



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:** DBW  
**Department No.:** 043  
**For Agenda Of:** March 1, 2016  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PhD, Director  
Director(s) Department of Behavioral Wellness 805-681-5220  
Contact Info: Lindsay Walter, JD, Interim Chief Financial Officer  
Department of Behavioral Wellness 805-681-5220

**SUBJECT:** DBW FY 15-16 Amendments – Acute/IMD Contracts

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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 and authorize the chair to execute the First Amendment to the Agreement for Services of Independent Contractor with **Aurora Vista Del Mar Hospital** (not a local vendor), for the provision of Acute Inpatient Services, to increase the contract by \$2,100,000 for a total contract amount not to exceed **\$4,100,000** through June 30, 2016.
- B) Approve and authorize the chair to execute the Second Amendment to the Agreement for Services of Independent Contractor with **Merced Behavioral Center** (not a local vendor), an institution for mental disease, to increase the FY 15-16 contract by \$180,608 for a total contract amount not to exceed **\$980,608** through June 30, 2017.
- 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 (DBW) provides a continuum of mental health and substance use disorders to Santa Barbara County residents, in part through contracted providers including Community-Based Organizations (CBOs). On February 16, 2016, the Board of Supervisors approved BRR #0004340, increasing appropriations of \$2,000,000 in DBW Mental Health Fund for Services and Supplies funded by an operating transfer for the General Fund. Approval of the current recommended actions add additional increases that will allow DBW to continue to provide mandated mental health, substance use, and ancillary services. Together, the increases cover the projected amounts that exceed the budgeted amounts in the Mental Health Fund associated with inpatient Acute and IMD contract beds.

**Background:**

Institutions from Mental Disease (IMD): DBW provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. IMDs are facilities including hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental illness, including medical attention, nursing care, and related services. Due to the Federal IMD Exclusion, these services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. There are a limited number of these highly structured residential treatment services in California and none in Santa Barbara County. DBW examines the current caseload and historical use of IMD facilities in order to project the following year's contract amounts within Department's budget constraints. DBW contracts with IMDs that are licensed as Acute Psychiatric Hospitals (Aurora Vista del Mar) and Skilled Nursing Facilities with Special Treatment Patches (Merced Behavioral Center). Acute Psychiatric Hospitals are used only for clients with emergency mental health needs meeting the criteria of Welfare and Institutions Code (WIC) Section 5150, and rates are significantly higher due to the hospital license, versus other types of IMDs, which are locked facilities used to treat ongoing psychiatric needs. Due to limited bed availability at each IMD, DBW contracts with a number of IMDs throughout the State.

DBW also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs.

**Aurora Vista del Mar (AVDM):** Acute Psychiatric Hospitals are used only for clients with emergency mental health needs who are determined to be a danger to themselves or others or gravely disabled pursuant to Welfare and Institutions Code §5150, and meet medical necessity criteria, as defined in the California Code of Regulations Title 9 §1820.205. When the County's 16-bed Psychiatric Health Facility (PHF) is full, Santa Barbara County clients are placed at other out-of-county Acute Psychiatric Hospitals, primarily AVDM. The contract with AVDM provides funding for up to nine (9) County clients per day.

**Merced Behavioral Center,** located in Merced County, provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring in a locked setting. This contract with Merced provides funding for a total of 3 beds.

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			\$ 2,000,000.00
State	\$ 140,304.00		
Federal	\$ 140,304.00		
Fees			
Other:			
<b>Total</b>	<b>\$ 280,608.00</b>	<b>\$ -</b>	<b>\$ 2,000,000.00</b>

Narrative: The funds identified in the table above are partially included in the FY 15-16 Adopted Budget, but there are not sufficient funds to cover the increased costs associated with the contract amendments. The \$2,000,000 expansion mentioned in BRR#0004340 will be covered by General Fund unassigned fund balance from unanticipated revenue that can be used for various issues such as inpatient needs and the Mental Health Committed Fund Balance. The amount will be transferred to DBW when the expenditure for the bed costs is incurred.

**Key Contract Risks:**

There is risk that the number of contracted IMD and IMD-alternative beds may increase beyond what the department has projected. In this case, the department will return to the Board of Supervisors to request an increase to the contract maximums where needed.

**Special Instructions:**

Please send one (1) complete copy of each executed contract and one (1) minute order to: admhscontractsstaff@co.santa-barbara.ca.us

**Attachments:**

- Attachment A: Aurora Vista Del Mar Amendment 1
- Attachment B: Aurora Vista Del Mar BC 16-103
- Attachment C: Merced Behavioral Health Amendment 2
- Attachment D: Merced Behavioral Health Amendment 1
- Attachment E: Merced Behavioral Health 15-029
- Attachment F: BRR#0004340

**Authored by:**

Q. Lopez