



## 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

**Submitted on:**  
**(COB Stamp)**

**Department Name:** Sheriff, Probation,  
and Public Health  
**Department No.:** 032, 022, 041  
**For Agenda Of:** January 14, 2025  
**Placement:** Departmental  
**Estimated Time:** 90 Minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department Director(s)

Bill Brown, Sheriff-Coroner (805) 681-4290 &  
Holly L. Benton, Chief Probation Officer (805)  
803-8537

Mouhanad Hammami, Director

Public Health Department (805) 681-5102

Contact Info:

Ryan Sullivan, Custody Commander, Sheriff (805)  
681-4326

Damon Fletcher, Chief Financial & Administrative  
Officer, Probation (805) 882-3654

Gustavo A. Mejia, CPA, Chief Financial Officer,  
Public Health (805) 681-5177

**SUBJECT: Request to Enter into Contract Negotiations for Healthcare (Medical and  
Mental Health) Services at the Sheriff's Jails and Medical Services at  
Probation's Juvenile Justice Center**

---

**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) Direct the Sheriff's Office and Probation Department to proceed with entering into contract negotiations with California Forensic Medical Group (CFMG) to provide medical services at the County jails and Juvenile Justice Center (JJC) and mental health services at the jails;
- b) Receive a presentation regarding staffing credit reimbursements for April 2023 through November 2024;

- c) Receive a presentation from the Public Health Department with a pro forma analysis of the staffing and funding required for the Department to provide the County's correctional medical and mental health services if so directed;
- d) Provide any additional direction; and
- e) Determine that the above actions are not a "Project" subject to CEQA section 15378(b)(5), since the activities are organizational or administrative activities of government that will not result in direct or indirect physical changes to the environment.

**Summary Text:**

This item is before your Board to request authorization for the Sheriff's Office and Probation Department to enter into contract negotiations with CFMG for an Agreement to continue to provide healthcare (medical and mental health) services at the Sheriff's jails and to continue to provide medical services at Probation's JJC. As part of this presentation, the Sheriff's Office will provide an update on obtaining staffing reimbursements from CFMG for the period of April 1, 2023 through November 30, 2024 for hours not covered. Additionally, Public Health will present a pro forma analysis regarding the staffing and funding required for their Department to provide the County's correctional medical and mental health services if directed by your Board.

**Background:**

On February 28, 2017, the Board of Supervisors approved an Agreement (five years with two one-year extensions) with CFMG for healthcare (medical and mental health) services at the jail and for medical services only for Probation's juvenile facilities. CFMG has been providing services to Probation and the Sheriff's Office since April of 2017.

In October of 2018, CFMG joined with Correct Care Solutions (CCS), CFMG's parent company, Correctional Medical Group Companies (CMGC), and became a subsidiary of Wellpath. Although the newly formed parent company is known as Wellpath, CFMG and CCS operate as separate entities with shared policies and procedures. In California, only entities owned solely by physicians are permitted to practice medicine. For this reason, complex healthcare organizations in California typically are organized with a physician-owned entity to provide care, and a management company to manage the business aspects. In this case, CFMG is the professional medical corporation, and Wellpath (formerly CMGC) is the management organization.

Beginning in April 2024, the Sheriff's Office, Probation Department, Behavioral Wellness (BWell), Public Health and County Executive Office (CEO) worked collaboratively with a contractor with correctional facility healthcare experience (Health Management Associates) to develop a comprehensive Request for Proposals (RFP) for healthcare services at the jails and JJC. This RFP included a focus on several areas, including, but not limited to the following: healthcare services, mental health services (at the jails), detoxification and withdrawal procedures, compliance with the Remedial Plan in the *Murray v. County of Santa Barbara* case (at the jails), medication assisted treatment, discharge planning and compliance with documentation protocols in anticipation of the implementation of California Advancing and Innovating Medi-Cal (CalAIM).

