



## 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:** August 19, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department Director: Antonette Navarro, LMFT, Director  
Department of Behavioral Wellness   
Contact: Dr. Ole Behrendtsen, Medical Director  
Department of Behavioral Wellness

**SUBJECT:** Services Agreements with Aurora Las Encinas, LLC for Psychiatric Inpatient Hospital Services for Fiscal Year (FY) 2025-27; Community Care on Palm Riverside, LLC for Skilled Nursing Facility Services for FY 2025-28; RG Legacy II, LLC d.b.a. Pasadena Nursing Center and Foothill Heights Care Center, LLC for Skilled Nursing Facility Services for FY 2025-27

### 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 an Agreement for Services of Independent Contractor with **Aurora Las Encinas, LLC (ALE)** (not a local vendor), an institution for mental disease, for the provision of psychiatric inpatient hospital services for a total maximum contract amount not to exceed **\$820,000**, inclusive of \$410,000 per fiscal year, for the period of July 1, 2025 through June 30, 2027;
- b) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Community Care on Palm Riverside, LLC (CCOP)** (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 **\$705,000**, inclusive of \$235,000 per fiscal year, for the period of July 1, 2025 through June 30, 2028;

- c) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **RG Legacy II, LLC d.b.a. Pasadena Nursing Center (PNC)** (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 **\$850,000**, inclusive of \$425,000 per fiscal year, for the period of July 1, 2025 through June 30, 2027;
- d) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Foothill Heights Care Center, LLC (FHCC)** (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 **\$1,058,500**, inclusive of \$529,250 per fiscal year, for the period of July 1, 2025 through June 30, 2027;
- e) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to (i) suspend, delay, or interrupt the services under the Agreement for convenience as provided in Section 20 of all four Agreements; (ii) make immaterial changes to the Agreement as provided in Section 26 of all four Agreements; (iii) reallocate funds between funding sources as provided in Section I.E of Exhibit B of the Agreements for CCOP, PNC, and FHCC; (iv) withhold payment for non-submission of service data and other information per Exhibit B of the Agreements for CCOP, PNC, and FHCC; (v) deny or withhold payment for unsatisfactory clinical documentation per Exhibit B of all four Agreements; (vi) increase the augmented service rates as provided in Exhibit B-1 of the Agreement for CCOP; (vii) adjust the per diem rate as provided in Exhibit B-1 of the Agreements for PNC and FHCC; and (viii) amend the Program goals, outcomes, and measures as provided in Exhibit E of all four 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
- f) 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:**

The Board of Supervisors is requested to authorize the Chair to execute the following Institution for Mental Disease (IMD) Services Agreements to provide psychiatric inpatient hospital and skilled nursing facility services to members with severe mental illness:

- a) Aurora Las Encinas, LLC (ALE) for a total maximum contract amount not to exceed \$820,000 for the period of July 1, 2025 through June 30, 2027;
- b) Community Care on Palm Riverside, LLC (CCOP) for a total maximum contract amount not to exceed \$705,000 for the period of July 1, 2025 through June 30, 2028;
- c) RG Legacy II, LLC d.b.a. Pasadena Nursing Center (PNC) for a total maximum contract amount not to exceed \$850,000 for the period of July 1, 2025 through June 30, 2027; and
- d) Foothill Heights Care Center, LLC (FHCC) for a total maximum contract amount not to exceed \$1,058,500 for the period of July 1, 2025 through June 30, 2027.

#### **Discussion:**

**ALE's** IMD facility is located in Pasadena, CA, and provides psychiatric inpatient hospital services, routine services, hospital-based ancillary services, and transportation for members with serious

mental illness (SMI), serious emotional disturbances (SED), chemical dependency, or co-occurring disorders in a locked long-term care setting. These skill-building and symptom-management services are designed to stabilize members and support them in returning to community living and well-being after hospitalization as soon as possible.

**CCOP's** Skilled Nursing Facility (SNF) is located in Riverside, CA, and provides comprehensive skilled nursing, physician services, pharmaceutical services, dietary services, an activity program in an inpatient setting, and specialized neurobehavioral services to members in a locked setting. These skill-building and symptom-management services are designed to support members in returning to community living as soon as possible.

**PNC's** and **FHCC's** SNF are both located in Pasadena, CA, and provide comprehensive skilled nursing, rehabilitation, and specialized neurobehavioral services to members in a locked setting. These skill-building and symptom-management services are designed to support members in returning to community living as soon as possible.

Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to ensure ALE can continue to provide psychiatric inpatient hospital services to members who need the most intensive level of mental healthcare and CCOP can maintain and continue its current SNF services to members with significant health conditions without a gap in services, including skilled nursing, rehabilitation services and specialized neurobehavioral services. In addition, approval of the recommended actions will initiate Services Agreements with new providers, PNC and FHCC, to start providing SNF services to members.

#### **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 client'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 Special Treatment Patches, and Mental Health Rehabilitation Centers (MHRC). Due to limited bed availability at each IMD, BWell contracts with a number of IMDs throughout the State.

