



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency		(2) MEETING DATE 1/23/2018		(3) CONTACT/PHONE Anne Robin 781-4734	
(4) SUBJECT Request to receive and file the 40 Prado Detoxification Center Planning Project Report, and provide staff direction as necessary. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board receive and file the 40 Prado Detoxification Center Planning Project Report and provide direction to staff as necessary.					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT N/A		(8) ANNUAL FINANCIAL IMPACT N/A	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min</u>)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, Behavioral Health Administrator

DATE: January 23, 2018

SUBJECT: Request to receive and file the 40 Prado Detoxification Center Planning Project Report, and provide staff direction as necessary. All Districts.

RECOMMENDATION

It is recommended that the Board receive and file the 40 Prado Detoxification Center Planning Project Report and provide direction to staff as necessary.

DISCUSSION

BACKGROUND

The County Health Agency has identified detoxification, or withdrawal management services, in a Residential Treatment Center model as a gap in our continuum of care for individuals seeking drug and alcohol services. As part of the Drug Medi-Cal Organized Delivery System (ODS) contract the County signed with the State Department of Health Care Services (DHCS) on December 5, 2017, three levels of residential substance use treatment will be required within three years. The ODS programs have officially started as of January 1, 2018.

The Health Agency has participated in planning meetings with the Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO) to explore options for the development and operation of a residential withdrawal management, or detoxification, center on the site of the new Homeless Services Center ("40 Prado") in San Luis Obispo. The center would provide clinically managed residential services to between 8 and 10 persons in need of medication assisted detoxification services or other residential treatment, and link them to related services. Without a residential treatment program available locally for Medi-Cal beneficiaries, the Health Agency will be required to contract with out of county providers for this level of care.

The Health Agency is providing this information to the Board of Supervisors at this time to obtain support in concept for future service delivery of residential detoxification services at 40 Prado Road. Since CAPSLO does not have the capacity or expertise to operate a residential treatment center, it is looking to County Behavioral Health to

operate the proposed program, or to manage such a contract with an organization for Medi-Cal beneficiaries. CAPSLO has indicated that private philanthropists are willing to donate funds to help build a residential detox facility at 40 Prado Road, but are not willing to do so until there is support for the operation of the facility. If the project moves forward, the Health Agency would return at a later date to request approval to begin a Request for Proposal process to seek a qualified vendor for the operations of the Residential Detoxification Treatment center, and to make budget adjustments as needed.

CAPSLO contracted with Joel Diring and Associates to facilitate planning meetings, research, and to provide a report on the feasibility of this project at 40 Prado Road (attached to this report). The attached report summarizes the findings of the research and dialogue and makes a series of findings to support the establishment of a Residential Treatment center at the 40 Prado Homeless Services Center site in San Luis Obispo.

The new County Drug Medi-Cal Organized Delivery System (ODS) requires that residential treatment must be provided, and new funding streams are available to pay for a portion of the services. The report from Diring and Associates states that a package of funds is potentially available for capital funds, and operational costs would be reimbursed in part by Drug Medi-Cal funds. In addition, CAPSLO recently received a grant from the federal Substance Abuse and Mental Health Administration (SAMHSA) to provide services to homeless clients with co-occurring disorders with Transitions-Mental Health Association and County Behavioral Health. The SAMHSA grant will provide step down services from residential treatment facilities.

Below is the proposed structure of the residential detoxification program at 40 Prado Road:

40 Prado Withdrawal Management (Detox) Center	
<i>Structure</i>	Approximately 48'x60' (2880 square feet) unit separate from homeless service center to be owned by CAPSLO.
<i>Capacity</i>	8 – 10 “flex” beds (Flex between male/female; medical/social model residential withdrawal and between withdrawal/residential treatment).
<i>American Society of Addiction Medicine (ASAM) level</i>	3.1 and 3.3 residential treatment and licensed for Incidental Medical Services with withdrawal management services.
<i>Length of Stay</i>	6 – 8 days in medical withdrawal, 30 days in residential treatment program.
<i>Facility Cost</i>	Cost of permanent structure is approximately \$730,000 including planning, engineering, utilities, construction, etc.
<i>Client population</i>	Adult men and women referred by appropriate agencies to County Drug and Alcohol who will screen and authorize the residential treatment and withdrawal stays.
<i>Services</i>	Medication assisted withdrawal management and residential treatment services. Case management and referrals for post residential services.
<i>Operator</i>	County Behavioral Health would issue a Request for Proposals for a qualified operator.

