



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: June 25, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

DS
TN

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Department of Behavioral Wellness, (805) 681-5220
Contact Info: Ole Behrendtsen, MD, Medical Director, (805) 681-5220
SUBJECT: Dignity Health dba Marian Regional Medical Center FY 2024–2027 Services Agreement for Crisis Stabilization Unit Services

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Dignity Health dba Marian Regional Medical Center (Marian)** (a local vendor) to provide outpatient Crisis Stabilization Unit (CSU) services at its CSU, a designated Lanterman-Petris-Short Act facility for a maximum contract amount **\$10,080,000** inclusive of \$3,360,000 for FY 2024-25, \$3,360,000 for FY 2025-26, and \$3,360,000 for FY 2026-27; and
- b) Delegate to the Director of the Department of Behavioral Wellness or designee, 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, the authority to:
 - i) Suspend, delay, or interrupt the services under the Agreement for convenience per Section 20 of the Agreement;
 - ii) Make immaterial changes to the Agreement per Section 26 of the Agreement;
 - iii) Reallocate funds between funding sources per Exhibit B and B-1;
 - iv) Incorporate new codes and make fee-for-service rate changes to Exhibit B-3 MHS issued by the California Department of Health Care Services; make rate changes to Exhibit B-3 MHS for County’s operational reasons; make rate changes to or otherwise update Exhibit

B-3 MHS for multi-year contracts annually; provided that at no time will the rate adjustment be lower than the current amount specified in the Exhibit B-3 MHS;

- v) 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 Agreement, subject to the Board's ability to rescind this delegated authority at any time; and
- c) Determine that the above actions are a government funding mechanism or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment, and is an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) and (b)(5) of the CEQA Guidelines.

Summary Text:

This item is on the agenda to request authorization to renew the Agreement for Services of Independent Contractor with Marian to provide outpatient Crisis Stabilization Unit services for a maximum contract amount not to exceed **\$10,080,000** inclusive of \$3,360,000 for fiscal year (FY) 2024-25, \$3,360,000 for FY 2025-26, and \$3,360,000 for FY 2026-27.

Background:

The prior FY 2021–24 agreement with Dignity Health dba Marian Regional Medical Center (Marian) was approved by the Board on July 13, 2021, and the first and second amendments to the prior agreement were approved on August 16, 2022, and September 12, 2023, respectively. On August 16, 2022, the Board adopted Resolution 22-174 designating the Marian CSU as a Lanterman-Petris-Short (LPS) Welfare and Institutions Code section 5150 facility, which allowed designated staff of the Marian CSU to provide evaluation and treatment to adults with mental health disorders who have been deemed a danger to themselves or others or are gravely disabled.

The Marian CSU is located in Santa Maria. The Marian CSU serves adults who present in the emergency department, are medically stabilized, and would benefit from multidisciplinary mental health evaluation and crisis services for up to 23 hours and 59 minutes. The Marian CSU provides a safe, short-term, voluntary emergency treatment option for individuals experiencing a psychiatric emergency or mental health crisis. Also, the Marian CSU reduces the length of time clients who present at Marian's Emergency Department (ED) in a psychiatric emergency or mental health crisis must remain in the ED.

Performance Measure:

The Agreement with Dignity Health contains performance measures to monitor program implementation. Exhibit E (Program Goals, Outcomes, and Measures) of the Agreement details the performance expectations for the Contractor.

Contract Renewals and Performance Outcomes:

This data is from the first 3 quarters of FY 2023-24.

The Marian CSU served an average of 146 clients per quarter. Marian has met all of its outcomes so far this fiscal year.

- Discharged to a higher level of care: *goal is 40% or less. Outcome: 40%*
- Discharged to a lower level of care: *goal is 60% or more. Outcome: 60%*

Page 3 of 3

- Clients referred to substance use disorder or mental health treatment: *goal is 50%. Outcome: 72%*
- Clients referred to other services (Veteran services, food distribution, clothing, educational support services, transportation, etc.): *goal is 30%. Outcome: 46%*

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 24-25	FY 25-26	FY 26-27	Total
General Fund				
State				
Federal				
Fees				
Other: Medi-Cal Patient Revenue	\$3,360,000	\$3,360,000	\$3,360,000	\$ 10,080,000
Total	\$3,360,000	\$3,360,000	\$3,360,000	\$ 10,080,000

Narrative:

The above-referenced Agreement is funded with federal funds. With the transition to CalAIM Payment Reform, the contract will be fully funded with Medi-Cal Patient Revenue which consists of federal funds. Funding associated with this contract was included in the FY 2024-25 Recommended Budget and will also be included in future budgets presented to the Board.

Key Contract Risks:

The agreement involves some higher risk categories such as contract size (over \$500,000), the funding source (Federal), Marian's use of a subcontractor for some of their psychiatric services, and the provision of LPS services. However, in order to mitigate these potential risks, the contract is a limited term with clear performance outcomes. As referenced above, Marian's performance has met or exceeded these goals.

BWell Quality Care Management conducts regular monitoring and feedback of service provision to ensure all elements of CSU operations align with Mental Health Plan (MHP) rules and regulations. The contract is fee-for-service with a contract maximum to ensure the billing mechanisms are utilized in accordance with MHP financial standards. The County may terminate the agreement for convenience, cause, or non-appropriation of funds. Marian may also terminate the agreement for convenience by providing 120 days' notice to the County or for non-payment by County.

Special Instructions:

Please return one (1) Minute Order and one (1) complete copy of the Agreement to Melanie Johnson at mejohanson@sbcbswell.org and to the BWell Contracts Division at bwelcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: Dignity Health MRMC FY 24-27 BC

Authored by:

M. Johnson