



Staff Report

TO: City Council
FROM: Gustavo J. Romo, Deputy City Manager
DATE: November 4, 2025
SUBJECT: Professional Services Agreement with Care Solace for Mental Health Coordination Services Utilizing National Opioid Settlement Funds

Description: Consideration of a Professional Services Agreement with Care Solace, Inc. to provide care coordination services from mental health providers and community social services for all residents utilizing funds received from the national Opioid Settlement Agreements.

Background and Analysis:

The City of Beaumont has received funds from national Opioid Settlement Agreements (OSA) and anticipates receiving funds for the next 5 to 12 years, depending on settlement. This was the result of California joining multiple national lawsuits against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic. The funding share for each state has been determined by an agreement among the states that accounts for the impact of the opioid crisis on the state based on number of overdose deaths, number of residents with Substance Use Disorder (SUD), and number of opioids prescribed as well as the state's population. California jurisdictions receiving OSA allocations must utilize the opioid funds for substance use prevention, intervention, harm reduction, treatment and recovery services in communities.

Staff is proposing a contract with Care Solace for a three-year term to utilize a portion of funding received by the City of Beaumont under the California Opioid Settlements to provide mental health services to the community. Since receiving the settlement funds in 2022, the City has only been able to use \$20,000 (of the total \$122,396 paid-out) for an educational program that was later determined not to be eligible. Therefore, staff was considering declining future funds. It came to staff's attention that several jurisdictions, including the City of Murrieta, were able to expand usage of OSA funds by providing mental health coordination services through Care Solace. The services provided by Care Solace align with the State Department of Health Care Services (DHCS) requirements for using opioid abatement funding. The following table identifies the funds that have been identified for Beaumont from 2022 through 2038:

Total Beaumont Opioid Funds Paid and Estimated ¹

Beneficiary	Total Paid	Total Estimated
City of Beaumont	\$122,396.23	\$372,487.42

Beaumont Opioid Funds Paid and Estimated Per Year

Paid 2022	Paid 2023	Paid 2024	Est. 2025	Est. 2026	Est. 2027	Est. 2028
\$23,461.04	\$10,130.60	\$88,804.59	\$33,609.83	\$32,565	\$24,561.49	\$35,466.86

Est. 2029	Est. 2030	Est. 2031	Est. 2032	Est. 2033	Est. 2034	Est. 2035
\$34,793.97	\$32,225.35	\$29,717.57	\$29,717.57	\$22,810.48	\$22,810.48	\$22,810.48

Est. 2036	Est. 2037	Est. 2038
\$19,044.33	\$19,044.33	\$13,309.51

Per the State Department of Health Care Services (DHCS), the opioid settlement fund payment timeframes vary by settlement and can last up to 18 years. Funds must be expended or encumbered within five (5) years of receipt. Participating agencies may roll over funds from one year to the next or combine their allocations from multiple opioid settlements to pay for allowable expenditures.²

Care Solace serves as a central hub of care for the provision of social and mental health care coordination services to residents. They provide timely connections to verified mental health providers and local social services, expand on existing programs, and bridge the gaps for needs that exceed the scope of those services. They serve as a coordinated point of entry to mental health and social services and support first responders to crisis centers, social workers, and courts and jails. These services are available to all members of the community regardless of financial status. The idea is to have a tech-enabled human approach with equitable access to reliable, ethical, and high-quality mental health care. The services do not rely on medical insurance coverage, Employee Assistance Programs (EAPs), Medicaid, and sliding scale options for those without insurance. Care Solace’s care coordination simply bridges the gap to behavioral health services for individuals in even the most vulnerable communities.

Care Solace’s three main proprietary services - Care Loop, Care Match, and Care Companions – are intended to amplify the City’s current initiatives and services while filling gaps and offering insights through its proposed Scope of Services (Attachment A).

¹ Source: County of Riverside, Opioid Settlement Payouts Data 2025 Spreadsheet

² Source: January 4, 2024, DHCS Behavioral Health Information Notice No. 24-002

The Provider Database used by Care Solace offers City residents and agencies access to more than 473,000 verified mental health providers, 110,000 of which are in California, including those offering advanced pathways to care. Providers are geocoded, so an individual can select a local provider for in-person sessions, if preferred. Selection filters also include language, ethnicity, age, and specialization among others. All services are confidential, accessible 24/7/365, and can be accessed via phone or internet. The services do not require any special equipment or access speed.

