



AGENDA STAFF REPORT

Control: 26001051

MEETING DATE: 04/28/2026

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): District 3

SUBMITTING AGENCY/DEPARTMENT: Health Care Agency

DEPARTMENT CONTACT PERSON(S): Veronica Kelley, 714-834-7024
Ian Kemmer, 714-834-2160

SUBJECT: Renewal Adolescent Residential Drug Medi-Cal and Withdrawal Management Services

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION
		3 Votes Board Majority

Budgeted: N/A	Current Year Cost: N/A	Annual Cost:
		FY 2026-27 \$796,247
Staffing Impact: No		Sole Source: No
Current Fiscal Year Revenue: N/A	Funding Source: See Financial Impact Section	County Audit in Last 3 years: No

Levine Act Review

Completed? Yes

Prior Board Action: 3/1/2024 #8, 12/7/2021 #14

RECOMMENDED ACTION(S):

1. Approve Amendment No. 10 to renew the Contract with The Teen Project, Inc. DBA Sanctuary Recovery Center, for provision of Adolescent Residential Drug Medi-Cal and Withdrawal Management Services, for the term of July 1, 2026, through June 30, 2027, in an amount not to exceed \$796,247, for a revised cumulative contract total amount not to exceed \$6,296,247.
2. Authorize the County Procurement Officer or Deputized designee to execute the Amendment with The Teen Project, Inc. DBA Sanctuary Recovery Center, as referenced in the Recommended Action above.

SUMMARY:

Approval of Amendment No. 10 to renew the Contract with The Teen Project, Inc. DBA Sanctuary Recovery Center for provision of Adolescent Residential Drug Medi-Cal and Withdrawal Management Services will fulfill mandated services for adolescent females ages 12 through 17 years old as required under the Drug Medi-Cal Organized Delivery System.

BACKGROUND INFORMATION:

On December 7, 2021, your Honorable Board of Supervisors (Board) approved the Contract with the Teen Project, Inc. dba Sanctuary Recovery Center (Teen Project) for provision of Adolescent Residential Drug Medi-Cal and Withdrawal Management Services and the below additional actions have been executed pursuant to appropriate authorities. The Orange County Preference Policy is not applicable to this Amendment.

Board Date	Contract/Amendment	Action	Term	Contract Amount
December 7, 2021	Contract	Board Approved Contract	January 7, 2022 - June 30, 2024	\$2,500,000
N/A	Amendments No. 1-4	Deputy Purchasing Agent (DPA) Delegated Authority - Administrative Amendment adding required language from DHCS	March 28, 2022 - June 30, 2024 November 18, 2022 – June 30, 2024 September 1, 2023 – June 30, 2024 February 7, 2024 – June 30, 2024	N/A
3/12/2024	Amendment No. 5	Board Approved Term Renewal	July 1, 2024 – June 30, 2026	\$5,500,000
N/A	Amendment No. 6 - 9	DPA Delegated Authority - Administrative Amendment adding required language from DHCS	March 20, 2024 – June 30, 2026 May 21, 2024 – June 30, 2026 February 18, 2026 – June 30, 2026	N/A

The Drug Medi-Cal (DMC) Organized Delivery System (ODS) requires DMC Residential Treatment and Withdrawal Management Services for adolescents ages 12 through 17 years old. Teen Project is currently the only County-contracted provider for residential treatment to adolescent females. Teen Project will serve up to six females at any given time. Services are provided 24 hours a day, seven days a week, 365 days a year. Services with Teen Project can be accessed through OC Links, the Beneficiary Access Line (BAL), DMC outpatient providers, and by directly contacting Teen Project. Amendment No. 10 to renew the Contract with Teen Project will ensure that adolescent residential treatment services will continue to be available in Orange County until the Irvine Campus adolescent services begin and ensure that Orange County maintains its mandated network provider adequacy with the State.

Scope of Services

Adolescent Residential DMC Substance Use Disorder (SUD) Treatment Services provides residential treatment to adolescent females ages 12 through 17 years who have a substance use diagnosis. All clients have an assessment and must be authorized to receive this level of service based on medical necessity. Residential Treatment Services and Withdrawal Management Services include intake, treatment planning, individual counseling, family counseling, group counseling, substance use related educational sessions, education, structured therapeutic activities, case management, crisis intervention services, Medication

Assisted Treatment (MAT), drug testing, discharge planning services and transportation services. Additionally, Withdrawal Management is a detoxification service that includes frequent observation and physical checks for as long as withdrawal signs and symptoms warrant. Provision of this service will ensure uninterrupted support for Orange County Medi-Cal beneficiaries until services begin at the Irvine campus.

Performance Outcomes

Program performance goals that are at least 50 percent of clients enrolled will remain in treatment for 30 days (i.e., retention rate) and at least 50 percent of retained clients will have made satisfactory progress in treatment at the time they discharge from services. It is also expected that 30 percent of clients who satisfactorily complete treatment will link to another level of care within seven days of discharge. The linkage rate became an expectation in the 2025-2026 fiscal year.

While retention and satisfactory discharge targets were not met in FY 2024-25, during the first half of FY 2025-26 the provider has exceeded the established rates. Across both reporting periods, the provider has exceeded the 7-day linkage rate.

Outcome	Target	FY 2024-2025	FY 2025-2026 Q1 (July through December)
Number of clients served (unduplicated)	N/A	25	11
Retention Rate	> 50%	42%	60%
Satisfactory discharge rate	> 50%	43%	67%
Linkage Rate	>30%	65%	63%

For the renewal period, contract goals were updated to align with the new HCA standards established for residential programs.

The provider shall monitor the following outcomes for FY 2026-27 to assess updated linkage and retention rates:

1. At least 65 percent of all retained clients will complete residential treatment and demonstrate satisfactory progress at the time of discharge.
2. At least 65 percent of all discharged clients will be linked to an appropriate level of care within 30 calendar days of discharge.

The Contractor’s performance has been confirmed as satisfactory. HCA has verified there are no concerns that must be addressed with respect to the Contractor’s ownership/name, litigation status, or conflicts with County interests.

The Contract with Teen Project includes subcontractors. See Attachment B for Contract Summary Form.

HCA requests that the Board approve Amendment No. 10 to renew the Contract with The Teen Project, Inc. DBA Sanctuary Recovery Center, for provision of Adolescent Residential Drug Medi-Cal and Withdrawal Management Services, as referenced in the Recommended Actions.

FINANCIAL IMPACT:

Appropriations for this Contract will be included in Budget Control 042 FY 2026-27 Budget.

The Contract includes provisions allowing HCA to terminate the Contract, reduce the level of services, and/or renegotiate the levels of services provided, as necessary. This includes a notice that allows HCA adequate time to transition or terminate service to clients, if necessary.

FED: 50% (Substance Abuse Prevention and Treatment Block Grant)

State: 15% (Drug Medi-Cal State General Funds)

Fees/Other: 35% (Federal Financial Participation Drug Medi-Cal)

STAFFING IMPACT:

An analysis was completed to verify the contract provides the County with persons specially trained, experienced, expert and competent to perform the special services in accordance with the law.

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A – Amendment No. 10 to Contract MA-042-22010617

Attachment B - Contract Summary Form