

**Attachment B –
CaIMHSA FY 2023-26 SHB
Program Participation Agreement
No. 4640-SHB-2023-SB
First Amendment**



County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

June 10, 2025

Present: 5 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

BEHAVIORAL WELLNESS DEPARTMENT

File Reference No. 25-00506

RE: Consider recommendations regarding a Memorandum of Understanding (MOU) with the California Department of State Hospitals and the California Mental Health Services Authority (CalMHSA) for County Use of State Hospital Beds for Fiscal Years (FYs) 2025-2027 and First Amendment to the Participation Agreement with CalMHSA for State Hospital Beds Program Administrative Fees for FYs 2023-2025, as follows:

a) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute a MOU with the CalMHSA for County use of State hospital beds for the period of July 1, 2025 through June 30, 2027;

b) Approve, ratify, and authorize the Chair to execute a First Amendment to the State Hospital Beds Program Participation Agreement with CalMHSA (No. 4640-SHB-2023-SB) to extend the term of the contract from June 30, 2025, through June 30, 2026, for a revised contract term of July 1, 2023 through June 30, 2026, and increase the total maximum amount payable under the contract by \$11,216.00 for a revised contract maximum not to exceed \$36,452.00 (inclusive of \$12,618.00 per FY for FYs 2023-2025 and \$11,216.00 for FY 2025-2026); and

c) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15378(b)(4) and (b)(5), finding that the actions are administrative activities of government and governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

A motion was made by Supervisor Nelson, seconded by Supervisor Hartmann, that this matter be acted on as follows:

a) **Approved and authorized;**

b) **Approved, ratified and authorized; Chair to execute; and**

c) **Approved.**

The motion carried by the following vote:

Ayes: 5 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, Supervisor Nelson, 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

Submitted on:
(COB Stamp)

Department Name: Behavioral Wellness
Department No.: 043
Agenda Date: June 10, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director: Antonette Navarro, LMFT, Director

Department of Behavioral Wellness

^{Initial}
KC

Contact Info: Laura Zeitz, RN, Assistant Director Inpatient, Crisis, Long
Term Care, Justice and Housing
Department of Behavioral Wellness

SUBJECT: Memorandum of Understanding with the California Department of State Hospitals and the California Mental Health Services Authority (CalMHSA) for County Use of State Hospital Beds for Fiscal Year (FY) 2025-27 and First Amendment to the Participation Agreement with CalMHSA for State Hospital Beds Program Administrative Fees for FY 2023-25

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Public Guardian

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute a Memorandum of Understanding (MOU) with the California Department of State Hospitals and the California Mental Health Services Authority (CalMHSA) for County use of State hospital beds for the period of July 1, 2025 through June 30, 2027;
- b) Approve, ratify, and authorize the Chair to execute a First Amendment to the State Hospital Beds Program Participation Agreement with CalMHSA (No. 4640-SHB-2023-SB) to extend the term of the contract from June 30, 2025, through June 30, 2026, for a revised contract term of July 1, 2023 through June 30, 2026, and increase the total maximum amount payable under the contract by \$11,216 for a revised contract maximum not to exceed \$36,452 (inclusive of \$12,618 per fiscal year [FY] for FY 2023-25 and \$11,216 for FY 2025-26); and
- c) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to

CEQA Guidelines section 15378(b)(4) and (b)(5), finding that the actions are administrative activities of government and governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

These items are on the agenda to request that the Board of Supervisors approve, ratify, and authorize the Director of Behavioral Wellness (BWell) or designee to enter into a Memorandum of Understanding (MOU) with CalMHSA and the Department of State Hospitals (DSH) for FY 2025-27, regarding use of State hospital beds, and to execute the CalMHSA State Hospitals Program Participation Agreement (PA) FY 2023-25 First Amendment to now amend and extend the PA through June 30, 2026 and to increase the administrative fee by \$11,216 for FY 2025-26, for a new contract maximum not to exceed \$36,452.

