

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 24, 2026**

MINUTE ORDER NO. 7

SUBJECT: AUTHORIZE AMENDMENT TO EXTEND EXISTING BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION CONTRACT AND AUTHORIZE EXECUTION OF THE BEHAVIORAL HEALTH SERVICES PERFORMANCE CONTRACT AGREEMENT WITH THE STATE (DISTRICT: ALL)

OVERVIEW

The County of San Diego (County) Behavioral Health Services (BHS) department contracts with an administrative services organization (ASO) to provide specialized and technical operational support services that assist with maintaining BHS requirements to function as a specialty behavioral health plan. On August 4, 2015 (4), the San Diego County Board of Supervisors (Board) authorized the competitive solicitation of an ASO for these services. Since then, the Board has approved two contract extensions to support new requirements related to implementation of the Drug Medi-Cal Organized Delivery System, CalAIM, and actions to align with payment reform, among others.

The current ASO contract is with United Behavioral Health (dba Optum) through June 30, 2027, and up to an additional six months, if needed. The contract provides required specialized infrastructure, technical expertise, and dedicated resources that support BHS' foundational and evolving behavioral health plan administrative needs. ASO services include:

- Clinical management services,
- 24/7 Behavioral Health Access and Crisis Line,
- Utilization management services,
- Management of the BHS contracted fee-for-service provider network,
- Claims and billing support for in- and out-of-network providers and facilities,
- Management information system support services, and
- Credentialing and Medi-Cal provider enrollment services.

Today's action recommends the Board authorize an extension of the current contract up to June 30, 2030, and up to an additional six months, if needed, to allow operational continuity of the ASO, while concurrent actions advance the transformation of BHS into a standalone department. Extending the ASO contract allows BHS to develop a scope of work reflective of new and evolving policy and organizational changes, while minimizing compliance and fiscal risks as organizational roles and responsibilities are realigned. This will ensure the future ASO solicitation reflects realistic contractual scope, inclusive of service levels, staffing expectations, and budget requirements. It also maintains critical support to the network and preserves institutional knowledge during the transition.

Other systemwide updates include the implementation of the Behavioral Health Services Act (BHSA), which is State law passed by voters in March 2024, and outlines how counties will utilize various behavioral health funding sources to meet statewide and local outcome measures, reduce disparities, and address unmet needs. With the implementation of BHSA, the California Department of Health Care Services (DHCS) has introduced a new three-year Performance Contract Agreement, establishing the County's responsibility to provide an integrated and coordinated range of services appropriate to meet the needs of clients and to implement systemwide performance outcome measurements in San Diego County. Today's action requests the Board to authorize execution of the Fiscal Years 2026-27 through 2028-29 Performance Contract Agreement with DHCS.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, authorize the Director, Department of Purchasing and Contracting to amend and extend contract #553848 with United Behavioral Health (dba Optum) for the behavioral health administrative services organization up to June 30, 2030, and up to an additional six months if needed; subject to the availability of funds; and to amend the contract as required to reflect changes to services and funding allocations, subject to the approval of the Director, Behavioral Health Services.
2. Approve and authorize the Clerk of the Board to execute, upon receipt, the County Performance Contract for Fiscal Years 2026-27 through 2028-29 with the California Department of Health Care Services, amendments thereto, and future years’ agreements and amendments provided terms, conditions, and funding are not materially impacted subject to the approval of the Director, Behavioral Health Services.

EQUITY IMPACT STATEMENT

The County of San Diego (County) Behavioral Health Services (BHS) is the delivery system for mental health and substance use care for Medi-Cal eligible residents, focused on ensuring services are accessible, culturally responsive, aligned with the needs of diverse populations, and equitably distributed to reach those most in need.

In 2023, nearly one in three San Diegans were eligible for Medi-Cal. Among Hispanic/Latino residents, Medi-Cal eligibility was the highest, at 38% in 2023. For Medi-Cal eligible residents who experience serious mental illness or have a substance use care need, BHS offers County-operated and BHS-contracted programs that address the social determinants of health by being accessible, capable of meeting the needs of diverse populations, and culturally responsive with the intent to equitably distribute services to those most in need.

In doing so, BHS strives to reduce behavioral health inequities, identifying needs and designing services in a manner most impactful, equitable, and that will yield meaningful outcomes for those served. The services described in today’s recommendation are vital for BHS to continue to provide access to treatment and care for populations who are underserved by social and behavioral health resources.

SUSTAINABILITY IMPACT STATEMENT

Today’s actions support the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services, and Sustainability Goal #4 to protect the health and wellbeing of everyone in the region. This will be achieved by ensuring that critical behavioral health services are accessible, culturally responsive, and aligned with the needs of the most vulnerable communities. Today’s action promotes the health and wellbeing of Medi-Cal eligible residents by helping to maintain a comprehensive continuum of mental health and substance use services that are tailored to meet the needs of historically underserved populations.

FISCAL IMPACT

Recommendation #1: Authorize amendment to extend existing Behavioral Health Administrative Services Organization Contract

Funds for this request are included in the Fiscal Year (FY) 2025-27 Operational Plan in the Health and Human Services Agency (HHS). If approved, this will result in no change in costs and revenues in FY 2025-26 and FY 2026-27 and annual cost and revenues of approximately \$40 million starting FY

2027-28 through FY 2029-30. Funds for subsequent years will be incorporated into future operational plans. The funding sources are Behavioral Health Services Act, Realignment, Short-Doyle/Medi-Cal, and Drug Medi-Cal Organized Delivery System. There will be no change in net General Fund cost and no additional staff years.

Recommendation #2: Authorize execution of the Performance Contract Agreement with the State

There is no fiscal impact from this action. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Anderson, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended, on Consent.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter