



**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: June 25, 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): Department of Behavioral Wellness, 805-681-5220
Contact Info: Chris Ribeiro, Chief Financial Officer
Laura Zeitz, Interim Assistant Director,
Department of Behavioral Wellness, 805-681-5220

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SUBJECT: Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center FY 2021–24 Third Amendment and FY 2024–26 Renewal Services Agreement for Mental Health Services

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Risk Management Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a Third Amendment to the Agreement for Services of Independent Contractor with Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center (“**Mental Wellness Center**”) for FY 2021-24 (BC 21-033) (the “**FY 21-24 Agreement**”), to add contingency payment and cost settlement provisions, and to incorporate changes for Medicare Practitioner billing and California Department of health Care Services rate changes, with no change to the maximum contract amount of **\$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.;
- i) Delegate to the Director of the Department of Behavioral Wellness or designee the authority with respect to the FY 21-24 Agreement to (i) amend program services and staffing as provided in the Exhibit As; (ii) make immaterial changes to each such Agreement as provided in Section 25; (iii) reallocate funds between funding sources, increase the daily bed rate, and incorporate new codes and make fee-for-service rate changes or updates and to reimburse on a cost reimbursement basis for Medi-Cal fee-for-service programs, reallocate between contract allocations for the incentive payment, and activate the contingency payment

provisions per Exhibit Bs; and (iv) amend the Program goals, outcomes, and measures as provided in Exhibit E without requiring the Board's approval, without changes to the maximum contract amount or the Term of the Agreement, and subject to the Board's ability to rescind this delegated authority at any time;

- b) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor (“**FY 24-26 Agreement**”) with Mental Health Association in Santa Barbara County, Inc. dba Mental Wellness Center (“**Mental Wellness Center**”) (a local vendor), on behalf of the Santa Barbara County Department of Behavioral Wellness, for the provision of certain mental health services, for a total maximum contract amount of **\$7,328,690** for the period from July 1, 2024, through June 30, 2026 and shall not exceed \$3,664,345 for FY 2024-25 and \$3,664,345 for FY 2025-26;
 - i) Delegate to the Director of the Department of Behavioral Wellness or designee the authority with respect to the FY 24-26 Agreement to (i) suspend, delay, or interrupt the services for convenience as provided in Section 20, (ii) make immaterial changes as provided in Section 26; (iii) amend program services and staffing as provided in the Exhibit As; (iv) change the service location per Exhibit A-6, section 1; (v) reallocate funds between funding sources, increase the daily bed rate, and incorporate new codes and make fee-for-service rate changes or updates and to reimburse on a cost reimbursement basis for Medi-Cal fee-for-service programs, reallocate between contract allocations for the incentive payment, and activate the contingency payment provisions per Exhibit Bs; and (vi) amend the Program goals, outcomes, and measures as provided in Exhibit E of each Agreement and without requiring the Board's approval, without changes to the maximum contract amount or the Term of the Agreement, and subject to the Board's ability to rescind this delegated authority at any time; and
- c) Determine that the above actions are government fiscal activities or funding mechanisms that do not involve any commitment to any specific project which 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”) is seeking to have the Board approve, ratify, and authorize the Chair to execute a Third Amendment to the Agreement for Services of Independent Contractor with Mental Wellness Center for FY 2021-24, to add contingency payment and contingency cost settlement provisions and to incorporate changes for Medicare Practitioner billing and State rate changes, with no change to the maximum contract amount.

BWell is also seeking to have the Board approve and authorize the Chair to execute an Agreement for Services of Independent Contractor (“FY 24-26 Agreement”) with Mental Wellness Center for the provision of certain mental health services with the maximum contract amount of **\$7,328,690** for the period from July 1, 2024, through June 30, 2026 and shall not exceed \$3,664,345 for FY 2024-25 and \$3,664,345 for FY 2025-26. This is a renewal of Mental Wellness Center's FY 2021-24 Agreement.

Background:

FY 24-26 Agreement Renewal. 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 Wellness Center provides residential and community mental health services to adults in the Santa Barbara area. Mental Wellness Center 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. Mental Wellness Center 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. Their Peer and Parent Partners in Wellness program is a Mental Health Services Act Prevention and Early Intervention program which encourages mental health and wellness by working to reduce negative outcomes that result from untreated mental illness. That program employs 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.

