

Attachment C

Crestwood CRT FY 21-24
(BC No. 21-34) AM1



County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

December 12, 2023

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

BEHAVIORAL WELLNESS DEPARTMENT

File Reference No. 23-01206

RE: Consider recommendations regarding the First Amendment to the Fiscal Years (FYs) 2021-2024 Services Agreement for Mental Health Services (MHS) Crestwood Behavioral Health, Inc., as follows:

- a) Approve, ratify, and authorize the Chair to execute a First Amendment to the Agreement for Services of Independent Contractor with Crestwood Behavioral Health, Inc. (not a local vendor) (BC 21-034) to implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement and increase the FY 2023-2024 amount by \$57,865.00 in Mental Health funding for a new total contract maximum amount not to exceed \$4,107,865.00, inclusive of \$1,350,000.00 for FY 2021-2022, \$1,350,000.00 for FY 2022-2023, and \$1,407,865.00 for FY 2023-2024, for the period of July 1, 2021, through June 30, 2024;
- b) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to increase the daily rate up to a maximum of \$600.00/day with total fee-for-service reimbursement, subject to the amount specified in the Exhibit B-1 MHS for Medi-Cal Patient Revenue, and reallocate between the contract allocations on the Exhibit B-1 MHS at his/her discretion to increase or decrease the incentive payment, without altering the maximum contract amount and without requiring the Board's approval of an amendment to 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 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.



County of Santa Barbara BOARD OF SUPERVISORS

Minute Order

December 12, 2023

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

- a) Approved, ratified and authorized; Chair to execute;
- b) Delegated; and
- c) Approved.

The motion carried by the following vote:

Ayes: 5 - Supervisor Williams, 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

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: December 12, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Behavioral Wellness, (805) 681-5220
Contact Info: John Winckler, LMFT, Division Chief of Clinical Operations
(805) 681-5220
SUBJECT: **Crestwood Behavioral Health, Inc. First Amendment to the FY 21–24 Services Agreement for Mental Health Services**

DS
AN

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 **Crestwood Behavioral Health, Inc.** (not a local vendor) (BC 21-034) to implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement and increase the FY 23-24 amount by \$57,865 in Mental Health funding for a new total contract maximum amount not to exceed **\$4,107,865**, inclusive of \$1,350,000 for FY 21-22, \$1,350,000 for FY 22-23, and \$1,407,865 for FY 23-24, for the period of July 1, 2021, through June 30, 2024;
- b. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to increase the daily rate up to a maximum of \$600/day with total fee-for-service reimbursement, subject to the amount specified in the Exhibit B-1 MHS for Medi-Cal Patient Revenue, and reallocate between the contract allocations on the Exhibit B-1 MHS at his/her discretion to increase or decrease the incentive payment, without altering the maximum contract amount and without requiring the Board’s approval of an amendment to 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 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:

This item is on the agenda to request approval of the First Amendment to the Crestwood Behavioral Health, Inc. (Crestwood) Board Contract to add California Advancing and Innovating Medi-Cal initiative language to remain in compliance with the California Department of Healthcare Services (DHCS) regulations and increase the FY 23-24 amount by \$57,865 for a new total contract maximum amount not to exceed \$4,107,865.

Background:

On June 22, 2021, the County Board of Supervisors authorized the Agreement with Crestwood (BC 21-034) (Attachment B), for the provision of adult crisis residential mental health services in south Santa Barbara County for the period of July 1, 2021 through June 30, 2024. A Crisis Residential Treatment facility is a safe and therapeutic environment where clients are assisted to stabilize the symptoms of mental illness and co-occurring conditions; gain skills to manage their condition more effectively; make progress on the path to personal recovery; and engage community supports that will enable them to leave the facility, participate fully in necessary follow-up treatment, and improve networks of support for community life including linkage to community services. Typically, these services are provided to clients upon discharge from a Psychiatric Health Facility (PHF).

The Department of Behavioral Wellness (BWell) requests to amend the Agreement for Services of Independent Contractor with Crestwood Behavioral Health to implement CalAIM Behavioral Health Payment Reform changes through the implementation of new financial provisions effective July 1, 2023.

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 our 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, but 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 the Specialty Mental Health Services (SMH) and Substance Use Disorder (SUD) services became the responsibility of the 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 (IGTs), eliminating the need for reconciliation to actual costs. 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 Outcomes: Crestwood had the following Performance Outcomes for FY 22-23:

Crestwood Crisis Residential Treatment Services

Crestwood served an average of 25 clients per quarter and discharged an average of 26 clients per quarter. Crestwood met 6 of their 8 goals; 7% of clients were admitted to acute psychiatric inpatient care with the goal of 10% or less; 4% of clients received emergency care for physical health with a goal of 10% or less; 0% of clients were hospitalized for physical health with the goal of 10% or less; 5% of clients had incidents requiring higher level of supervision with the goal of 5% or less; 0% of clients were incarcerated with the goal of 5% or less; and 90% of clients were discharged to lower level of care with the goal of 90%.

