



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: October 17, 2023
Placement: Administrative
Estimated Time:
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: Katie Cohen, Division Chief of Clinical Operations
Department of Behavioral Wellness, (805) 681-5220
SUBJECT: **PathPoint FY 22-25 First Amendment to the Services Agreement for Mental Health and Other Supportive Services**

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 First Amendment to the multiyear Agreement for Services of Independent Contractor with **PathPoint**, a California nonprofit public benefit corporation (a local vendor), (BC 22-008) to update the language in the Mental Health Services General Provisions; update the language in the Statement of Work for Adult Housing Support Program; update the program name from Supportive Community Services South to South Community Full Service Partnership; update the language in the Statement of Work for Supported Community Services South; add client expense funds for Full Service Partnerships; implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes; and add \$949,124 per fiscal year in Mental Health Services funding for FY 23-24 and FY 24-25, for a new total maximum contract amount not to exceed **\$9,595,933**, inclusive of \$2,565,895 for FY 22-23, \$3,515,019 for FY 23-24, and \$3,515,019 for FY 24-25, for the period of July 1, 2022 through June 30, 2025; and
- b) Determine that the above action is a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and is 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 request the Board of Supervisors (Board) to approve, ratify and authorize the Chair to execute a First Amendment to the multiyear Agreement with PathPoint, (BC 22-008). PathPoint is a community based organization that provides various specialty mental services. This First Amendment is requested to update the language in the Mental Health Services General Provisions; update the language in the Statement of Work for Adult Housing Support Program; update the program name from Supportive Community Services South to South Community Full Service Partnership; update the language in the Statement of Work for Supported Community Services South; add client expense funds for Full Service Partnerships, implement California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes, and add \$949,124 per fiscal year in Mental Health Services funding for FY 23-24 and FY 24-25, for a new total maximum contract amount not to exceed \$9,595,933, inclusive of \$2,565,895 for FY 22-23, \$3,515,019 for FY 23-24, and \$3,515,019 for FY 24-25, for the period of July 1, 2022 through June 30, 2025. The additional funds are intended to cover increased operating costs, \$139,000 per fiscal year for fiscal years 23-25 in client expense funds to assist clients in reaching their treatment goals, and an incentive payment to implement quality assurance and utilization review activities that will enhance operational efficiencies and compliance under CalAIM. “Client expense funds” include, but are not limited to: food, clothing, housing (including, but not limited to, rent subsidies, housing vouchers, house payments, residence in a drug/alcohol rehabilitation program, and transitional and temporary housing), cost of health care treatment, cost of treatment of co-occurring conditions, such as substance abuse, and respite care.

Background:

The Behavioral Wellness Department (BWell) provides specialty mental health services to Medi-Cal beneficiaries and other individuals to the extent resources allow, in part, through contracted services. PathPoint provides various specialty mental health services to adults with serious mental illness pursuant to County’s obligation under the Mental Health Plan Agreement and the Mental Health Services Act.

PathPoint provides mental health case management services through their Residential Support Services program for residents of the El Carrillo, Artisan Court, and Bradley Studios apartments, located in Santa Barbara. In addition, PathPoint’s Supportive Community Services program provides treatment, rehabilitative, and supportive services to clients with serious mental illness. The services help individuals obtain and keep community housing in independent living arrangements. PathPoint also operates two intensive residential programs, Mountain House and Phoenix House.

Full Service Partnership

The Mental Health Services Act, passed by California voters in 2004, was designed to expand and transform California’s county mental health system and has five components: 1. Community Services and Support, 2. Prevention and Early Intervention, 3. Innovation, 4. Capital Facilities and Technological Needs, 5. Workforce Education and Training. Community Service Support Services is the largest of the five components whose funding is used to provide direct services to adults and older adults with serious mental illness and children and youth with serious emotional disturbance who meet the criteria set forth in Welfare and Institutions Code section 5600.3. The Community Service Support component has the following service categories: Full Service Partnership (FSP) Services, Outreach and Engagement (O&E) Services, General System Development (GSD).

Per Title 9 of the California Code of Regulations § 3200.130, a “Full Service Partnership” means the collaborative relationship between the provider and the client, and when appropriate the client's family, through which the provider plans for and provides the full spectrum of community services so that the client can achieve the identified goals.

PathPoint provides FSP services, which are regulated by BWell's policy #19.004 "MHSA Full Service Partnership", which states that BWell may use MHSA Community Service Support funds for:

1. The full spectrum of community services when the cost is effective and consistent with the beneficiary's Individual Services and Support Plan (ISSP).
2. Short-term acute inpatient treatment when the beneficiary is uninsured or no other funds are available.

On May 31, 2022, the County Board of Supervisors authorized the Department of Behavioral Wellness to enter into an Agreement with PathPoint (BC 22-008), for the provision of mental health and residential supported housing services, for the period of July 1, 2022 through June 30, 2025. PathPoint is the Department's contracted provider for South Community Full Service Partnership services in the South County area. As an FSP provider, this means that South Community FSP provides the full spectrum of services, using a "whatever it takes" approach to those who meet criteria for FSP services. FSP services include non-mental health services, which means the provider may provide non-mental health services and supports ("client expense funds") including, but not limited to: food, clothing, housing (including, but not limited to, rent subsidies, housing vouchers, house payments, residence in a drug/alcohol rehabilitation program, and transitional and temporary housing), cost of health care treatment, cost of treatment of co-occurring conditions, such as substance abuse, and respite care. These additional non-mental-health services and supports may be funded with client expense funds. The proposed amendment to PathPoint's contract includes specific funding for these additional supports. Funding will be determined based on a case-by-case basis, and can only be used when no other funding sources are available.

