

May 12, 2025

The Honorable Board of Supervisors
County of Alameda
1221 Oak Street
Oakland, CA 94612

SUBJECT: APPROVE NEW FISCAL YEAR 2026 AND MULTI-YEAR PROCUREMENT CONTRACTS AND AMENDMENTS TO EXISTING FISCAL YEAR 2025 AND MULTI-YEAR PROCUREMENT CONTRACTS UNDER THE COMMUNITY-BASED ORGANIZATION MASTER CONTRACT PROCESS FOR MENTAL HEALTH PROGRAMS THROUGH ALAMEDA COUNTY HEALTH, BEHAVIORAL HEALTH DEPARTMENT

Dear Board Members:

RECOMMENDATIONS:

- A. Approve 29 new Fiscal Year 2026 or multi-year procurement contracts under master contracts with Community-Based Organizations for the provision of mental health services, starting on 7/1/25, as specified on Attachment A:
 - 1. 25 new Fiscal Year 2026 procurement contracts as specified on Attachment A, Section 1, for the one-year contract period from 7/1/25 – 6/30/26, in the total amount of \$300,416,946;
 - 2. 4 new multi-year procurement contracts as specified on Attachment A, Section 2, for a three-year period from 7/1/25 – 6/30/28, in the amount of \$14,889,720
- B. Approve amendments for 42 existing Fiscal Year 2025 and multi-year procurement contracts under master contracts with Community-Based Organizations for the provision of mental health services, as specified on Attachment B:
 - 1. 25 amendments for existing multi-year procurement contracts as specified on Attachment B, Sections 1 & 2, with no change to the existing multi-year contract period of 7/1/2023 (or later start date specified in Attachment B, Section 1) – 6/30/26 or of 7/1/24– 6/30/27, increasing the total amount from \$177,325,242 to \$178,718,951 (\$1,393,709 increase);
 - 2. 17 amendments to existing Fiscal Year 2025 or multi-year procurement contracts as specified on Attachment B, Section 3, extending the existing contract period by 12-months from 7/1/24 – 6/30/25 to 6/30/26 or from 7/1/22 – 6/30/25 to 6/30/26, increasing the total amount from \$27,396,664 to \$49,085,306 (\$21,688,642 increase);
- C. Approve 11 new Services-As Needed Contracts with Community-Based Organizations under a new Services-As-Needed Pool (Master Contract No. 902601) for the provision of mental health services as specified in Attachment C, for the one-year contract period of 7/1/25-6/30/26, in the total amount of \$34,405,819;

- D. Approve the execution of interim contracts with the providers identified in Attachment A, Sections 1 and 2, to allow the contracts, exhibits, and key provisions from the prior Fiscal Year to continue while Alameda County Health, Behavioral Health Department is negotiating and executing the final contracts with these Community-Based Organizations in the first part of the upcoming Fiscal Year in amounts not to exceed those identified in Attachment A;
- E. Adopt a resolution to waive the County's competitive procurement process for programs which receive funding from the Substance Abuse and Mental Health Services Administration Community Mental Health Services Block Grant to meet the requirements of federal auditors;
- F. Delegate authority to the Alameda County Interim Health Director, or designee, to negotiate and execute the agreements through the Community-Based Organization master contract process subject to review and approval as to form by County Counsel and submit executed copies to the Clerk of the Board for filing; and
- G. Authorize the Auditor-Controller to encumber funds in Fiscal Year 2026-27 for end of year claims and cost settlements against mental health contracts approved by your Board being liquidated at the end of Fiscal Year 2025-26 to minimize accruals in the Alameda County Health, Behavioral Health Department budget.

DISCUSSION/SUMMARY:

Alameda County Health, Behavioral Health Department (ACBHD) is requesting approval to negotiate and execute new procurement contracts and amendments to existing procurement contracts, subject to the adoption of the Fiscal Year (FY) 2025-26 Final Budget, as specified in Attachments A, B and C.

This Board Letter represents the system of contracted mental health programs where ACBHD is purchasing a prescribed level of service to support local individuals and families who are at increased risk for or experiencing serious mental health issues. Approximately 90 percent of ACBHD's mental health services are contracted to Community-Based Organizations (CBOs). On January 14, 2025 (Item No. 6), July 23, 2024 (Item No. 14), June 18, 2024 (Item No. 12), April 16, 2024 (Item No. 9), March 26, 2024 (Item No. 4), March 12, 2024 (Item No. 7), June 6, 2023 (Item No. 15), and June 7, 2022 (Item No. 12), your Board previously approved these CBOs to continue services into FY 2024-25 and, in some cases, subsequent fiscal years. The continuity of these programs is essential to providing uninterrupted services and continuity of care to clients.