It is important to note that mental health affects everyone. It is well-documented that nearly half of the population will experience a mental health concern during the course of each lifetime. According to the report, “Key Substance Use and Mental Health Indicators in the United States: Results from the 2021 National Survey on Drug Use and Health developed by SAMHSA” (Substance Abuse and Mental Health Services Administration):

- 18.8 percent of adults aged 18 or older (or 46.5 million people) in the past year received inpatient or outpatient mental health services, prescription medication for a mental health issue, or virtual (i.e. telehealth) services.
- Approximately 4 percent of Americans across all income, geographic and ethnic backgrounds live with a chronic, severe and disabling mental illness.
- Approximately 21 percent of adolescents have had a mental health disorder by the age of 18.

Care Solace proposes to assist the City of Beaumont by providing its residents with a streamlined, confidential, and free pathway to mental health and substance use care as follows:

- **Connect Residents to Providers:** Care Solace has a large database of mental health care and substance use treatment providers. It can match Beaumont residents with professionals based on their specific needs, insurance, and other preferences.
- **Personalized Assistance:** Care Solace offers a 24/7/365 "Care Companion" team that can guide residents through the process of finding and scheduling appointments. They can even make calls on behalf of the resident, helping them navigate insurance and reduce wait times.
- **Addressing Barriers to Care:** The service is designed to remove common obstacles to seeking mental health support, such as the difficulty of finding a provider who is accepting new patients or the confusion of navigating different insurance plans. Care Solace can assist residents whether they have private insurance, Medicaid, or no insurance at all.

- **Support for the Whole Community:** Care Solace works with municipalities to provide community-wide solutions for all residents. The platform can also help with connecting people to social services like housing and food assistance.
- **Confidentiality:** The service is confidential, and any information shared is securely stored. Users can even access an anonymous self-service tool to search for providers on their own. Care Solace will be required to comply with all applicable federal and state data privacy laws, including the Health Insurance Portability and Accountability Act (HIPAA), the California Consumer Privacy Act (CCPA), and related regulations.

In conclusion, staff believes implementation of the Care Solace Central Hub of Care will provide another powerful tool in Beaumont's toolkit to connect residents with licensed behavioral health care providers and social services and will further efforts to impact mental health and community well-being through a dedicated funding source.

Purchasing Policy – Sole Source Justification

After considerable research, staff was able to justify a sole-source contract without having to bid the services. Staff determined that no comparable services are available, citing the following key features: 24/7 access, provider matching, warm handoffs, and direct first-responder integration as the basis for bypassing competitive bidding. In addition, several comparable jurisdictions have made a similar determination and awarded sole-source contracts to Care Solace, highlighting relevant justifications within their staff reports, including the cities of Murrieta, Santa Clara, and Stockton.

Per staff's consensus, a Request For Proposals would not produce a full-service alternative. Without that, the City would likely need to dedicate staff time, resources, and new internal processes to manage and coordinate the program. One advantage of Care Solace is that they offer a turnkey solution and have direct experience administering programs funded by opioid settlement dollars. Given our challenges in deploying these funds, this expertise would be a significant asset. In line with the justification provided by other cities who have made a sole-source determination for a Care Solace agreement, the uniqueness of services along with a proven track record makes a competitive procurement process contrary to the public interest.

Fiscal Impact:

Annual pricing for the City of Beaumont is based on a fee of \$1.00 per resident/per year. There is sufficient funding in the Opioid Settlement Agreements revenue accounts to award a Professional Services Agreement to Care Solace, Inc. in a not-to-exceed amount of \$135,000 for a term of three years, to provide social services and mental health care coordination services to Beaumont residents. Therefore, there is no impact to the General Fund or any other non-restricted funds from this action.

Recommended Action:

Staff recommends that the City Council:

1. Approve the Professional Services Agreement with Care Solace, Inc. in the Not-to-Exceed amount of \$135,000 for a three-year term to provide social and mental health care coordination services utilizing funds received through the National Opioid Settlement Agreements;
2. Approve of the Business Associate Agreement establishing required safeguards for the protection and handling of Protected Health Information (PHI) in compliance with the Health Insurance Portability and Accountability Act (HIPAA), the California Medical Information Act (CMIA), and other applicable data privacy and security laws; and
3. Authorize the City Manager to take appropriate actions to carry out the purpose and intent of this Agreement.

Attachments:

- A. Professional Services Agreement w/Scope of Services
- B. Business Associate Agreement
- C. Proposal
- D. Presentation