



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: April 23, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Behavioral Wellness, (805) 681-5220
Contact Info: Laura Zeitz, Division Chief of Housing Placement/PHF
Behavioral Wellness, (805) 452-2760
SUBJECT: California Mental Health Services Authority (CalMHSA) and California Department of State Hospitals Purchase of State Hospital Beds Memorandum of Understanding FY 23-25 and CalMHSA State Hospital Beds Administrative Fee Participation Agreement FY 23-25

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 Director of the Department of Behavioral Wellness or designee to execute a Memorandum of Understanding (MOU) with the **California Mental Health Services Authority (CalMHSA)** and the **California Department of State Hospitals (DSH)** regarding County use of state hospital beds, for the period of October 1, 2023, through June 30, 2025;
- b) Approve, ratify, and authorize the Chair to execute the **California Mental Health Services Authority** State Hospitals Program Participation Agreement No. 4640-SHB-2023-SB for an estimated administrative fee of **\$25,236** (inclusive of \$12,618 per fiscal year) based on the current allocation of nine beds to the County, for the period of July 1, 2023, through June 30, 2025; 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 organizational or administrative activities of the government that will not result in direct or indirect physical changes in the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) and (b)(5) of the CEQA Guidelines.

Summary Text:

This item is on the agenda to request the Board of Supervisors (Board) to approve, ratify, and authorize the Director of the Department of Behavioral Wellness (BWell) or designee to enter into a Memorandum of Understanding (MOU) with California Mental Health Services Authority (CalMHSA) and the California Department of State Hospitals (DSH) for FY 23-25, regarding County use of state hospital beds. Additionally, this includes a request for the Board to approve, ratify, and authorize BWell or designee to execute the CalMHSA State Hospitals Program Participation Agreement (PA) No. 4640-SHB-2023-SB for an administrative fee in the estimated amount of \$25,236 (inclusive of \$12,618 for FY 23-24 and \$12,618 for FY 24-25), based upon the use of nine (9) beds at a cost not to exceed \$1,402 per bed from July 1, 2023, through June 30, 2025.

Background:

On April 1, 2014, the Board authorized BWell to become a member of CalMHSA. CalMHSA, a Joint Powers Authority (JPA), negotiates the State Hospital Bed (SHB) MOU with DSH on behalf of city and county mental health authorities, including BWell. CalMHSA is the administrative agent for behavioral health departments. Section 4330 of the California Welfare and Institutions Code (WIC) requires counties to reimburse DSH for the use of state hospital beds and services by their residents. Clients referred to state hospitals by BWell are individuals who have major mental illness requiring continuity of care and inpatient services or individuals who, under the Lanterman Petris Short Act “Murphy” Conservatorships, were previously found incompetent to stand trial on specific felony charges.

On May 20, 2014, the Board approved BWell’s entrance into the first SHB MOU between CalMHSA and DSH and the Board subsequently approved amendments to extend the date of the MOU through June 30, 2021. As a member of CalMHSA, participating counties, including the County of Santa Barbara, are able to sign on to the negotiated agreement between CalMHSA and DSH for the County’s state hospital bed needs. The MOU provided BWell with consistently low rates for nine years.

On February 2022, the Board approved the CalMHSA and DSH SHB MOU from July 1, 2021, through June 30, 2022. On November 1, 2022, the Board approved the First Amendment to that agreement, which revived the CalMHSA and DSH MOU FY 21-22 and extended the term through December 31, 2022. The short-term Amendment allowed CalMHSA and DSH to continue negotiating the FY 22-23 MOU and update the bed rate for the purchase of state hospital beds. The bed rate increased for the first time in eight years. However, CalMHSA was able to obtain the lowest possible rate with the DSH (\$1,402 per bed). BWell awaited CalMHSA and DSH to come to agreement on all terms, at which point they would issue a new MOU to be approved by the Board.

On September 6, 2023, CalMHSA sent the FY 23-25 MOU and FY 23-25 PA No. 4640-SHB-2023-SB to the County. The PA allows for the payment of the administrative fee to CalMHSA for the administration of the SHB programs. Based on June 2023, data provided by DSH, Santa Barbara County is currently allocated an annual bed number of nine (9) beds. BWell’s bed utilization estimate is based on BWell’s historical use of state hospital beds. Therefore, the participation agreement fee is \$12,618 for fiscal year 2023-2024 and \$12,618 for fiscal year 2024-2025, for a total of \$25,236 for the term of the agreement.

Actual State Hospital bed usage and client placement levels can vary. BWell has utilized between 9-11 beds on average in the last 6 months with an annual estimated cost between \$2.5M - \$2.9M.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	<u>Estimated Participation Agreement Cost</u> FY 23-24:	<u>Estimated Participation Agreement Cost</u> FY 24-25:	<u>Estimated Total Cost</u> FY 23-25
General Fund			
State	\$ 12,618	\$ 12,618	\$ 25,236
Federal			
Fees			
Other:			
Total	\$ 12,618	\$ 12,618	\$ 25,236

Narrative: The above-referenced contract is funded through State Mental Health Realignment funds. The FY 23-24 Approved Budget included funding for State Hospital beds and the CalMHSA participation fees. State Hospital costs and fees are included in the FY 24-25 Recommended Budget and subject to future Board approval. The MOU does not financially bind the county to any payment obligations if BWell does not utilize the beds, nor does it preclude BWell from using additional beds. The estimated annual cost of State Hospital beds is \$2.5M- \$2.9M which is contingent upon the number of beds utilized the client’s placement level. Higher acuity levels or increased bed usage would result in a higher annual cost to BWell.

Key Contract Risks:

The MOU with CalMHSA and DSH and the PA with CalMHSA are subject to any changes to the State Budget Act or to any statute or regulation that may affect the provisions, terms, or funding of the MOU or the PA enacted by the Legislature. If statutory, regulatory, bed rate, or billing process changes occur during the term of the MOU or if DSH is unable to meet its obligations pursuant to subpart B of Section III of the MOU, the MOU permits the parties to renegotiate the terms of the MOU affected by such changes. BWell has contracts with other Institutes of Mental Disease facilities to provide needed care in the event of disruptions to DSH services. Furthermore, if the state determines it no longer is interested in negotiating the state hospital bed rate with CalMHSA, BWell will enter into a contract directly with the state for the procurement of hospital beds. In addition, while the MOU contains a mutual indemnification provision, the County’s exposure is only in proportion and to the extent of such liability, loss, expense, attorneys’ fees, or claims for injury or damage that are caused by or result from the negligent or intentional acts or omissions of the County.

Special Instructions:

Please send one (1) scanned copy of the Minute Order to M. Simon-Gersuk at msimongersuk@sbcbswell.org and the BWell Contracts Division at bwelcontractsstaff@sbcbswell.org.

Attachments:

- Attachment A: CalMHSA SHB FY 23-25 MOU
- Attachment B: CalMHSA SHB FY 23-25 PA No. 4640-SHB-2023-SB

Authored by:

Bethany Le