



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: February 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 - California Mental Health Services Authority and
California Department of State Hospitals State Hospital Beds Memorandum of
Understanding FY 21-22 and Third Amended State Hospital Beds Administrative
Fee Participation Agreement FY 21-22

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 a Memorandum of Understanding between the County, the **California Mental Health Services Authority (CalMHSA)**, and the **California Department of State Hospitals (DSH)** for the purchase of state hospital beds in the estimated amount of **\$2,284,900**, which is based upon the use of 10 beds, for the period of July 1, 2021 through June 30, 2022 (Attachment A);
- B. Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute the Third Amendment to the **California Mental Health Services Authority** State Hospitals Program Participation Agreement No. 278-2017-SHP-A3 to extend the agreement from July 1, 2021 to June 30, 2022 for an administrative fee in the estimated amount of \$14,020, which is based upon the use of 10 beds at a cost not to exceed \$1,402 per bed (Attachment B); and
- C. Determine that the above actions are 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:

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 enter into a Memorandum of Understanding (MOU) with CalMHSA and DSH for the purchase of state hospital beds in the estimated amount of \$2,284,900 for the period of July 1, 2021 through June 30, 2022. Also on the agenda is the Third Amended CalMHSA State Hospitals Program Participation Agreement No. 278-2017-SHP-A3 to extend the agreement to June 30, 2022 for an administrative fee payment that is estimated to be \$14,020 based upon the use of 10 beds at a cost not to exceed \$1,402 per bed. The approval of these items will allow BWell to purchase state hospital beds for FY 21–22 and pay an annual, per-bed administrative fee for mandated services.

Background:

Clients referred to state hospitals by BWell are individuals who have major mental illness requiring continuing care inpatient services or individuals who, under the Lanterman Petris Short Act “Murphy” Conservatorships, were previously found incompetent to stand trial on specific felony charges. 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. CalMHSA, a Joint Powers Authority (JPA), negotiates the State Hospital Bed MOU with DSH on behalf of city and county mental health authorities, including BWell. On April 1, 2014, the Board authorized BWell to become a member of CalMHSA.

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. Prior to CalMHSA’s involvement in negotiating an MOU with DSH, the rates for state hospital beds were higher and increased annually. BWell paid a flat annual fee regardless of whether or not the beds were utilized. On May 20, 2014, the Board approved BWell’s entrance into the first MOU between CalMHSA and DSH for the period of July 1, 2013 through June 30, 2014. The Board subsequently approved three amendments to extend the date of the MOU with the final Board-approval occurring on April 6, 2021 to extend the MOU date through June 30, 2021. The MOU provided BWell with stable and low rates for eight years.

This MOU is a new agreement for the period of July 1, 2021 through June 30, 2022. The ten beds BWell is estimating to use is based on BWell’s past use of state hospital beds. Under the MOU, BWell again only pays for beds that are utilized. 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. This new agreement maintains the same low rates from the last eight years. However, due to rising inflation cost nationwide the bed rates may increase after July 2022. The potential rate increase does not effect this MOU.

Also, on the agenda for approval is the Third Amended CalMHSA State Hospitals Program Participation Agreement (PA). In July 2017, the Board approved the State Hospitals Program PA 278-2017-SHP between CalMHSA and BWell to clarify the specifics of the MOU and the purchase of hospital beds. An administrative fee was paid to CalMHSA for the coordination of statewide hospital bed procurement efforts. The Board subsequently approved a Second Amended PAs to extend the term of the agreement from July 1, 2020 to June 30, 2021. We are asking that the Board approve a Third Amended PA to extend the term of the agreement from July 1, 2021 to June 30, 2022 and allow payment of the administrative fee to CalMHSA for a funding amount not to exceed \$1,402 per bed, per fiscal year unless the County does not procure any beds.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Estimated Cost FY 21-22:</u>	<u>Participation Agreement Cost FY 21-22</u>	<u>Total Cost FY 21-22</u>
General Fund			
State	\$ 2,284,900.00	\$ 14,020.00	\$ 2,298,920.00
Federal			
Fees			
Other:			
Total	\$ 2,284,900.00	\$ 14,020.00	\$ 2,298,920.00

Narrative: The above-referenced contract is funded through State Mental Health Realignment funds. This funding source was included in the FY 21-22 budget process and was approved. Approval of this MOU and Participation Agreement does not impact the general fund contribution. 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.

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. Similarly, the Participation Agreement allows for the renegotiation of terms affected by any statutory or regulatory changes. BWell has contracts with other Institutes of Mental Disease facilities to provide needed care in the event of disruptions to DSH services. Also, 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 to and to the extent such liability, loss, expense, attorneys’ fees, or claims for injury or damage are caused by or result from the negligent or intentional acts or omissions of the County.

Staffing Impacts: Special Instructions: Please send one (1) scanned copy of the Minute Order to Denise Morales at dmorales@co.santa-barbara.ca.us and the BWell Contracts Division at bwellcontractsstaff@co.santa-barbara.ca.us.

Attachments:

- Attachment A: CalMHSA SHB FY 21-22 MOU
- Attachment B: CalMHSA SHB FY 21-22 PA No. 278-2017-SHP-A3
- Attachment C: CalMHSA SHB FY 20-21 PA No. 278-2017-SHP-A2
- Attachment D: CalMHSA SHB FY 19-20 PA No. 278-2017-SHP-A1
- Attachment E: CalMHSA SHB FY 17-19 PA No. 278-2017-SHP

Authored by:

D. Morales