Of the 2 goals Crestwood did not meet; 89% of clients were discharged with discharge plans with the goal of 100%; and 59% of clients with discharge plans had stable/permanent housing (or housing plans) upon discharge with goal of 100%.

Fiscal and Facilities Impacts:

Budgeted: Yes

<u>Funding Sources</u>	<u>FY21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>Total FY 21-24</u>
General Fund				
State	\$ 675,000	\$ 675,000	\$ 172,895	\$ 1,522,895
Federal	\$ 675,000	\$ 675,000		\$ 1,350,000
Fees	\$ -	\$ -	\$ -	\$ -
Other: Medi-Cal Patient Revenue	\$ -	\$ -	\$ 1,234,970	\$ 1,234,970
Total	\$ 1,350,000	\$ 1,350,000	\$ 1,407,865	\$ 4,107,865

Fiscal Analysis:

Narrative: The above-referenced contract is funded by state and federal funds. Medi-Cal Patient Revenue is the fee-for-service revenue generated from patient services and is primarily funded with federal funds. The amount of federal funds varies depending on the client's aid code with youth services receiving a higher percentage of federal financial participation. DHCS' new Medi-Cal rate structure has prompted service providers to increase rates as they transition to a fee-for-service based payment, resulting in a higher maximum contract amount. 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. The agreement includes language requiring the contractor to repay any amounts disallowed in audit findings, minimizing financial risks to the County.

Special Instructions:

Please email one (1) complete, executed contract and one (1) minute order to Amber Foschaar at: cfoschaar@sbcbswell.org and to bwelcontractsstaff@sbcbswell.org

Attachments:

Attachment A: Crestwood Behavioral Health, Inc FY 21-24 Board Contract First Amendment
Attachment B: Crestwood Behavioral Health, Inc FY 21-24 Board Contract (BC 21-034)

Authored by:

A. Foschaar

**FIRST AMENDMENT TO THE AGREEMENT
FOR SERVICES OF
INDEPENDENT CONTRACTOR**

Between

COUNTY OF SANTA BARBARA
DEPARTMENT OF BEHAVIORAL WELLNESS
AND

CRESTWOOD BEHAVIORAL HEALTH, INC.

FOR

MENTAL HEALTH SERVICES

**FIRST AMENDMENT TO THE AGREEMENT
FOR SERVICES OF INDEPENDENT CONTRACTOR**

THIS FIRST AMENDMENT to the Agreement for Services of Independent Contractor, referenced as BC 21-034, by and between the County of Santa Barbara (County), a political subdivision of the state of California, and **Crestwood Behavioral Health, Inc.** (Contractor), a California nonprofit, wherein Contractor agrees to provide, and County agrees to accept, the services specified herein (First Amended Agreement).

WHEREAS, Contractor represents that it is specially trained, skilled, experienced, and competent to perform the special services required by County, and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions herein set forth;

WHEREAS, on June 22, 2021, the County Board of Supervisors authorized the County to enter into an Agreement for Services of Independent Contractor, referred to as BC 21-034 for the provision of adult crisis residential mental health services in south Santa Barbara County for a total maximum contract amount not to exceed **\$4,050,000, inclusive of \$1,350,000 per Fiscal Year, for the period of July 1, 2021 through June 30, 2024**, subject to annual budget appropriations (Agreement); and

WHEREAS, this First Amended Agreement implements California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes to the Agreement through the addition of a new Exhibit B-MHS (Financial Provisions) for FY 23-24, an updated Exhibit B-2 (Entity Budget by Program) for FYs 21-23, and updated Exhibit B-1s for FYs 21-23 and 23-24 with an increase in funding of \$57,865 for a new total maximum contract amount of **\$4,107,865, inclusive of \$ 1,350,000 for FY 21-22, \$1,350,000 for FY 22-23, and \$1,407,865 for FY 23-24, for the period of July 1, 2021 through June 30, 2024.**

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

- I. Delete and replace the heading and introductory paragraph of Exhibit B Financial Provisions – MHS with the following:**

EXHIBIT B – FY 21-23

FINANCIAL PROVISIONS- MHS

Effective July 1, 2021 – June 30, 2023

(Applicable to program described in Exhibit A-2)

(With attached Exhibit B-1 MHS, Schedule of Rates and Contract Maximum)

Notwithstanding any other provision of this Agreement, Contractor shall commence performance under this Exhibit B – FY 21-23 Financial Provisions – MHS on July 1, 2021, and end performance upon completion, but no later than June 30, 2023, unless otherwise directed by County or unless earlier terminated.

