


REPORT FROM

OFFICE OF MAYOR KAREN BASS

DATE: July 31, 2023

TO: The Council

FROM: Chief Mercedes Márquez 

REFERENCE: Opioids Settlement Trust Fund and Tobacco Settlement Trust Fund
Fiscal Year 2023-24 Unappropriated Balance Fund (C.F. 23-0670)

SUBJECT: Opioid & Tobacco Settlement Funds—
Substance Use Disorder Pilot Program Proposal

Summary

Pursuant to the Budget Committee's motion to move \$7,825,658 of the FY 22-23 Opioid and Tobacco Settlement funds from the Unappropriated Balance account into the General City Purposes fund, the Mayor's office was instructed to submit a pilot program proposal for expenditure of funds. This report outlines the background for the pilot program as well as its proposed design, implementation, and evaluation.

Background

The state of California entered into a settlement agreement with manufacturers and distributors of opioids in 2021. It is estimated that California will receive approximately \$2.05 billion from the Janssen and Distributors Settlement Agreement through 2038. According to the City Administrative Officer (CAO), from the opioid settlement agreements, the City expects to receive approximately \$5.1 million annually through FY 28-29, but as a result of shorter-term agreements ending there will be a decreasing amount received beginning FY 29-30 through the 18 years ending in FY 39-40. Funds must be used for future opioid-related projects (e.g., residential treatment, opioid treatment, education, and wraparound services) and/or reimbursed to the City's General Fund for past opioid-related expenses. As of June 28, 2023, City Council Budget Committee approved \$7,825,658 of the FY 22-23 Opioid and Tobacco Settlement funds from the Unappropriated Balance account to the General City Purposes Fund be used to establish a pilot for residential treatment for people experiencing homelessness (PEH) with substance use disorder (SUD) in the City of Los Angeles.

Homelessness is an issue that impacts many individuals and families with substance use disorders (SUD). Approximately 20-35 percent of people experiencing homelessness (PEH) in Los Angeles County report having SUD.^{1,2} Additionally, in 2020-21, 37% of all PEH deaths among men, women, all racial/ethnic and

¹ <http://publichealth.lacounty.gov/sapc/providers/programs-and-initiatives/homeless.htm>

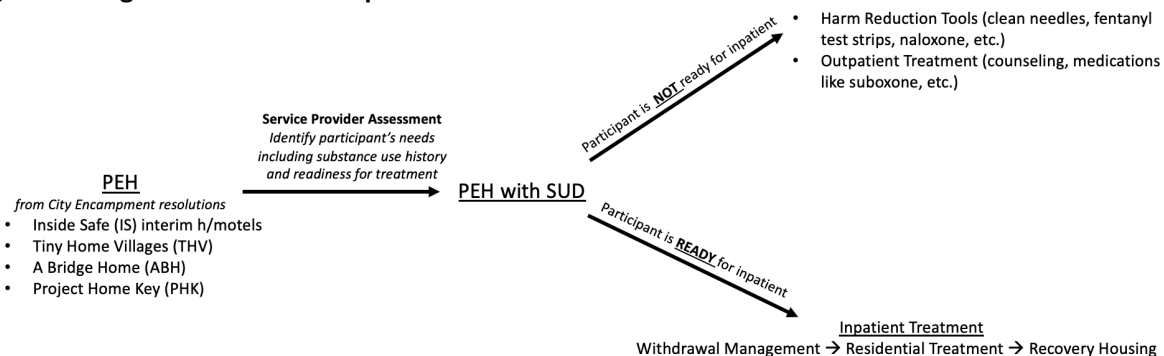
² <https://www.lahsa.org/news?article=726-2020-greater-los-angeles-homeless-count-results>

age groups under 60 were due to drug overdose.³ SUD occurs when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet personal responsibilities. Addiction is not a moral issue or a personal weakness. It is a disease where the standard of care is to meet a person where they are in their readiness for treatment. SUD management includes several evidence-based interventions such as harm reduction, outpatient treatment (e.g., medication-assisted therapy), inpatient treatment (e.g., drug withdrawal facilities, residential treatment), and recovery housing (also known as sober-living, recovery bridge and/or community-based housing).^{4,5,6}

Pilot Program Design & Implementation

This pilot will serve PEH in the City of Los Angeles who are moving indoors through City encampment resolution efforts leading to interim housing such as Inside Safe (IS), Tiny Home Villages (THV), A Bridge Home (ABH), and Project Home Key (PHK). These individuals are typically assessed by service providers to determine client needs including substance use history and readiness for SUD treatment (see Figure 1). Eligibility for 24/7 inpatient treatment is based on existing standards of care where the appropriate level of service and treatment is determined by a) medical/behavioral health assessments and b) an individual's willingness to accept the treatment offered. Ultimately, this pilot will assess the 1) City's interim housing referral process of PEH with SUD to inpatient treatment, and 2) impacts of at least 6-9 months of the spectrum of inpatient treatment (e.g., withdrawal, residential and recovery housing) depending on participants' medical needs.