Psychiatric Inpatient Hospital Services include both acute psychiatric inpatient hospital services and administrative day services provided in a general acute psychiatric inpatient hospital, or a free-standing psychiatric hospital which are certified by Department of Health Care Services (DHCS) to be Medi-Cal providers or a psychiatric health facility that is licensed by the DHCS and certified by DHCS as a Medi-Cal provider of hospital services.

Skilled Nursing Facilities (SNF), 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.

BWell has contracted with **ALE** for IMD psychiatric inpatient hospital services since November 2014, and with **CCOP** for IMD SNF services since January 2018. In May of 2022, the Board of Supervisors

renewed the FY 2022-25 Services Agreement with ALE (BC 22-016), as well as with CCOP (BC 21-280). BWell is entering into a contract with two new providers, PNC and FHCC.

### **Performance Measure:**

The Agreements with ALE, CCOP, PNC, and FHCC identify program goals, outcomes and measures in Exhibit E. The program goals are to assist members in their mental health recovery process by:

- providing a comfortable and therapeutic environment for delivering health care services,
- 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**

In calendar year (CY) 2024, ALE had 53 enrollments for 49 unique members with an average length of stay of 6.8 days. In the first quarter of CY 2025 (January-March), ALE had 3 enrollments for 3 unique members with an average length of stay of 5.3 days. For these admissions, the majority of individuals were discharged to a lower level of care.

In FY 2024-25, CCOP served 4 unique members with 2 unique members discharged. Due to the low number of individuals served in this program during the period, performance calculations are subject to greater instability and should be interpreted with caution. In Q2 of FY 2024-25, one member passed away before discharge; that individual is excluded from goal calculations related to discharge status.

Of the 15 goals, they have met 12 of them, have not met 1 of them, and for 2 no data was applicable.

Goals met:

- 0% of members were incarcerated with a goal of 5% or less;
- 0% of members were admitted to acute psychiatric inpatient care with a goal of 10% or less;
- 0% of unique members received crisis services with a goal of 10% or less;
- 0% of unique members with incidents requiring a higher level of supervision with a goal of 5% or less;
- 0% of discharged members were transitioned to a higher level of care with a goal of 40% or less;
- 100% of discharged members were transitioned to a lower level of care with a goal of 60% or more;
- 100% of discharged members were linked to physical health care services with a goal of 95% or more;
- 100% of discharged members were linked to mental health/substance use services with a goal of 95% or more;
- 100% of members were linked to benefits with a goal of 90% or more;
- 0% of members were discharged by program against client choice with a goal of 5% or less;
- 0% of members had property management issues with a goal of 5% or less;
- 100% of members had weekly service coordination with the clinical team with a goal of 95% or more.

Goals not met:

- 0% of members had weekly rehab services focused on housing/program retention and basic living skills with a goal of 95% or more.

There were no members discharged from incarceration and acute psychiatric inpatient care back to CCOP, therefore there was no need for follow-up within 7 days.

PNC and FHCC are new providers; therefore, they do not have any outcomes to report.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

**ALE**

Funding Source	FY 2025-26	FY 2026-27	Total
State	\$410,000	\$410,000	\$820,000
<b>Total</b>	<b>\$410,000</b>	<b>\$410,000</b>	<b>\$820,000</b>

**CCOP**

Funding Source	FY 2025-26	FY 2026-27	FY 2027-28	Total
State	\$235,000	\$235,000	\$235,000	\$705,00
<b>Total</b>	<b>\$235,000</b>	<b>\$235,000</b>	<b>\$235,000</b>	<b>\$705,00</b>

**PNC**

Funding Source	FY 2025-26	FY 2026-27	Total
State	\$425,000	\$425,000	\$850,000
<b>Total</b>	<b>\$425,000</b>	<b>\$425,000</b>	<b>\$850,000</b>

**FHCC**

Funding Source	FY 2025-26	FY 2026-27	Total
State	\$529,250	\$529,250	\$1,058,500
<b>Total</b>	<b>\$529,250</b>	<b>\$529,250</b>	<b>\$1,058,500</b>

The above-referenced contracts are funded by State Realignment. This funding source was included in the 2025-26 Recommended Budget and will be included in future budgets, contingent on Board of Supervisors' approval.

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

- ALE – 356 psychiatric hospital bed days;
- CCOP – 3 bed placements available annually;
- PNC – 4 bed placements available annually;
- FHCC – 5 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 [bwelcontractsstaff@sbcbswell.org](mailto:bwelcontractsstaff@sbcbswell.org).

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**Attachments:**

**Attachment A** – Aurora Las Encinas FY 2025-27 Board Contract

**Attachment B** – Community Care on Palm FY 2025-28 Board Contract

**Attachment C** – Pasadena Nursing Center FY 2025-27 Board Contract

**Attachment D** – Foothill Heights Care Center FY 2025-27 Board Contract

**Contact Information:**

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Contracts Analyst  
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