



# County of Santa Barbara BOARD OF SUPERVISORS

## Minute Order

January 15, 2019

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**Present:** 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

BEHAVIORAL WELLNESS

File Reference No. 19-00049

**RE:** Consider recommendations regarding a Second Amendment to the Agreement with Merced, Fiscal Year (FY) 2018-2019 AM 2, as follows:

a) Approve and authorize the Chair to execute the Second Amendment to the Agreement for services of independent Contractor with Merced Behavioral, LLC, a California limited liability company, dba Merced Behavioral Center (not a local vendor), an Institution for Mental Disease, to increase the FY 2018-2019 contract by \$250,000.00 for a total contract amount not to exceed \$2,019,585.00 for the period July 1, 2017 through June 30, 2020; and

b) Determine that the recommended actions are not a "project" under the California Environmental Quality Act (CEQA) 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 potentially significant physical impact on the environment.

**A motion was made by Supervisor Hartmann, seconded by Supervisor Adam, that this matter be Acted on as follows:**

- a) Approved and authorized; Chair to execute; and
- b) Approved

**The motion carried by the following vote:**

**Ayes:** 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino



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: January 8, 2019  
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 Alice Gleghorn, PhD, Director  
Director(s) Department of Behavioral Wellness 805-681-5220  
Contact Info: Ole Behrendtsen, MD, Medical Director  
Department of Behavioral Wellness 805-681-5220

**SUBJECT:** Merced FY 18-19 Am 2

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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 the Second Amendment to the Agreement for services of independent Contractor with Cf Merced Behavioral, LLC, a California limited liability company, dba **Merced Behavioral Center** (not a local vendor), an Institution for Mental Disease, to increase the FY 18-19 contract by **\$250,000** for a total contract amount not to exceed **\$2,019,585** for the period July 1, 2017 through June 30, 2020.
- B. Determine that the recommended actions are not a "project" under the California Environmental Quality Act (CEQA) 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 potentially significant physical impact on the environment.

**Summary Text:**

The above-referenced item is on the agenda to request an increase in Merced Behavioral Center's FY 18-19 contract by \$250,000.00 for a total contract maximum not to exceed \$2,019,585.00. Approval of the

recommended actions will allow Behavioral Wellness to continue to provide mandated mental health, substance use, and ancillary services. The Board previously authorized the County to enter into a First Amendment to the Agreement for Services of Independent Contractor on May 15, 2018 to increase the contract amount for FY 17-18 by \$119,585.00 for a total contract maximum not to exceed \$1,769,585.00.

The Department of Behavioral Wellness provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part through contracted providers including Institutions for Mental Disease. Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met. The increase will be funded by a reduction of another IMD contract.

**Background:**

Institutions for Mental Disease (“IMD”): Behavioral Wellness provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. IMDs are facilities including 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. There are a limited number of these highly structured residential treatment services in California and none in Santa Barbara County. 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.

**Merced Behavioral Center (Merced)**, located in Merced County, provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring in a locked setting. In order to project the following year’s contract amounts within the Department’s budget constraints, Behavioral Wellness examines the current caseload and historical use of IMD facilities. Merced’s average caseload for FY 17-18 was 9 and the current contract amount is based on that average. However, presently Behavioral Wellness has 10 clients at Merced but is paying for 12 beds due to the fact that two clients need their own room. The contract increase will cover this new caseload.

**Performance Outcomes:**

The caseload for Merced has increased from 9 to 10; however, 2 clients require their own room resulting in Behavioral Wellness paying for 12 beds.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 17-18</u></b>	<b><u>FY 18-19</u></b>	<b><u>FY 19-20</u></b>	<b><u>Total Contract Amount</u></b>
General Fund				
State	\$ 669,585.00	\$ 800,000.00	\$ 550,000.00	
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$ 669,585.00</b>	<b>\$ 800,000.00</b>	<b>\$ 550,000.00</b>	<b>\$ 2,019,585.00</b>

Narrative: The above referenced contract is funded by State funds.

