



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: August 22, 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) Department of Behavioral Wellness, (805) 681-5220
Contact Info: Laura Zeitz, Division Chief, Inpatient/Housing/Long Term Care
Department of Behavioral Wellness, (805) 681-5220
SUBJECT: **Psynergy Programs, Inc. FY 23-24 Services Agreement for Modified Therapeutic Community Services, Renewal**

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 of Services of Independent Contractor with **Psynergy Programs, Inc.** (not a local vendor) for the provision of adult residential mental health services for a maximum contract amount not to exceed **\$2,829,051** for the period of July 1, 2023 through June 30, 2024;
- b) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt services under the Agreement for convenience and make immaterial changes to the Agreement per Sections 20 and 26 of the Agreement, amend the program goals, outcomes, and measures per Exhibit E, modify the client caseload and amend program staffing requirements per Exhibit A-2, and reallocate funds between funding sources per Exhibit B, 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, 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 approval to execute an agreement for Modified Therapeutic Community services for FY 23-24 with Psynergy Programs, Inc. (Psynergy). Psynergy provides Adult Residential care services to adult clients as a step-down mental health facility. Psynergy identifies 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 has four (4) Modified Therapeutic Community service facilities located in California at Morgan Hill, Sacramento, and Greenfield. Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to continue to provide mandated mental health and ancillary services to its patients.

Background:

BWell provides a continuum of specialty mental health services to Santa Barbara County residents, in part through contracted providers. Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met.

Behavioral Wellness contracts with Institution for Mental Disease (IMD) that are licensed as Acute Psychiatric Hospitals, Skilled Nursing Facilities with Special Treatment Patches, and Mental Health Rehabilitation Centers.

Behavioral Wellness also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs. Psynergy provides Modified Therapeutic Community services to adult BWell clients as a step down from IMDs.

These services are provided in four (4) stages as follows: The first phase consists of assessment, engagement, and orientation, and is usually provided prior to the client arriving at Psynergy's campus. The second phase, Nueva Vista, located in Morgan Hill and Sacramento, California, is licensed as an Adult Residential Facility by the State Department of Social Services, Community Care Licensing Division (CCLD), and provides treatment aimed at helping clients adjust to a non-institutional setting. The third phase, Cielo Vista, located in Greenfield, California, is licensed as an Adult Residential Facility by CCLD, but provides a lower level of treatment services than Nueva Vista, and is aimed at preparing clients for independent living. The last stage, Tres Vista Apartments located in Morgan Hill, provides clients an independent living environment, with continued mental health supports to ensure client success. After successful completion of all four phases, it is anticipated that clients would transition back to the community.

BWell has contracted with Psynergy for these Modified Therapeutic Community services since November 2013. The County of Santa Barbara Board approved of the FY 20-23 Board Contract Agreement on June 16, 2020, the First Amendment on May 4, 2021, and the Second Amendment on December 14, 2023. BWell wishes to continue its contractual relationship with Psynergy and continue receiving Modified Therapeutic Community services. Approval of this Board Contract Agreement will allow for needed Residential Treatment Services to BWell clients without a gap in services.

Performance Outcomes:

The Program Goals, Outcomes, and Measures for Psynergy are as follows:

Goals and Measures

1. Reduce mental health and substance abuse symptoms resulting in reduced utilization of involuntary care and emergency rooms for mental health and physical health problems.

<u>Goals</u>	<u>Measures</u>
A. Incarcerations/Juvenile Hall	<5%
B. Psychiatric Inpatient Admissions	<10%
C. Physical health hospitalizations	<10%
D. Physical health emergency care	<10

2. Assist clients in their mental health recovery process and with developing the skills necessary to lead healthy and productive lives in the community.

<u>Outcomes</u>	
A. Of those who discharged % who transitioned to a higher level of care (inpatient admission)	<15%
B. Of those who discharged % who transitioned to a lower level of care (outpatient care)	>85%
C. Incidents requiring a higher level of supervision	<5%

Outcomes

During FY 2022-23, Psynergy met five (5) of their seven (7) goals. Psynergy served an average of 27 clients per quarter among the four (4) Modified Therapeutic Community service facilities, with an average of one (1) discharge per quarter.

- No clients were incarcerated with a goal of 5% or less.
- 4% of clients were admitted to acute psychiatric inpatient care with a goal of 10% or less.
- There were no emergency care for physical health or hospitalization for physical health with a goal of 10% or less respectively.
- 2% of clients had incidents requiring a higher level of supervision with a goal of 5% or less.
- No clients were discharged to a lower level of care with a goal of 85% or more; and
- 75% were discharged to a higher level of care with a goal of 15% or less.
 - Psynergy had four (4) client discharges, one (1) per quarter. One quarter had a discharge to the same level of care. For the other three quarters, each quarter had one (1) client discharged to a higher level of care, leading to the 75%.

BWell encourages Psynergy to work towards discharging clients to lower level of care if possible, to stabilize clients and prepare them for more independence.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Psynergy FY 23-24</u>	<u>Total FY 23-24 Cost</u>
General Fund		
State	\$ 1,952,588	\$ 1,952,588
Federal		
Fees		
Other: Medi-Cal Patient Revenue	\$ 876,463	\$ 876,463
Total	\$ 2,829,051	\$ 2,829,051

Narrative:

Psynergy provides both Adult Residential Services and Medi-Cal specialty mental health services. Adult residential services are not reimbursable by Medi-Cal and are funded with MHSA. Specialty mental health services are Medi-Cal reimbursable and funded through Medi-Cal Patient Care Revenue under the new CalAIM Payment Reform fee-for-service model of reimbursement. Psynergy contract costs were included in the FY 23-24 adopted budget. Psynergy’s previous contract had a multi-year term with \$2,500,000 allocated to cover services in the final year of the FY 20-23 contract. In FY 23-24, the contract was reduced to a single year contract at the request of the vendor, with an increased allocation of \$329,051, to expand the client capacity from 26 to 29 beds. The actual capacity increase will vary depending on the cost of the client’s placement level at the facility.

Key Contract Risks:

As with any contract funded by State 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.

Attachments:

Attachment A: Psynergy Group, Inc. FY 23-24 Board Contract

Special Instructions:

Please email one (1) complete, signed Board Contract and one (1) Minute Order to Amber Foschaar at cfoschaar@sbcbswell.org and to bwelcontractsstaff@sbcbswell.org.

Authored by:

A. Foschaar