<i>Staffing</i>	Possible staffing pattern of 7.75 FTE, including medical director, licensed therapist, treatment therapists, case manager, health information and administrative technicians.
<i>Operating costs and reimbursement</i>	Operating costs would likely be contracted out, and would be determined by the contracted operator and would include staffing, administration, supplies, food, space costs, etc. Reimbursement would be from a per diem rate determined by County Drug and Alcohol for withdrawal and residential treatment services through Medi-Cal. Room and board services and required federal match will be reimbursed from a combination of social services funding, client funds (SSI, GA, CalWorks) and resident sliding scale. Private insurance would be accepted, but is not anticipated.
<i>Proposed timeline</i>	22-24 months total – see detailed proposed timeline below.

JUSTIFICATION

There are approximately 22,300 to 27,100 adults (about 10% of adults) with substance use disorder issues in San Luis Obispo County. County Behavioral Health provided SUD services to 2,269 adults in 2015, and services increased to 2,500 adults in 2016. The need for treatment continues to grow for both individuals who are low-income, Medi-Cal beneficiaries and for others in the community.

Currently, there are no residential treatment or residential detoxification services in San Luis Obispo County available to persons eligible for Medi-Cal, except for the five bed Bryan’s House which is limited to peri-natal women and their children. There are several local residential treatment options for individuals with higher income levels or private insurance.

In the 2007 SLO County Report and Plan Addressing Detoxification Needs of Substance Users, it was estimated that for those patients in substance abuse treatment, the service demand for detoxification is only two percent. Behavioral Health has struggled to meet even that need through a combination of outpatient medication assisted treatment, intensive outpatient group services, and the availability of Sober Living Environment beds.

The Drug Medi-Cal Organized Delivery System requires that the County provide at least one American Society of Addiction Medicine (ASAM) level¹ of residential treatment services within one year, and within three years all three levels of residential treatment must be available within the County. These levels include:

3.1, 3.3	Clinically managed, low-intensity residential	24-hour care with trained counselors to stabilize imminent danger, less intensive protocol.
3.5	Residential treatment services	24-hour care with trained staff providing intensive treatment on-site

¹ American Society of Addiction Medicine Criteria for levels of care. <https://www.asam.org/resources/the-asam-criteria/about>

To gain an understanding on developing a residential withdrawal management center, a Planning Committee that includes community members, CAPSLO staff, Health Agency staff, and other allied partner agencies, reviewed facilities in our region and participated in three site visits to detox programs in neighboring counties, including:

- The Champion Center in Lompoc. Champion had three levels including a 32-bed inpatient detox hospital, a 16-bed residential detox unit (ASAM 3.3 and 3.5) and 30 bed residential sober living environment. It was located in a former district hospital building, with a full array of medical and social programming. It did not contract with Medi-Cal and had very few patients. It has since closed.
- Janus of Santa Cruz is a community based detox facility with 24 licensed beds (ASAM 3.1 and 3.3). Eight beds are used for initial detox and the remainder are for residential treatment. Depending on demand or patient mix, fewer or greater beds can be used for detox, as flex beds are important. It is funded through Medi-Cal, County contributions and some patient fees. It is licensed for Incidental Medical Services (AB 848, 2016) which allows for medical services provided at a licensed residential facility by a health care practitioner that address medical issues associated with either detoxification or the provision of alcoholism or drug abuse recovery or treatment services to assist in the enhancement of treatment services. <http://www.dhcs.ca.gov/provgovpart/Pages/Incidental-Medical-Services.aspx>

Duration in detoxification is 6 – 8 days in this facility, with an average of 28 days in the residential program. It has a pilot program with the local Dignity Hospital (Dominican) to provide care management for intravenous drug user (IVDU) patients and skilled nursing facilities. Janus also has medical detoxification protocols to be dispensed by local pharmacies. Staffing includes one counselor per 5 – 8 patients; Psychiatric Technicians, Registered Nurses (RN), and medical director. Pharmaceuticals are provided by the RN or psychiatric technicians, but are self-administered. Generally, about five individuals are waiting for the placement. Janus is currently expanding to 40 beds. It has also indicated its willingness to share data on its operational costs.

- The Good Samaritan Recovery Point Acute Care is a 12-bed inpatient drug and alcohol social model detox program that provides 7-14 day acute detoxification. It is an abstinence based facility and is licensed at an ASAM 3.1 level. There is no medication assisted treatment (MAT) and medical clearance is required before entry into the program. Client costs are \$25/day for Santa Barbara County residents and \$80/day for out of county residents. Several beds are reserved for veterans.

