



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

TO: Board of Supervisors

FROM: Department Antonette Navarro, LMFT, Director
Department of Behavioral Wellness, (805) 681-5220
Contact Info: Laura Zeitz, Interim Assistant Director, Inpatient/Crisis and
Access/Homeless and Housing/Justice/Long-Term Care
Department of Behavioral Wellness, (805) 681-5220

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SUBJECT: Psynergy Programs, Inc. FY 2024-27 Services Agreement for Institutions for
Mental Diseases Adult Residential Care, Renewal

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 an Agreement of Services of Independent Contractor with Psynergy Programs, Inc. (not a local vendor) for the provision of Adult Residential Care services for a maximum contract amount not to exceed **\$8,489,220**, inclusive of \$2,829,740 per fiscal year, for the period of July 1, 2024, through June 30, 2027;
- b) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt services under the Agreement for convenience and make immaterial changes to the Agreement per Sections 20 and 26 of the Agreement, amend client caseload and program staffing requirements per Exhibit A-2, adjust service location(s) of the program per Exhibit A-2, reallocate funds between funding sources, incorporate new codes and make fee-for-service rate changes or updates, and activate the Contingency Invoicing Plan per Exhibit B, may make rate changes to or otherwise update Exhibit B-3 MHS for multi-year contracts annually, may make a monthly decision on whether to use the Contingency Invoicing Plan considering the prevailing circumstances and 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 government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project that 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 above-referenced item is on the agenda to request approval to execute an agreement for Adult Residential Care services for fiscal year (FY) 24-27 with Psynergy Programs, Inc. (Psynergy) for a contract maximum amount of **\$8,489,220**. Psynergy provides Adult Residential Care services to adult clients, ages 18 and over, as a step-down mental health facility. Psynergy identifies clients who may be ready to step down to a lower level of care, then works to step clients down through three progressions of residential care, with the eventual goal of equipping clients to return to Santa Barbara County to live independently. Psynergy has nine Adult Residential Care Modified Therapeutic Community facilities located in California in Morgan Hill, Sacramento, Greenfield, and North Highlands. Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to continue to provide mandated mental health and ancillary services to its patients.

Background:

BWell provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. Institutions for Mental Diseases (IMDs) are facilities including hospitals, nursing facilities, rehabilitation centers, 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. IMD-alternative facilities are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs. BWell contracts with IMD facilities that are licensed as Acute Psychiatric Hospitals, Skilled Nursing Facilities with Special Treatment Patches, and Mental Health Rehabilitation Centers.

Psynergy Programs, Inc. (Psynergy), with the corporate office located in the Bay Area, provides residential treatment services to adult clients as a step down from IMDs. Psynergy works with clients in IMDs to identify those clients who may be ready to step down to a lower level of care, then works to step clients down through three progressions of residential care, with the eventual goal of equipping clients to return to Santa Barbara County to live independently. BWell has contracted with Psynergy for these Adult Residential Care services since November 2013. The FY 23-24 agreement was approved by the Board on August 22, 2023. For FY 23-24, Psynergy has consistently held an average caseload of 27 BWell clients per quarter.

Psynergy services are provided in four stages as follows: The first phase consists of assessment, engagement, and orientation, and is usually provided prior to the client arriving at Psynergy's campus. The second phase, Nueva Vista, located in Morgan Hill and Sacramento, California, is licensed as an Adult Residential Facility by the State Department of Social Services, Community Care Licensing Division (CCLD), and provides treatment aimed at helping clients adjust to a non-institutional setting. The third phase, Cielo Vista, located in Greenfield, California, is licensed as an Adult Residential Care Facility by CCLD, but provides a lower level of treatment services than Nueva Vista, and is aimed at preparing clients for independent living. The last stage, Tres Vista Apartments located in Morgan Hill, provides clients an independent living environment, with continued mental health supports to ensure

client success. After successful completion of all four phases, it is anticipated that clients will transition back to the community.

Approval of this agreement will allow BWell to provide Adult Residential Care treatment services to clients without a gap in services.

Performance Measure:

The program goals, outcomes, and measures for Psynergy during FY 24 - 27 will be as follows:

1. Reduce mental health and substance abuse symptoms resulting in reduced utilization of involuntary care and emergency rooms for mental health and physical health problems;
2. Assist clients in their mental health recovery process and with developing the skills necessary to lead healthy and productive lives in the community;
3. Provide Housing Support Services to assist clients with maintaining stable housing; and
4. Provide Case Management Services to assist clients with engagement in self-sufficiency and treatment services.

Contract Renewals and Performance Outcomes:

Outcomes

During first three quarters of FY 23-24, Psynergy met four (4) of their (7) goals. Psynergy served an average of 27 clients per quarter among at four (4) facilities, with an average of four (4) discharges per quarter. Psynergy did not meet discharge goals due to a small sample size and their clients high-level of acuity.

Met:

- *Incarcerations:* No clients (0%) were incarcerated (Goal of 5% or less)
- *Psychiatric Inpatient Care:* 8% were admitted to acute psychiatric inpatient care (Goal: 10% or less)
- *Hospitalization for Physical Health:* 1% were hospitalized for physical health (Goal: 10% or less)
- *Emergency Care for Physical Health:* 2% had emergency care for physical health (Goal: 10% or less)

Not met:

- *Incidents Requiring a Higher Level of Supervision:* 8% had incidents requiring a higher level of supervision (Goal: 5% or less)
- *Discharged to a Higher Level of Care:* 36% were discharged to a higher level of care (Goal: 15% or less)
- *Discharged to a Lower Level of Care:* 25% were discharged to a lower level of care (Goal: 85% or more)

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 24-25	FY 25-26	FY 26-27	Total
General Fund				
State	\$ 1,918,230	\$ 1,918,230	\$ 1,918,230	\$ 5,754,690
Federal				
Fees				
Other: Medi-Cal Patient Revenue	\$ 911,510	\$ 911,510	\$ 911,510	\$ 2,734,530
Total	\$ 2,829,740	\$ 2,829,740	\$ 2,829,740	\$ 8,489,220

Narrative:

The above-referenced agreement is funded with a combination of State and federal funds. With the transition to 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 client's aid code and the State issued rate for the service. The Non-Medi-Cal portion of the contract is funded by Mental Health Service Act (MHSA) funding. 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:

As with any contract funded with State and Federal sources, there is a risk of future audit disallowances and repayments. The contract includes language requiring the contractor to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please send one (1) Minute Order and (1) complete copy of the executed contract to M. Simon-Gersuk at msimongersuk@sbcbswell.org and to Behavioral Wellness Contracts at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: Psynergy Programs, Inc. FY 24-27

Authored by:

M. Simon-Gersuk