



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 9, 2026  
Placement: Administrative Agenda  
Estimated Time: N/A  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director: Antonette Navarro, LMFT, Director  
Department of Behavioral Wellness  
Contact: Laura Zeitz, RN, Assistant Director for PHF, Crisis Services &  
Long-Term Care, Department of Behavioral Wellness  
**SUBJECT:** Services Agreements with Davis Guest Home, Inc. for Intensive Residential Program  
Services for Fiscal Year 2026-28; Sylmar Health & Rehabilitation Center, Inc. and Vista  
Pacifica Enterprises, Inc. for Skilled Nursing Facility Services for Fiscal Year 2026-29

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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 and authorize the Chair to execute an Agreement for Services of Independent Contractor with Davis Guest Home, Inc. (Davis) (not a local vendor), an adult residential facility and residential care facility for the elderly, for the provision of intensive residential program services for a total maximum contract amount not to exceed \$1,170,000, inclusive of \$585,000 per fiscal year, for the period of July 1, 2026, through June 30, 2028;
- b) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Sylmar Health & Rehabilitation Center, Inc. (Sylmar) (not a local vendor), an institution for mental disease, for the provision of skilled nursing facility services for a total maximum contract amount not to exceed \$2,325,000, inclusive of \$775,000 per fiscal year, for the period of July 1, 2026, through June 30, 2029;
- c) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Vista Pacifica Enterprises, Inc. (VPE) (not a local vendor), an institution for mental disease, for the provision of skilled nursing facility services for a total maximum

contract amount not to exceed \$6,300,000, inclusive of \$2,100,000 per fiscal year, for the period of July 1, 2026, through June 30, 2029;

- d) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to (i) make immaterial changes to all three Agreements as provided in Section 25 of the Agreement's Standard Terms and Conditions; (ii) approve reimbursement of services to contractor other than the base rate per Section 6 of Exhibit A-5 of the Agreement for Davis; (iii) amend the program goals, outcomes, and measures per Section 15 of Exhibit A-5 of the Agreement for Davis and Exhibit A-7 of the Agreements for Sylmar and VPE and per subsection 5.B.4. of Section III of Exhibit AA ADP/MHS of all three Agreements; (iv) suspend, delay, or interrupt the services under the Agreement for convenience per subsection 1.F. of Section I of Exhibit AA ADP/MHS of all three Agreements; (v) reallocate funds between funding sources per subsection D.1. of Section 1 of Exhibit B ADP/MHS of all three Agreements; (vi) approve other rates for special circumstances, besides those listed in Exhibit B-1 MHS per subsection D.1. of Section 3 of Exhibit B ADP/MHS of the Agreements for Sylmar and VPE; (vii) approve funding that cannot be moved between programs by Contractor and reserve the right to reallocate between programs in the year-end settlement per Section 6.A. of Exhibit B ADP/MHS of the Agreements for Sylmar and VPE; (viii) withhold payment for non-submission of service data and other information per subsection D.1. of Section 7 of Exhibit B ADP/MHS of the Agreements for Sylmar and VPE; (ix) deny or withhold payment for unsatisfactory clinical documentation per subsection E.1. of Section 7 of Exhibit B ADP/MHS of the Agreements for Sylmar and VPE; (x) may increase the rates up to 3.5% in fiscal year (FY) 2027-28 as provided in Exhibit B-1 MHS of the Agreement for Davis; (xi) may increase the maximum daily rate by up to 3.5% per year in FY 2027-28 and FY 2028-29 as provided in Exhibit B-1 MHS of the Agreements for Sylmar and VPE; and (xii) adjust the daily rate to accommodate members with acute needs as provided in Exhibit B-1 of all three Agreements; all without altering the maximum contract amount and without requiring the Board of Supervisors' approval of an amendment of the Agreement, subject to the Board of Supervisors' ability to rescind this delegated authority at any time; and
- e) 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), finding that the actions are governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

This item requests that the Board of Supervisors authorize the Chair to execute the adult residential facility (ARF) and residential care facility for the elderly (RCFE) with Davis Guest Home, Inc. (Davis) to provide intensive residential program services to members with serious mental illness (SMI) for a contract amount of \$1,170,000 for the period of July 1, 2026 through June 30, 2028.

The Board is also requested to authorize the Chair to execute the institution for mental disease (IMD) services agreements with Sylmar Health & Rehabilitation Center, Inc. (Sylmar) and Vista Pacifica Enterprises, Inc. (VPE) to provide skilled nursing facility (SNF) services to members with SMI and serious emotional disturbances (SED). The Sylmar agreement is for a contract amount of \$2,325,000 and the VPE agreement is for a contract amount of \$6,300,000. Both agreements include a term of July 1, 2026 through June 30, 2029.

