



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: April 23, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No

If Yes, date from:

Vote Required: ^{DS} [majority

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
Chris Ribeiro, Chief Financial Officer, (805) 681-5220
John Winckler, LMFT, Branch Chief, (805) 681-5220
SUBJECT: Crestwood Behavioral Health, Inc. FY 23-27 Services Agreement for Crisis Stabilization Unit Services

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 Chair to execute an Agreement for Services of Independent Contractor with **Crestwood Behavioral Health, Inc.** (Crestwood) (not a local vendor) for the provision of Crisis Stabilization Unit (CSU) services primarily to Santa Barbara County Medi-Cal beneficiaries experiencing a psychiatric emergency or mental health crisis for a maximum contract amount not to exceed **\$22,192,530**, inclusive of \$2,482,530 for FY 23-24, \$6,570,000 for FY 24-25, \$6,570,000 for FY 25-26, and \$6,570,000 for FY 26-27, for the period of March 1, 2024, through June 30, 2027;
- b) Approve and authorize the Director of the Department of Behavioral Wellness or designee to provide County’s prior written consent for Crestwood to subcontract its obligations under the Agreement per Section 18 of the Agreement and to obtain the concurrence of Risk Management, Auditor-Controller, and County Counsel before exercising this authority;
- c) 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 per Section 20 of the Agreement; make immaterial changes to the Agreement per Section 26; amend the program goals,

outcomes, and measures per Exhibit A-1, amend program staffing requirements per Exhibit A-2; and reallocate funds between funding sources, increase the fee-for-service rate, and reallocate between the contract allocations in Exhibit B-1 MHS to increase or decrease the incentive payment with discretion per Exhibit B, 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

- d) Determine that the above actions are government funding mechanisms 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 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 item is on the agenda to request Board approval to execute the Agreement with Crestwood Behavioral Health, Inc. ("Crestwood") for the provision of Crisis Stabilization Unit (CSU) services to Santa Barbara County Medi-Cal beneficiaries experiencing a psychiatric emergency or mental health crisis for a contract maximum not to exceed \$22,192,530 inclusive of \$2,482,530 for FY 23-24, \$6,570,000 for FY 24-25, \$6,570,000 for FY 25-26, and \$6,570,000 for FY 26-27, for the period of March 1, 2024 through June 30, 2027.

Background:

History of CSU

In FY 2015-2016, Behavioral Wellness (BWell) began operating an unlocked CSU located on the County's Calle Real campus, adjacent to the Psychiatric Health Facility (PHF) in Santa Barbara. At the time, the funding available to build out and fund the CSU could not be used for locked facilities. Therefore, the BWell CSU was established as an unlocked intensive crisis intervention. The original funding restriction has since been lifted, allowing for the CSU to now be designated and operated as a locked facility. A request to adopt a resolution to designate the Department of Behavioral Wellness (BWell) Crisis Stabilization Unit (CSU) as an LPS 5150 designated facility will be brought to the Board's April 23, 2024 meeting. Although built to accommodate eight crisis beds, in 2016 the facility was staffed and operated to accommodate four beds. The continued impact of COVID, as well as ongoing staffing challenges at the PHF led to the temporary closure of the CSU in May 2022.

Competitive Procurement to Select CSU Provider

On August 29, 2023, the Board authorized BWell to issue a Request for Proposals (RFP) in order to contract out the operation and service delivery of its CSU to a qualified community-based organization. The RFP was issued on September 1, 2023. The RFP stipulated that the designation of the CSU would be converted from an unlocked to a locked unit and would operate eight crisis beds. This change from four crisis beds to eight crisis beds will immediately address the County's need for more locked acute beds.

A Notice of Intent to Award letter was issued to Crestwood on October 16, 2023. Crestwood is an experienced provider that has successfully demonstrated its ability to provide effective crisis stabilization services, including the hiring and retention of adequate staffing, consistently high rates of client utilization, and efficient fiscal management.

CSU Services to Start Mid-April 2024

The planned opening date for the 8-bed CSU is mid-May . Both involuntary and voluntary services will be provided. The involuntary population served will include County inmates. A referral process is being established with the Sheriff's Office. CSU services will be provided at County-owned property and Board-approval of the lease for Crestwood will be sought separately and completed in coordination with General Services.

Performance Measures

The FY 23-27 Agreement contains performance measures to monitor program implementation and improve staff proficiency. Program goals, outcomes, and measures can be found in Exhibit E of the Agreement and include:

1. *Program Goal: Census Information*

Outcomes:

- A. Program Census Information: # referred to CSU
Measure: # Non-custody and # Custody
- B. Program Census Information: # who meet admission criteria (medically cleared and meet medical necessity criteria for crisis stabilization)
Measure: # Non-custody and the # Custody
- C. % Referrals Accepted (=B/A)
Measure: >95 Non-custody, ≥95 Custody

2. *Program Goal: Assist clients in their mental health recovery process and with developing the skills necessary to lead independent, healthy and productive lives in the community.*

Outcomes:

- A. Of those who discharged: Number (%) of clients who transition to a higher level of care (e.g., inpatient admission)
Measure: <15 (*exclude in-custody admissions)
- B. Of those who discharged: Number (%) of clients who transition to a lower level of care (e.g., outpatient care)
Measure: >85 (*exclude in-custody admissions)

3. *Program Goal: Provide Case Management Services to assist clients with engagement in self-sufficiency and treatment services.*

Outcomes:

- A. % clients linked to physical health care services upon discharge
Measure: ≥95
- B. % clients linked to mental health or substance use services upon discharge
Measure: ≥95

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total
General Fund					
State	\$ 1,396,230	\$ 1,144,772	\$ 1,144,772	\$ 1,144,772	\$ 4,830,546
Federal					
Fees					
Medi-Cal Patient Revenue	\$ 1,086,300	\$ 5,425,228	\$ 5,425,228	\$ 5,425,228	\$ 17,361,984
Total	\$ 2,482,530	\$ 6,570,000	\$ 6,570,000	\$ 6,570,000	\$ 22,192,530

Narrative:

The above-referenced Agreement is funded by a combination of State and Federal funds. With the transition to CalAIM Payment Reform, the contract will be funded with Medi-Cal Patient Revenue which primarily consists of Federal funds. The funding sources are included in the FY 23-24 Adopted Budget. Funding for subsequent fiscal years will be included in the department's proposed budget and is contingent upon Board approval.

Key Contract Risks:

The County's Contractor Risk Assessment tool calculates that the proposed agreement with Crestwood presents a high risk. Some of the higher risk categories include the contract size (over \$500,000), and the funding source (federal Medi-Cal funds).

BWell Quality Care Management will initiate 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 cost-reimbursed with a contract maximum to ensure the billing mechanisms are utilized in accordance with MHP financial standards. Additionally, BWell staff will coordinate trainings and meet frequently with Crestwood to initiate this new program in order to mitigate programmatic risks in this new endeavor. The County may terminate the agreement for convenience, cause, or nonappropriation of funds.

Special Instructions:

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

Attachments:

Attachment A: Crestwood Behavioral Health, Inc FY 23-27 CSU Board Contract

Authored by:

M. Johnson