Figure 1. Diagram of the referral process of PEH with SUD to treatment



Based on data from January 2023 from all 15 Council Districts, there are a total of approximately 4,700 PEH participants in City interim housing managed by 16 contracted agencies/service providers (see below, Table 1). LA County estimates that 20-35% of PEH have SUD, thus approximately 940- 1645 individuals in the City's interim housing will be assessed and diagnosed as PEH with SUD and can be triaged into this pilot program based on their willingness/readiness to pursue inpatient treatment. There are several limitations to predict the number of individuals who will participate in this pilot, however evidence suggests that the following are motivators for engagement in inpatient treatment– perceived harm of substance, severity of disorder, benefits and barriers to treatment, cues to action, and

³ (May 2023) *Mortality Rates and Causes of Death Among People Experiencing Homelessness in Los Angeles County:2014-2021* . Retrieved June 2023, from http://publichealth.lacounty.gov/chie/reports/Homeless_Mortality_Report_2023.pdf.

⁴ <https://www.samhsa.gov/find-help/harm-reduction>

⁵ <https://www.samhsa.gov/medications-substance-use-disorders>

⁶ de Andrade D, Elphinston RA, Quinn C, Allan J, Hides L. The effectiveness of residential treatment services for individuals with substance use disorders: A systematic review. *Drug Alcohol Depend.* 2019 Aug 1;201:227-235. doi: 10.1016/j.drugalcdep.2019.03.031. Epub 2019 Jun 20. PMID: 31254749.

self-efficacy to remaining abstinent.⁷ This pilot is designed to meet PEH with SUD where they are in their recovery journey, thus the Mayor's Office will work closely with CD Offices and the 16 contracted agencies/service providers managing city interim housing sites to properly identify the population who is ready and willing to pursue in-patient treatment. Those participants will be provided with a menu of five treatment center options with residential beds available across the City that are state-certified substance use and mental health treatment providers who hold County contracts. Additionally, for those who participate in the pilot program, there are several limitations to predict the length of their stay and the type of bed that they will medically qualify for, but we anticipate following the participant for at least 6-9 months and through the life-cycle of their inpatient treatment (withdrawal, residential treatment and recovery housing).

Through agreements overseen and administered by the City Administrative Officer (CAO), treatment providers will prioritize existing residential beds for referred City interim housing participants. Participants' treatment services will be paid for by their eligible benefits (e.g., Medi-Cal). However, in the event that their benefits end or are denied by the state, and the person still needs residential treatment and/or recovery housing facilities, the City will reimburse the treatment provider(s) for the additional time and services needed in the type of bed they are medically eligible for (e.g., residential treatment or recovery housing). The cost per participant will be based on current FY-23-24 [Los Angeles County Department of Public Health- Substance Abuse Prevention Control](#) (LAC DPH SAPC) standard rates depending on the participant's assessed appropriate level, length of services, and types of providers needed (see below, Table 2). The City will collaborate with the five treatment centers and the LAC DPH SAPC to ensure accurate billing. For the City participants, there will be no time limit for services, however every 30-days the City must be notified by the treatment center of an extension of services for each participant. Additionally, each treatment center will have an existing electronic record systems to track City participants from assessment to placement and throughout management and will be required to submit biweekly reports that include the following information:

1. # of total referrals received from service providers at City interim housing,
2. # of admitted participants and their length of stay,
3. # of exits and cause(s),
4. # of participants who exited and/or completed programming with invoicing.

To date we have had meetings with LAC DPH SAPC and several treatment centers about how to best implement this pilot. Given the diversity of City interim housing sites in each respective CD and the variation of assessing clients across service providers, to best craft the agreements with treatment centers that effectively serve participants, we hope to work closely with CD Offices to understand operations of each of the interim housing sites. We plan to execute agreements with no more than five treatment centers in the City of Los Angeles with California state-licensed and Los Angeles County-contracted residential treatment beds as well as recovery housing. In addition to the pilot design, payments, and data reporting described above, agreements may include care coordination, recovery and/or wrap-around services by treatment centers that support existing contracted agencies/service providers efforts to engage, counsel, and/or assess PEH with SUD.

