



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: Behavioral Wellness
Department No.: 043
Agenda Date: January 13, 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

DS
AN

Contact: Melissa Wilkins, MPH, CADC-II, CCPS, Branch Chief
Department of Behavioral Wellness

SUBJECT: Second Amendment to the Services Agreement (BC 23-078) with Tarzana Treatment Centers, Inc. for Residential Treatment Services for Fiscal Year (FY) 2023-27

County Counsel Concurrence

Auditor-Controller Concurrency

As to form: Yes

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 Second Amendment to the Agreement for Services of Independent Contractor (BC 23-078) with **Tarzana Treatment Centers, Inc. (Tarzana)** (not a local vendor) to update certain standard provisions for compliance with State and federal requirements or to clarify the obligations of the parties, add one new facility located in Lancaster, California for Residential Treatment Services, and update the Entity Rates and Codes by Service Type, resulting in no change to the total maximum contract amount of **\$9,039,600**, inclusive of \$1,142,100 for FY 2023-24, \$2,632,500 for FY 2024-25, \$2,632,500 for FY 2025-26, and \$2,632,500 for FY 2026-27, with no change to the contract term of July 1, 2023, 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:

The Board of Supervisors is requested to authorize the Chair to execute the Second Amendment to the Agreement with **Tarzana Treatment Centers, Inc. (Tarzana)**. The Amendment will ensure the continued delivery of Residential Treatment Services by updating certain State and federal terms to ensure compliance with new and updated provisions, and adding one new facility located in Lancaster, California for Residential Treatment Services to improve timely access to residential services. These amendments to the Agreement do not alter the total maximum contract amount of \$9,039,600 or the contract term of July 1, 2023 through June 30, 2027.

Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to continue to fund these Residential Treatment Services that provide a safe, structured, and immersive environment for individuals facing mental health issues and substance use disorders (SUD).

Discussion:

Tarzana provides Residential Treatment Services for American Society of Addiction Medicine (ASAM) levels 3.1, 3.3, 3.5, and withdrawal management levels 3.2 and 3.7 for adults and adolescents.

BWell now requests to amend this Agreement to update certain standard provisions for compliance with State and federal requirements, update general Alcohol and Drug Program (ADP) and financial provisions. With this amendment, one new facility located in Lancaster, California, is being added to the Agreement to improve timely access to residential services to adults with substance use disorder (SUD) and co-occurring disorders (COD) and to address unmet needs through the most recent Request for Proposal (RFP) earlier this year by increasing available placement locations. BWell is continually looking for opportunities to expand care in partnership with local contractors within the county. However, in response to our most recent RFP for Residential Treatment Services, no contractors within the county submitted a bid.

In addition, the contractor's billing codes in SmartCare are being updated to maintain accurate claim processing. This amendment will result in no change to the total maximum contract amount and term of the Agreement.

Background:

The Department of Behavioral Wellness (BWell) provides mental health and substance use disorder (SUD) services to Santa Barbara County residents, including through contracts with community-based organizations (CBO).

Tarzana, based in Tarzana, CA, was awarded a contract in response to the Request for Proposals (RFP) in 2022, to provide out-of-county services for the following levels of care:

- Residential Treatment Services (Levels 3.1, 3.3, 3.5, Perinatal/Non-Perinatal)
- Withdrawal Management (Levels 3.2 Perinatal and 3.7, for adults and adolescents)

Adult and Youth Residential Treatment Services Levels 3.1 and 3.5 provide voluntary, short-term, 24-hour non-medical program for individuals with SUD. Services require county prior authorization, are based on individual clinical need, and include assessment, counseling, care coordination, medication services, crisis intervention, family therapy, education, and recovery support.

Withdrawal Management Level 3.2 provides monitored detoxification services when clinically indicated. Members reside at the facility during detox and receive assessments, observation, medication services (including medication-assisted treatment (MAT)), care coordination, and recovery support. Services typically last 5–7 days, after which members transition to the most appropriate level of care.

Withdrawal Management Level 3.7 provides medically monitored, high-intensity inpatient services for individuals with severe SUD and complex biomedical, emotional, behavioral, or cognitive needs. Services include 24/7 structured treatment and medical oversight in a non-hospital setting to stabilize individuals and prepare them for transition to a lower level of care.

On July 18, 2023, a FY 2023-27 Agreement for Services of Independent Contractor was executed with Tarzana to provide Residential Treatment Services for 10 members at any time, aimed at helping members achieve sobriety. The total maximum contract amount was not to exceed \$4,568,400 for FY 2023-27, with annual allocations of \$1,142,100 for each fiscal year from FY 2023-24 through FY 2026-27. The agreement covers the period from July 1, 2023 through June 30, 2027.

On February 11, 2025, the Board of Supervisors approved the First Amendment to the Agreement to increase the contract amount by \$4,471,200 for a total maximum contract amount not to exceed \$9,039,600 for the provision of Residential Treatment Services to an additional 10 members, in response to an increase in demand for male beds for Residential Treatment Services.

Additionally, Tarzana is the only SUD Residential Treatment facility that offers Withdrawal Management Level 3.7 - withdrawal management services for individuals with co-occurring medical, SUD, and/or untreated mental health symptoms. With this Second Amendment, a new facility located in Lancaster, California is being to increase available placement locations that provide Residential Treatment Services.

