



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: June 25, 2024
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
Department of Behavioral Wellness, 805-681-5220

Contact Info: John Winckler, LMFT, Division Chief of Crisis Services
Department of Behavioral Wellness, 805-681-5220

SUBJECT: Crestwood Behavioral Health, Inc. Second Amendment to the FY 21-24 Services Agreement and FY 24-26 Renewal Services Agreement for Adult Crisis Residential Mental Health Services

DS
Majority
TN

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, ratify, and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with **Crestwood Behavioral Health, Inc.** (not a local vendor) (BC No. 21-034) to add contingency payment and cost settlement provisions and incorporate Medicare Practitioner billing and California Department of Health Care Services rate changes with no change to the maximum contract amount of \$4,107,865, inclusive of inclusive of \$ 1,350,000 for FY 2021-22, \$1,350,000 for FY 2022-23, and \$1,407,865 for FY 2023-24, for the period of July 1, 2021, through June 30, 2024, (Attachment A);
 - i) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to increase the daily bed rate and incorporate new codes and make fee-for-service rate changes or updates and to reimburse on a cost reimbursement basis for Medi-Cal fee-for-service programs per Exhibit B of the FY 21-24 Agreement, all without altering the maximum contract amount and without requiring the Board’s approval of an amendment of the FY 21-24 Agreement, subject to the Board’s ability to rescind this delegated authority at any time;
- b) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Crestwood Behavioral Health, Inc.** (not a local vendor) for the provision of adult crisis

residential mental health services in south Santa Barbara County for a maximum contract amount not to exceed **\$2,870,400**, inclusive of \$1,435,200 per fiscal year, for the period of July 1, 2024, through June 30, 2026, (Attachment B);

- i) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt the services under the FY 24–26 Agreement for convenience per Section 20 of the FY 24–26 Agreement; make immaterial changes to the FY 24–26 Agreement per Section 26; change staffing requirements per Exhibit A-2; reallocate funds between funding sources, increase the daily bed rate, and incorporate new codes and make fee-for-service rate changes or updates and to reimburse on a cost reimbursement basis for Medi-Cal fee-for-service programs, reallocate between contract allocations for the incentive payment, and activate the Contingency Invoicing Plan per Exhibit B; amend the program goals, outcomes, and measures per Exhibit E, all without altering the maximum contract amount and without requiring the Board’s approval of an amendment 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 funding mechanisms or other government fiscal activities that 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 approve the Second Amendment to the FY 21-24 Services Agreement with Crestwood Behavioral Health, Inc. (BC No. 21-034) to add contingency payment and contingency cost settlement provisions and to incorporate changes for Medicare practitioner billing and State rate changes, with no change to the maximum contract amount; and to approve of a renewal Services Agreement with Crestwood Behavioral Health, Inc. to provide adult crisis residential mental health services in south Santa Barbara County, for a Maximum Contract Amount not to exceed **\$2,870,400**, inclusive of \$1,435,200 for FY 24-25 and \$1,435,200 for FY 25-26 for the period of July 1, 2024 through June 30, 2026.

Services are provided at a County-owned property and the lease will be brought to the Board separately at a later time.

Background:

A crisis residential treatment (CRT) 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).

Crestwood operates the Crisis Respite Residential House (CRRH) in the South region of Santa Barbara County and provides short-term crisis residential services. The CRRH is located at 66 South San Antonio Rd, Santa Barbara, CA 93110. The Program provides traditional short-term crisis residential services and has a shorter length of stay (closer to 30 days). The Program provides a therapeutic milieu with an emphasis on positive reinforcement and trauma-informed programming.

