



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:** May 7, 2024  
**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 Antonette Navarro, LMFT, Director  
Director(s) Behavioral Wellness, (805) 681-5220  
Contact Info: Katie Cohen, Branch Chief of Clinical Outpatient Operations  
Department of Behavioral Wellness, (805) 681-5220  
Chris Ribeiro, Chief Financial Officer  
Department of Behavioral Wellness, (805) 681-5220  
**SUBJECT:** Merakey Allos First Amendment to the FY 21-24 Services Agreement for Mental Health Services and Termination of Agreement

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence: Risk Management**

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 **Merakey Allos** (not a local vendor) (BC 21-022) to increase the FY 23-24 amount by **\$30,700** for a new, total contract maximum amount not to exceed **\$5,736,700**, inclusive of \$1,902,000 for FY 21-22, \$1,902,000 for FY 22-23 and \$1,932,700 for FY 23-24, for the period of July 1, 2021, through June 30, 2024 (Attachment A);
- b) Following approval of the above Recommended Action, approve and authorize the termination of the FY 21-24 Agreement for Services of Independent Contractor with **Merakey Allos** including all amendments thereto (BC 21-022) (Agreement) for convenience with a termination effective date of May 16, 2024;
  - i) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness' issuance of a Notice of Intent to Terminate Agreement (Attachment B);
  - ii) Approve and authorize the Director of the Department of Behavioral Wellness' issuance of a Notice of Termination of Agreement (Attachment C);

- iii) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to take actions necessary for the wind down of the Agreement, subject to the Board's ability 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 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:**

This item is on the agenda to request that the County of Santa Barbara Board of Supervisors terminate for convenience the FY 2021-2024 Agreement for Services of Independent Contractor with Merakey Allos (Merakey), effective May 16, 2024. The Department of Behavioral Wellness (Behavioral Wellness) is also seeking Board-approval of a First Amendment to the Agreement to add \$30,700 for FY 2023-2024 for a revised total contract maximum not to exceed \$5,736,700. Termination is necessary because of Merakey's staffing-related challenges including the recent loss of key clinical staff. The amendment will allow for the orderly wind down of the Agreement and ensure that clients are safely transitioned to another provider.

**Background:**

***Assisted Outpatient Treatment (AOT) Program***

In May 2016, the Board authorized the court-ordered Assisted Outpatient Treatment (AOT) Program for individuals with mental illness who meet the criteria established by "Laura's Law" (the Assisted Outpatient Demonstration Project Act of 2002, codified at California Welfare and Institutions Code (WIC) Sections 5345 through 5349.5). The AOT Program seeks to improve the quality of life of participants, support them on their path to recovery and wellness, prevent decompensating of symptoms, and prevent incarceration and cycling through acute services (e.g., psychiatric hospitalization).

***Assertive Community Treatment (ACT) Program***

The Assertive Community Treatment (ACT) Program is an evidence-based psychiatric treatment, rehabilitation and support service for clients with serious mental illness who demonstrate the need for the most intensive level of nonresidential community service. The Program is designed for adults whose symptoms of mental illness cause, or create high risk for, the most substantial levels of disability and functional impairment.

***Lompoc ACT/AOT Program Awarded to Merakey***

On April 14, 2021, Merakey was awarded the ACT/AOT Lompoc Program ("Program") through the competitive request for proposal process. Merakey's proposal demonstrated success in delivering services through its operation of 29 ACT teams in both rural and urban settings since 1995. The Program is an evidence-based psychiatric treatment, rehabilitation, and support service for clients with serious mental illness who demonstrate the need for this most intensive level of nonresidential community service. Merakey strives to reduce hospitalizations, psychiatric re-admissions, incarcerations, over-utilization of crisis services, and chronic homelessness. Merakey assists individuals with aftercare post hospitalization discharge, obtaining and maintaining services to adults ages 18 and older. The contract with Merakey specifies that they will provide Program services to approximately eighty (80) adults, age 18 and over, with serious mental illness. Merakey also is to provide outreach and engagement services to a maximum of ten (10) AOT clients as referred by County.

On June 22, 2021, the Board approved of an Agreement for Services of Independent Contractor with Merakey to provide adult mental health services for a total maximum contract amount not to exceed \$5,706,000, inclusive of \$1,902,000 per fiscal year, for the period of July 1, 2021, through June 30, 2024.

***Termination for Convenience***

Because of Merakey’s staffing-related challenges including the recent loss of key clinical staff, Behavioral Wellness issued a Notice of Intent to Terminate Agreement on April 16, 2024 (Attachment B), in compliance with the 30-day notice requirement in the Agreement. The termination effective date stated in the letter is May 16, 2024, subject to Board approval. To cover Merakey’s operating costs, including those required to ensure the orderly transition of clients to a new service provider and eliminate the interruption of services to clients, Behavioral Wellness seeks approval of an amendment to the Agreement to increase the FY 23-24 amount by \$30,700 for a new, total contract maximum amount not to exceed \$5,736,700.

***Wind-down and Transition of Care***

Behavioral Wellness and Merakey are coordinating the wind down of services with a focus on client care to ensure a smooth transition to a new provider. Behavioral Wellness and Merakey are meeting weekly to discuss the logistics of the transition. The Behavioral Wellness Full Service Partnership Manager is reviewing the current caseload to evaluate client needs and facilitate client care. Behavioral Wellness will return to the Board in May to request approval to contract with another experienced provider to cover the balance of the contract through the fiscal year in order to provide a seamless transition and continuity of care.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 21-23</u></b>		<b><u>FY 23-24</u></b>		<b><u>Total</u></b>
General Fund					
State	\$	2,092,200	\$	193,270	\$ 2,285,470
Federal	\$	1,711,800			\$ 1,711,800
Fees					\$ -
Other: Medi-Cal Patient Revenue			\$	1,739,430	\$ 1,739,430
<b>Total</b>	<b>\$</b>	<b>3,804,000</b>	<b>\$</b>	<b>1,932,700</b>	<b>\$ 5,736,700</b>

Narrative: The above-referenced contract is funded by a combination of State and federal funds. Funding sources are included in the FY 23-24 Adopted Budget. With the transition to California Advancing and Innovating Medi-Cal (CalAIM) Payment Reform, the FY 2023-24 fiscal year is primarily funded with fee-for-service Medi-Cal Patient Revenue with Mental Health Services Act funding covering the local match. The additional funding of \$30,700 in this amendment will ensure continuity of Merakey’s operations through the termination date and will be covered by fee-for-service Medi-Cal Patient Revenue with MHSA providing the local match.

**Special Instructions:**

Please email one (1) complete executed Board Contract and one (1) minute order to [mejohanson@sbcbswell.org](mailto:mejohanson@sbcbswell.org) and [bwelcontractsstaff@sbcbswell.org](mailto:bwelcontractsstaff@sbcbswell.org).

**Attachments:**

- Attachment A: Merakey DMC-ODS FY 21-24 Board Contract First Amendment
- Attachment B: Merakey DMC-ODS FY 21-24 Notice of Intent to Terminate Agreement
- Attachment C: Merakey DMC-ODS FY 21-24 Notice of Termination of Agreement
- Attachment D: Merakey DMC-ODS FY 21-24 Board Contract (BC 21-022)

**Authored by:**