This Agreement provides for reimbursement for services up to the Maximum Contract Amount, reflected in Section II below and Exhibit B-1-MHS. For Medi-Cal and all other services provided under this Agreement, Contractor shall comply with all applicable requirements necessary for reimbursement in accordance with Welfare and Institutions Code (WIC) §§ 14705-14711, and other applicable Federal, State and local laws, regulations, rules, manuals, policies, guidelines and directives.

II. Delete Section II (Maximum Contract Amount) of Exhibit B (Financial Provisions – MHS) and replace it with the following:

II. MAXIMUM CONTRACT AMOUNT

The Maximum Contract Amount of this Agreement shall not exceed **\$2,700,000** for FY 21-23, inclusive of \$1,350,000 per fiscal year, and shall consist of County, State, and/or Federal funds as shown in Exhibit B-1-MH and subject to the provisions in Section I (Payment for Services) of this Exhibit B. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder without a properly executed amendment.

III. Add a new Exhibit B – FY 23-24 Financial Provisions – MHS as follows:

EXHIBIT B – FY 23-24

FINANCIAL PROVISIONS- MHS

Effective July 1, 2023 – June 30, 2024

(Applicable to program described in Exhibit A-2)

With attached *Exhibit B-1* MHS (Schedule of Rates and Contract Maximum), *Exhibit B-2* (Entity Budget by Program)

Notwithstanding any other provision of this Agreement, Contractor shall commence performance under this Exhibit B – FY 23-24 Financial Provisions – MHS on July 1, 2023, and end performance upon completion, but no later than June 30, 2024, unless otherwise directed by County or unless earlier terminated.

This Agreement provides for reimbursement for services up to the Maximum Contract Amount, reflected in Section II below and Exhibit B-1-MHS. For Medi-Cal and all other services provided under this Agreement, Contractor shall comply with all applicable requirements necessary for reimbursement in accordance with Welfare and Institutions Code (WIC) §§ 14705-14711, and other applicable Federal, State and local laws, regulations, rules, manuals, policies, guidelines and directives.

I. PAYMENT FOR SERVICES.

A. Performance of Services.

1. Medi-Cal Programs. For Medi-Cal specialty mental health programs, the County reimburses all eligible providers on a fee-for-service basis pursuant to a fee schedule. Eligible providers claim reimbursement for services using appropriate Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) codes. Exhibit B-3 MHS contains a rate for each Eligible Practitioner or Service Type and the relevant CPT®/HCPCS code.

2. Non-Medi-Cal Programs. For Non-Medi-Cal programs and costs, Contractor shall be compensated on a cost reimbursement basis, subject to the limitations described in this Agreement and all exhibits hereto, for deliverables as established in the Exhibit B(s) based on satisfactory performance of the services described in Exhibit A(s).

- B. Medi-Cal Billable Services.** The services provided by Contractor as described in Exhibit A(s) that are covered by the Medi-Cal program will be paid based on the satisfactory performance of services and the fee schedule(s) as incorporated in Exhibit B-1 MHS of this Agreement.
- C. Non-Medi-Cal Billable Services.** County recognizes that some of the services provided by Contractor's Program(s), described in the Exhibit A(s), may not be reimbursable by Medi-Cal or may be delivered to ineligible clients. Such services may be reimbursed by other County, State, and Federal funds to the extent specified in Exhibit B-1-MHS and pursuant to Section I.E (Funding Sources) of this Exhibit B MHS. Funds for these services are included within the Maximum Contract Amount.

Specialty mental health services delivered to Non-Medi-Cal clients will be reimbursed at the same fee-for-service rates in the Exhibit B-3 MHS as for Medi-Cal clients, subject to the maximum amount specified in the Exhibit B-1 MHS. Due to the timing of claiming, payment for Non-Medi-Cal client services will not occur until fiscal year end after all claims have been submitted to DHCS and the ineligible claims are identifiable.

When the entire program is not billable to Medi-Cal (i.e. Non-Medi-Cal Program), reimbursement will be on a cost reimbursement basis subject to other limitations as established in Exhibit A(s) and B(s).

- D. Limitations on Use of Funds Received Pursuant to this Agreement.** Contractor shall use the funds provided by County exclusively for the purposes of performing the services described in Exhibit A(s) to this Agreement. For Contractor Programs that are funded with Federal funds other than fee-for-service Medi-Cal, expenses shall comply with the requirements established in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and all other applicable regulations. Violation of this provision or use of County funds for purposes other than those described in the Exhibit A(s) shall constitute a material breach of this Agreement.
- E. Funding Sources.** The Behavioral Wellness Director or designee may reallocate between funding sources with discretion, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to this Agreement.
- F. Beneficiary Liability for Payment.**
1. Contractor shall not submit a claim to, or demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this Agreement, except to collect other health insurance coverage, share of cost, and co-payments. (Cal. Code Regs., tit. 9, § 1810.365 (a).)
 2. Contractor shall not hold beneficiaries liable for debts in the event that County becomes insolvent; for costs of covered services for which the State does not pay County; for costs of covered services for which the State or County does not pay to Contractor; for costs of covered services provided under a contract, referral or other arrangement rather than from the County; or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary. (42 C.F.R. § 438.106 and Cal. Code Regs. tit 9, § 1810.365(c).)
 3. Contractor shall not bill beneficiaries, for covered services, any amount greater than would be owed if the Contractor provided the services directly. (42 C.F.R. § 483.106(c).)