On August 27, 2024, your Board authorized the release of an RFP for healthcare services at the Sheriff's jail facilities and medical services at Probation's JJC. Between August 27, 2024 and early December 2024, the Sheriff's Office, Probation, General Services' Purchasing Department, BWell, Public Health and the CEO's Office worked collaboratively to finalize and release the RFP. On September 5, 2024, the RFP was published and responses were due by prospective vendors on November 1, 2024. Three companies provided responses to the RFP, with one company's response being denied due to not following the RFP instructions. The remaining two companies were evaluated by a scoring committee consisting of one representative each from BWell, Public Health and the CEO's Office, two representatives from Probation, and four representatives from the Sheriff's Office. The

scoring committee unanimously selected CFMG as the most qualified vendor. CFMG received an average score of over 76 from the scoring committee and the other vendor scored just over 62 on average out of 100 points possible. CFMG was scored higher than the other vendor due to multiple reasons, including, but not limited to the following: their extensive correctional health provider experience, their history achieving and maintaining accreditation, and their understanding of the scope of work and requirements within the RFP, including the Remedial Plan in the *Murray v. County of Santa Barbara* case. In subsequent weeks, representatives from the scoring committee obtained endorsements from the Sheriff and Chief Probation Officer and instructed Purchasing to publish an intent to award notification to CFMG and the other vendors, which occurred on November 21, 2024. Following the notice of intent to award, no protests of the award were received by Purchasing.

Over the past year, the Sheriff's Office has more closely monitored staffing shift vacancies of CFMG. Section 17.2 of the Agreement with CFMG identifies credits for missed hours not provided by the Contractor if they are unable to staff positions/posts. In November 2024, Wellpath filed for Chapter 11 bankruptcy reorganization. As a consequence of this, staffing credits due to the Sheriff's Office for months prior to this filing are under legal review. The Sheriff's Office is working with County Counsel and outside bankruptcy counsel to determine the County's options in light of the bankruptcy filing.

The Sheriff's Office and Probation Department are requesting authorization to enter into negotiations with CFMG. Both departments believe that CFMG is the most qualified responsive vendor to provide healthcare services based on the following: their extensive experience providing correctional healthcare, their costs relative to the service provided, continuity of operations, their understanding of the incarcerated population and challenges associated with providing correctional healthcare, and their desire to continue the strong working relationships they have developed with the County. If given authorization to enter into negotiations, the Sheriff's Office and Probation Department will work closely with the Public Health Department, BWell and the CEO's Office to negotiate staffing levels, costs and service level agreements associated with this Agreement and will return to your Board for approval prior to March 31, 2025, when the existing Agreement with CFMG expires.

#### **Performance Measure:**

Your Board authorized 1.5 FTE positions in the Public Health Department to monitor the medical and mental health provision of care within the Sheriff's jail facilities and Probation's JJC. These positions are both filled and staff are working to more effectively monitor the provision of medical and mental health care within the jails and JJC. Additionally, BWell and Public Health both conduct quarterly monitoring of service level agreements (SLAs) agreed upon by the County partners. In the most recent reporting period (July through September 2024) for the jail facilities, CFMG was found compliant by Public Health in 18 of the 26 areas monitored and by BWell in 25 of the 32 areas monitored. Some of the areas CFMG was found non-compliant in occurred at both sites (Main Jail and NBJ) and have not been rectified in several quarters. It is believed that additional staffing is required to meet some of these provisions. The issued RFP included several performance measures with suggested monitoring targets with proposed liquidated damages for failure to meet selected performance measures.

#### **Contract Renewals and Performance Outcomes:**

Authorization to enter into negotiations subsequent to this RFP do not include performance outcomes, however the Agreement that will return to your Board will include specific performance outcomes, liquidated damages for failure to meet specific performance outcomes, as well as staffing reimbursements for contracted hours not provided in the Agreement, which is consistent with previous Board direction and was included in the RFP.

**Fiscal and Facilities Impacts:**

Budgeted: Partially

Narrative:

**Budget Impacts – Contracting with CFMG:**

If given authorization to enter into negotiations with CFMG, the Sheriff's Office and Probation will work collaboratively with County partners to negotiate a contract and return to your Board for approval of an Agreement. The Sheriff's Office and Probation Department will work with the CEO's Office to identify any budgetary modifications needed for the remainder of FY 2024-25 and future years once negotiations are completed. The total cost of the current Agreement with CFMG for the nine-month period of July 1, 2024 through March 31, 2025 is \$13.232M with an additional \$1.036M for the Jail Based Competency Treatment (JBCT) program with Recovery Solutions, which equates to \$17.642M annually for Sheriff and Probation and \$1.381M annually for JBCT. The total proposed services (including JBCT) from CFMG for Year 1 are \$24.002M, an increase of just under \$5M from the total annualized costs of \$19.023M in the current Agreement. The costs of the JBCT program are reimbursed by the California Department of State Hospitals.