**Key Contract Risks:**

There is risk that the number of contracted IMD and IMD-alternative 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 maximum where needed.

**Special Instructions:**

Please send one (1) complete copy of the executed contract and one (1) minute order to: qilopez@co.santa-barbara.ca.us.

**Attachments:**

- Attachment A: Merced Behavioral Center FY 17-20 Am 2
- Attachment B: Merced Behavioral Center FY 17-20 Am 1
- Attachment C: Merced Behavioral Center FY 17-20 BC 18-081

**Authored by:**

Q. Lopez

## Second Amendment 17-20

### TO AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

This Second Amendment to the Agreement for Services of Independent Contractor (hereafter "Second Amended Contract"), referenced as number BC 18-081, by and between the **County of Santa Barbara** (County) and CF Merced Behavioral, LLC, a California limited liability company, dba **Merced Behavioral Center** (Contractor), for the continued provision of services specified herein.

Whereas, Contractor represents that it is specially trained, skilled, experienced and competent to perform the special services required by County and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions referenced herein.

Whereas, the Second Amended Contract incorporates the terms and conditions set forth in the contract approved by the County Board of Supervisors in July 2017, the First Amendment approved by the County Board of Supervisors in May 2018, except as modified by this Second Amended Contract (hereinafter collectively referred to as the "Agreement").

Whereas, County anticipates that Contractor will provide, at the request of the County, a greater number of services than contemplated by the original Agreement, and will incur expenses beyond the value of this Agreement. This amendment adds funds in the amount of \$250,000 for Fiscal Year 18-19 to the prior annual maximum of \$550,000, so as to compensate Contractor for additional services to be rendered under this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, County and Contractor agree as follows:

**I. Revise the introductory paragraph of the Agreement and First Amendment to the Agreement to add the legal name of Contractor as follows:**

CF Merced Behavioral, LLC, a California limited liability company, dba **Merced Behavioral Center** ("Merced Behavioral Center") (Contractor).

**II. Delete Section II, Maximum Contract Amount, from Exhibit B, Financial Provisions, and replace with the following:**

**II. MAXIMUM CONTRACT AMOUNT.**

The Maximum Contract Amount of this Agreement shall not exceed **\$669,585 for FY 17-18, \$800,000 for FY 18-19, and \$550,000 for FY 19-20**, for a total contract amount **not to exceed \$2,019,585 during the term of this Agreement**. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder without a properly executed amendment.

**Second Amendment 17-20**

III. Delete Exhibit B-1, Schedule of Rates and Contract Maximum, and replace with the following:

**EXHIBIT B-1  
ALCOHOL, DRUG AND MENTAL HEALTH SERVICES  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:** Merced Behavioral Center

**FISCAL YEAR:** 2017-18, 2018-19, 2019-20

Facility	Program	Maximum Daily Rate*
Country Villa Merced Behavioral Healthcare Center	Basic SNF	\$192.48
	STP Supplement	\$5.72
	Bed Hold	(\$7.35)
	Daily patch rate**	\$300.00
<b>Maximum Contract Amount FY 17-18</b>		<b>\$669,585</b>
<b>Maximum Contract Amount FY 18-19</b>		<b>\$800,000</b>
<b>Maximum Contract Amount FY 19-20</b>		<b>\$550,000</b>
<b>Total Contract Maximum July 1, 2017 through June 30, 2020</b>		<b>\$2,019,585</b>

\*Or as otherwise published by the State Department of Healthcare Services. Upon notification of updated rates from DHCS, Contractor shall notify County of the new rates and its intent to adopt the new rates.

\*\* Daily patch rate may be adjusted by Director and/or his/her designee based on acuity of client and monitoring needs.