In addition, the requested allocations include award amounts associated with Request for Pre-Qualifications (RFPQ) No. 24-07 for FY 2025-26 Enhancement Funds which are further outlined in Attachments A and B, a cost-of-living adjustment for County General funded programs and Mental Health Services Act (MHSA) Full Service Partnership and Housing programs, and augmentations to a few existing programs to better meet community and system needs. This request also includes a net reduction for two providers, for which the prior level of assigned funding is no longer available. These providers have been informed of and understand the need for this reduction.

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The FY 2025-26 Enhancement Funds were designed to further support awarded CBOs in completing capacity development projects within the following categories in FY 2025-26:

- System Transformation and Legislative Change Capacity Building;
- Workforce Support;
- Infrastructure, Technology, and Renovations;
- Transportation Supports; and
- Health Equity Supports and Coordination.

Your Board has traditionally approved the request for execution of interim contracts to allow ACBHD to negotiate final contracts with the approved budget allocations for the upcoming FY without negatively impacting the members of the community served by CBOs.

ACBHD is requesting that your Board approve a resolution to waive the County's competitive procurement process for the programs funded through Substance Abuse and Mental Health Services Administration (SAMHSA) Community Mental Health Services Block Grant. The resolution will meet the requirements of the Federal auditors and prevent potential financial penalties.

ACBHD is requesting to approve a new Services-As-Needed (SAN) pool for a grouping of CBO mental health outpatient treatment programs which have been identified for early adoption of the new payment structures, including Fee-For-Service Rates by Common Procedural Terminology Codes, required under California Advancing and Innovating Medi-Cal (CalAIM) Payment Reform. The programs in this new SAN Pool provide treatment in school, office-based and community-based settings, but only represent a subset of the outpatient treatment programs providing mental health services in these settings. ACBHD will continue a phased roll-out the new payment structures under CalAIM Payment Reform to additional treatment programs in subsequent FYs, which may involve the development of additional SAN Pools over time.

The final recommendation is needed to support ACBHD in timely payment of claims in the event that ACBHD needs to pay any contractually obligated claims for FY 2025-26 from the ACBHD FY 2026-27 Budget. This language was carefully crafted with the Auditor, to minimize the requirement for ACBHD to return to your Board each time there was a need to pay contractually obligated claims out of the ACBHD Budget for a subsequent FY.

Each month, these CBOs provide mental health treatment to approximately 9,000 individuals through these contracts, as well as additional support services to clients and the broader community through prevention, education, benefits advocacy, employment, integrated behavioral health, housing, and other specialized programs. The mental health contracts proposed for approval deliver a range of services across the entire spectrum of care from outreach and prevention in underserved ethnic and language communities to inpatient and residential care for individuals with serious mental illness. The service delivery system includes specialized services for children, youth, Transition-Age Youth, adults, older adults, and the reentry and unhoused populations, employment. ACBHD has most recently implemented specialized programming for individuals identified through Community Assistance, Recovery and Empowerment (CARE) Court. CARE Court is a framework to deliver mental health and substance use disorder services

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to the most severely impaired who suffer from homelessness or incarceration without needed treatment.

Annually, these programs serve over 25,000 clients and meet over 80 percent of their contracted objectives for the number of clients served. ACBHD participates in an External Quality Review, in accordance with the Center for Medicare and Medicaid Services Managed Care regulations. During the last review, the committee assessed four components: access to care, timeliness of care, quality of care, and information systems. The ACBHD mental health plan demonstrated 96% compliance.

Your Board's approval will allow for continuity of services ensuring system needs are met and allow ACBHD to pay provider claims timely per the terms of approved and executed contracts with CBOs. ACBHD is requesting delegated authority aligning with the CBO master contract process to expedite these agreements with approval as to form by County Counsel.

SELECTION CRITERIA/PROCESS:

This is a request to continue existing ACBHD contracted services into the upcoming FY(s) under new contracts or augmentations to existing contracts. The selection process for these providers has varied over time.

