorization by LCBHS by a client or clinic to receive services. As such, since New Life Clinic opened in August 2021, there have already been beneficiaries who sought out and received these services. Because beneficiaries have a choice of NTP providers and we cannot deny payment or services to providers of NTP services, this contract and the services therein does not fall under the competitive bidding process. It is important to note that OTP and ODF services are usually provided as part of a treatment package

with NTP services, and as such they are included in this contract. Beyond this, there is no other NTP provider in Lake or Mendocino Counties, let alone a Tribal 638 provider. This is an incredible opportunity and benefit to our community.

A unique opportunity of Tribal 638 clinics is that the cost of services for Tribal members and Medi-Cal beneficiaries is 100% reimbursable by DHCS via state and federal funding. The rate sheet in the contract references the Office of Management and Budget (OMB) encounter rate for services, which is subject to change. Attached is DHCS all plan letter 17-020 which describes the OMB rate and the responsibility of Managed Care Plans.

**If not budgeted, fill in the blanks below only:**

Estimated Cost: \$400,000 Amount Budgeted: \$400,000 Additional Requested: N/A Future Annual Cost: N/A

**Consistency with Vision 2028** (check all that apply):

☐ Not applicable

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety               | <input type="checkbox"/> Disaster Prevention, Preparedness, Recovery |
| <input type="checkbox"/> Economic Development               | <input type="checkbox"/> Infrastructure              | <input type="checkbox"/> County Workforce                            |
| <input type="checkbox"/> Community Collaboration            | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake                                  |

**Recommended Action:** a) Waive the formal bidding process, pursuant to the Lake County Code Section 38.2, as it is not in the public interest due to the unique nature of goods or services; and b) Consideration of Agreement between New Life Health Authority dba New Life, LLC. for Substance Use Disorder Outpatient Drug Free Services, Intensive Outpatient Treatment Services, and Narcotic Treatment Program Services for Fiscal Year 2021-22, not to exceed \$400,000 and authorize the Board Chair to sign.