CONTRACTOR SIGNATURE: \_\_\_\_\_

STAFF ANALYST SIGNATURE: \_\_\_\_\_

FISCAL SERVICES SIGNATURE: \_\_\_\_\_

*Guiana Lopez*  
*Alte Bay*

**Second Amendment 17-20**

III. Delete Exhibit B-1, Schedule of Rates and Contract Maximum, and replace with the following:

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ALCOHOL, DRUG AND MENTAL HEALTH SERVICES  
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**CONTRACTOR NAME:** Merced Behavioral Center

**FISCAL YEAR:** 2017-18, 2018-19, 2019-20

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<b>Maximum Contract Amount FY 17-18</b>		<b>\$669,585</b>
<b>Maximum Contract Amount FY 18-19</b>		<b>\$800,000</b>
<b>Maximum Contract Amount FY 19-20</b>		<b>\$550,000</b>
<b>Total Contract Maximum July 1, 2017 through June 30, 2020</b>		<b>\$2,019,585</b>

\*Or as otherwise published by the State Department of Healthcare Services. Upon notification of updated rates from DHCS, Contractor shall notify County of the new rates and its intent to adopt the new rates.

\*\* Daily patch rate may be adjusted by Director and/or his/her designee based on acuity of client and monitoring needs.

CONTRACTOR SIGNATURE:



STAFF ANALYST SIGNATURE:

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FISCAL SERVICES SIGNATURE:

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**Second Amendment 17-20**

**III. All other terms remain in full force and effect.**



Second Amendment 17-20

SIGNATURES

Second Amendment to Agreement for Services of Independent Contractor between the County of Santa Barbara and CF MERCED BEHAVIORAL, LLC, dba Merced Behavioral Center.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to be effective on the date executed by County.

COUNTY OF SANTA BARBARA

By: \_\_\_\_\_

STEVE LAVAGNINO, CHAIR  
BOARD OF SUPERVISORS

Date: \_\_\_\_\_

ATTEST:

MONA MIYASATO,  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By: \_\_\_\_\_

Deputy Clerk

Date: \_\_\_\_\_

CONTRACTOR

CF MERCED BEHAVIORAL, LLC, dba MERCED  
BEHAVIORAL CENTER

By: Jeri Allgood

Name: Jeri Allgood

Title: Administrator

Date: 12/19/18

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By: \_\_\_\_\_

Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

BETSY M. SCHAFFER, CPA  
AUDITOR-CONTROLLER

By: \_\_\_\_\_

Deputy

APPROVED AS TO FORM :

DEPARTMENT OF BEHAVIORAL WELLNESS  
ALICE GLEGHORN, PH.D. DIRECTOR

By: \_\_\_\_\_

Director

APPROVED AS TO INSURANCE FORM:

RAY AROMATORIO  
RISK MANAGER

By: \_\_\_\_\_

Risk Management

A-6.

Second Amendment 17-20

SIGNATURES

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IN WITNESS WHEREOF, the parties have executed this Second Amendment to be effective on the date executed by County.

COUNTY OF SANTA BARBARA

By: [Signature]  
STEVE LAVAGNINO, CHAIR  
BOARD OF SUPERVISORS

Date: 1-17-19

ATTEST:  
MONA MIYASATO,  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By: [Signature]  
Deputy Clerk  
Date: 1-15-19

CONTRACTOR  
CF MERCED BEHAVIORAL, LLC, dba MERCED  
BEHAVIORAL CENTER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By: [Signature]  
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:  
BETSY M. SCHAFFER, CPA  
AUDITOR-CONTROLLER

By: [Signature]  
Deputy

APPROVED AS TO FORM :  
DEPARTMENT OF BEHAVIORAL WELLNESS  
ALICE GLEGHORN, PH.D. DIRECTOR

By: [Signature]  
Director

APPROVED AS TO INSURANCE FORM:  
RAY AROMATORIO  
RISK MANAGER

By: [Signature]  
Risk Management