- G. DHCS assumes no responsibility for the payment to Contractor for services used in the performance of this Agreement. County accepts sole responsibility for the payment of Contractors in the performance of this Agreement per the terms of this Agreement.

II. MAXIMUM CONTRACT AMOUNT.

The Maximum Contract Amount of this Agreement shall not exceed **\$1,407,865 in Mental Health funding**, and shall consist of County, State, and/or Federal funds as shown in Exhibit B-1-MHS and subject to the provisions in Section I (Payment for Services). Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder without a properly executed amendment.

III. OPERATING BUDGET AND FEE FOR SERVICE RATES.

- A. **Fee-For-Service Rates.** For Medi-Cal services, County agrees to reimburse Contractor at a Negotiated Fee-For-Service rate (the "Negotiated Fee") during the term of this Agreement as specified in the Exhibit B-3 MHS. Specialty mental health services provided to Non-Medi-Cal clients will be paid at the same rates, subject to the maximum amount specified in the Exhibit B-1 MHS.

To the extent that referrals from the County and other authorized referring agencies result in an occupancy rate of less than 73% (7.3 of 10 available beds; 2,665 bed days), the Director of the Department of Behavioral Wellness or designee may increase the daily rate up to a maximum of \$600/day, with total fee-for-service reimbursement subject to the amount specified in the Exhibit B-1 MHS for Medi-Cal Patient Revenue. To receive daily rate increase, Contractor must be compliant with Exhibit A-2, Section 5.C Exclusion Criteria and Process. Occupancy and rate changes will be evaluated monthly as part of the payment process.

- B. **Operating Budget.** For Non Medi-Cal Programs, Contractor shall provide County with an Operating Budget on a format acceptable to, or provided by County, based on costs of net of revenues as described in this Exhibit B-MHS, Section VI (Accounting for Revenues). The approved Operating Budget shall be attached to this Agreement as Exhibit B-2. County may disallow any expenses in excess of the adopted operating budget. Contractor shall request, in advance, approval from County for any budgetary changes. Indirect costs are limited to 15% of direct costs for each program and must be allocated in accordance with a cost allocation plan that adheres with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

IV. CLIENT FLEXIBLE SUPPORT FUNDS.

For Medi-Cal FSP programs, Contractor will receive a funding allocation to provide clients with flexible support for costs including but not limited to housing, items necessary for daily living, and therapeutical support. Contractor shall abide by requirements in the Behavioral Wellness Policy and Procedure for client flexible support costs. Documentation must be kept on file to support costs and financial statements should be submitted monthly in accordance with Exhibit B MHS, Section VIII.B below.

V. QUALITY ASSURANCE (QA) / UTILIZATION MANAGEMENT (UM) INCENTIVE PAYMENT.

- A. If specified in the Exhibit B-1 MHS, County will provide Contractor with an incentive payment at fiscal year-end should the following deliverables be achieved. The incentive payment will be equal to 4% of total approved Medi-Cal claims (2% Quality Assurance and 2% Utilization Management) and will be payable upon proof of completion of

deliverables and conclusion of regular Medi-Cal claiming for the fiscal period. The incentive payment will not be applied to unclaimed and/or denied services. Documentation must be maintained to substantiate completion of the deliverables.

1. QA deliverables include:

- i. Contractor shall hire or designate existing staff to implement quality assurance type activities. The designated QA staff member shall be communicated to the County.
- ii. Contractor shall provide a monthly report to QCM consisting of documentation reviews performed, associated findings, and corrective action. The QA reports shall be received by County no later than 30 calendar days following the end of the month being reported.
- iii. Contractor QA staff shall attend bi-monthly County Quality Improvement Committee (QIC) meetings. Attendance to be monitored via sign-in sheets.

2. UM deliverables include:

- i. Contractor shall hire or utilize existing staff to implement utilization management type activities. The designated UM staff member shall be communicated to the County.
- ii. Contractor shall provide monthly reports on all referrals including referral sources and information on client acceptance or exclusion. For client exclusions, the specific reason for the exclusion shall be detailed in the report. Contractor must also participate in the daily crisis triage teleconference as identified in Exhibit A-2, Section 5 Referrals. Reports will be due within 30 calendar days following the end of the reporting month.

