



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Behavioral Wellness  
**Department No.:** 043  
**For Agenda Of:** October 3, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Department of Behavioral Wellness (805) 681-5220  
Contact Info: Chris Ribeiro, Chief Financial Officer  
Department of Behavioral Wellness (805) 681-5220  
**SUBJECT:** **Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center FY 21–24 Second Amendment and Community Action Commission of Santa Barbara County dba CommUnify FY 22–25 First Amendment to the Services Agreements for Mental Health Services**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with **Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center**, (BC 21-033), to update the service descriptions for intensive residential programs (Exhibits A-2 and A-6), rename the Recovery Learning Center to Wellness Center, add a new program Statement of Work for Peer and Parent Partners in Wellness, implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement, and add \$830,195 in Mental Health Services funding to FY 23-24 for a new total contract maximum amount not to exceed **\$8,267,006**, inclusive of \$2,152,751 for FY 21-22, \$2,642,030 for FY 22-23, and \$3,472,225 for FY 23-24, for the period of July 1, 2021 through June 30, 2024 (Attachment A);
  - i. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt the services under the Agreement for convenience per Section 20 of the Agreement; make immaterial changes to the Agreement per Section 26 of the Agreement; modify Program staffing requirements per Exhibits A-2 and A-7 of the Agreement; reallocate funds between funding sources with discretion per Exhibit B of

- the Agreement; reallocate flexible funds between adult residential facilities and/or reallocate additional funds from other funding sources per Exhibit B-1 of the Agreement; adjust the provisional rate with discretion per Exhibit B of the Agreement; authorize additional services with discretion per Exhibit B-1 of the Agreement; increase or remove the County Maximum Allowable Rate with discretion per Exhibit B-1 of the Agreement; and amend the program goals, outcomes, and measures per Exhibit E of the Agreement, all without altering the Maximum Contract Amount and without requiring the Board's approval of an amendment of the Agreement, subject to the Board's ability to rescind this delegated authority at any time;
- b) Approve, ratify, and authorize the Chair to execute a First Amendment to the Agreement for Services of Independent Contractor with **Community Action Commission of Santa Barbara County dba CommUnify**, (BC 22-014), to update staffing requirements, implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement, and add \$683,076 in Mental Health Services Funding for FY 23-24 and FY 24-25 for a new total contract maximum amount not to exceed **\$4,218,711**, inclusive of \$1,178,545 for FY 22-23, \$1,520,083 for FY 23-24, and \$1,520,083 for FY 24-25, for the period of July 1, 2022, through June 30, 2025 (Attachment B); and
- c) Determine that the above actions are government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:**

This item is on the agenda to request Board of Supervisors approval of contract amendments with two mental health providers: Mental Wellness Center and CommUnify. These include the Second Amendment to the Agreement with Mental Wellness Center (BC 21-033) to update the service descriptions for intensive residential programs, rename the Recovery Learning Center to Wellness Center, add a new program Statement of Work for Peer and Parent Partners in Wellness effective July 1, 2023, implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes through the implementation of new financial provisions effective July 1, 2023, and add \$830,195 to the contract for a new total contract maximum amount not to exceed **\$8,267,006**, for the period of July 1, 2021 through June 30, 2024; and the First Amendment to the Agreement with CommUnify (BC 22-014) to update staffing requirements, implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement through the implementation of new financial provisions effective July 1, 2023, and add \$683,076 in Mental Health Services Funding for FY 23-24 and FY 24-25 for a new total contract maximum amount not to exceed **\$4,218,711**, inclusive of \$1,178,545 for FY 22-23, \$1,520,083 for FY 23-24, and \$1,520,083 for FY 24-25, for the period of July 1, 2022 through June 30, 2025.

**Background:**

Santa Barbara County Department of Behavioral Wellness (BWell) provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part, through contracted providers including Community-Based Organizations.

