



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:** December 5, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Department of Behavioral Wellness, (805) 681-5220  
Contact Info: Melissa Wilkins, MPH, CADC-II, CCPS, Branch Chief of  
Alcohol and Drug Programs  
Department of Behavioral Wellness, (805) 681-5220  
**SUBJECT:** **Sanctuary Centers of Santa Barbara, Inc. FY 21-24 Termination, and New FY 23-27 Services Agreement for Alcohol and Drug Program Services**

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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, ratify, and authorize the termination of the FY 21-24 Agreement for Services of Independent Contractor with **Sanctuary Centers of Santa Barbara, Inc.** (BC 20-278) for convenience, effective December 4, 2023, to enter into a new services agreement with Sanctuary as set forth below in Recommended Action B following the award of the Outpatient Treatment Services Request for Proposals for FY 23-27 to Sanctuary;
  - i. Authorize the Director of the Department of Behavioral Wellness or designee to issue a letter to Sanctuary terminating the FY 21-24 Agreement that is substantially similar to the draft provided in Attachment A;
  - ii. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to take actions necessary for the winddown of the FY 21-24 Agreement, 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 with **Sanctuary Centers of Santa Barbara, Inc.**, a California nonprofit (a local vendor), for the provision of substance use disorder services for a total maximum contract amount not to exceed **\$9,136,400**, inclusive of \$2,284,100 per fiscal year, for the period of December 5, 2023, through June 30, 2027 (Attachment C);

- i. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt the services under the FY 23-27 Agreement for convenience and make immaterial changes to the Agreement per Sections 20 and 26 of the Agreement, respectively; amend service locations and staffing requirements per Exhibit A-2; reallocate funds between funding sources and reallocate between the contract allocations in the Exhibit B-1 MHS to increase or decrease the incentive payment with discretion per Exhibit B; and amend the program goals, outcomes, and measures per Exhibit E, all without altering the maximum contract amount and without requiring the Board's approval of an amendment of the FY 23-27 Agreement, 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, which 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) requests approval of the termination of the Sanctuary FY 21-24 Agreement effective December 4, 2023. BWell also requests approval to enter into a new FY 23-27 Agreement with Sanctuary for the provision of substance use disorder services; and delegation of authority to the Director of BWell or designee to suspend, delay, or interrupt the services under the FY 23-27 Agreement for convenience and make immaterial changes to the Agreement per Sections 20 and 26 of the Agreement, respectively; amend service locations per Exhibit A-2 of the Agreement; amend staffing requirements per Exhibit A-2; reallocate funds between funding sources and reallocate between the contract allocations in the Exhibit B-1 MHS to increase or decrease the incentive payment with discretion per Exhibit B of the Agreement; and amend the program goals, outcomes, and measures per Exhibit E of the Agreement all without altering the Maximum Contract Amount and without requiring the Board's approval of an amendment of the Agreement, subject to the Board's ability to rescind this delegated authority at any time. Approval of the recommended actions will allow Sanctuary to continue to provide necessary substance use disorder services to BWell clients under the new California Advancing and Innovating Medi-Cal (CalAIM) payment structure.

**Background:**

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. Sanctuary provides substance use disorder treatment services to adults and Transition-Age Youth (TAY) in South Santa Barbara County. These services include outpatient services and intensive outpatient services. In the new FY 23-27 agreement, Sanctuary will additionally provide early intervention services to adults and transitional age youth ages 18-20. Treatment services include: assessment, care coordination, clinical consultation, counseling (group and individual), family therapy, medication services, medication-assisted treatment (MAT) for opioid use disorders, MAT for alcohol use disorders and non-opioid substance use disorders (SUD), patient education, recovery services, peer support services, and SUD crisis intervention services.

BWell is required by the California Department of Health Care Services (DHCS) to select providers for ADP SUD services through a competitive bidding process. BWell's previous request for proposals (RFP) for outpatient treatment services took place in 2017. In anticipation of statewide CalAIM reforms, effective July 1, 2023, BWell released six RFPs for various ADP SUD services, including outpatient

treatment services, in October 2022. Sanctuary was selected to provide outpatient treatment services in the South County region for FY 23-27.