Performance Measures:

The Agreement with Tarzana identifies program goals, outcomes and measures to monitor program implementation and improve DMC-ODS efficiency in Exhibit E. The program goals support successful SUD treatment and recovery through:

- members initiating treatment, with a goal of 80% treatment initiation;
- limiting members immediately dropping out of treatment, with a goal of less than 2% for residential services and less than 4% for withdrawal management services;
- members engaging in treatment, with a goal of 60% treatment engagement;
- members abstinent from their primary drug at discharge, with a goal of 80% abstinent at discharge for residential services and 100% for withdrawal management services;
- members transferring to treatment/lower level of care within 14 days, with a goal of 15% transferred for residential services and 30% for withdrawal management services; and
- members not being readmitted to withdrawal management services, with a goal of 75% not readmitted within 30 days.

Contract Renewals:

Performance Outcomes

Withdrawal Management Levels 3.2 and 3.7

In FY 2024-25, Tarzana served an average of 10 members and 10 discharged each quarter in the Withdrawal Management levels of care. Of the 6 goals, 5 out of 6 goals were met for level 3.2 and 6 of 6 goals were met for level 3.7.

Goals met:

- 78% (3.2) and 86% (3.7) of members successfully completed treatment with a goal of 50%;
- 0% (3.7) of members immediately dropped out of treatment with a goal of less than 4%;

- 100% (both 3.2 and 3.7) of members achieved primary drug abstinence at discharge with a goal of 100%;
- 45% (3.2) and 60 % (3.7) of members transferred to treatment/lower level of care within 14 days with a goal of 30%;
- 100% (both 3.2 and 3.7) no re-admission within 14 days with a goal of 95%;
- 100% (both 3.2 and 3.7) no re-admission within 30 days with a goal of 75%.

Goals unmet:

- 8% (3.2) of members immediately dropped out of treatment with a goal of less than 4%;

Adult Residential Treatment Levels 3.1 and 3.5

In FY 2024-25, Tarzana served an average of 22 members and 22 discharged each quarter in Adult Residential Treatment levels of care. Of the 5 goals, 5 of 5 goals were met for level 3.1 and 3 out of 5 goals were met for level 3.5.

Goals met:

- 100% (both 3.1 and 3.5) of members initiated treatment with a goal of 80%;
- 0% (3.1) immediately dropped out of treatment; with a goal of less than 2%;
- 83% (3.1) and 89% (3.5) of members engaged in treatment with a goal of 60%;
- 15% (3.1) of members transferred to treatment/lower level of care within 14 days with a goal of 15%;
- 100% (3.1) and 98% (3.5) of members primary drug abstinence at discharge with a goal of 80%.

Goals unmet:

- 5% (3.5) of members immediately dropped out of treatment with a goal of less than 2%;
- 9% (3.5) of members transferred to treatment/lower level of care within 14 days with a goal of 15%.

Youth Residential Treatment Levels 3.1 and 3.5

In FY 2024-25, Tarzana served an average of 2 members and 2 discharged each quarter in Youth Residential Treatment levels of care. Of the 5 goals, 4 out of 5 were met for level 3.1 and 3.5. Due to the small number of members served, data should be interpreted with caution.

Goals met:

- 100% (both 3.1 and 3.5) of members initiated treatment with a goal of 80%;
- 60% (3.1) and 100% (3.5) of members engaged in treatment with a goal of 60%;
- 50% (3.1) of members transferred to treatment/lower level of care within 14 days with a goal of 15%;
- 0% (3.5) of members immediately dropped out of treatment with a goal of less than 2%.
- 100% (both 3.1 and 3.5) of members primary drug abstinence at discharge with a goal of 80%.

Goals unmet:

- 0% (3.5) of members transferred to treatment/lower level of care within 14 days with a goal of 15%;

- 20% (3.1) of members immediately dropped out of treatment with a goal of less than 2%.

Perinatal

No members were served at this level of care. Therefore, there is no data for reporting.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
Federal	\$74,900	\$166,100	\$166,100	\$166,100	\$573,200
Medi-Cal Patient Revenue	\$1,067,200	\$2,466,400	\$2,466,400	\$2,466,400	\$8,466,400
Total	\$1,142,100	\$2,632,500	\$2,632,500	\$2,632,500	\$9,039,600

The above-referenced Agreement is funded with a combination of State and federal funds. With the transition to California Advancing and Innovating Medi-Cal (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 member's aid code and the State issued rate for the service. The Non-Medi-Cal portion of the contract is funded with federal Substance Use and Prevention Treatment Block Grant (SUBG) funding for Room and Board. Funding was included in the adopted Budgets for FY 2023-24, FY 2024-25, and FY 2025-26. Funding will be included in BWell's proposed budget for FY 2026-27 but remains contingent on the Board of Supervisors' approval.

Special Instructions:

Please email one (1) complete, executed copy of the above Amendment and one (1) Minute Order to sarriaga@sbcowell.org and to bwellcontractsstaff@sbcowell.org.

Attachments:

Attachment A – Tarzana Treatment Centers FY 2023-27 Board Contract Second Amendment

Attachment B – Tarzana Treatment Centers FY 2023-27 Board Contract First Amendment

Attachment C – Tarzana Treatment Centers FY 2023-27 Board Contract BC 23-078 executed

Contact Information:

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