Good Samaritan provides a residential environment for clients suffering from withdrawal symptoms who are unable to build a clean and sober foundation on their own. Clients may initiate sobriety and begin permanent recovery from drug or alcohol abuse while attending private counseling sessions, through 24-hour staff supervision and support, through local treatment providers in the community and by participation in the 12-step program and aftercare, which includes barrier free relapse treatment.

The Planning Committee also reviewed the need for a continuum of services. Detoxification is only one step in a life-long recovery process and the intervention needs to be integrated with other medical, social support and residential services. Post detoxification services such as sober living environments, outpatient treatment, and community programs such as 12-step programs are all necessary components.

Operation of Facility

CAPSLO is willing to make its property available for a detoxification center, and is also willing to facilitate its construction and possibly provide some support services (food, laundry). However, it does not have the capacity or expertise to operate a residential treatment center. If authorized by the Board at a later date, the Health Agency would facilitate a Request for Proposal process to seek a qualified provider agency. The selected provider agency would enter into a contractual relationship with CAPSLO for the facility and any ancillary services, and with the County for reimbursement through Drug Medi-Cal. The Health Agency would be responsible for certification of the facility as a Drug Medi-Cal site, and would provide the contract monitoring required under the utilization, compliance, and quality plans for a Drug Medi-Cal residential treatment center.

Funding

Funding is discussed in more detail below in the financial considerations section.

Preliminary Timeline

The following is a summary of the preliminary timeline if the project moved forward. Many of the activities could happen concurrently.

Activity	Duration
Secure capital funding	4 months
Facility design and permitting	4-6 months
RFP for facility construction	2 months
Construction of permanent building	6-8 months
Securing County approval of operational funding	6 months
RFP for facility operator	3-4 months
Licensure and certification	6 months
Development of reimbursement contracts	2 months
TOTAL	22-24 months

Conclusion and Summary

There is a long-identified need for residential medically managed withdrawal management services for low income residents of San Luis Obispo County as part of a continuum of care for those with substance use disorders. Land and location have been significant barriers to the establishment of a detox center. With the establishment of the 40 Prado Homeless Services Center on a large plot of land with additional capacity that had already gone through community review, the Community Action Partnership of San Luis Obispo County saw an opportunity to place a detoxification center on the site.

The attached feasibility study is a result of community stakeholders working together to identify the scope of a detoxification center, its financing and operations. A tentative timeline has been developed and potential financing sources have been identified. Much work remains to be done, but this report can serve as a roadmap to meeting community needs and filling a current gap in substance use disorder services.

The Health Agency's request today is that your Board provide staff direction as necessary related to support for the establishment and operation of a residential detoxification center located at 40 Prado Road on the Homeless Services Center campus.

OTHER AGENCY INVOLVEMENT/IMPACT

A local Planning Committee was convened to provide expertise and community insight on the project components. Committee members included County Behavioral Health, County Public Health, homeless and behavioral health service organizations, Community Health Centers of the Central Coast, medical providers, Dignity Health, City of San Luis Obispo, CenCal Health, County Social Services and Probation. The committee met several times to establish a plan of action, conduct site visits, review options and make recommendations.

FINANCIAL CONSIDERATIONS

The budget for developing and operating a residential treatment center has several components, including capital costs, licensing and certification and staff/operating costs.

Facility capital costs

CAPSLO is reviewing options for an approximately 2,880 square foot facility to fit on the 40 Prado site to serve 8-10 patients at any one time. Preliminary estimates for building a permanent structure are approximately \$730,000.

CAPSLO will continue to assess the costs of the proposed center, and possible funding sources including federal and state capital funding (grants and loans), city permit fee reductions and other sources. CAPSLO is also exploring grant opportunities with private philanthropists to fund the initial capital costs of the project. These funds would be contingent upon being able to secure assurances that facility and program operational costs are available.

Once the facility is constructed, CAPSLO will charge the operator for occupancy costs, which will include financing costs, utilities, maintenance, security and associated costs. It could also provide contractual services such as food and laundry to the facility operator.

Licensure and certification costs

In order for the facility to be licensed and receive reimbursement for services from Medi-Cal and other funders, it needs to fulfill many state and local requirements. Licensure cannot take place until the facility is open and operational.