Additionally, with the implementation of the CalAIM Justice-Involved Initiative, there is an opportunity to leverage MediCal revenues to help offset costs. Final costs will be subject to contract negotiations and Board approval.

**CFMG Staffing Credits to Sheriff's Office:**

From April 2023 through November 2024, a total of 20 months of staffing credits have been calculated by CFMG and verified by Sheriff's Office staff. Of those 20 months, full reimbursement has been applied in five months and partial reimbursement has been credited for six months. For the six months of partial reimbursement, Sheriff's Office staff have worked with CFMG to correct the anomalies and have subsequently been issued true-up credits from CFMG resulting in a total of \$114,165.68. For the nine remaining months, CFMG has issued credits totaling \$705,938.07 (\$51,212.83 from contract year 6 and the remainder (\$651,725.24) in contract year 7. The Sheriff's Office is working with County Counsel and outside bankruptcy counsel to determine the County's options in light of the bankruptcy filing.

	<b>Contract Year 6 (4/1/23 - 3/31/24)</b>	<b>Contract Year 7 (4/1/24 – 3/31/25) to-date as of November 2024</b>	<b>Total Credits</b>
Credits Applied	\$233,285.73	\$0.00	\$233,285.73
Credits Pending	\$168,378.51	\$651,725.24	\$820,103.75
<b>Total Credits</b>	<b>\$401,664.24</b>	<b>\$651,725.24</b>	<b>\$1,053,389.48</b>

**Public Health Pro Forma Analysis:**

On August 27, 2024, the Public Health Department (PHD) was directed to prepare a pro forma analysis with the goal of determining how much it would cost if the PHD provided medical and mental health services at the County jails and Juvenile Justice Center.

The PHD identified a total of 101.5 positions required in order to adequately provide services at County jails and Juvenile Justice Center, compared to the proposed CFMG staffing of 98.55.

<b>Estimated FTE</b>	<b>CFMG</b>	<b>Public Health</b>	<b>Difference</b>
Adult Jails	92	92	0
Juvenile Justice Center	6.55	9.5	2.95
<b>Total Staffing</b>	<b>98.55</b>	<b>101.5</b>	<b>2.95</b>

The costs associated with PHD providing these services are approximately \$25.2 million in FY 2024-25, \$25.5 million in FY 2025-26, and \$26.9 million in FY 2026-27. These estimates do not include additional costs associated with medical malpractice, general liability insurance premiums, and other anticipated costs which are yet to be determined and could be significant over time.

<b>Estimated Cost – Year 1</b>	<b>CFMG</b>	<b>Public Health</b>	<b>Difference</b>
Adult Jails	\$22,467,268	\$22,779,981	\$312,713
Juvenile Justice Center	\$1,535,243	\$2,410,810	\$875,567
<b>Total Cost</b>	<b>\$24,002,510</b>	<b>\$25,190,791</b>	<b>\$1,188,281</b>

Establishing medical clinics within Santa Barbara County's three correctional facilities is a complex process that would most likely require more than a year to implement. To create an infrastructure to manage correctional medical facilities within PHD would be significantly more challenging than the outpatient primary care clinics the Department currently operates. The timeline includes planning, identifying and securing funding, equipping the facilities, developing electronic health record capabilities, recruiting, hiring and training staff, and obtaining necessary certifications and approvals. PHD may be able to capitalize on existing infrastructure that would reduce the anticipated timeline slightly, but this is yet to be determined.

An interim step during this transition could involve using sub-contractors for certain service components. Additionally, with the implementation of the CalAIM Justice-Involved Initiative, there is an opportunity to leverage MediCal revenues to help offset costs.

#### **Key Contract Risks:**

Wellpath filed for Chapter 11 bankruptcy in November 2024 and is currently working through bankruptcy proceedings. CFMG is a separate entity in many aspects with management, payroll and other services provided by Wellpath. Following contract negotiations, a proposed Agreement would return to your Board for consideration.

#### **Staffing Impacts:**

N/A

#### **Special Instructions:**

N/A

#### **Attachments:**

Attachment A) RFP 8010003 Santa Barbara Jail Healthcare

Attachment B) RFP 8010003 Response Submitted by CFMG & Wellpath

Attachment C) Sheriff and Probation Presentation

Attachment D) Public Health Presentation

**Authored by:**

Ryan Sullivan, Custody Commander, Sheriff's Office

Gustavo A. Mejia, CPA, Chief Financial Officer, Public Health Department