**Discussion:**

**Davis** operates eight facilities, seven of which are in Modesto, California and one in Salida California. Three of these facilities are licensed as adult residential facilities (ARFs) and five of which are licensed as residential care facilities for the elderly (RCFEs). All facilities provide 24-hour, seven-day-per-week structured mental health rehabilitation services, residential care, and room and board to adults (aged 18–59 at ARF and 60+ at RCFE) with complex needs and SMI who are at high risk for acute inpatient or long-term residential care, but without the level of skilled nursing found in nursing homes, for a maximum stay of 18 months.

**Sylmar** operates a single facility in Sylmar, California, consisting of an institution for mental disease (IMD) and a 208-bed skilled nursing facility (SNF) with a special treatment program (STP) certification. The facility provides skilled nursing, physician services, pharmaceutical services, dietary services, an activity program in an inpatient setting, and specialized neurobehavioral services in a locked setting. Services are provided to members (aged 18–64) with a range of psychiatric disorders, including schizophrenia, schizoaffective disorder, bipolar disorder, and other depressive disorders.

**VPE** operates Vista Pacifica Center, which is an IMD and a 108-bed, locked skilled nursing facility with a special treatment center to provide psychiatric care, including treatment for severe and persistent mental illness. VPE also operates Vista Pacifica Convalescent, a 49-bed skilled nursing facility with a focus on behavioral health and geriatric psychiatry. Geriatric psychiatry, also known as geropsychiatry, focuses on the mental health care of older adults, addressing conditions like depression, anxiety, and neurocognitive disorders. Both facilities are located in Riverside, California.

Vista Pacifica Center offers four levels of service for residents who require high levels of supervision with behavioral and medical needs including: being absent without leave; being extremely verbally aggressive or threatening and abusive towards staff and peers; being suicidal; destroying property; and having severe psychosis which requires frequent redirection, counseling, and behavior modification from staff.

Vista Pacifica Convalescent offers three levels of care: Level A focuses on residents with chronic mental health diagnoses and with active delusions and hallucinations and/or mood swings. Level B focuses on residents with dual diagnoses of dementia and chronic mental illness with active psychosis. Level C focuses on residents with chronic mental health illness who are not stable on medications. VPE's expanded bed capacity and enhanced service levels of care support a greater volume and scope of BWell's contracted services.

Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to ensure Davis can continue to provide necessary intensive residential program services for members with SMI who are at high risk for acute inpatient or long-term residential care. Additionally, approval of the recommended actions will allow BWell to ensure Sylmar and VPE can continue to provide SNF services to members with significant health conditions without a gap in services.

**Background:**

BWell provides a continuum of specialty mental health services (SMHS) to Santa Barbara County residents, partly through contracted providers, including IMDs. IMDs are facilities including hospitals, SNFs, or other institutions with 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. Contracts with facilities providing services at various levels of care are key to ensuring that member's needs are optimally met.

Due to the federal IMD exclusion, these services are not reimbursable by Medi-Cal for members between the ages of 21 and 65. There are a limited number of these highly structured residential

treatment services in California. BWell contracts with IMDs that are licensed as Acute Psychiatric Hospitals (APH), SNFs with STP certifications, and Mental Health Rehabilitation Centers (MHRC). Due to limited bed availability at each IMD, BWell contracts with a number of IMDs throughout the State.

### **Davis**

An ARF is a non-medical care facility that provides 24-hour support and supervision to adults who need assistance with daily living activities but do not require medical care. ARFs cater primarily to adults aged 18 and older who may have developmental disabilities, mental health conditions, or physical disabilities. These facilities aim to create a supportive and home-like environment where residents can live with dignity and receive the necessary assistance to maintain their independence.

An RCFE is a licensed assisted living facility that provides housing, meals, and supportive care for seniors who need help with daily activities but do not require full-time nursing care.

### **Sylmar and Vista Pacifica Enterprises**

SNFs, as defined in Title 22 California Code of Regulations (C.C.R.) § 72103, are health facilities or a distinct part of a hospital which provides continuous skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. It provides 24-hour inpatient care and, at a minimum, includes physician, skilled nursing, dietary, pharmaceutical services, and an activity program. SNFs provide a Special Treatment Program (STP) serving members who have chronic psychiatric impairment and whose adaptive functioning is moderately impaired. STP services are those therapeutic services, including prevocational preparation and prerelease planning, provided to mentally disordered persons having special needs in one or more of the following general areas: self-help skills, behavioral intervention training, and interpersonal relationships. These skill-building and symptom-management services are designed to support members in returning to community living as soon as possible.

BWell has contracted with Davis for intensive residential program services since July 2014, and for IMD SNF services with Sylmar since October 2002 and VPE since March 2016. The Board of Supervisors subsequently renewed the FY 2023-26 Services Agreements with Sylmar (BC 23-131) and VPE (BC 23-148) in August 2023 and October 2023, and the FY 2024-26 Services Agreement (BC 24-059) with Davis in July 2024.