3. The Behavioral Wellness Director or designee may reallocate between the contract allocations on the Exhibit B-1 MHS at his/her discretion to increase or decrease the incentive payment. Reallocation of the contract allocations does not alter the Maximum Contract Amount and does not require an amendment to this Agreement.

VI. ACCOUNTING FOR REVENUES.

A. Accounting for Revenues. Contractor shall comply with all County, State, and Federal requirements and procedures, including, but not limited to, those described in California Welfare and Institutions Code (WIC) Sections 5709, 5710, and 14710, relating to: (1) the determination and collection of patient/client fees for services hereunder based on Uniform Method for Determining Ability to Pay (UMDAP), (2) the eligibility of patients/clients for Medi-Cal, Medicare, private insurance, or other third party revenue, and (3) the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. For Non-Medi-Cal programs, grants, and any other revenue, interest, and return resulting from services/activities and/or funds paid by County to Contractor shall also be accounted for in the Operating Budget.

B. Internal Procedures. Contractor shall maintain internal financial controls which adequately ensure proper billing and collection procedures. Contractor shall pursue payment from all potential sources in sequential order, with Medi-Cal as payor of last resort. All fees paid by or on behalf of patients/clients receiving services under this Agreement shall be utilized by Contractor only for the delivery of service units

specified in the Exhibit A(s) to this Agreement.

VII. REALLOCATION OF PROGRAM FUNDING.

Funding is limited by program to the amount specified in Exhibit B-1-MHS. Contractor cannot move funding between programs without explicit approval by Behavioral Wellness Director or designee. Contractor shall make written application to Behavioral Wellness Director or designee, in advance and no later than April 1 of each Fiscal Year, to reallocate funds as outlined in Exhibit B-1-MHS between programs, for the purpose of meeting specific program needs or for providing continuity of care to its clients. Contractor's application shall include a narrative specifying the purpose of the request, the amount of said funds to be reallocated, and the sustaining impact of the reallocation as may be applicable to future years. The Behavioral Wellness Director's or designee decision of whether to allow the reallocation of funds shall be in writing to Contractor prior to implementation by Contractor. The Behavioral Wellness Director or designee also reserves the right to reallocate between programs in the year end settlement and will notify Contractor of any reallocation during the settlement process.

VIII. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS.

A. Submission of Claims and Invoices.

1. Submission of Claims for Medi-Cal Services. Services are to be entered into SmartCare based on timeframes prescribed in the Behavioral Wellness Clinical Documentation Manual. Late service data and claims may only be submitted in accordance with State and federal regulations. Behavioral Wellness shall provide to Contractor a report that: i) summarizes the Medi-Cal services approved to be claimed for the month, multiplied by the negotiated fee in effect at the time of service, ii) states the amount owed by County, and iii) includes the Agreement number.

Contractor agrees that it shall be solely liable and responsible for all data and information submitted to the County and submitted by the County to the State on behalf of Contractor.

If any services in the monthly Medi-Cal claim for the Contractor are denied by DHCS then these will be deducted from the subsequent monthly claim at the same value for which they were originally claimed.

2. Submission of Claims for Non Medi-Cal Programs. Contractor shall submit a written invoice within 15 calendar days of the end of the month in which non-Medi-Cal services are delivered that: i) depicts the actual costs of providing the services less any applicable revenues, ii) states the amount owed by County, and iii) includes the Agreement number and signature of Contractor's authorized representative. Invoices shall be delivered to the designated representative or address described in Section VIII.A.1 (Submission of Claims for Medi-Cal Services) of this Exhibit B MHS. Actual cost is the actual amount paid or incurred, including direct labor and costs supported by financial statements, time records, invoices, and receipts.
3. The Program Contract Maximums specified in Exhibit B-1-MHS and this Exhibit B MHS are intended to cover services during the entire term of the Agreement, unless otherwise specified in the Exhibit A(s) to this Agreement (such as time-limited or services tied to the school year). Under no circumstances shall Contractor cease services prior to June 30 due to an accelerated draw down of funds earlier in the Fiscal Year. Failure to provide services during the entire term of the Agreement

may be considered a breach of contract and subject to the Termination provisions specified in the Agreement.

The Behavioral Wellness Director or designee shall review the monthly claim(s) and invoices to confirm accuracy of the data submitted. County shall make payment for approved Medi-Cal claims within thirty (30) calendar days of the generation of said claim(s) by County subject to the contractual limitations set forth in this Agreement and all exhibits hereto. Non-Medi-Cal programs will be paid within 30 days of the receipt of a complete invoice and all requested supporting documentation.

