



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:** May 4, 2021  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PhD, 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:** Behavioral Wellness – First Amendment to the Psynergy Programs, Inc. and Sylmar Health Rehabilitation Center, Inc. Institution for Mental Disease Agreements FY 20–23

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and authorize the Chair to execute the First Amendment to the Agreement for Services of Independent Contractor (BC 20-032) with **Psynergy Programs, Inc.**, a California corporation (not a local vendor), an Institution for Mental Disease, to increase the FY 20-21 contract amount by **\$450,000** for additional client placements for FY 20-21 for a new total Maximum Contract Amount not to exceed **\$3,750,000**, inclusive of \$1,750,000 for FY 20-21; \$1,000,000 for FY 21-22; and \$1,000,000 for FY 22-23, for the period of July 1, 2020 through June 30, 2023 (Attachment A);
- B. Approve and authorize the Chair to execute the First Amendment to the Agreement for Services of Independent Contractor (BC 20-140) with **Sylmar Health and Rehabilitation Center, Inc.**, a California corporation (not a local vendor), an Institution for Mental Disease, to increase the FY 20-21 contract amount by **\$200,000** for additional client placements for FY 20-21 for a new total Maximum Contract Amount not to exceed **\$1,850,000**, inclusive of \$850,000 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 (Attachment B);
- C. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to adjust the provisional rate with discretion per Exhibit B of the Agreement with **Psynergy Programs, Inc.**

without altering the Maximum Contract Amount and without requiring formal amendment of the Agreement, subject to the Board's ability to rescind this delegated authority at any time;

- D. Approve a Budget Revision Request (BJE# 0007449) for FY 20–21, increasing appropriations of **\$200,000** in Behavioral Wellness Mental Health Fund for Services and Supplies funded by an unanticipated increase in Realignment revenue from the State (Attachment E); and
- E. Determine that the above actions are 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 above referenced items are on the agenda to request an increase in the total contract amounts of the following contracts: Psynergy Programs, Inc. (Psynergy) and Sylmar Health and Rehabilitation Center, Inc. (Sylmar).

Behavioral Wellness (BWell) provides a continuum of specialty mental health services to Santa Barbara County residents, in part through contracted providers. Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met. Due to an increased demand for inpatient contracted long-term beds, BWell needs to amend the two contracts listed above to pay for additional client placements for FY 20-21 at each of these facilities. These amendments will be funded through existing Institution for Mental Disease (IMD) and Acute Hospital contract savings. Approval of the recommended actions will allow BWell to pay for additional client placements for FY 20-21 at each of these facilities and continue to provide mandated mental health and ancillary services.

**Background:**

Institution for Mental Disease: 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. Due to the Federal IMD Exclusion, these services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. There are a limited number of these highly structured residential treatment services in California. BWell contracts with IMDs that are 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 structural residential programs for clients transitioning out of IMDs.

**Psynergy**, located in the Bay Area, provides residential treatment services to adult clients as a step down from IMDs. Psynergy works with clients in IMDs to identify clients who may be ready to step down to a lower level of care, then works to step clients down through three progressions of residential care, with the eventual goal of equipping clients to return to Santa Barbara County to live independently.

**Sylmar** is a locked facility for adults with severe mental illness located 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 is able to accommodate medically complex or fragile individuals.

**Performance Outcomes:**

Overall, BWell is satisfied with the performance of Psynergy and Sylmar.

**Fiscal and Facilities Impacts:**

Budgeted: Budget Revision #0007449 is requested for approval to establish FY 20-21 funding.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 20-21 Cost</u></b>	<b><u>FY 21-22 Cost</u></b>	<b><u>FY 22-23 Cost</u></b>	<b><u>Overall FY 20-23 Cost</u></b>
General Fund				
State	\$ 2,600,000.00	\$1,500,000.00	\$ 1,500,000.00	
Federal				
Fees				
Other:				
Total	\$ 2,600,000.00	\$1,500,000.00	\$ 1,500,000.00	\$ 5,600,000.00

Narrative: The above-referenced contracts are funded by State funds. The recommended contract increases will be funded through existing IMD and Acute Hospital contract savings and an unanticipated increase in Realignment revenue by the State. The increase is needed to cover services for additional client placements through June 2021. The current funding projections for Psynergy are based on an average client caseload of 24 and Sylmar is based on a caseload 6-7 through June 2021.

**Key Contract Risks:**

There is risk that the number of contracted IMD and IMD-alternative beds may increase beyond what BWell has projected. In this case, BWell will return to the Board of Supervisors to request an increase to the contract maximums where needed.

**Special Instructions:**

Please send one (1) complete copy of each executed amendment and one (1) minute order to: [abello@co.santa-barbara.ca.us](mailto:abello@co.santa-barbara.ca.us) and the BeWell Contracts Division at [bwellcontractsstaff@co.santa-barbara.ca.us](mailto:bwellcontractsstaff@co.santa-barbara.ca.us).

**Attachments:**

- Attachment A: Psynergy FY 20-23 Am 1
- Attachment B: Sylmar FY 20-23 Am 1
- Attachment C: Psynergy FY 20-23 BC 20-032
- Attachment D: Sylmar FY 17-19 BC 20-140
- Attachment E: BJE # 0007449

**Authored by:**

A. Bello