CalAIM Payment Reform

CalAIM is a multi-year California Department of Health Care Services (DHCS) initiative to improve the quality of life and health outcomes of our population by implementing broad delivery system, program, and payment reform across the Medi-Cal program. The behavioral health components of CalAIM are designed to support whole-person, integrated care; move the administration of Medi-Cal behavioral health to a more consistent and seamless system by reducing complexity and increasing flexibility; and improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through improvements to behavioral health policies and the launch of behavioral health payment reform. The majority of these policy changes launched in 2022, but implementation will continue through 2027.

Through realignment efforts in 1991 and 2011, funding for the majority of the non-federal share of costs associated with the Specialty Mental Health Services and Substance Use Disorder services became the responsibility of the counties. Currently, counties are reimbursed for these programs via Medicaid Certified Public Expenditure (CPE) methodologies. Under the CPE structure, reimbursements to counties are limited to costs incurred by the counties and are subject to a lengthy and labor-intensive cost reconciliation process. The CalAIM Behavioral Health Payment Reform initiative seeks to move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal beneficiaries. Payment reform will transition counties from cost-based reimbursement funded via CPEs to fee-for-service reimbursement funded via Intergovernmental Transfers, eliminating the need for reconciliation to actual costs. CalAIM Payment Reform has resulted in significant changes to contract boilerplate language and the entire payment and reimbursement structure for Medi-Cal providers. In response, providers have renegotiated their rates as they transition to a fee-for-service-based payment, resulting in a higher maximum contract amount. The

proposed amendment to the PathPoint contract will implement CalAIM Behavioral Health Payment Reform changes through the implementation of new financial provisions effective July 1, 2023.

Approval of the recommended actions will allow PathPoint to provide additional services and mental health resources to BWell clients, and allow the County to maintain compliance with DHCS requirements and implement the new payment methods necessary for partnership with providers.

Performance Measures

The FY 22-25 Agreement contains performance measures to monitor implementation and improve staff proficiency. Program goals, outcomes, and measures can be found in Exhibit E of the Agreement.

Performance Outcomes

During FY 2022 - 2023, PathPoint accomplished the following:

1. ***Phoenix House***: They served an average of 12 clients per quarter with only 1 discharge. No one received acute psychiatric inpatient care with a goal of 5% or less; 10% received emergency care for physical health with a goal of 10% or less; 2% received inpatient physical health treatment with a goal of 10% or less. There were no incarcerations with a goal of 5% or less; 100% had stable/permanent housing with a goal of 95% or more; 83% were engaged in a purposeful activity with a goal of 40% or more. There was only 1 discharge, which was to a higher level of care so the two discharge goals were not met.
2. ***Mountain House***: They served an average of 14 clients per quarter with 3 discharges; 5% received acute psychiatric inpatient care with a goal of 5% or less; 17% received emergency care for physical health with a goal of 10% or less; no clients received inpatient physical health treatment with a goal of 10% or less. There were no incarcerations with a goal of 5% or less; 98% had stable/permanent housing with a goal of 95% or more; 59% were engaged in purposeful activities with a goal of 40% or more. There were 2 discharges noted, both to a higher level of care so the two discharge goals were not met.
3. ***South Community FSP***: They served an average of 116 clients per quarter with an average of 4 discharges per quarter; 4% received acute psychiatric inpatient care with a goal of 5% or less; 9% received emergency care for physical health with a goal of 10% or less; 5% received inpatient physical health treatment with a goal of 5% or less; 1% were incarcerated with a goal of 5% or less; 93% had stable/permanent housing with a goal of 90% or more; 39% were engaged in purposeful activities with a goal of 40% or more; 60% were discharged to a lower level of care with a goal of 85% or more; 40% were discharged to a higher level of care with a goal of 15% or less.
4. ***Residential Supportive Services***: They served an average of 20 clients per quarter with 1 discharge for the entire fiscal year; 6% received acute psychiatric inpatient care with a goal of 5% or less; 6% received emergency care for physical health with a goal of 5% or less; 7% were hospitalized for physical health with a goal of 5% or less; 1% of clients were incarcerated with a goal of 5% or less; 100% had stable/permanent housing with a goal of 95% or more; 36% were engaged in purposeful activities with a goal of 40% or more. There was only 1 discharge and was to the same level of care so the two discharge goals were not met.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 22-23	FY 23-24	FY 24-25	TOTAL FY 22-25
General Fund				
State	\$ 1,282,947.50	\$ 367,832.00	\$ 367,832.00	\$ 2,018,611.50
Federal	\$ 1,282,947.50			\$ 1,282,947.50
Fees				\$ -
Other: Medi-Cal Patient Revenue		\$ 3,147,187.00	\$ 3,147,187.00	\$ 6,294,374.00
Total	\$ 2,565,895.00	\$ 3,515,019.00	\$ 3,515,019.00	\$ 9,595,933.00

Narrative: The above-referenced agreement is funded by a combination of State and federal funds. With the transition to CalAIM Payment Reform, the contract will be funded with Medi-Cal Patient Revenue which primarily consists of federal funds. The amount of federal funds varies depending on the client’s Medi-Cal aid code. The funding sources are included in the FY 23-24 Adopted Budget. Funding for FY 24-25 will be included in the department’s proposed budget and is contingent upon Board approval.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments through the State’s auditing process. This contract includes language requiring the contractor to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please email one (1) Minute Order and one (1) complete copy of the executed contract to Marlene Zavala mazavala@sbcbswell.org and the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

- Attachment A: PathPoint FY 22-25 BC 22-008 First Amendment
- Attachment B: PathPoint FY 22-25 BC 22-008 Executed

Authored by:

M. Zavala