- B. Monthly Financial Statements.** For Non-Medi-Cal programs and costs, within 15 calendar days of the end of the month in which services are delivered, Contractor shall submit monthly financial statements reflecting the previous month's and cumulative year to date direct and indirect costs and other applicable revenues for Contractor's programs described in the Exhibit A(s).
- C. Withholding of Payment for Non-submission of Service Data and Other Information.** If any required service data, invoice, financial statement or report is not submitted by Contractor to County within the time limits described in this Agreement or if any such information is incomplete, incorrect, or is not completed in accordance with the requirements of this Agreement, then payment shall be withheld until County is in receipt of complete and correct data and such data has been reviewed and approved by Behavioral Wellness Director or designee. Behavioral Wellness Director or designee shall review such submitted service data within sixty (60) calendar days of receipt.
- D. Withholding of Payment for Unsatisfactory Clinical Documentation.** Behavioral Wellness Director or designee shall have the option to deny payment for services when documentation of clinical services does not meet minimum Federal, State and County written standards. County may also deny payment for services that are provided without a current client service plan when applicable authorities require a plan to be in place.
- E. Claims Submission Restrictions.**
1. 12-Month Billing Limit. Unless otherwise determined by State or federal regulations (e.g. Medi-Medi cross-over), all original (or initial) claims for eligible individual persons under this Agreement must be received by County within 12 months from the month of service to avoid denial for late billing.
 2. No Payment for Services Provided Following Expiration/ Termination of Agreement. Contractor shall have no claim against County for payment of any funds or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.
- F. Claims Certification and Program Integrity.** Contractor shall certify that all services entered by Contractor into County's EHR for any payor sources covered by this Agreement are true and accurate to the best of Contractor's knowledge.
- G. Overpayments.** If the Contractor discovers an overpayment, Contractor must notify the County in writing of the reason for the overpayment. Any overpayments of contractual amounts must be returned via direct payment within 30 calendar days to the County after

the date on which the overpayment was identified. County may withhold amounts from future payments due to Contractor under this Agreement or any subsequent agreement if Contractor fails to make direct payment within the required timeframe.

IX. REPORTS.

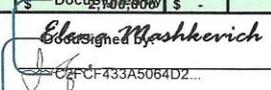
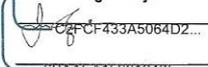
- A. Audited Financial Reports.** Contractor is required to obtain an annual financial statement audit and submit to County a copy of their audited annual financial statement, including management comments. This report shall be submitted within thirty (30) days after the report is received by Contractor.
- B. Single Audit Report.** If Contractor is required to perform a single audit and/or program specific audit, per the requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, Contractor shall submit a copy of such single audit to County within thirty (30) days of receipt.

X. AUDITS AND AUDIT APPEALS.

- A. Audit by Responsible Auditing Party.** At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with State and Federal law including but not limited to WIC Section 14170 et seq., authorized representatives from the County, State, or Federal governments (Responsible Auditing Party) may conduct an audit or site review of Contractor regarding the mental health services/activities provided under this Agreement.
- B. Settlement.** Settlement of the audit findings will be conducted according to the Responsible Auditing Party's procedures in place. In the case of a State Medi-Cal audit, the State and County will perform a post-audit Medi-Cal settlement that is based on State audit findings. Such settlement will take place when the State initiates its settlement action which customarily is after the issuance of the audit report by the State and before the State's audit appeal process. However, if the Responsible Auditing Party stays its collection of any amounts due or payable because of the audit findings, County will also stay its settlement of the same amounts due or payable until the Responsible Auditing Party initiates its settlement action with County. If an audit adjustment is appealed then the County may, at its own discretion, notify Contractor but stay collection of amounts due until resolution of the State administrative appeals process.
- C. Invoice for Amounts Due.** County shall issue an invoice to Contractor for any amount due to the County after the Responsible Auditing Party issues an audit report. The amount on the County invoice is due by Contractor to County thirty (30) calendar days from the date of the invoice.
- D. Appeal.** Contractor may appeal any such audit findings in accordance with the audit appeal process established by the Responsible Auditing Party performing the audit.

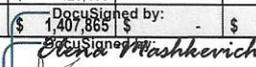
IV. Delete Exhibit B-1 – MHS: Schedule of Rates and Contract Maximum applicable to FY 21-23 and replace it with the following:

**EXHIBIT B – FY 21-23
FINANCIAL PROVISIONS- MHS
Effective July 1, 2021 – June 30, 2023**

EXHIBIT B-1 MH DEPARTMENT OF BEHAVIORAL WELLNESS SCHEDULE OF RATES AND CONTRACT MAXIMUM							
CONTRACTOR NAME:		Crestwood			FISCAL YEAR:		FY 21-22; 22-23
Contracted Services (1)	Service Type	Mode	Service Description	Unit of Service	Service Function Code	21-22 County Maximum Allowable Rate(4)	22-23 County Maximum Allowable Rate(4)
Medi-Cal Billable Services	24-Hour	05	Adult Crisis Residential	Bed Day	40	\$450.77	\$459.78
	Outpatient Services	15	Targeted Case Management	Minutes	01	\$2.64	\$2.69
Non - Medi-Cal Billable Services	Support Services	60	Life Support: Board and Care	N/A	40	Actual Cost	Actual Cost
PROGRAM							TOTAL
Crisis Residential South							
GROSS COST:		\$	1,350,000				\$1,350,000
CONTRACTOR:							
PATIENT FEES							\$ -
CONTRIBUTIONS							\$ -
OTHER (LIST):							\$ -
TOTAL CONTRACTOR REVENUES		\$	-				\$0
MAXIMUM CONTRACT AMOUNT PAYABLE:		\$	1,350,000	\$ -			\$ 1,350,000
SOURCES OF FUNDING FOR MAXIMUM CONTRACT AMOUNT (2)							
MEDI-CAL (3)		\$	675,000				\$ 675,000
NON-MEDI-CAL							\$ -
SUBSIDY		\$	675,000				\$ 675,000
OTHER (LIST):							\$ -
TOTAL FY 21-22 CONTRACT MAX		\$	1,350,000	\$ -			\$ 1,350,000
TOTAL FY 22-23 CONTRACT MAX		\$	1,350,000	\$ -			\$ 1,350,000
TOTAL (SOURCES OF FUNDING) (3)		\$	DocuSign Envelope ID: CA9DC19E-1BBB-4D88-B66F-8F7D3D7512DD	\$ -			\$ 2,700,000
CONTRACTOR SIGNATURE:		 Elena Mashkevich DocuSign Envelope ID: 433A5084D2...					
FISCAL SERVICES SIGNATURE:		 DocuSign Envelope ID: 6BAAEA15901943F...					
(1) Additional services may be provided if authorized by Director or designee in writing. (2) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. The Director or designee also reserves the right to reallocate between funding sources in the year end cost settlement. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract. (3) Source of Medi-Cal match is State and Local Funds including but not limited to Realignment, MHSA, General Fund, Grants, Other Departmental and SB 163. (4) Director or designee may remove or increase the CMA based on operating needs. Modifications to the CMA do not alter the Maximum Contract Amount and do not require an amendment to the contract. * MHS Assessment and MHS Therapy services may only be provided by licensed, registered or waived Mental Health clinicians, or graduate student interns under direct supervision of a licensed, registered or waived Mental Health clinician.							

V. Add Exhibit B-1 – MHS: Schedule of Rates and Contract Maximum applicable to FY 23-24 as follows:

**EXHIBIT B – FY 23-24
FINANCIAL PROVISIONS- MHS
Effective July 1, 2023 – June 30, 2024**

EXHIBIT B-1 MH DEPARTMENT OF BEHAVIORAL WELLNESS SCHEDULE OF RATES AND CONTRACT MAXIMUM							
CONTRACTOR NAME:		Crestwood				FISCAL YEAR: 2023-2024	
Contracted Service	Service Type	Provider Group	Practitioner Type	Full Time Equivalent Staffing	Day Rate	Medi-Cal Target Days	Medi-Cal Contract Allocation
Medi-Cal Billable Services	24-Hour Services	24-Hour Services	Adult Crisis Residential	n/a	\$515.00	2,398	\$1,234,970
						2,398	\$1,234,970
Contracted Service	Service Type	Program(s)	Reimbursement Method			Non-Medi-Cal Contract Allocation	
Non-Medi-Cal Billable Services	Outpatient Non-Medi-Cal Services (1)	Crisis Residential South	Fee-For-Service			\$123,496	
	Quality Assurance & Utilization Management (3)	Crisis Residential South	Incentive			\$49,399	
						\$172,895	
Total Contract Maximum						\$1,407,865	
Contract Maximum by Program & Estimated Funding Sources							Total
Funding Sources (4)	PROGRAM(S)						
		Crisis Residential South					
Medi-Cal Patient Revenue (5)	\$ 1,234,970						\$ 1,234,970
MHSA QA / UM Incentive	\$ 49,399						\$ 49,399
MHSA Non-Medi-Cal Services	\$ 123,496						\$ 123,496
TOTAL CONTRACT PAYABLE FY 23-24:	\$ 1,407,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,407,865
CONTRACTOR SIGNATURE:		 DocuSigned by: Elena Washkevich C2FCF433A5064D2...					
FISCAL SERVICES SIGNATURE:		DocuSigned by: 0BAAEA15901943F...					
(1) Outpatient Non-Medi-Cal service allocation is intended to cover services provided to Non-Medi-Cal client services at the same Fee-For-Service rates as noted for Medi-Cal clients. (2) Quality Assurance and Utilization Management incentive payment requires the implementation of specific deliverables. If deliverables are not met then contractor is not eligible for incentive payment. Refer to Exhibit B of the agreement for required deliverables. (3) Client flexible support costs must comply with Behavioral Wellness policy guidelines. Supporting documentation is to be maintained by the contractor with costs tracked separately and monthly financial statements submitted. (4) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract. (5) Source of Medi-Cal match is State and Local Funds including but not limited to Realignment, MHSA, General Fund, Grants, Other Departmental Funds and SB 163.							