⁷ Dillon PJ, Kedia SK, Isehunwa OO, Sharma M. Motivations for Treatment Engagement in a Residential Substance Use Disorder Treatment Program: A Qualitative Study. *Subst Abuse*. 2020 Aug 28;14:1178221820940682. doi: 10.1177/1178221820940682. PMID: 32922019; PMCID: PMC7457698.

Pilot Program Evaluation

The City plans to work with the CD offices, 16 service providers, 5 treatment centers, LAHSA, and LAC DPH SAPC to collect and analyze data to evaluate this pilot program's referral process as well as impacts on PEH with SUD who are willing/ready to pursue inpatient treatment.

To assess the City interim housing referral process of PEH with SUD to residential treatment, we plan to evaluate the pilot with the following metrics with data obtained from service providers:

- # of participants diagnosed with SUD
- # of participants who elect to pursue inpatient treatment
- # of participants who are referred to inpatient treatment

To assess the impacts of a 6-9 months of inpatient treatment of SUD for our participants, we plan to evaluate the pilot with the following metrics with data obtained from treatment centers, LAC DPH SAPC, and/or LAHSA:

- # of participants who were admitted to inpatient treatment
 - Average/Median length of time in detox
 - Average/Median length of time for residential treatment
 - Average/Median length of time for sober living
- # of participants exited from inpatient treatment- detox, residential, and/or sober living
 - Average/Median length of time before exiting program
 - Reasons for exit
- # of participants housed permanently
 - Average/Median length of time until permanent housing
- Average/Median cost per participant

Table 1. Interim Housing (IH) by Council District (CD) with managing agency/service provider

CD	Program Name	Agency/Service Provider	Type of IH
1	A Bridge Home Casa Azul	People Assisting the Homeless (PATH)	ABH
1	PHK CITY Beacon	Weingart Center Association	PHK
2	Inside Safe interim h/motels	Los Angeles Family Housing	IS
2	A Bridge Home Raymer CD2	Hope of the Valley Rescue Mission	ABH
2	A Bridge Home Van Nuys CD2	Hope of the Valley Rescue Mission	ABH
2	Tiny Home Village Chandler	Hope of the Valley Rescue Mission	THV
2	Tiny Home Village Whitsett West	Hope of the Valley Rescue Mission	THV
2	Tiny Home Village Alexandria Park	Hope of the Valley Rescue Mission	THV
3	Inside Safe interim h/motels	Hope the Mission	IS
3	A Bridge Home Canoga Park	LA Family Housing Corporation (LAFH)	ABH
3	Tiny Home Village Topham	Hope of the Valley Rescue Mission	THV
3	Tiny Home Village Vanowen	Hope of the Valley Rescue Mission	THV
4	Inside Safe interim h/motels	The People's Concern St. Joseph's Center	IS
4	A Bridge Home PAT FSC Crisis Housing Wallis Aviva	People Assisting the Homeless (PATH)	ABH
4	A Bridge Home PAT FSC Crisis Housing Riverside	People Assisting the Homeless (PATH)	ABH
4	A Bridge Home Los Feliz CD4	People Assisting the Homeless (PATH)	ABH
4	PHK CITY Sieroty	LA Family Housing Corporation (LAFH)	PHK
5	Inside Safe interim h/motels	The People's Concern	IS
5	A Bridge Home PAT FSC LA Cienega	People Assisting the Homeless (PATH)	ABH
6	A Bridge Home Aetna CD6	The Salvation Army	ABH
6	PHK CITY Sepulveda Villa	Volunteers of America of Los Angeles	PHK
7	Inside Safe interim h/motels	LA Family Housing Corporation (LAFH)	IS
7	A Bridge Home Sylmar	LA Family Housing Corporation (LAFH)	ABH
7	PHK CITY Encinitas	LA Family Housing Corporation (LAFH)	PHK
8	Inside Safe interim h/motels	HOPICS	IS
8	A Bridge Home St. Andrews Place	Special Service for Groups, Inc.	ABH
8	PHK CITY Restoration Apartments	Special Service for Groups, Inc.	PHK
9	Inside Safe interim h/motels	HOPICS	IS
9	A Bridge Home CD 9	Volunteers of America of Los Angeles	ABH
9	A Bridge Home SSG FSC Crisis Housing Figueroa	Special Service for Groups, Inc.	ABH
10	Inside Safe interim h/motels	HOPICS	IS
10	A Bridge Home CD 10	1736 Family Crisis Center	ABH
10	A Bridge Home Lafayette	The Salvation Army	ABH
10	PHK CITY Mollie Maison	The People Concern	PHK
11	Inside Safe interim h/motels	St. Joseph's Center	IS
11	A Bridge Home Sunset Youth	People Assisting the Homeless (PATH)	ABH
11	A Bridge Home Sunset Individuals	People Assisting the Homeless (PATH)	ABH
11	VA ABH (Men only)		ABH
11	PHK CITY The Layover	The People Concern	PHK
11	Homekey Venice		PHK
12	Inside Safe interim h/motels	LA Family Housing Corporation (LAFH) Hope the Mission	IS
12	PHK CITY Devonshire Lodge	Volunteers of America of Los Angeles	PHK
13	Inside Safe interim h/motels	People Assisting the Homeless (PATH)	IS
13	A Bridge Home YWCA	People Assisting the Homeless (PATH)	ABH
13	A Bridge Home YWCA Youth	People Assisting the Homeless (PATH)	ABH
13	CES Bridge Housing for Women Gardner Library	Weingart Center Association	ABH
13	A Bridge Home Schrader	Weingart Center Association	ABH
13	PHK CITY The Nest	Volunteers of America of Los Angeles	PHK