FY 21-24 Agreement Amendment. The County originally entered into the FY 21-24 Agreement with Mental Wellness Center effective as of June 22, 2021. Thereafter the County entered into a First Amendment to such Agreement on October 4, 2022, and a Second Amendment to such Agreement on October 3, 2023. The Third Amendment will address the following:

Contingency Payment and Contingency Cost Settlement

During this fiscal year, BWell implemented a new electronic health record system, SmartCare, that Community Based Organizations (CBOs) are required to use for submitting claims for payment. The claiming functionality of the new SmartCare application was delayed by approximately 10 months resulting in limited to no data on the amount of services approved by Medi-Cal during this time period. CBOs rely on this data, in part, to track and adjust service delivery to ensure that their costs are being covered. BWell also relies on this data to monitor whether provider rates are sufficient to cover the anticipated cost of service. BWell has determined that there is a need to amend the FY 21-24 Agreement to add contingency settlement terms specifically for FY 2023-2024 to give CBOs the option for reimbursement based on cost or the fee-for-service schedule. This is in consideration of the extenuating claiming issues and to ensure that local CBOs are compensated for services performed. BWell is also recommending adding contingency payment provisions to the FY 21-24 Agreement to reflect the change in payment terms should system implementation issues arise again. The contingency payment and settlement provisions do not alter the maximum contract amounts set forth in Exhibit B of the FY 21-24 Agreement.

Board Contract Exhibit B-3 (Entity Rates and Codes by Service Type) Changes

Exhibit B-3 in the FY 21-24 Agreement identifies the fee-for-service rates for Medi-Cal specialty mental health services, which are based, in part, on State issued rates. BWell requires the ability to update contractor rates when new codes are added, rates are added or amended by the State, or for operational reasons.

Medicare Changes

Starting January 1, 2024, Medicare began to cover mental health services for new practitioner types, including Marriage and Family Therapist, Clinical Psychologist, Clinical Social Worker, Professional

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Clinical Counselor, Nurse Practitioner, Physician Assistant, and Medical Doctor. This change necessitated an update to the contract to identify the contractor's role and responsibilities for clients that are eligible for both Medicare and Medi-Cal, as well as the claims processing and payment parameters.

Based on Mental Wellness Center's performance to date and the needs of BWell, BWell now seeks to have the Board enter into a renewal contract with Mental Wellness Center for the FY 2024-26 time period.

Performance Measures:

Exhibit E of each Agreement sets forth specific goals, outcomes and measures which Mental Wellness Center must adhere to and meet, and each Agreement has reporting requirements relative to such goals, outcomes and measures.

Contract Renewals and Performance Outcomes:

Alameda House

First two quarters averages for FY 23/24: 5 goals met out of 8.

Met: Received emergency care for physical health 8% with a 10% goal or less. Hospitalizations for physical health 8% with a goal of 10% or less. Incarcerations 0% with a goal of 5% or less. Clients with stable/permanent housing 100% with goal of 95% or higher. Discharges to higher level of care 0% with goal of 15% or less.

Not met: Admission to acute psych inpatient care 8% with a goal of 5% or less. Engagement in purposeful activities 33% with goal of 40% or higher. Discharges to lower level of care 0% with goal of 85% or higher.

Cottage Grove House

First two quarters averages for FY 23/24: 6 goals met out of 8.

Met: Admission to Acute psych inpatient care 0% with goal of 5% or less. Received Emergency care for physical health 0% with goal of 10% or less. Hospitalizations for physical health 0% with goal of 10% or less. Incarcerations 0% with goal of 5% or less. Client's with stable/permanent housing 100% with goal of 95% or higher. Discharges to higher level of care 0% with goal of 15% or less.

Not Met: Engagement in purposeful activities 25% with goal of 40% or higher. Discharges to lower level of care 0% with goal of 85% or higher.

Polly's House

First two quarters averages for FY 23/24: 4 goals out of 8 met.

Met: Hospitalizations for physical health 9% with goal of 10% or less. Incarceration 0% with goal of 5% or less. Clients with stable/permanent housing 100% with goal of 95% or higher. Discharges to higher level of care 0% with goal of 15% or less.