Background:

On April 1, 2014, the Board of Supervisors authorized BWell to become a member of CalMHSA. CalMHSA, the administrative agent for behavioral health departments, negotiates the State Hospital Bed MOU with DSH on behalf of city and county mental health authorities. Section 4330 of the California Welfare and Institutions Code requires counties to reimburse DSH for the use of state hospital beds and services by their residents. Clients referred to State hospitals by BWell are individuals who have mental illnesses requiring continuity of care and inpatient services or individuals who, under the Lanterman Petris Short Act "Murphy" Conservatorships, were previously found incompetent to stand trial on specific felony charges.

On May 20, 2014, the Board of Supervisors approved BWell's entrance into the first State Hospital Bed MOU between CalMHSA and DSH and the Board of Supervisors subsequently approved amendments to extend the date of the MOU through June 30, 2021. As a member of CalMHSA, participating counties, including the County of Santa Barbara, are able to sign on to the negotiated agreement between CalMHSA and DSH for the County's State hospital bed needs. The MOU provided BWell with consistently low rates.

On February 1, 2022, the Board of Supervisors approved the CalMHSA and DSH State Hospital Beds (SHB) MOU from July 1, 2021, through June 30, 2022. On November 1, 2022, the Board of Supervisors approved the First Amendment to that agreement, which revived the CalMHSA and DSH MOU FY 2021-22 and extended the term through December 31, 2022. The short-term Amendment allowed CalMHSA and DSH to continue negotiating the FY 2022-23 MOU and update the bed rate for the purchase of State hospital beds. The bed rate increased for the first time in eight years. However, CalMHSA was able to obtain the lowest possible rate with the DSH (\$1,402 per bed). On May 7, 2024, the Board of Supervisors approved the FY 2023-25 MOU and FY 2023-25 PA No. 4640-SHB-2023-SB with CalMHSA and the County.

On April 18, 2025, CalMHSA sent the FY 2025-27 MOU to the County. CalMHSA is extending the PA that allows for the payment of the administrative fee to CalMHSA by counties for the administration of the SHB programs. Based on June 2023 data provided by DSH, Santa Barbara County is currently allocated an annual bed number of nine beds, and FY 2025-26's allocated bed number is eight beds. Actual State hospital bed usage and client placement levels can vary (see chart below). BWell's bed utilization estimate is based on County's historical use of State hospital beds. The PA with CalMHSA is inclusive of administrative fees, for the period of July 1, 2023, through June 30, 2025 for a contract maximum of \$25,236 (inclusive of \$12,618 for each FY 2023-24 and FY 2024-25). This amendment extends this PA to a 36-month term of July 1, 2023 through June 30, 2026 with an increase of \$11,216, for a revised agreement amount of \$36,452.

Total LPS Conservatees at DSH

Fiscal Year End	# Clients
2020-2021	12
2021-2022	11
2022-2023	9
2023-2024	10
2024-2025*	7

*FY to date

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	Total
State	\$12,618	\$12,618	\$11,216	\$36,452
Total	\$12,618	\$12,618	\$11,216	\$36,452

The contract with CalMHSA covers the administrative fee associated with serving as an intermediary between the County and the Department of State Hospitals to negotiate rates on behalf of multiple counties. This fee is separate from the actual cost of State Hospital beds.

Behavioral Wellness will utilize Behavioral Health Realignment (State) funds to cover both the cost of State Hospital beds and the CalMHSA administrative fee. This funding source has been included in the FY 2025–26 Recommended Budget.

Historically, annual State Hospital bed costs have ranged from \$2.6 million to \$2.9 million over the past two years. For FY 2024–25, slightly lower utilization is projected, with estimated costs of approximately \$2.5 million.

Special Instructions:

Please send one (1) scanned copy of the Minute Order to drusso@sbcbswell.org and the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – Agreement No. 4640-SHB-2023-SB-AM1

Attachment B – CalMHSA SHB FY 25-27 MOU

Attachment C – Agreement No. 4640-SHB-2023-SB Final Executed

Authored by:

David Russo
 Contract Analyst
drusso@sbcbswell.org

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT AMENDMENT NO. 1
State Hospital Program

This Amendment No. 1 (“Amendment No. 1”) to the Participation Agreement (No. 4640-SHB-2023-SB) is entered into by and between the California Mental Health Services Authority (“CalMHSA”), a Joint Powers Authority, and the County of Santa Barbara (“Participant”), a political subdivision of the State of California, for the continued provision of services specified herein. This Amendment No. 1 shall be effective as of execution by both parties.

