



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: August 29, 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: Laura Zeitz, Division Chief, Inpatient/Housing/Long Term Care  
Department of Behavioral Wellness, (805) 681-5220  
**SUBJECT:** Sylmar Health and Rehabilitation Center, Inc., CF Merced Behavioral, LLC, and  
Crestwood Behavioral Health, Inc. FY 23-26 Services Agreement Renewals for  
Institutions for Mental Disease and Skilled Nursing Facility 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 an Agreement for Services of Independent Contractor with **Sylmar Health and Rehabilitation Center, Inc.** (not a local vendor) for the provision of mental health services and residential treatment services for a total maximum contract amount not to exceed **\$3,240,000**, inclusive of **\$1,050,000** for FY 23-24, **\$1,080,000** for FY 24-25, and **\$1,110,000** for FY 25-26, for the period of July 1, 2023, through June 30, 2026;
- b. Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **CF Merced Behavioral, LLC dba Merced Behavioral Center** (not a local vendor) for the provision of mental health services and residential treatment services for a total maximum contract amount not to exceed **\$1,305,000**, inclusive of **\$435,000** per fiscal year, for the period of July 1, 2023, through June 30, 2026;
- c. Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Crestwood Behavioral Health, Inc.** (not a local vendor) for the provision of mental health services and residential treatment services for a total maximum contract amount not to exceed **\$1,800,000**, inclusive of **\$580,000** for FY 23-24, **\$600,000** for FY 24-25, and **\$620,000** for FY 25-26, for the period of July 1, 2023, through June 30, 2026;
- d. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt services under the Agreement for convenience and make immaterial changes to the Agreement per Sections 20 and 26 of the Agreements, amend the program goals, outcomes, and measures per the Exhibits E, and authorize, in writing, changes to the rates, per the Exhibit B-1s all without altering the maximum contract amount and without requiring the Board's approval of an

amendment of each Agreement, subject to the Board's ability to rescind this delegated authority at any time; and

- e. 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:**

The Department of Behavioral Wellness (BWell) requests approval of agreements for Institutions for Mental Disease (IMD) and Skilled Nursing Facility (SNF) services for FY 23-26 with Sylmar Health and Rehabilitation Center, Inc. (Sylmar), CF Merced, LLC (Merced), and Crestwood Behavioral Health, Inc. (Crestwood). Approval of the recommended actions will allow BWell to continue to provide mandated mental health and ancillary services to its clients without a gap in services.

### **Background:**

BWell provides a continuum of specialty mental health services to Santa Barbara County residents, partly through contracted providers. Contracts with facilities providing services at various levels of care are key to ensuring that clients' needs are optimally met.

IMDs are facilities including hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental illness, including medical attention, nursing care, and related services. There are a limited number of these highly structured residential treatment services in California, and none in Santa Barbara County. BWell contracts with IMDs licensed as Acute Psychiatric Hospitals, Skilled Nursing Facilities with Special Treatment Patches, and Mental Health Rehabilitation Centers. BWell also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structured programs for clients transitioning out of IMDs.

On September 15, 2020, the County of Santa Barbara Board of Supervisors (BOS) approved of BWell entering into an Agreement with Sylmar for the provision of mental health services and residential treatment services for a contract maximum amount not to exceed \$1,650,000, inclusive of \$650,000 for FY 20-21; \$500,000 for FY 21-22 and \$500,000 for FY 22-23, for the period of July 1, 2020 through June 30, 2023. Sylmar is a locked facility for adults with severe mental illness in Los Angeles County. Sylmar provides intensive psychiatric mental health treatment, medical assessment, diagnosis and monitoring, and treatment groups for clients, including those diagnosed with co-occurring disorders. This facility can accommodate medically complex or fragile individuals.

On August 18, 2020, the BOS approved of BWell entering into an Agreement with Merced, for the provision of mental health services and residential treatment services, for a contract maximum amount not to exceed \$1,500,000, inclusive of \$500,000 per fiscal year, for the period of July 1, 2020 through June 30, 2023. Merced is located in Merced County and provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring in a locked setting to adult clients 18 years of age to 65 years of age.

On June 16, 2020, the BOS approved of BWell entering into an Agreement with Crestwood, for the provision of mental health services and residential treatment services, for a contract maximum amount not to exceed \$1,500,000, inclusive of \$500,000 per fiscal year, for the period of July 1, 2020 through June 30, 2023. Crestwood's facilities are located in Kern, Shasta, Santa Clara counties, and provide intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring, and treatment groups for clients, including those diagnosed with co-occurring disorders, in locked facilities. These skill-building, symptom-management services are designed to support clients in returning to community living as soon as possible. Approval of these Board Contract renewals will allow for necessary mental health services to continue to be provided without a gap in services.

### **Performance Outcomes:**

The Contractors are achieving the outcomes to the required standards set forth in the Agreements within the allocated budget.

#### **Sylmar**

For the first three quarters, FY 22-23, Sylmar met six (6) of their seven (7) goals. Sylmar has held a steady client caseload of nine (9) since April 2023. The current funding projections are based on a current client caseload of ten (10) clients through June 30, 2024. Sylmar served an average of nine (9) clients per quarter with one (1) discharge total. The long term care team has regular and ongoing contact with this facility and assists with Case Management to collaborate to meet the goals outlined. Sylmar is able to accommodate some of the County's most complex individuals including those with a history of serious behavioral challenges. Sylmar actively participates in outcome reporting to our Quality Care Management Department.