- **Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center (MWC)** provides residential and community mental health services to adults in the Santa Barbara

area. MWC provides intensive adult residential services through Casa Juana Maria, Cottage Grove House, Alameda House, and Polly's House. The De La Vina House provides permanent housing and single room occupancy for clients. MWC also operates the Santa Barbara Recovery Learning Center (RLC), which offers the Consumer-Led Program, a program that provides peer support, self-help, and connections to community resources, including health and wellness activities as well as a computer lab for clients to have access to computers and learn related skills. The Family Advocate offers services to families of clients with serious and persistent mental illnesses through education, support, and linkage to resources. A new program to be added through this Second Amendment, Peer and Parent Partners in Wellness, is a Mental Health Services Act Prevention and Early Intervention program which will encourage mental health and wellness by working to reduce negative outcomes that result from untreated mental illness. The program will employ a trained, diverse team of peers, family advocates, and clinical staff to engage and support the mental health needs of referred families, providing education and connection to natural supports and mental health resources in the community.

- **Community Action Commission of Santa Barbara County dba CommUnify** provides mental health services to Medi-Cal eligible children with Serious Emotional Disorders at three regional children's clinics countywide, as well as specialty mental health services for children up to age five through the Head Start programs located in Lompoc, Santa Maria, and Santa Barbara. CommUnify's rehabilitation specialists provide flexible, intensive, and individualized behavioral interventions designed to assist youth with developing interpersonal and social skills, managing negative behaviors, and succeeding in their home, school, and community.

### **CalAIM Payment Reform**

California Advancing and Innovating Medi-Cal (CalAIM) is a multi-year California Department of Health Care Services (DHCS) initiative to improve the quality of life and health outcomes of our population by implementing broad delivery system, program, and payment reform across the Medi-Cal program. The behavioral health components of CalAIM are designed to support whole-person, integrated care; move the administration of Medi-Cal behavioral health to a more consistent and seamless system by reducing complexity and increasing flexibility; and improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through improvements to behavioral health policies and the launch of behavioral health payment reform. The majority of these policy changes launched in 2022, but implementation will continue through 2027.

Through realignment efforts in 1991 and 2011, funding for the majority of the non-federal share of costs associated with the Specialty Mental Health Services and Substance Use Disorder services became the responsibility of the counties. Currently, counties are reimbursed for these programs via Medicaid Certified Public Expenditure (CPE) methodologies. Under the CPE structure, reimbursements to counties are limited to costs incurred by the counties and are subject to a lengthy and labor-intensive cost reconciliation process. The CalAIM Behavioral Health Payment Reform initiative seeks to move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal beneficiaries. Payment reform will transition counties from cost-based reimbursement funded via CPEs to fee-for-service reimbursement funded via Intergovernmental Transfers, eliminating the need for reconciliation to actual costs.

CalAIM Payment Reform has resulted in significant changes to the standard contract templates and the entire payment and reimbursement structure for Medi-Cal providers. Due to the establishment of a new rate structure by DHCS, Medi-Cal providers have renegotiated their rates as they transition to a Fee-for-

Service based payment, resulting in a higher maximum contract amount. The additional funding is intended to cover increased operating costs, client flexible support funds to support clients in reaching their treatment goals, and an incentive payment to implement quality assurance and utilization review activities that will enhance operational efficiencies and compliance under CalAIM.

BWell requests to amend the Agreements for Services of Independent Contractor with Mental Wellness Center and CommUnify to implement CalAIM Behavioral Health Payment Reform changes through the implementation of new financial provisions effective July 1, 2023. Approval of the recommended actions will allow the County to maintain compliance with DHCS requirements and implement the new payment methods necessary for partnership with providers.

**Performance Measure:**

Each Agreement contains performance measures to monitor implementation and improve staff proficiency.

**Performance Outcomes:**

**Mental Wellness Center:**

During the first three quarters of FY 2022-23, they achieved the following:

1. Casa Juana Maria: They served an average of 6 clients and discharged an average of 0.3 clients per quarter. They met 3 of their 8 goals; 6% of clients hospitalized for physical health with a goal of 10% or less; no clients incarcerated with a goal of 5% or less; and 100% of clients with stable housing with a goal of 95% or more. Of the 5 goals they did not meet; 11% of clients were admitted to acute psychiatric inpatient care with a goal of 5% or less; 11% of clients received emergency care for physical health with a goal of 10% or less; 33% of clients were engaged in purposeful activity with a goal of 40% or more; 0 clients (0%) were discharged to a lower level of care with a goal of 85% or more, and the one client who was discharged was discharged to a higher level of care (100%) with a goal of 15% or less.
2. Alameda House: They served an average of 5.3 clients per quarter and had no discharges. They met 4 of their 8 goals; 8% of clients received emergency room care with a goal of 10% or less; 8% of clients were hospitalized with a goal of 10% or less; no clients were incarcerated with a goal of 5% or less; 100% of clients had stable housing with a goal of 95% or more. Of the 2 goals they did not meet; 8% of clients were admitted for inpatient psychiatric care with a goal of 5% or less, and 33% of clients were engaged in purposeful activity with a goal of 40% or more. Two goals were N/A because they had no discharges.
3. CG House: They served an average of 5.3 clients per quarter and had no discharges. They met 4 of their 8 goals; no clients received emergency room care with a goal of 10% or less; no clients were hospitalized with a goal of 10% or less; no clients were incarcerated with a goal of 5% or less; no clients received inpatient psychiatric care with a goal of 5% or less. Of the 2 goals they did not meet; 92% of clients had stable housing with a goal of 95% or more and 6% of clients were engaged in purposeful activity with a goal of 40% or more. Two goals were N/A because they had no discharges.
4. Polly's House: They served an average of 10.3 clients and discharged an average of 0.3 clients per quarter. They met 4 of their 8 goals; 3% of clients received emergency room care with a goal of 10% or less; 3% of clients were hospitalized for physical health with a goal of 10% or less; no clients were incarcerated with a goal of 5% or less and 100% of clients had stable housing with a goal of 95% or more. Of the 4 goals they did not meet; 32% of clients were engaged in purposeful activity with a goal of 40% or more; 7% of clients were admitted to psychiatric inpatient care with

a goal of 5% or less; 0 clients were discharged to a lower level of care and the one client who was discharged was discharged to a higher level of care which resulted in 100% and they have a goal of 15% or less.

5. DLV House: They served an average of 5 clients per quarter and had no discharges. They met 5 of their 8 goals; no clients received emergency room care with a goal of 10% or less; no clients were hospitalized for physical health with a goal of 10% or less; no clients were incarcerated with a goal of 5% or less; 100% of clients had stable housing with a goal of 95% or more; and no clients were admitted to psychiatric inpatient care with a goal of 5% or less. Of the 1 goal they did not meet, 27% of clients were engaged in purposeful activities with a goal of 40% or more. Two goals were N/A because they had no discharges.
6. Recovery Learning Center: They served an average of 108 clients per quarter. They had a total of 4,254 client visits; 20 support groups; 215 support group meetings; 17 classes; 4 outings and educational events; 371 clients who were unserved or underserved and 264 clients referred to additional services.
7. Family Advocate: They served an average of 155 clients per quarter. They had a total of 1,275 client visits; 26 support groups; 204 support group meetings; 31 educational events; 312 clients who were unserved or underserved; 22 clients receiving services in Spanish and 233 clients referred to additional services.

### **CommUnify:**

During the first three quarters of FY 2022-23, they achieved the following:

1. Head Start: They served an average of 65.3 clients per quarter and discharged an average of 65.3 clients per quarter. They met all 5 of their goals; 100% of clients had stable housing with goal of 95% or more; 100% of clients were engaged in purposeful activity with the goal of 95% or more; 0% of clients were discharged to higher level of care with the goal of 15% or less; 100% of clients were discharged to lower levels of care with the goal of 85% or more; 0% of clients with new out-of-primary home placements with the goal of 5% or less.
2. New Heights Transitional Age Youth (TAY) Full Service Partnership (FSP) Santa Barbara: They served an average of 26.7 clients per quarter and discharged an average of 12.7 clients per quarter. They met 4 of their 7 goals; 0% of clients were incarcerated with the goal of 5% or less; 11% of clients were discharged to a higher level of care with a goal of 15% or less; 89% of clients discharged to lower levels of care with the goal of 85% or more; and 1% of clients with new Out Of Primary Home Placements with the goal of 5% or less. Of the 3 goals they did not meet; 8% of clients were admitted to inpatient care with a goal of 5% or less; 91% of clients had stable housing with a goal of 95% or more; 74% of clients were engaged in purposeful activity with a goal of 95% or more.
3. New Heights TAY FSP Santa Maria: They served an average of 20.3 clients per quarter and discharged an average of 8.3 clients per quarter. They met 6 of their 7 goals; 2% of clients were incarcerated with the goal of 5% or less; 5% of clients were admitted to inpatient care with the goal of 5% or less; 96% of clients had stable housing with the goal of 95% or more; 0% of clients were discharged to higher level of care with the goal of 15% or less; 100% of clients were discharged to lower levels of care with the goal of 85% or more; 0% of clients with new out-of-primary home placements with a goal of 55% or lower. Of the 1 goal they did not meet; 88% of clients were engaged in purposeful activity with the goal of 95% or more.