The Second Amendment to the FY 21-24 Services Agreement adds contingency payment and contingency cost settlement provisions and incorporates changes for Medicare practitioner billing and State rates, with

no change to the maximum contract amount. During this fiscal year, Behavioral Wellness (BWell) implemented a new electronic health record system, SmartCare, that Community Based Organizations (CBOs) are required to use for submitting claims for payment. The claiming functionality of the new SmartCare application was delayed by approximately 10 months resulting in limited to no data on the amount of services approved by Medi-Cal during this time period. CBOs rely on this data, in part, to track and adjust service delivery to ensure that their costs are being covered. BWell also relies on this data to monitor whether provider rates are sufficient to cover the anticipated cost of service. BWell has determined that there is a need to amend the contract to give the option for reimbursement based on cost or the fee-for-service schedule. This is in consideration of the extenuating claiming issues and to ensure that local CBOs are compensated for services performed. The amendments also update the agreement to include Medicare changes and provide BWell with the ability to update contractor rates when new codes or rates are added by the State.

Performance Measure:

The Exhibit E in the FY 21-24 agreement established the following program goal and outcome:

Program Goals for CRTs:

- Provide transitional crisis residential services in order to stabilize clients and reduce the need for involuntary or higher level of care services.

Program Outcomes for CRTs:

- Incarcerations will be 5% or less;
- Psychiatric Inpatient Hospital Admissions will be 10% or less;
- Physical Health Hospital Admissions will be 10% or less;
- Clients transitioning to a lower level of care will be 90% or greater;
- All clients discharged will have a discharge plan (100%);
- All clients with a discharge plan will have stable/permanent housing (or a housing plan) at time of discharge (100%).

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For FY 24-26, the Program Goals, Outcomes and Measures are in Exhibit E of the agreement:

- Reduce mental health and substance abuse symptoms resulting in reduced utilization of involuntary care and emergency rooms for mental health and physical health problems.
- Assist clients in their mental health recovery process and with developing the skills necessary to lead healthy and productive lives in the community.
- Provide Housing Support Services to assist clients with maintaining stable housing.
- Provide Case Management Services to assist clients with engagement in self-sufficiency and treatment services.

Contract Renewals and Performance Outcomes:

For FY 23-24:

During the first two Quarters Crestwood CRT accomplished the following:

They met 3 of their 8 quarterly average goals.

They served an average of 15.5 clients per quarter, with an average of 22.5 discharged.

Goals Met:

7% of clients received emergency care for physical health, with a goal of 10% or less.

0% of clients were hospitalized for physical health, with a goal of 10% or less.

Page 4 of 4

0% of clients were incarcerated, with a goal of 5% or less.

Goals Not Met:

13% of clients were admitted to acute psychiatric inpatient care, with a goal of 10% or less.

13% of clients had incidents requiring a higher level of supervision with a goal of 5% or less.

79% of clients were discharged to a lower level of care, with a goal of 90%.

69% of clients were discharged with a discharge plan, with goal of 100%.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 24-25:</u>		<u>FY 25-26:</u>		<u>Total</u>
General Fund					
State	\$	176,250	\$	176,250	\$ 352,500
Federal					
Fees					
Other: Medi-Cal Patient Revenue	\$	1,258,950	\$	1,258,950	\$ 2,517,900
Total	\$	1,435,200	\$	1,435,200	\$ 2,870,400

Narrative:

The above-referenced Agreement is funded with a combination of State and Federal funds. With the transition to CalAIM Payment Reform, the fee-for-service portion of the contract will be funded with Medi-Cal Patient Revenue which primarily consists of federal funds. The amount of federal funds is contingent on the client's aid code and the State issued rate for the service. The Non-Medi-Cal portion of the contract is funded by Mental Health Service Act (MHSA) funding. Funding associated with this contract was included in the FY 2024-25 Recommended Budget and will also be included in future budgets presented to the Board.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please email one (1) Minute Order, one (1) complete executed amendment and agreement to Melanie Johnson at mejohanson@sbcbswell.org and to the Contracts Division at bwelcontractsstaff@sbcbswell.org

Attachments:

Attachment A: Crestwood CRT FY 21-24 (BC No. 21-034) AM2

Attachment B: Crestwood CRT FY 24-26 BC

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

Attachment D: Crestwood CRT FY 21-24 (BC No. 21-34)

Authored by:

M. Johnson