



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:** May 31, 2022  
**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: Chris Ribeiro, Chief Financial Officer  
Department of Behavioral Wellness (805) 681-5220  
**SUBJECT:** Behavioral Wellness Institution for Mental Disease Contract Renewal - Aurora  
Las Encinas, LLC FY 22-25

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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 a multiyear Agreement for Services of Independent Contractor with **Aurora Las Encinas, LLC** (not a local vendor), an Institute for Mental Disease (IMD) for the provision of Psychiatric Inpatient Hospital services, chemical dependency, and co-occurring disorders, for a total contract maximum amount not to exceed **\$1,200,000** for FY 22-25 with an annual amount of \$400,000 for the period of July 1, 2022 through June 30, 2025.
- B. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt the services under the Agreement for convenience per Section 20 of the Agreement; make immaterial changes to the Agreement per Section 26 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; and
- C. Determine that these activities are exempt from the California Environmental Quality Act per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

The above items are on the agenda to request the Board to approve and authorize the Chair to execute a multiyear Agreement for Services with Aurora Las Encinas, LLC (ALE) for Fiscal Years 2022-2025 for **\$1,200,000** for an annual amount of \$400,000 for the period of July 1, 2022 through June 30, 2025 for the provision of psychiatric inpatient hospital services and co-occurring disorders. In addition, part of this request is to delegate authority to the Director of the Department of Behavioral Wellness or designee to suspend, delay, or interrupt the services under the Agreement for convenience per Section 20 of the Agreement; make immaterial changes to the Agreement per Section 26 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 Behavioral Wellness (BWell) to continue to provide mandated mental health services.

**Background:**

BWell provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. IMDs are facilities that include psychiatric 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 years old. There are a limited number of these highly structured residential treatment facilities in California, none of which are located in Santa Barbara County.

BWell reviews the current caseloads and examines historical usage data of IMD facilities to project the subsequent year's budget, while adhering to the department's Fiscal constraints. Behavioral Wellness contracts with IMDs that are licensed as Acute Psychiatric Hospitals, Skilled Nursing Facilities with Special Treatment Patches, and Mental Health Rehabilitation Centers. Due to limited bed availability at each IMD, Behavioral Wellness contracts with a number of IMDs throughout the State.

Aurora Las Encinas, LLC, located in Pasadena, CA, is a psychiatric hospital that provides emergency mental health services to clients who are considered to be a danger to themselves and/or others, are gravely disabled, pursuant to Welfare and Institutions Code § 5150 or who meet medical necessity criteria, as defined in the California Code of Regulations Title 9 § 1820.205. The current funding projections are based on a caseload of seven clients per day. Due to an increased demand for inpatient contracted long-term beds, Behavioral Wellness is requesting approval to contract with Aurora Las Encinas, an IMD, which provides services to clients with co-occurring disorders in the continuum of care.

**Performance Measure:**

The program goals are to assist clients in their mental health recovery process and develop the skills necessary to lead independent, healthy and productive lives in the community.

1. Of those who discharged (#dc = denominator):  $\leq 15\%$  who transitioned to a higher level of care.
2. Of those who discharged (#dc = denominator):  $\geq 85\%$  who transitioned to a lower level of care or graduated/discharges because care is no longer needed or medical necessity is not met.
3. Incidents requiring a higher level of supervision  $\leq 5\%$ .

**Contract Renewals and Performance Outcomes:**

To date, in FY 21 – 22, Aurora Las Encinas has had approximately 50 admissions, with the length of inpatient stays averaging 4.68 days. For these admissions, the majority of individuals were discharged to a lower level of care.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 22-23 Cost:</u></b>	<b><u>FY 23-24 Cost:</u></b>	<b><u>FY 24-25 Cost:</u></b>	<b><u>Total Cost FY 22-25</u></b>
General Fund				
State	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,200,000
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 1,200,000</b>

Narrative: The above-referenced contract is funded by State funds. Funding for this item is included in the FY 2022-2023 Proposed Budget. BWell will return to the Board of Supervisors for budget approval for FY 2023-2024 and FY 2024-2025 and the funding is contingent upon Board approval.

**Key Contract Risks:**

As with any contract funded by State resources, there is a risk of future audit disallowances and repayments. BWell contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to the County. There is a risk that the number of contracted IMD 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, as needed.

**Special Instructions:**

Please send one (1) complete copy of the executed contract and one (1) minute order to [dmorales@sbcswell.org](mailto:dmorales@sbcswell.org) and [bwellcontractsstaff@sbcswell.org](mailto:bwellcontractsstaff@sbcswell.org).

**Attachments:**

Attachment A: ALE FY 22-25 BC

**Authored by:**

D. Morales