

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**

**Regular Meeting: June 28, 2018**

Item Number: **045**

**Public Health**

Authorize negotiation and execution of Amendment No. 4 to an agreement with Foundation Communities, Inc. for the provision of permanent supportive housing assertive community treatment services for permanent supportive housing residents, adding two 12-month extension options beginning October 1, 2018 in an amount not to exceed \$322,000 per extension option, for a total agreement amount not to exceed \$1,932,000.

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| <b>Lead Department</b>      | Austin Public Health.  |
| <b>Fiscal Note</b>          | Funding for the contract is contingent upon available funding in Austin Public Health Department’s future Medicaid 1115 Waiver budget.   |
| <b>Prior Council Action</b> | On December 14, 2017, Council approved Amendment No. 3, which added one nine-month extension option and \$241,500, on an 11-0 vote. On March 2, 2017, Council approved Amendment No. 2, which added one eight-month extension option and \$241,500, on an 11-0 vote. On November 20, 2014, Council approved a 30-month agreement with Foundation Communities beginning November 1, 2014 in an amount not to exceed \$805,000 on a 7-0 vote. On August 2, 2012, Council approved Resolution No. 20120802-029 supporting participation in the Federal 1115 Medicaid Waiver Program, on a 7-0 vote. |
| <b>For More Information</b> | Stephanie Hayden, Director, 512-972-5010; Adrienne Sturup, Interim Assistant Director, 512-972-5167; Vella Karman, Social Services Policy Manager, 512-972-5064; Estella Kirscht, Agenda Coordinator, 512-972-5039.  |

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### **Additional Backup Information:**

Approval of this item will authorize Austin Public Health to negotiate and execute Amendment No. 4 to the agreement with Foundation Communities, Inc. for the continued provision of permanent supportive housing (PSH) services for individuals with complex medical and behavioral health conditions who have been chronically homeless.

Council authorization is being sought prior to the adoption of the Fiscal Year 2018-2019 budget in order to allow the parties sufficient time for negotiation and execution of an agreement with a start date of October 1, 2018, ensuring an uninterrupted continuation of services. The City previously executed Amendment No. 3, exercising a nine-month extension option beginning January 1, 2018. Amendment No. 2 exercised an eight-month extension option beginning May 1, 2017, in alignment with the Medicaid 1115 Waiver extension. Amendment No. 1 was a no-cost administrative amendment to modify program exhibits. Council approved the original 30-month agreement for \$805,000 beginning November 1, 2014, following a competitive solicitation process.

This Medicaid 1115 Waiver project supports the City's existing PSH strategy by providing assertive community treatment (ACT) services to individuals who have experienced chronic homelessness and co-occurring psychiatric, substance abuse, and/or chronic medical conditions. The goal of the ACT program is to assist participants in achieving housing stability, connect to a medical home, and ultimately live healthy happy lives. Other goals include avoiding the need for public emergency assistance and hospital inpatient readmissions, averting involvement in the criminal justice system, promoting wellness and medication adherence, and providing treatment, recovery and support services.

The Health and Human Services Commission approved Medicaid 1115 Waiver projects in two waves. In October 2012, Austin Public Health submitted an application to the Travis County Healthcare District, dba Central Health, for a four-year Medicaid 1115 Waiver project that serves PSH clients, as part of the Region 7 Medicaid Waiver Application. In October 2013, Austin Public Health submitted an application for a three-year Medicaid 1115 Waiver expansion project serving additional PSH clients through a similar process with Central Health. Both projects were approved and implemented. In May 2016, the Health and Human Services Commission announced a 15-month extension of all Medicaid 1115 Waiver projects beyond the original end date of September 30, 2016.

On March 25, 2010, City Council passed Resolution No. 20100325-053 directing the City Manager to give priority to funding for permanent supportive housing for vulnerable populations with annual

incomes at or below 30 percent median family income, and to develop a comprehensive strategy for the reconstruction and operation of 350 PSH units over the next four years.

On October 2, 2014, City Council passed Resolution No. 20141002-043 directing the City Manager to set a community target of 400 PSH units, with a minimum of 200 dedicated to 'Housing First' PSH, to be delivered through coordinated, community-wide efforts within four years, and to adopt updates recommended in the August 2014 PSH Evaluation Report to the PSH strategy.