4. New Heights TAY FSP Lompoc: They served an average of 27.7 clients per quarter and discharged an average of 2.7 clients per quarter. They met 3 of their 7 goals; 0% of clients were incarcerated with the goal of 5% or less; 0% of clients were admitted to inpatient care with the goal of 55% or less; 0% of clients with new out-of-primary home placements with the goal of 55% or less. Of the 4 goals they did not meet: 85% of clients had stable housing with the goal of 95% or more; 48% of clients were engaged in purposeful activity with the goal of 95% or more; 17% of clients were discharged to a higher level of care with the goal of 15% or less; 83% of clients were discharged to a lower level of care with the goal of 85% or more.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Mental Wellness Center:

<b><u>Funding Sources</u></b>	<b><u>FY 21-22 Cost</u></b>	<b><u>FY 22-23 Cost</u></b>	<b><u>FY 23-24 Cost</u></b>	<b><u>Total Cost FY 21-24</u></b>
General Fund				
State	\$ 1,251,848.00	\$ 1,570,402.00	\$ 1,291,970.00	\$ 4,114,220.00
Federal	\$ 599,815.00	\$ 782,534.00		\$ 1,382,349.00
County	\$ 301,088.00	\$ 289,094.00		\$ 590,182.00
Other: Medi-Cal Patient Revenue			\$ 2,180,255.00	\$ 2,180,255.00
<b>Total:</b>	<b>\$ 2,152,751.00</b>	<b>\$ 2,642,030.00</b>	<b>\$ 3,472,225.00</b>	<b>\$ 8,267,006.00</b>

CommUnify:

<b><u>Funding Sources</u></b>	<b><u>Cost FY 22-23:</u></b>	<b><u>Cost FY 23-24:</u></b>	<b><u>Cost FY 24-25:</u></b>	<b><u>Total Cost FY 22-25</u></b>
General Fund				
State	\$ 630,611.00	\$ 194,533.00	\$ 194,533.00	\$ 1,019,677.00
Federal	\$ 547,934.00			\$ 547,934.00
Fees				\$ -
Other: Medi-Cal Patient Revenue		\$ 1,325,550.00	\$ 1,325,550.00	\$ 2,651,100.00
<b>Total</b>	<b>\$ 1,178,545.00</b>	<b>\$ 1,520,083.00</b>	<b>\$ 1,520,083.00</b>	<b>\$ 4,218,711.00</b>

Narrative: The above-referenced Agreements are funded by a combination of State and federal funds. With the transition to CalAIM Payment Reform, the contract will be funded with Medi-Cal Patient Revenue which primarily consists of federal funds. The amount of federal funds varies depending on the client’s Medi-Cal aid code, with youth services receiving a higher share of federal funding. The funding sources were included in the FY 23-24 Adopted Budget. Funding for future fiscal years is contingent on Board approval.

**Key Contract Risks:**

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

**Special Instructions:**

Please email one (1) Minute Order and one (1) of each complete executed Amendment to Bethany Le at [bethle@sbcbswell.org](mailto:bethle@sbcbswell.org), Marlene Zavala at [mazavala@sbcbswell.org](mailto:mazavala@sbcbswell.org), and the BWell Contracts Division at [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

Attachment A: Mental Wellness Center FY 21-24 Second Amendment

Attachment B: CommUnify FY 22-25 First Amendment

Attachment C: Mental Wellness Center FY 21-24 First Amendment Executed

Attachment D: Mental Wellness Center FY 21-24 BC Executed (BC 21-033)

Attachment E: CommUnify FY 22-25 BC Executed (BC 22-014)

**Authored by:**

B. Le

M. Zavala