Sylmar has the following outcomes for the First Three Quarters of FY 2022-23:

1. Sylmar served an average of nine (9) clients per quarter with one (1) discharge total;
2. 6% were admitted to acute psychiatric inpatient care with a goal of 10% or less;
3. no one received emergency care for physical health with a goal of 10% or less;
4. no one was hospitalized for physical health with a goal of 10% or less;
5. 24% had incidents requiring a higher level of supervision with a goal of 5% or less;
6. No clients were incarcerated with a goal of 5% or less;
7. Out of the one (1) discharge, the discharge was to a higher level of care.

#### **Merced**

For the first three quarters of FY 2022-23, Merced met five (5) of their seven (7) goals. CF Merced has held an average of one client caseload since April 2023, but has had a census of two (2) individuals per quarter. The current funding projections are based on a current client caseload of one (1) client through June 30, 2024. The long-term care team has regular and ongoing contact with this facility and assists with Case Management to collaborate to meet the goals outlined. Merced is able to accommodate some of the County's most complex individuals including those with a history of serious behavioral challenges. Merced actively participates in outcome reporting to our Quality Care Management Department. Due to the fact that Merced served only one (1) individual, the data collected does not appropriately express the success of the program.

For the first three quarters of FY 22-23, Merced had the following outcomes:

1. Merced served an average of one (1) client per quarter with one (1) discharge total;
2. There were no acute psychiatric inpatient admissions with a goal of 10% or less;
3. No emergency care for physical health with a goal of 10% or less;
4. 17% were hospitalized for physical health with a goal of 10% or less;
5. 17% had incidents requiring a higher level of supervision with a goal of 5% or less;
6. No clients were incarcerated with a goal of 5% or less; and
7. Out of the one (1) discharge, the discharge was to a same level of care.

#### **Crestwood**

For the first three quarters of FY 2022-23, Crestwood met seven (7) of their nine (9) goals. Crestwood has held a steady client caseload of 33 since April 2023. The current funding projections are based on a current client caseload of 43 clients through June 30, 2024.

Crestwood served an average of 33 clients per quarter with an average of five (5) discharges per quarter. The long-term care team has regular and ongoing contact with this facility and assists with Case Management to collaborate to meet the goals outlined. Crestwood is able to accommodate some of the County's most complex individuals including those with a history of serious behavioral challenges. Crestwood actively participates in outcome reporting to our Quality Care Management Department.

For the first three quarters of FY 2022-23, Crestwood had the following outcomes:

1. There were no incarcerations with a goal of 5% or less;
2. No admits to acute psychiatric inpatient care with a goal of 10% or less;
3. 1% received emergency care for physical health with a goal of 10% or less;
4. 1% were hospitalized for physical health with a goal of 10% or less;
5. 100% had stable/permanent housing;
6. 100% were engaged in a purposeful activity;
7. 13% were discharged to a lower level of care with a goal of 85% or more;
8. No clients were discharged to a higher level of care with a goal of 15% or less; and
9. 18% had incidents requiring a higher level of supervision with a goal of 5% or less.

### **Fiscal and Facilities Impacts:**

Budgeted: Yes

### **Fiscal Analysis:**

| <b><u>Funding Sources</u></b> | <b><u>Sylmar<br/>FY 23-26</u></b> | <b><u>CF Merced<br/>FY 23-26</u></b> | <b><u>Crestwood<br/>FY 23-26</u></b> | <b><u>Total FY<br/>23-26 Cost</u></b> |  |
|-------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|--|
| General Fund                  |                                   |                                      |                                      |                                       |  |
| State                         | 3,240,000.00                      | 1,305,000.00                         | 1,800,000.00                         |                                       |  |
| Federal                       |                                   |                                      |                                      |                                       |  |
| Fees                          |                                   |                                      |                                      |                                       |  |
| Other:                        |                                   |                                      |                                      |                                       |  |
| <b>Total</b>                  | <b>\$ 3,240,000.00</b>            | <b>\$ 1,305,000.00</b>               | <b>\$ 1,800,000.00</b>               | <b>\$ 6,345,000.00</b>                |  |
|                               |                                   |                                      |                                      |                                       |  |
|                               |                                   |                                      |                                      |                                       |  |
|                               |                                   |                                      |                                      |                                       |  |

**Narrative:** The above-referenced contracts are funded by State funds. Due to the federal IMD exclusion, these services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. The recommended contract increases of \$1,695,000 (36.45%) will be funded through existing IMD and Acute Hospital contract savings and an unanticipated increase in realignment revenue by the State. Funding for these contracts has been included in the FY 23-24 Adopted budget, and funding for future years will be included in the department's requested budget, contingent upon Board approval.

### **Key Contract Risks:**

As with any contract funded by State 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.

### **Attachments:**

Attachment A: Sylmar Health and Rehabilitation Center, Inc. FY 23-26 Board Contract

Attachment B: CF Merced Behavioral, LLC dba Merced Behavioral Center FY 23-26 Board Contract

Attachment C: Crestwood Behavioral Health, Inc. FY 23-26 Board Contract

### **Special Instructions:**

Please email one (1) complete, signed Board Contract for each of the above contracts and one (1) Minute Order to Amber Foschaar at [cfoschaar@sbcbswell.org](mailto:cfoschaar@sbcbswell.org) and to [bwelcontractsstaff@sbcbswell.org](mailto:bwelcontractsstaff@sbcbswell.org).

### **Authored by:**

A. Foschaar