### **Performance Measure:**

The Agreements with Davis, Sylmar and VPE identify program goals, outcomes and measures in Section 15 of Exhibit A-5 of the Agreement for Davis and Exhibit A-7 of the Agreements for Sylmar and VPE. The program goals are to assist members in their mental health recovery process by:

- Supporting members to develop independent living skills and psychological and social skills necessary for recovery;
- Maintaining member's residential placement at the lowest appropriate level, and/or enabling member to successfully move to a lower level of care;
- Providing 24/7 in-person support and care in a therapeutic environment for delivering health care service;
- Developing strategies for reducing substance use symptoms resulting in reduced utilization of involuntary care and emergency rooms by increasing adaptive behaviors; and
- Improving or restoring the social and functional skills necessary to lead independently, healthy and productive lives in the community.

## **Contract Renewals:**

### **Performance Outcomes**

The following summary highlights performance outcomes for programs operated by the following contracted Community-Based Organization: Davis Guest Home, Sylmar Health and Rehabilitation Center, and Vista Pacifica Enterprises. Please note that variability in several measures reflects the small number of members being served by the programs, where individual member circumstances can significantly influence percentages.

In FY 2025-26, program performance was evaluated across 2 domains: Mental Health Symptom Acuity and Stabilization in the Community, which together assess member stability and community-based outcomes. Overall, programs performed well across both domains in terms of meeting goals.

#### **Davis Guest Home (Davis) – FY 2025-26 Q1, Q2 & Q3.**

Davis served an average of 5 members per quarter, with 0 new enrollments and 0 discharges per quarter.

- Mental Health Symptom Acuity: All goals met; no members were incarcerated (0%), hospitalized (0%), or experienced a crisis service during the reporting period (0%).
- Stabilization in the Community: There were no discharges during the reporting period, so successful and involuntary rates were not applicable.

#### **Sylmar Health & Rehabilitation Center (Sylmar) – FY 2025-26 Q1, Q2 & Q3.**

Sylmar served an average of 5.7 members per quarter, with an average of 0.3 new enrollments and an average of 0.7 discharge per quarter.

- Mental Health Symptom Acuity: All goals met. No members were incarcerated during the reporting period (0%). The program met target related to inpatient psychiatric admissions (10%)..
- Stabilization in the Community: All goals met. All members had successful discharges (100%).

#### **Vista Pacifica Enterprises (VPE) – FY 2025-26 Q1, Q2 & Q3.**

VPE served an average of 20.3 members per quarter, with an average of 3.7 new enrollments and an average of 2 discharges per quarter.

- Mental Health Symptom Acuity: All goals met. No members were incarcerated during the reporting period (0%), and a small number of members had psychiatric inpatient admissions (4%).
- Stabilization in the Community: All goals met. All members had successful discharges (100%).

## **Fiscal and Facilities Impacts:**

Budgeted: Yes

The above-referenced contracts are funded by State 1991 Realignment funds. There is no impact to the General Fund. Funding for these contracts has been included in the Recommended Budget for FY 2026-27, and funding for future years will be included in BWell's requested budget, contingent on the Board of Supervisors' approval. Due to the federal IMD exclusion, these services are not reimbursable by Medi-Cal for members between the ages of 21 and 65 years, which means that the department needs to rely on funds such as 1991 Realignment to fund these contracts.

**Fiscal Analysis:**

**Davis**

Funding Source	FY 2026-27	FY 2027-28	Total
State Realignment	\$585,000	\$585,000	\$1,170,000
<b>Total</b>	<b>\$585,000</b>	<b>\$585,000</b>	<b>\$1,170,000</b>

**Sylmar**

Funding Source	FY 2026-27	FY 2027-28	FY 2028-29	Total
State Realignment	\$775,000	\$775,000	\$775,000	\$2,325,000
<b>Total</b>	<b>\$775,000</b>	<b>\$775,000</b>	<b>\$775,000</b>	<b>\$2,325,000</b>

**VPE**

Funding Source	FY 2026-27	FY 2027-28	FY 2028-29	Total
State Realignment	\$2,100,000	\$2,100,000	\$2,100,000	\$6,300,000
<b>Total</b>	<b>\$2,100,000</b>	<b>\$2,100,000</b>	<b>\$2,100,000</b>	<b>\$6,300,000</b>

The contract allocations provide funding for the following number of beds at each facility although the availability of a bed is not guaranteed:

- Davis – 6 bed placements available annually;
- Sylmar – 6 bed placements available annually;
- VPE – 21 bed placements available annually.

**Special Instructions:**

Please email one (1) complete, executed copy of each of the above contracts and one (1) Minute Order to Svetlana Arriaga at [sarriaga@sbcbswell.org](mailto:sarriaga@sbcbswell.org) and to [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – Davis Guest Home FY 2026-28 Board Contract (signature required)

**Attachment B** – Sylmar Health & Rehabilitation Center FY 2026-29 Board Contract (signature required)

**Attachment C** – Vista Pacifica Enterprises FY 2026-29 Board Contract (signature required)

**Contact Information:**

Svetlana Arriaga  
 Contracts Analyst  
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