



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

**BOARD OF SUPERVISORS AGENDA LETTER**

**Department Name:**

Behavioral Wellness

**Department Number:**

043

**Agenda Date:**

June 23, 2026

**Placement:**

Administrative Agenda

**Estimated Time:**

N/A

**Continued Item:**

No

**If Yes, date from:**

**Vote Required:**

Majority

**TO:** Board of Supervisors

**FROM:** Department Director: Antonette Navarro, LMFT, Director, Department of Behavioral Wellness

**CONTACT:** Laura Zeitz, RN, Assistant Director for PHF, Crisis Services & Long Term Care Assistant Director of Clinical Outpatient, Department of Behavioral Wellness

**SUBJECT:** First Amendment to the Services Agreement with Psynergy Programs, Inc. for Mental Health Services for Fiscal Year 2024-27

**Concurrences:**

**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 First Amendment to the Agreement for Services of Independent Contractor with Psynergy Programs, Inc. (not a local vendor) (BC No.

24-011) to update certain standard terms in compliance with State and federal requirements; update entity rates and codes; and add \$402,435 to the contract maximum for a revised total maximum contract amount not to exceed \$8,891,655, inclusive of \$2,829,740 for fiscal year (FY) 2024-25, \$2,904,120 for FY 2025-26, and \$3,157,795 for FY 2026-27, with no change to the contract term of July 1, 2024, through June 30, 2027; and

- b) Determine that the above-recommended action is not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the action is a governmental funding mechanism and/or fiscal activity that will not result in direct or indirect physical changes in the environment.

### **Summary Text:**

This Board Letter requests that the Board of Supervisors approve an amendment to the agreement with Psynergy Programs, Inc. Psynergy provides adult residential care services to adult clients, ages 18 and over, as a step-down mental health facility. The amendment updates State and federal standard terms and increases the contractual amount by an additional \$402,435 due to clients being placed at higher acuity levels and more specialty mental health services being delivered than originally anticipated. The amended maximum payable is \$8,891,655 for the term of July 1, 2024 through June 30, 2027.

### **Discussion:**

Psynergy has four facilities providing step-down acuity residential and specialty behavioral health services. During FY 25-26 BWell anticipated placements of up to 28 clients at varied acuity levels. Actual placements ranged from 22 to 26; however, a larger number of clients were placed at more intensive treatment levels and received a higher number of specialty mental health Medi-Cal treatment services that originally anticipated.

The Behavioral Health Services Act (BHSA) will be replacing the Mental Health Services Act (MHSA) for FY 2026-27. This requires addition of BHSA required terms to the agreement as well as adjustments to fiscal exhibits.

Approval of this agreement will allow BWell to continue client placements stepping down from Psychiatric Health Facility level of care, as well as keep current clients in their placement without disruption of services. If the Board does not approve the present amendment, clients would potentially be discharged from the facility.

### **Background:**

BWell provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness.

Psynergy, with facilities in the Bay Area and near Sacramento, provides residential treatment services to adult clients as a step down from Institutions for Mental Diseases (IMDs). Psynergy works with clients in IMDs to identify individuals who may be ready to step down to a lower level of care. Psynergy 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 and live independently. BWell has contracted with Psynergy for these Adult Residential Care services since November 2013. The FY 2024-27 agreement was approved by the Board on June 25, 2024.

Psynergy services are provided in four phases as follows: The first phase consists of assessment. The second phase, called Nueva Vista, provides treatment aimed at helping clients adjust to a non-institutional setting. Nueva Vista locations are licensed Adult Residential Facilities located in Morgan Hill and Sacramento, California.

The third phase, called Cielo Vista, provides a lower level of treatment services than Nueva Vista, and is aimed at preparing clients for independent living. Cielo Vista services are provided at Psynergy’s licensed Adult Residential Care Facility located in Greenfield, California.

The last stage, Tres Vista Apartments, located in Morgan Hill, provides clients with an independent living environment, with continued mental health supports to ensure client success. After successful completion of all four phases, clients are anticipated to transition back to the community.

**Performance Measure:**

In FY 2025-26, the program performance was evaluated across two domains: Mental Health Symptom Acuity and Stabilization in the Community, which together assess client stability and community-based outcomes. Overall, the program performed well across both domains.

**Contract Renewals:**

In FY 2025-26 Psynergy served an average of 27.3 clients per quarter, with an average of 6.3 new enrollments and 5.7 discharges per quarter.

- Mental Health Symptom Acuity: No clients were incarcerated during the reporting period (0%). The program did not meet target related to inpatient psychiatric admissions (7%) but was close to the target goal (≤5%). The program met target related to crisis service utilization (8%).
- Stabilization in the Community: All goals met. All clients had successful discharges (100%).

**Fiscal Impacts:**

Budgeted: Yes

Funding for the above-referenced agreement was included in the FY 2024-25 and 2025-26 Adopted Budgets and is included in the FY 2026-27 Recommended Budget. There is no impact to the General Fund.

**Fiscal Analysis:**

Psynergy’s programs are funded with a combination of State and federal funds. The federal portion of the agreement is funded with fee-for-service Medi-Cal Patient Revenue, which primarily consists of federal funds, with MHSA providing the local match. Starting in FY 2026-27, BHSA will provide the local match as well provide additional housing funds for clients that have no income to retain their placement at the facility. The amount of federal funds is contingent on the client’s aid code and the State-issued rate for the service.

Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	Total
MHSA	\$911,510	\$984,431		\$1,995,941
BHSA			\$1,002,662	\$1,002,662
Medi-Cal Patient Revenue	\$1,918,230	\$1,919,689	\$2,155,133	\$5,993,052
<b>Total</b>	<b>\$2,829,740</b>	<b>\$2,904,120</b>	<b>\$3,157,795</b>	<b>\$8,891,655</b>

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**Special Instructions:**

Please email one (1) complete, executed copy of the amendment and one (1) Minute Order to Chris Shorb at [cshorb@sbcbswell.org](mailto:cshorb@sbcbswell.org) and to [swellcontractsstaff@sbcbswell.org](mailto:swellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – Psynergy FY 24-27 BC 24011 AM1 (Signature Required)

**Attachment B** – Psynergy FY 24-27 BC 24011

**Contact Information:**

Chris Shorb  
Contracts Analyst  
[cshorb@sbcbswell.org](mailto:cshorb@sbcbswell.org)