



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency

Subject: Hub and Spoke System State Opioid Response 4 Grant Funding

Meeting Date: April 8, 2025

Formal Title: Ratification of Grant Application and Acceptance of \$2,249,992 in Multi-Year Grant Awards (2025-2027) from the California Department of Health Care Services for the Medication Assisted Treatment Expansion Project Hub and Spoke System State Opioid Response 4 Funding, Including \$409,091 for Fiscal Year 2024-25

Recommended Actions

- 1) Ratify a grant application to the California Department of Health Care Services for the California Hub and Spoke System State Opioid Response 4 Funding;
- 2) Accept multi-year grant awards in the total amount of \$2,249,992 from the California Department of Health Care Services for the Medication Assisted Treatment Expansion Project Hub and Spoke System program for the grant period of January 1, 2025 through September 29, 2027, and authorize the Health Services Agency Director or designee to sign any grant agreement and/or related grant documents and amendments with the designated Administrative Entity, Advocates for Human Potential

Executive Summary

The Health Services Agency (HSA) Health Centers Division (Health Centers) applied for and was awarded grant funding from the California Department of Health Care Services (DHCS) for Hub and Spoke System (H&SS), State Opioid Response (SOR) 4. The grant in the amount of \$2,249,992 is for the term of January 1, 2025, through September 29, 2027. HSA requests Board authorization to ratify submission of the grant application for H&SS SOR4 funding through DHCS and to sign the associated agreements. The funds allow HSA to pay salaries of current employees that work within the Health Centers Medication Assisted Treatment (MAT) programs.

Discussion

In July 2017, Janus of Santa Cruz (Janus) was chosen to administrate the funding from the MAT Hub and Spoke grant awarded to HSA by DHCS/Substance Abuse and Mental Health Services Administration (SAMHSA). Janus was the only Narcotic Treatment Program (NTP) in Santa Cruz County that applied to be the funds administrator. In August 2017, HSA was invited to become a sub-awardee for this grant, wherein Janus, as an NTP, is the 'Hub', and HSA, providing clinic services, is the 'Spoke'. On February 27, 2018, the Board approved a revenue agreement with Janus to provide limited term staffing from HSA Health Centers for provision of MAT. HSA has continued to maintain an ongoing revenue agreement with Janus for provision of these services.

In 2020, DHCS decided to eliminate the administrative burden on the NTP and selected Advocates for Human Potential, Inc. (AHP) to administer the funds for California. HSA Health Centers applied directly for the H&SS SOR2 grant funding through DHCS and was awarded based upon meeting previously funded grant objectives and patient

volume. On January 12, 2021, the Board approved a revenue agreement with AHP, Contract No. 21R0281, in the amount of \$1,632,000 for the grant term of October 1, 2020 through September 29, 2022.

In 2022, HSA Health Centers applied for the H&SS SOR3 grant funding through DHCS and was awarded \$1,196,580 for three of its health center locations for a term of January 1, 2023 through June 30, 2024. This funding was used to expand the MAT team to meet the increasing demand for MAT services in the County. Additional SOR3 funding, referred to as Bridge Funding, was awarded to all three health centers in the amount of \$126,932.71 for a term of September 30, 2024, through January 31, 2025.

On November 22, 2024, HSA Health Centers applied for the H&SS SOR4 grant funding through DHC. On January 9, 2022, HSA received notification that Santa Cruz County was awarded \$2,249,992 for three of its health center locations, including \$749,996.00 for the Homeless Persons Health Project (HHP), \$749,998.00 for the Watsonville Health Center (WHC), and \$749,998.00 for the Santa Cruz Health Center (SCHC) at Emeline. AHP, acting as the SOR4 H&SS Administrative Entity, has issued new revenue agreements for the grant term of January 1, 2025 through September 29, 2027.

According to the Department of Health Care Services, more than 7,000 Californians died from opioid overdose in 2022. More than 83,000 opioid-related overdose deaths occur per year across the country, more than 90 percent of which involve fentanyl. The Hub and Spoke System increases access to MAT services throughout the state, particularly in counties with the highest overdose rates.

The Hub and Spoke System consists of a network of Narcotic Treatment Programs (known as Hubs) licensed to dispense methadone and other medications for opioid use disorders (MOUD). These Hubs are connected to other MOUD prescribers (known as Spokes), which primarily provide various formulations of buprenorphine—a medication that reduces opioid cravings and withdrawal symptoms—and ongoing opioid use disorder (OUD) and substance use disorder (SUD) care and treatment.

The MAT program has served thousands in Santa Cruz County and their visits continue to increase annually as shown in the chart below.

Table: MAT Visits by Calendar Year

Year	MAT Visits
2021	4,500
2022	8,083
2023	11,645
2024	14,338
Grand Total	38,566

The MAT program has been recognized as a role model site for other health centers in California. The grant amount awarded to HSA for the SOR4 funding is a testament to the success of the program. This grant funding will be used to pay for existing MAT staff salaries. No new positions are being requested.

Financial Impact

The H&SS SOR 4 award in the total amount of \$2,249,992 will add \$409,092 to HSA Health Centers Budget in Fiscal Year (FY) 2024-25, with remaining funding appropriately budgeted in FY's 2025-26 and 2026-27. The board has approved HSA Health Center's budget for fiscal year 2024/2025, which includes sufficient appropriations to accommodate the additional funding this grant would provide. No new County General Funds are needed nor requested.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety

Submitted By:

Monica Morales, Director of Health Services

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.