



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:** August 18, 2020  
**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: Chris Ribeiro, Chief Financial Officer  
Department of Behavioral Wellness 805-681-5220

**SUBJECT:** **Institute for Mental Disease Contract Renewal: Merced Behavioral Center FY 20-23**

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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, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with CF Merced Behavioral, LLC dba **Merced Behavioral Center**, a California limited liability company (not a local vendor), for the provision of mental health services and residential treatment services for a total contract amount not to exceed **\$1,500,000**, inclusive of \$500,000 per fiscal year, for the period July 1, 2020 through June 30, 2023;
- B) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to make immaterial changes to the Agreement; reallocate funds between funding sources or programs or agree to rates other than the Per Diem Rates for special circumstances during the term of the Agreement as long as there is no change to the Maximum Contract Amount; and amend the Program Goals, Outcomes, and Measures in Exhibits E of the Agreement, all without requiring formal amendment thereto and subject to the Board's authority to rescind this delegated authority at any time; and
- C) Determine that the above actions are government fiscal activities or funding mechanisms, which do not involve any commitment to any specific project which 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 the agreement for Institution for Mental Disease (IMD) and Skilled Nursing Facility (SNF) services for FYs 20-23 for Merced Behavioral Center (Merced). 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 clients.

BWell provides a continuum of specialty mental health services to Santa Barbara County residents, in part through contracted providers. Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met.

**Background:**

Institutions for Mental Disease (IMD): 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. Behavioral Wellness also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs.

**Merced**, located in Merced County, provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring in a locked setting.

**Performance Outcomes:**

The current funding projections for Merced are based on a client caseload that will decrease from 12 at the beginning of the current Fiscal Year to 6 for the remainder of Fiscal Year 2021.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 20-21 Cost</u></b>	<b><u>FY 21-22 Cost</u></b>	<b><u>FY 22-23 Cost</u></b>	<b><u>Overall Cost FY 20-23</u></b>
General Fund				
State	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 1,500,000.00</b>

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

**Key Contract Risks:**

Additionally, as with any contract funded by State sources, there is a risk of future audit disallowances and repayments through the State's auditing process. The contract includes language requiring the contractor to repay any amounts disallowed in audit findings, minimizing financial risk to the County.

**Special Instructions:**

Please send one (1) complete copy of each executed amendment and one (1) minute order to: [abello@sbcbe.org](mailto:abello@sbcbe.org) and the BWell Contracts Division at [bwellcontractsstaff@co.santa-barbara.ca.us](mailto:bwellcontractsstaff@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: Merced Behavioral Center FY 20-23 BC

**Authored by:**

A. Bello