13	Tiny Home Village Westlake	Urban Alchemy	THV
14	Inside Safe interim h/motel	The Salvation Army The People's Concern	IS
14	A Bridge Home Civic Center CD14	Weingart Center Association	ABH
14	A Bridge Home El Puente	The People Concern	ABH
14	Lotus		ABH
14	PHK CITY Huntington Villas	Union Station Homeless Services	PHK
14	Titta's Inn/Casa Luna		PHK
14	LA Grand Hotel	The Salvation Army	PHK
14	Tiny Home Village Arroyo Seco	Hope of the Valley Rescue Mission	THV
15	Inside Safe interim h/motels	HOPICS Harbor Interfaith	IS
15	A Bridge Home Imperial Hwy	The Salvation Army	ABH
15	Beacon	Unknown	ABH
15	DHS 8th St. Interim Housing	Unknown	ABH
15	Eubank	Unknown	ABH
15	HomeKey San Pedro	Unknown	PHK
15	The Salvation Tiny Homes	Unknown	THV

Note: Inside Safe (IS), Tiny Home Villages (THV), A Bridge Home (ABH), Project Home Key (HK)

Table 2. Description and Cost Ranges for American Society of Addiction Medicine (ASAM) and Los Angeles County Services (Based on [LA County DPH-SAPC FY23-24 Rates Standards](#))

ASAM & LA County Service Level		Description	Range of Cost Depending on Rate Tier
Residential Withdrawal Management	Withdrawal Management – without On-Site Monitoring 3.2-WM	<i>Residential treatment bed for sub-acute detoxification/withdrawal management systems for individuals who do not require more than 24-hour medical monitoring (e.g., alcohol withdrawal).</i>	\$383.95- 395/day*
Inpatient Withdrawal Management (Hospital Settings)	Withdrawal Management – Medically Monitored 3.7-WM	<i>Hospital-based treatment bed for acute detoxification/withdrawal management systems for adult individuals who require medical monitoring (e.g., alcohol withdrawal).</i>	\$1000.39/day
Residential SUD Treatment	Level 3.1	<i>Low-intensity residential treatment bed</i>	\$210.34- 216.39/day*
	Level 3.3	<i>High-intensity population specific residential treatment bed, typically for people with co-occurring conditions or cognitive disorders that require more specialized services</i>	\$374.92-385.71/day*
	Level 3.5	<i>High-intensity non-population specific residential treatment bed programs</i>	\$239.42- 246.31/day*
	Care Coordination Level 3.1, 3.2 WM, 3.3, 3.5	<i>Medical team conference with interdisciplinary team of healthcare professionals, participation by non-physician, patient and/or family. This is a service added to the treatment bed rate.</i>	\$49.12- 474.30 per 30 minutes or more*
	Recovery Services	<i>Comprehensive community support, psychosocial rehabilitation. This is a service added to the treatment bed rate.</i>	\$10.92- 247.71 per 15 minutes*
SUD Housing Setting	Recovery Bridge Housing	<i>Interim housing for people concurrently in some form of outpatient SUD treatment within DPH-SAPC's network of care</i>	\$55-60/day

*Note: Price ranges noted are dependent on 1) designated Tier of the treatment center and 2) the types of service practitioners involved in the care of the patient (e.g., Registered/Certified alcohol and drug counselor, Licensed Practitioner of Healing Arts, Psychologist/Psychological Associate, Registered Nurse, Physician Assistant, Pharmacist, Nurse Practitioner, Physician-MD/DO)