



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 29, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, 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: **Olive Crest FY 22-24 First Amendment to the Services Agreement for Mental Health 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 a First Amendment to the Agreement for Services of Independent Contractor with **Olive Crest** (not a local vendor), referenced as BC 21-269, to implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement, update the staffing requirements for the Short Term Residential Therapeutic Program (STRTP), update the language in the Statement of Work for the Short Term Residential Therapeutic Program (STRTP) and In-Home Behavioral Services (IHBS) and Intensive Care Coordination (ICC) programs, and decrease Mental Health funding by \$225,000 for FY 23-24 for a new total contract maximum amount not to exceed **\$1,775,000** (inclusive of \$1,000,000 for FY 22-23 and \$775,000 for FY 23-24) for the period of July 1, 2022 through June 30, 2024; and
- b. Determine that the above action is a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

This item is on the agenda to request the Board of Supervisors to execute a First Amendment to the Agreement with Olive Crest (BC 21-269) to implement CalAIM Behavioral Health Payment Reform changes, update the language in the Statement of Work for the Short Term Residential Therapeutic Program (STRTP) and In-Home Behavioral Services (IHBS) and Intensive Care Coordination (ICC) program, modify the staffing requirements for the Short Term Residential Therapeutic Program, and decrease Mental Health funding by \$225,000 for FY 23-24 for a new total contract maximum amount not to exceed \$1,775,000 for the period of July 1, 2022 through June 30, 2024. The decrease in funding for FY 23-24 is a result of a reduction in staffing and operational costs for the current fiscal year. Olive Crest acquired the facility from Hope Refuge in FY 21-22 and has not been able to achieve the staffing levels identified in their initial budget and funding allocation. The contract had a funding allocation to accommodate 10.0 FTE clinical and administrative staff. Olive Crest indicated that a staffing reduction to 8.0 FTE is more appropriate for the size of their operations.

Background:

Santa Barbara County Department of Behavioral Wellness (BWell) provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part, through contracted providers including community-based organizations. **Olive Crest** provides Short Term Residential Treatment Program services in Santa Barbara County, along with Intensive Home-Based Services and Intensive Care Coordination. Olive Crest provides sixteen STRTP placements for mandated mental health services to Medi-Cal eligible children and youth, ages twelve to seventeen years of age, with Serious Emotional Disorders, who are residents of Santa Barbara County or presumptive transfer clients from other counties and have been temporarily placed in a licensed STRTP.

CalAIM Payment Reform

California Advancing and Innovating Medi-Cal (CalAIM) is a multi-year California Department of Health Care Services (DHCS) initiative to improve the quality of life and health outcomes of the population by implementing broad delivery system, program, and payment reform across the Medi-Cal program. The behavioral health components of CalAIM are designed to support whole-person, integrated care; move the administration of Medi-Cal behavioral health to a more consistent and seamless system by reducing complexity and increasing flexibility; and improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through improvements to behavioral health policies and the launch of Behavioral Health Payment Reform. The majority of these policy changes launched in 2022, and implementation will continue through 2027.

Through realignment efforts in 1991 and 2011, funding for the majority of the non-federal share of costs associated with Specialty Mental Health services and Substance Use Disorder services became the responsibility of counties. Currently, counties are reimbursed for these programs via Medicaid Certified Public Expenditure (CPE) methodologies. Under the CPE structure, reimbursements to counties are limited to costs incurred by the counties and are subject to a lengthy and labor-intensive cost reconciliation process. The CalAIM Behavioral Health Payment Reform initiative seeks to move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal beneficiaries. Payment reform will transition counties from cost-based reimbursement funded via CPEs to fee-for-service reimbursement funded via intergovernmental transfers, eliminating the need for reconciliation to actual costs.

BWell requests to amend the Agreement for Services of Independent Contractor with Olive Crest to implement CalAIM Behavioral Health Payment Reform changes through the implementation of new financial provisions effective July 1, 2023. Approval of the recommended actions will allow the County

to maintain compliance with DHCS requirements and implement the new payment methods necessary for partnership with providers.

Performance Measure:

The FY 22-24 Agreement contains performance measures to monitor implementation and improve staff proficiency. Program goals, outcomes, and measures can be found in Exhibit E (page 72) of the Agreement.

Performance Outcomes:

During the first three quarters of FY 22-23:

Olive Crest STRTP served an average of 6.5 clients per quarter with a total of 15 unduplicated clients over the last fiscal year, discharged an average of 2.8 per quarter, and met 4 of their 8 goals:

1. 100% of clients had stable housing with a goal of 95% of more;
2. 100% of clients were engaged in purposeful activity with a goal of 95% of more;
3. 100% of clients had a Child and Adolescent Needs and Strengths (CANS) assessment completed with the goal of 100%; and
4. 100% of PSCs (pediatric symptoms checklist) was completed with the goal of 100%.

Of the 4 goals Olive Crest did not meet:

5. 25% of unique clients were incarcerated (juvenile hall) with the goal of 10% or fewer;
6. 25% of clients were admitted to inpatient care with the goal of 10% or fewer;
7. 31% of clients were discharged to high levels of care with the goal of 15% or fewer; and
8. 50% of clients were discharged to lower levels of care with the goal of 85% or more.

Fiscal and Facilities Impacts:

Budgeted: Yes

<u>Funding Sources</u>	<u>Cost FY 22-23:</u>	<u>Cost FY 23-24:</u>	<u>Total Cost FY 22-24</u>
General Fund			
State	\$ 500,000.00	\$ 15,906.00	\$ 515,906.00
Federal	\$ 500,000.00		\$ 500,000.00
Fees			\$ -
Other: Medi-Cal Patient Revenue		\$ 759,094.00	\$ 759,094.00
Total	\$ 1,000,000.00	\$ 775,000.00	\$ 1,775,000.00

Fiscal Analysis:

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 amount of Federal funds varies depending on the client’s Medi-Cal aid code with youth services receiving a higher share of Federal funding. The funding sources are included in the FY 23-24 Adopted Budget.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please email one (1) Minute Order and one (1) complete executed Amendment to Marlene Zavala at mazavala@sbcbswell.org and to the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: Olive Crest FY 22-24 First Amendment

Attachment B: Olive Crest FY 22-24 BC Executed (BC 21-269)

Authored by:

Marlene Zavala