



**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:** May 5, 2026  
**Placement:** Administrative Agenda  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department Director: Antonette Navarro, LMFT, Director,  
Department of Behavioral Wellness

<sup>DS</sup>  
AN

Contact: Jamie Huthsing, LMFT, Assistant Director of Compliance and  
Quality Care Management  
Department of Behavioral Wellness

**SUBJECT:** Memorandum of Understanding with Santa Barbara San Luis Obispo Regional  
Health Authority DBA CenCal Health Regarding Sharing the Costs of Residential Care  
and Partial Hospitalization of Medi-Cal Members with Eating Disorders for part of  
FY 2023-24 and through FY 2029-30

**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 Director of the Department of Behavioral Wellness, or designee, to execute a Memorandum of Understanding (MOU) with Santa Barbara San Luis Obispo Regional Health Authority DBA CenCal Health, effective upon date of execution regarding sharing the costs of residential care and partial hospitalization of Medi-Cal members with eating disorders for the period of January 1, 2024, through June 30, 2030, resulting in an estimated multi-year payment from CenCal Health to BWell of \$1,200,000, inclusive of an estimated \$100,000 in FY 2023-24, an estimated \$200,000 per fiscal year for Fiscal Years 2024-25 through 2028-29, and an estimated \$100,000 in FY 2029-30; and

- b) Approve and authorize the Director of Behavioral Wellness to extend the MOU one time for an additional five-year period under the same terms, covenants, and conditions ending June 30, 2035; and
- c) 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 Department of Behavioral Wellness (BWell) requests approval of the recommended actions to execute a Memorandum of Understanding (MOU) with Santa Barbara San Luis Obispo Regional Health Authority DBA CenCal Health to share the costs of providing both physical health and specialty mental health services to Medi-Cal members with eating disorders. Under the MOU, CenCal Health will reimburse fifty percent (50%) of the payments made by BWell for applicable claims during the agreement term. The MOU term will be from January 1, 2024 through June 30, 2030 with the option to extend the MOU one time for an additional five-year period ending June 30, 2035. CenCal Health's total contributions are estimated to be \$1,200,000 for the term of the MOU, at an estimated \$200,000 per calendar year, based on historical averages.

**Discussion:**

Approval of the recommended actions will allow BWell to receive reimbursement for 50% of the costs associated with residential care and partial hospitalization services provided to Medi-Cal members with eating disorders from January 1, 2024 through June 30, 2030. Because referrals for this level of treatment will need to be assessed by BWell to determine level of care, BWell will pay contracted providers the full amount for both specialty mental health and physical health services provided to members. BWell will then invoice CenCal for the 50% reimbursement.

BWell and CenCal Health have continued to coordinate care for Medi-Cal members with eating disorders and have continued splitting costs consistent with the prior MOU. The MOU presented before you today formalizes this ongoing commitment from where the previous MOU ended and will enable the County to continue to receive reimbursement for providing SMHS to Medi-Cal members with eating disorders.

**Background:**

The Department of Health Care Services (DHCS) released Behavioral Health Information Notice 22-009 (BHIN 22-009) and All Plan Letter 22-003 (APL 22-003) on March 16, 2022 and March 17, 2022, respectively. DHCS BHIN 22-009 provides Mental Health Plans (MHPs) with clarification and guidance regarding their responsibility to provide medically necessary covered Specialty Mental Health Services (SMHS) to beneficiaries diagnosed with feeding and eating disorders. Corresponding guidance for Medi-Cal Managed Care Health Plans (MCPs) is outlined in DHCS APL 22-003.

BWell (the MHP) and CenCal Health (the MCP) share responsibility for providing medically necessary services to Medi-Cal beneficiaries with eating disorders. The MCP is responsible for the physical health components of eating disorder treatment and Non-Specialty Mental Health Services (NSMHS), while MHP is responsible for SMHS. Individual responsibilities of the MCP include inpatient hospitalization for members with physical health conditions, payment for emergency room professional services, and the medically necessary physical health components in cases of partial hospitalization services. Individual responsibilities of the MHP include arrangement and payment for medically necessary psychiatric inpatient hospitalization and outpatient SMHS, and the medically necessary SMHS components for partial hospitalization and residential eating disorder programs.

In July 2022, BWell and CenCal Health entered into an MOU which documents the division of financial responsibility for these services. The agreement also required coordinated case management and concurrent review by both services involving shared responsibility, such as partial hospitalization and residential treatment for eating disorders. In order for the MCP to meet its care coordination obligations, it must ensure the beneficiary's medical record is complete. Therefore the MOU established procedures for the timely and complete exchange of both medical and behavioral health care information. That MOU expired at the end of 2023.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

This MOU provides that CenCal will cover 50% of the cost of medically necessary services for joint Medi-Cal members requiring residential treatment or partial hospitalization for an eating disorder.

Behavioral Wellness is unable to identify the total cost of eating disorder services with certainty, as expenditures vary annually based on client need. However, based on historical trends, we estimate that CenCal will reimburse approximately \$200,000 per fiscal year to Behavioral Wellness to support its share of treatment costs.

The anticipated revenue has been incorporated into the FY 2025-26 Adopted Budget and will continue to be included in future recommended budgets, subject to Board approval.

**Special Instructions:**

Please email one (1) complete, executed copy of the executed Memorandum of Understanding and one (1) Minute Order to [cshorb@sbcbswell.org](mailto:cshorb@sbcbswell.org) and to BWell Contracts Staff [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – CenCal Health MOU – Shared Costs for January 1, 2024 through June 30, 2030

**Contact Information:**

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