VI. Delete Exhibit B-2 – Entity Budget by Program and replace it with the following:

**EXHIBIT B-2
ENTITY BUDGET BY PROGRAM**

Santa Barbara County Department of Behavioral Wellness Contract

AGENCY NAME: Crestwood

COUNTY FISCAL YEAR: FY 21-22 & 22-23 Only

Gray Shaded cells contain formulas, do not overwrite

LINE #	COLUMN #	1	2	3
		I. REVENUE SOURCES:	COUNTY BEHAVIORAL WELLNESS PROGRAMS TOTALS	Crisis Residential South
1		Contributions	\$ -	
2		Foundations/Trusts	\$ -	
3		Miscellaneous Revenue	\$ -	
4		Behavioral Wellness Funding	\$ 1,350,000	\$ 1,350,000
5		Other Government Funding	\$ -	
6		Total Other Revenue	\$ 1,350,000	\$ 1,350,000
		II. Client and Third Party Revenues:		
7		Client Fees	-	
8		SSI	-	
9		Other (specify)	-	
10		Total Client and Third Party Revenues	\$ -	\$ -
11		GROSS PROGRAM REVENUE BUDGET	\$ 1,350,000	\$ 1,350,000

	III. DIRECT COSTS	COUNTY BEHAVIORAL WELLNESS PROGRAMS TOTALS	Crisis Residential South
	III.A. Salaries and Benefits Object Level		
12	Salaries (Complete Staffing Schedule)	\$ 685,212	\$ 685,212
13	Employee Benefits	\$ 130,471	\$ 130,471
14	Payroll Taxes	\$ 59,949	\$ 59,949
15	Salaries and Benefits Subtotal	\$ 875,632	\$ 875,632
	III.B Services and Supplies Object Level		
16	Mileage and Transportation	\$ 2,223	\$ 2,223
17	Occupancy (Inclusive of Building Lease)	\$ 156,000	\$ 156,000
18	Medical Records	\$ 605	\$ 605
19	Depreciation	\$ 5,509	\$ 5,509
20	General & Administration	\$ 88,668	\$ 88,668
21	Medical supplies and services	\$ 7,903	\$ 7,903
22	Physical plant	\$ 3,956	\$ 3,956
23	Services and Supplies Subtotal	\$ 264,865	\$ 264,865
	III.C. Client Expense Object Level Total (Not Medi-Cal Reimbursable)	\$ 33,416	\$ 33,416
24			
25	SUBTOTAL DIRECT COSTS	\$ 1,173,913	\$ 1,173,913
	IV. INDIRECT COSTS		
26	Administrative Indirect Costs (Reimbursement limited to 15%)	\$ 176,087	\$ 176,087
27	GROSS DIRECT AND INDIRECT COSTS	\$ 1,350,000	\$ 1,350,000

- VII. Effectiveness.** The terms and provisions set forth in this First Amended Agreement shall modify and supersede all inconsistent terms and provisions set forth in the Agreement. The terms and provisions of the Agreement, except as expressly modified and superseded by this First Amended Agreement, 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.
- VIII. Execution of Counterparts.** This First Amended Agreement 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

SIGNATURE PAGE

First Amended Agreement for Services of Independent Contractor between the **County of Santa Barbara and Crestwood Behavioral Health, Inc.**

IN WITNESS WHEREOF, the parties have executed this First Amended Agreement to be effective on the date executed by COUNTY.

COUNTY OF SANTA BARBARA:

By: 
DAS WILLIAMS, CHAIR
BOARD OF SUPERVISORS
Date: 12-12-23

ATTEST:

MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: 
Deputy Clerk
Date: 12-12-23

CONTRACTOR:

CRESTWOOD BEHAVIORAL HEALTH, INC.

By: 
Authorized Representative
Name: Elena Mashkevich
Title: Executive Director of Contracts
Date: 11/21/2023

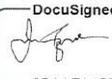
APPROVED AS TO FORM:

RACHEL VAN MULLEM
COUNTY COUNSEL

By: 
Deputy County Counsel

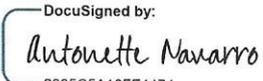
APPROVED AS TO ACCOUNTING FORM:

BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: 
Deputy

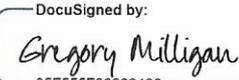
RECOMMENDED FOR APPROVAL:

ANTONETTE NAVARRO, LMFT
DIRECTOR, DEPARTMENT OF
BEHAVIORAL WELLNESS

By: 
Director

APPROVED AS TO INSURANCE FORM:

GREG MILLIGAN, ARM
RISK MANAGER

By: 
Risk Manager