



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: November 1, 2022
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) Behavioral Wellness, (805) 681-5220
Contact Info: Dr. Ole Behrendtsen, Medical Director
Behavioral Wellness, (805) 681-5220
SUBJECT: Behavioral Wellness – First Amendment to the California Mental Health Services Authority and California Department of State Hospitals Purchase of State Hospital Beds Memorandum of Understanding FY 21-22 and the California Mental Health Services Authority State Hospital Beds Administrative Fee Participation Agreement FY 22-23

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute the First Amendment to the Memorandum of Understanding (MOU) with the **California Mental Health Services Authority (CalMHSA)** and the **California Department of State Hospitals (DSH) FY 21-22** to revive the MOU and extend the term through December 31, 2022, to allow for the negotiation and finalization of the FY 22-23 MOU for the purchase of state hospital beds and to increase the bed rates, effective July 1, 2022, in the estimated amount of **\$3,236,090**, based upon the use of 11 beds (Attachment A);
- B. Delegate authority to the Director of the Department of Behavioral Wellness or designee to execute a subsequent amendment to the FY 21-22 MOU for the purchase of state hospital beds with CalMHSA and DSH to extend the term for no more than 60 days, as needed, without requiring the Board's approval of an amendment of the MOU, subject to the concurrence of County Counsel, Auditor-Controller, and Risk Management and the Board's ability to rescind this delegated authority at any time;

- C. Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute the **California Mental Health Services Authority** State Hospitals Program Participation Agreement No. 1527-SHB-2022-SB for an administrative fee in the estimated amount of \$15,422, based upon the use of 11 beds at a cost not to exceed \$1,402 per bed from July 1, 2022 to June 30, 2023 (Attachment B); and
- D. 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 organizational or administrative activities of the government that will not result in direct or indirect physical changes in the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) and (b)(5) 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 Director of the Department of Behavioral Wellness (BWell) or designee to execute the First Amendment to MOU with CalMHSA and DSH for FY 21-22 to revive the MOU and extend the term through December 31, 2022, to allow for the negotiation and finalization of the FY 22-23 MOU for the purchase of state hospital beds and to increase the bed rates, effective July 1, 2022, in the estimated amount of \$3,236,090, based upon the use of 11 beds and to execute the CalMHSA State Hospitals Program Participation Agreement No. 1527-SHB-2022-SB for an administrative fee in the estimated amount of \$15,422, based upon the use of 11 beds at a cost not to exceed \$1,402 per bed from July 1, 2022 to June 30, 2023. In addition, to request the Board to delegate authority to the Director of BWell or designee to execute a subsequent amendment to the FY 21-22 MOU for the purchase of state hospital beds with CalMHSA and DSH to extend the term for no more than 60 days, as needed, without requiring the Board's approval of an amendment of the MOU, subject to the concurrence of County Counsel, Auditor-Controller, and Risk Management and the Board's ability to rescind this delegated authority at any time.

Background:

On April 1, 2014, the Board authorized BWell to become a member of CalMHSA. CalMHSA, a Joint Powers Authority (JPA), negotiates the State Hospital Bed (SHB) MOU with DSH on behalf of city and county mental health authorities, including BWell. CalMHSA is the administrative agent for behavioral health departments. Section 4330 of the California Welfare and Institutions Code (WIC) requires counties to reimburse DSH for the use of state hospital beds and services by their residents. Clients referred to state hospitals by BWell are individuals who have major mental illness requiring continuity of care and inpatient services or individuals who, under the Lanterman Petris Short Act "Murphy" Conservatorships, were previously found incompetent to stand trial on specific felony charges.

On May 20, 2014, the Board approved BWell's entrance into the first SHB MOU between CalMHSA and DSH and the Board subsequently approved amendments to extend the date of the MOU through June 30, 2021. As a member of CalMHSA, participating counties, including the County of Santa Barbara, are able to sign on to the negotiated agreement between CalMHSA and DSH for the County's state hospital bed needs. The MOU provided BWell with consistently low rates for eight years.

Additionally, on February 2022, the Board approved the CalMHSA and DSH SHB MOU from July 1, 2021 through June 30, 2022. The MOU being presented, is the First Amendment to that agreement, which will revive the CalMHSA and DSH MOU FY 21-22 and extend the term through December 31, 2022. The short-term Amendment will allow CalMHSA and DSH to continue negotiating the FY 22-23 MOU and update the bed rate for the purchase of state hospital beds. The bed rate has increased for the first time

in eight years. However, CalMHSA was able to obtain the lowest possible rate with the DSH. The estimated amount is based upon the use of eleven (11) beds for the year. BWell’s bed utilization estimate is based on BWell’s historical use of state hospital beds. Under the FY 21-22 MOU, BWell only pays for beds that are utilized. In addition, the MOU does not financially obligate the County to any payments if BWell does not need the beds allocated in the MOU, nor does it preclude BWell from utilizing additional beds. Once CalMHSA and DSH come to agreement on all terms, they will issue a FY 22-23 MOU to be approved by the Board.

Additionally, on the agenda for approval is the CalMHSA SHB Participation Agreement (PA) to allow for the payment of the administrative fee based on 11 beds, to CalMHSA for the administration of the SHB programs. If the County does not procure any beds, BWell does not incur any administrative cost.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Estimated Cost FY 22-23:</u>	<u>Participation Agreement Cost FY 22-23</u>	<u>Total Cost FY 22-23</u>
General Fund			
State	\$ 3,236,090.00	\$ 15,422.00	\$ 3,251,512.00
Federal			
Fees			
Other:			
Total	\$ 3,236,090.00	\$ 15,422.00	\$ 3,251,512.00

Narrative: The above-referenced contract is funded through State Mental Health Realignment funds. This funding source was included in the FY 22-23 Approved Budget. Approval of this MOU and Participation Agreement does not impact the general fund contribution. The MOU does not financially bind the county to any payment obligations if BWell does not utilize the beds, nor does it preclude BWell from using additional beds.

Key Contract Risks:

The MOU with CalMHSA and DSH and the Participation Agreement with CalMHSA are subject to any changes to the State Budget Act or to any statute or regulation that may affect the provisions, terms, or funding of the MOU or the Participation Agreement enacted by the Legislature. If statutory, regulatory, bed rate, or billing process changes occur during the term of the MOU, the MOU permits the parties to renegotiate the terms of the MOU affected by such changes. BWell has contracts with other Institutes of Mental Disease facilities to provide needed care in the event of disruptions to DSH services. Furthermore, if the state determines it no longer is interested in negotiating the state hospital bed rate with CalMHSA, BWell will enter into a contract directly with the state for the procurement of hospital beds. In addition, while the MOU contains a mutual indemnification provision, the County’s exposure is only in proportion and to the extent of such liability, loss, expense, attorneys’ fees, or claims for injury or damage that are caused by or result from the negligent or intentional acts or omissions of the County.

Special Instructions: Please send one (1) scanned copy of the Minute Order to Denise Morales at dmorales@sbcbswell.org and the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: CalMHSA SHB FY 22-23 MOU AM1

Attachment B: CalMHSA SHB FY 22-23 PA No. 1527-SHB-2022-SB

Attachment C: CalMHSA SHB FY 21-22 MOU

Authored by:

D. Morales