CalAIM Behavioral Health Payment Reform has resulted in significant changes to the standard contract terms and entire payment and reimbursement structure for Medi-Cal providers. Due to the establishment of a new rate structure by DHCS, Medi-Cal providers have renegotiated their rates as they transition to a fee-for-service payment model, resulting in a higher maximum contract amount.

Approval of the recommended actions will allow Sanctuary to continue to provide necessary substance use disorder services to BWell clients.

**Performance Measures:**

The FY 23-27 Agreement contains performance measures to monitor implementation and improve staff proficiency. Program goals, outcomes, and measures can be found in Exhibit E of the Agreement.

**Performance Outcomes:**

In FY 22-23, Sanctuary met all goals for both programs (ASAM Level 1.0 and Level 2.1).

Outpatient Services (Level 1.0): Sanctuary served an average of 100 clients and discharged 28 clients.

1. 100% of clients initiated treatment with a goal of 80%.
2. Zero clients immediately dropped out of treatment with a goal of less than 6%.
3. 90% of clients were engaged in treatment with a goal of 75%.
4. They were able to retain 59% of clients in treatment with a goal of 45%.
5. 73% of clients successfully completed treatment with a goal of 50%.

Intensive Outpatient Services (Level 2.1): Sanctuary served an average of 5 clients and discharged 2 clients.

1. 100% of clients initiated treatment with a goal of 80%.
2. Zero clients immediately dropped out of treatment with a goal of less than 6%.
3. 90% of clients were engaged in treatment with a goal of 75%.
4. They were able to retain 61% of clients in treatment with a goal of 45%.
5. 61% of clients successfully completed treatment with a goal of 50%.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 23-24 Cost:</u></b>	<b><u>FY 24-25 Cost:</u></b>	<b><u>FY 25-26 Cost:</u></b>	<b><u>FY 26-27 Cost:</u></b>	<b><u>Total FY 23-27:</u></b>
General Fund					
State	\$129,300	\$129,300	\$129,300	\$129,300	\$517,200
Federal					
Fees					
Other: Medi-Cal Patient Revenue	\$2,154,800	\$2,154,800	\$2,154,800	\$2,154,800	\$8,619,200
<b>Total</b>	<b>\$2,284,100</b>	<b>\$2,284,100</b>	<b>\$2,284,100</b>	<b>\$2,284,100</b>	<b>\$9,136,400</b>

**Narrative:**

Sanctuary FY 21-24 Termination Letter, FY 23-27 Board Contract

The above-referenced contract is funded by state and federal funds. Medi-Cal Patient Revenue is the fee-for-service revenue generated from patient services and is primarily funded with federal funds. The amount of federal funds varies depending on the client's aid code with youth services receiving a higher percentage of federal financial participation. The funding sources were included in the FY 23-24 Adopted Budget. Funding for FY 24-25, FY 25-26, and FY 26-27 will be included in the department's requested budget, and will be contingent upon Board approval.

In the new Agreement, the FY 23-24 maximum contract amount is \$2,284,100. This represents an increase of \$1,183,402 to the FY 23-24 maximum contract amount of \$1,100,698 in BC 20-278. DHCS' new Medi-Cal rate structure has prompted service providers to increase rates as they transition to a fee-for-service based payment, resulting in a higher maximum contract amount. Fee-for-service is a system of payment in which a provider is paid a fee for each particular service rendered, as opposed to other models of payment such as cost reimbursement. The maximum contract amount serves as a maximum cap for expenditures, but the contractor will only receive payment for each particular service that is rendered with a claim successfully submitted and approved.

**Key Contract Risks:**

As with any contract funded by State and Federal 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 email one (1) complete executed Board Contract and one (1) minute order to [bethle@sbcbswell.org](mailto:bethle@sbcbswell.org) and [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

- Attachment A: Sanctuary FY 21-24 (BC 20-278) Termination Letter Draft
- Attachment B: Sanctuary FY 21-24 (BC 20-278) Executed
- Attachment C: Sanctuary FY 23-27 New Board Contract

**Authored by:**

Bethany Le