On November 18, 2024, ACBHD released RFPQ No. 24-07 FY 2025-26 Enhancement Funds. It was originally advertised for 51 days but was extended by 10 additional days due to interest, totaling 61 days of advertising using the General Services Agency (GSA) advertising guidelines by posting on the ACBHD and GSA websites. In addition, a courtesy email was sent to ACBHD contracted providers and other ACBHD contacts through an existing email distribution list. ACBHD held two information sessions on Wednesday, December 18, 2024, and Thursday, December 19, 2024, with attendance from 44 agencies. ACBHD received 76 bids for services under this RFPQ. ACBHD staff conducted a review of the Bidder Minimum Qualifications. Nine bidders were disqualified from the RFPQ as they did not meet the Bidder Minimum Qualification of being a CBO currently providing ACBHD-contracted services to ACBHD clients under a Master or Full Service Partnership Contract in FY 2024-25. These nine disqualified bids are as follows:

<i>Bidder</i>	<i>Reason for Disqualification</i>
<i>Ark Angel II LLC dba Bella Vista</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Cardea Health</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Fulton Care LLC</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Gentle Heart Care Services</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>HLB LLC dba Rose Garden Vista</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Koobamo LLC dba Good Shepherd Vista</i>	<i>Not currently a Master or FSP-contracted organization</i>

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<i>Bidder</i>	<i>Reason for Disqualification</i>
<i>Koobamo Ysabella LLC DBA Grand Lake Vista</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Lake Merritt Care Home Inc.</i>	<i>Not currently a Master or FSP-contracted organization</i>
<i>Mental Health Association for Chinese Communities (MHACC)</i>	<i>Not currently a Master or FSP-contracted organization</i>

On March 14, 2025, the bidders were notified through email and certified mail. No bid protest was received. The CBO award recommendations resulting from this RFPQ process are identified in Attachments A and B.

In 2004, during the initial expansion of Early Periodic Screening, Diagnosis and Treatment (EPSDT) funding, many child and youth mental health providers joined the ACBHD service delivery system as a result of a Request for Information (RFI) process. As ACBHD continues to conduct competitive processes for child and youth services through RFPs, existing providers expanded their services, and some new providers were awarded.

Since 2004, ACBHD has been implementing MHSA programs and has allocated funding to CBOs through competitive RFP processes that have been approved by your Board. On October 1, 2024 (Item No. 4), ACBHD recently procured services for CARE Court, for which your Board approved the award to Bay Area Community Services (BACS). The exceptions have also been approved by your Board and include contract awards to: Telecare Corporation (Telecare) for Assisted Outpatient Treatment (AOT), Community Conservatorship, and services at Santa Rita Jail and the Adolescent Crisis Stabilization Unit; Seneca Family of Agencies for the Multi-Systemic Treatment program; Health and Human Resource and Education Center for Health Equity Programs; and Peers Envisioning and Engaging in Recovery Services (PEERS) for prevention programs. The PEERS contract is an example of a contract that includes one program awarded through an RFP process (the Everyone Counts Campaign) and other related programs approved by your Board with a waiver of the competitive process.

Most of the CBOs listed in this Board Letter are non-profit CBOs providing direct service on behalf of the County or governmental organizations which are exempt from the County's Small, Local and Emerging Business (SLEB) policy. SLEB information for nonprofit CBOs that have elected to participate in the SLEB program, as well as Alameda County General Services Agency-approved SLEB waivers for the three for-profit agencies, are shown in Attachments A, B and C.

FINANCING:

Appropriations for these contracts and amendments are requested in the ACBHD FY 2025-26 Budget and an additional appropriation adjustment (\$7,345,301) and is being requested as a final adjustment to the ACBHD FY 2025-26 Budget and is offset by Medi-Cal Federal Financial Participation (\$1,312,682), Mental Health Services Act funding (\$2,195,862), 2011 Realignment (\$4,101,189), and a reduced Intra-Fund Transfer with Alameda County Probation Department (\$264,432). The remaining contract funding will be requested in subsequent years. Approval of these recommendations will have no impact on net County cost.



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VISION 2036 GOAL:

The provision of these mental health services meets the 10X goal pathway of **Health for All** in support of our shared visions of a **Thriving & Resilient Population**, **Safe & Livable Communities** and **Healthy Environment**.

Sincerely,

DocuSigned by:

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Aneeka Chaudhry, Interim Director
Alameda County Health