The licensure and certification process includes filing a Drug Medi-Cal Substance Use Disorder Clinic Application (DHCS 6001) and an Initial Treatment Provider Application (DHCS 6002), as well as other forms. Each of these applications require substantial information regarding services, provider credentials, facility, zoning, fire clearance, target population, administration, programming, and scheduling.

Certification could take six or more months and will require substantial staff time for preparation, modifications and processing. Costs for licensure and certification should be allocated for this purpose. The application fee to the State of California to be licensed and certified as residential and recovery treatment program is currently \$4,068 plus \$324 per bed, or a total of \$7,308 for a 10-bed facility.

Staffing and operating costs

County Behavioral Health has developed a tentative staffing pattern as well as identified operational needs that would be required to operate the unit. Total annual operating costs are estimated to be approximately \$1.2 million, and would be partially off-set by Medi-Cal revenue and other revenue sources. If this project moves forward, it would fulfill the County's obligation to provide residential detoxification at the levels of residential treatment as stipulated in the County's contract with DHCS for Drug Medi-Cal ODS services.

While the County has developed detailed estimates for these costs for internal planning purposes, it would issue a competitive RFP for a qualified provider agency to compare costs.

An estimated total of 7.75 FTE would be needed to operate the program, as follows:

Medical Director (.25 FTE)
Licensed Mental Health Therapist IV (0.50 FTE)
Drug and Alcohol treatment specialists (4.00 FTE)
Case Manager (1.00 FTE)
Health Information Technician (1.00 FTE)
Administrative Assistant (1.00 FTE)

Other operating costs would include the standard overhead, equipment, utility, and maintenance costs to run a facility.

Sources of funding for services

There are three sources of funding that must be secured for services provided to Medi-Cal patients:

- Federal portion of Drug Medi-Cal for detoxification, residential treatment and MAT (Medically Assisted Treatment) services
- Local match for Drug Medi-Cal detoxification, residential treatment and MAT services
- Room and board

Drug Medi-Cal is a program that is jointly funded with the federal government. Currently, the County match is 50% for the traditional Medi-Cal population (disabled, minors, parents with minor children) and 5-6% for the new Medi-Cal ACA expansion population (non-disabled adults without minor children). Potential ACA repeal legislation could substantially change eligibility and reimbursement levels, by either reducing program service levels or closing the facility. If significant changes to the current insurance coverage or other funding streams occur, the County and CAPSLO would re-evaluate the program costs and adjust accordingly. If Medi-Cal were no longer available as a payor source, other insurances or grants could become available to cover the cost of operations for a different group of consumers if Medi-Cal failed to continue coverage for this level of care.

In the current financial structure, the funds from 2011 Realignment are the primary local "match" source to draw down the Full Federal Participation (or FFP) Medicaid dollars (Medi-Cal in California). The County currently utilizes its full allocation of 2011 Realignment funds for ongoing programs, however, 2011 Realignment growth is anticipated to continue. The State will review the distribution allocation methodology to adjust with the growing needs for behavioral health services in the coming years. State General Funds are also currently available for match for FFP in the DMC-ODS service expansion for specific services. Other possible sources allowable to match

FFP are AB 109 funds, MHSA funds, other non-federal grants, and County General Funds.

Medi-Cal only pays for the necessary medical and treatment services, not the residential (room and board/housing portion) services. Other sources of funding are needed to cover that portion. For the room and board portion, there are several potential sources.

- For those with minor children there are possible Child Welfare Services (CWS) funds, particularly if the residential treatment program is part of a family reunification plan.
- Client income sources could include earned income, CalWorks/TANF, SSI, and GA, as well as a sliding scale.
- Other possible funds to be identified, such as county/city general funds or other private foundation or provider funding. Substance Abuse and Treatment Block Grant (SAPTBG), state/federal competitive grants, County General Funds or AB 109 funds currently being used to pay for Sober Living Environment beds could be re-directed to use for the room and board portion of the Residential Treatment program for those individuals who are eligible for the SLE supports, and for the period of time they are in the Residential Treatment program.

RESULTS

The Prado Residential Treatment Center would help County Behavioral Health achieve its mission of promoting safe, healthy, responsible and informed choices concerning alcohol and other drugs through programs responsive to community needs. Board support for this program in concept at 40 Prado Road, would provide some assurance to the funder to move ahead with the building of the facility. That mission contributes to efforts to achieve the desired community wide result of both a "Healthy Community" and a "Safe Community".

ATTACHMENTS

1. 40 Prado Detoxification Report
2. Presentation