Not Met: Admission to acute psychiatric inpatient care 9% with goal of 5% or less. Emergency care received for physical health 18% with goal of 10% or less. Clients engaged in purposeful activities 32% with goal of 40% or higher. Discharges to lower level of care 0% with goal of 85% or higher.

De La Vina House: No data provided.

Wellness Center & Peer Technology Suite

First two quarters averages for FY 23/24: 7 goals met out of 10.

Met: Unique Clients Served, Client Visits, goal of 7,200 for the year, exceeded this in first two quarters (217 avg per quarter). Support Group Meetings (7 avg per quarter), goal of 2 per month, Computer Classes (11 avg per quarter), goal of 10 per quarter, Client Visits to Computer Labs (303 avg per quarter), goal of 200 in general, Attendees of Tech Suite Groups (130 avg per quarter), goal of 160 per year, Digital Literacy Education and Support Services Events Hosted (20.5 avg per quarter), goal of 1 a week.

Not met: Outreach Events (3 avg per quarter), goal of 2 per month, Outreach Event Attendees (0), goal of 1200 per year, Outings Educational Events with Clients (2.5 avg per quarter), goal of 1 per month, Clients Linked (17.5 avg per quarter), goal of 40 per year.

Family Advocate

First two quarters averages for FY 23/24: 2 goals met out of 5.

Met: Trainings about Consumer/Family Member Issues (10.5 avg per quarter), goals of 2 per month, Clients Linked to Additional Services (33 avg per quarter), goal of 20 per year or 10% served.

Not met: Total Number of Unique Clients Served (82.5 avg per quarter), goal of 200 per year. Client Visits (210 avg per quarter), goal of 1000, 5 per family, Unique Clients Provided Services in Spanish (10 avg per quarter), goal of 25 per year.

Peer and Parent Partners in Wellness

First two quarters averages for FY 23/24: 2 goals out of 6 met.

Met: Total Number of Unduplicated Clients (All Age Groups) (11.5 avg per quarter) goal of 3 per quarter. Workshops/ Prevention Activities (15 avg per quarter), goal of 12 per quarter.

Not met: Community Presentations (0), goal of 8 per quarter. Educational and Informational Publications Created in English and the Appropriate Language (0), goal of 6 per quarter. Accompany to Community Events (1.5 avg per quarter), goal of 12 a quarter. Engagements/ Support Groups (0), goal of 36 per quarter.

Fiscal and Facilities Impacts:

Budgeted: Yes.

Fiscal Analysis:

| Funding Sources | FY 24-25 | FY 25-26 | Total |
|---------------------------------|---------------------|---------------------|---------------------|
| General Fund | | | |
| State | \$ 1,279,770 | \$ 1,279,770 | \$ 2,559,540 |
| Federal | | | |
| Other: BHBH Grant | \$ 22,000 | \$ 22,000 | \$ 44,000 |
| Other: Medi-Cal Patient Revenue | \$ 2,362,575 | \$ 2,362,575 | \$ 4,725,150 |
| Total | \$ 3,664,345 | \$ 3,664,345 | \$ 7,328,690 |

Narrative:

The FY 24-26 Agreement is funded with a combination of State and Federal funds. With the transition to CalAIM Payment Reform, the fee-for-service portion of the contract will be funded with Medi-Cal Patient Revenue which primarily consists of federal funds. The amount of federal funds is contingent on the client's aid code and the State issued rate for the service. The Non-Medi-Cal portion of the contract is

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funded by Mental Health Service Act (MHSA) with a small portion funded by the Behavioral Health Bridge Housing (BHBH) grant. Funding associated with this contract was included in the FY 2024-25 Recommended Budget and will also be included in future budgets presented to the Board.

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 the County.

Special Instructions:

Please return one (1) Minute Order and one (1) copy of the executed Third Amendment and one (1) copy of the FY 24-26 Agreement to Michael Purvis at mpurvis@sbcbswell.org and to the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: Third Amendment to Mental Wellness Center FY 21-24 Agreement
Attachment B: Second Amendment to Mental Wellness Center FY 21-24 Agreement
Attachment C: First Amendment to Mental Wellness Center FY 21-24 Agreement
Attachment D: Mental Wellness Center FY 21-24 Agreement
Attachment E: Mental Wellness Center FY 24-26 Agreement

Authored by:

Michael Purvis