



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 14 2021  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Pam Fisher, Psy.D., Acting 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:** Behavioral Wellness – Second Amendment to the Agreement for Services for FY 2020/2021 – 2022/2023 with Psynergy Programs, Inc., an Institution for Mental Disease

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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 the Second Amendment to the Agreement for Services of Independent Contractor (BC 20-032) with **Psynergy Programs, Inc.**, a California corporation (not a local vendor), an Institution for Mental Disease, to increase the FY 21-22 contract amount by **\$1,350,000** and increase the FY22-23 contract amount by **\$1,500,000** for additional client placements for FY 21/22-22/23 for a new total Maximum Contract Amount not to exceed **\$6,600,000**, inclusive of \$1,750,000 for FY 20-21; \$2,350,000 for FY 21-22; and \$2,500,000 for FY 22-23, subject to annual budget appropriations, for the period of July 1, 2020 through June 30, 2023;
- B. Approve a Budget Revision Request (BJE# 0008019) for FY 21–22, increasing appropriations of **\$1,350,000** in the Behavioral Wellness Mental Health Fund for Services and Supplies funded by an unanticipated MHSAs revenue from the State of California of \$1,163,700 and Medi-Cal charges for services of \$186,300 (Attachment B); and
- C. Determine that the above actions are 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:**

The above-referenced item is on the agenda to request an increase in the total contract amount of the Agreement for Services with Psynergy Programs, Inc. (Psynergy) and add to the statement of work an Intensive Support Services Program. Behavioral Wellness (BWell) provides a continuum of specialty mental health services to Santa Barbara County residents, in part through contracted providers. Contractors with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met. Due to an increased demand for inpatient contracted long-term beds, BWell needs to amend Psynergy's contract to pay for increases in client placement for FYs 2021/2022-2022/2023. This amendment will be funded through Medi-Cal and MHSA revenue.

Approval of the recommended actions will allow BWell to pay for additional client placements for fiscal years 2021/2022 through 2022/2023 at Psynergy and continue to provide mandated mental health and ancillary services.

**Background:**

Institution for Mental Disease: IMDs are facilities including hospitals, nursing facilities, or other institutions of 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. Due to the Federal IMD Exclusion, these services are not reimbursable by Medi-Cal for clients 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, Skilled Nursing Facilities with Special Treatment Patches, and Mental Health Rehabilitation Centers (MHRC). BWell also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs.

**Psynergy**, located in the Bay Area, provides residential treatment services to adult clients as a step down from IMDs. Psynergy works with clients in IMDs to identify clients who may be ready to step down to a lower level of care, then works to step clients down through three progressions of residential care, with the eventual goal of equipping clients to return to Santa Barbara County to live independently.

Psynergy's contract was originally budgeted to accommodate placement of 12-13 clients, with the intent to transition clients to the in-County MHRC Champion Center. While Crestwood Champion Center is operating at capacity, Psynergy's client placement has increased to approximately 22. The requested contract increase will allow for up to 28 clients to be treated at the facility and allow for clients to be stepped down from the MHRC. The increased capacity will allow for necessary movement from BWell's Psychiatric Health Facility (PHF).

The addition of Psynergy's Intensive Support Services (ISS) Program to its contract will provide a new higher level of care that will give BWell additional placement options for patients discharging from the PHF. Up to 10 clients may be placed or transitioned into the ISS Program.

**Performance Outcomes:**

Overall, BWell is satisfied with the performance of Psynergy.

**Fiscal and Facilities Impacts:**

Budgeted: Budget Revision #0008019 is requested for approval to establish FY 2021-2022 funding.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 20-21 Cost</u></b>	<b><u>FY 21-22 Cost</u></b>	<b><u>FY 22-23 Cost</u></b>	<b><u>Overall FY 20-23 Cost</u></b>
General Fund				
State	\$ 1,356,250.00	\$1,938,750.00	\$ 2,062,500.00	
Federal	\$ 393,750.00	\$ 411,250.00	\$ 437,500.00	
Fees				
Other:				
Total	\$ 1,750,000.00	\$2,350,000.00	\$ 2,500,000.00	\$ 6,600,000.00

Narrative: The above-referenced contract is funded by State and Federal funds. The recommended contract increase will be funded through Medi-Cal funds and MHSA revenue. The increase is needed to cover services for additional client placements through June 2023. The current funding projections for Psynergy are based on an average client caseload of 22.

**Key Contract Risks:**

There is a risk that the number of contracted IMD and IMD-alternative beds may increase beyond what BWell has projected. In this case, BWell will return to the Board of Supervisors to request an increase to the contract maximum where needed.

**Special Instructions:**

Please send one (1) complete copy of the executed amendment and one (1) minute order to: [abello@co.santa-barbara.ca.us](mailto:abello@co.santa-barbara.ca.us) and the BeWell Contracts Division at [bwellcontractsstaff@co.santa-barbara.ca.us](mailto:bwellcontractsstaff@co.santa-barbara.ca.us).

**Attachments:**

- Attachment A: Psynergy FY 20-23 Am 2
- Attachment B: BRR-0008019
- Attachment C: Psynergy FY 20-23 Am 1
- Attachment D: Psynergy FY 20-23 BC 20-032

**Authored by:**

A. Bello