WHEREAS, on May 7, 2024, Participant entered into a Participation Agreement with CalMHSA for participation in CalMHSA’s State Hospital Program for a contract term of July 1, 2023, through June 30, 2025, for a total maximum amount payable under the contract not to exceed \$25,236 (inclusive of \$12,618 per fiscal year); and

WHEREAS, this Amendment No. 1 extends the term of the contract from June 30, 2025, through June 30, 2026, for a revised contract term of July 1, 2023, through June 30, 2026, and increases the total maximum amount payable under the contract by \$11,216 for a revised contract maximum not to exceed \$36,452 (inclusive of \$12,618 per fiscal year [FY] for FY 23-25 and \$11,216 for FY 25-26).

WHEREAS, all other terms or provisions in the Agreement not amended by this Amendment No. 1 shall remain in full force and effect.

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

- I. The existing Paragraph 6 of the Cover Sheet, Section II of Exhibit A (Program Description and Funding), Subsection A of Section III (Duration, Term, and Amendment) and Subsection B of Section V (Fiscal Provisions) of Exhibit B (General Terms and Conditions) of the original agreement are deleted and replaced with the below, respectively.

(COVER SHEET)

6. The term of the Program is July 1, 2023, through June 30, 2026.

(EXHIBIT A – PROGRAM DESCRIPTION AND FUNDING)

II. Term of Program: July 1, 2023, through June 30, 2026

(EXHIBIT B – GENERAL TERMS AND CONDITIONS, III. Duration, Term, and Amendment)

- A. The term of the Program is for 36 months.

(EXHIBIT B – GENERAL TERMS AND CONDITIONS, V. Fiscal Provisions)

- B. Payment Terms – Participant shall issue payment to CalMHSA by the first day of each fiscal year; on July 1 for fiscal years 2025-2026 within thirty (30) days upon execution of this

agreement.

- II. The existing Section I (Funding Allocation) of Exhibit C (County Specific Funding) is deleted and replaced with the below.

RATE	Beds Per Year	FY 2023-26	TOTAL
Yr 1 \$1,402	9	\$12,618	\$12,618
Yr 2 \$1,402	9	\$12,618	\$12,618
Yr 3 \$1,402	8	\$11,216	\$11,216
			\$36,452

- III. Effectiveness. The terms and provisions set forth in this Amendment No. 1 shall modify and supersede all inconsistent terms and provisions set forth in the original agreement. The terms and provisions of the original agreement, except as expressly modified and superseded by this Amendment No. 1, are ratified and confirmed and shall continue in full force and effect and shall continue to be legal, valid, binding, and enforceable obligations of the parties.

- IV. Execution of Counterparts. This Amendment No. 1 may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.


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 SIGNATURE PAGE FOLLOWS.

Amendment No. 1 to the Participation Agreement (No. 4640-SHB-2023-SB) between the California Mental Health Services Authority and the County of Santa Barbara.


IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to be effective as of execution by both parties.

PARTICIPANT: COUNTY OF SANTA BARBARA

COUNTY OF SANTA BARBARA:

By: 
LAURA CAPPS, CHAIR
BOARD OF SUPERVISORS
Date: 6-10-25

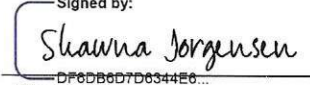
ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: 
Deputy Clerk
Date: 6-10-25

APPROVED AS TO FORM:

RACHEL VAN MULLEM
COUNTY COUNSEL
By: 
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER
By: 
Deputy


RECOMMENDED FOR APPROVAL:

ANTONETTE NAVARRO, LMFT, DIRECTOR
DEPARTMENT OF BEHAVIORAL WELLNESS
By:  for
Director

APPROVED AS TO FORM:

GREG MILLIGAN, ARM
RISK MANAGER
By: 
Risk Manager

California Mental Health Services Authority

Signed:  _____ Name (Printed): Dr. Amie Miller, Psy.D., LMFT

Title: Executive Director Date: 5/28/2025