



County of Santa Barbara BOARD OF SUPERVISORS

Minute Order

January 15, 2019

Present: 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

BEHAVIORAL WELLNESS

File Reference No. 19-00048

RE: Consider recommendations regarding a Second Amendment to the Agreement with Psynergy, Fiscal Year (FY) 2017-2020, as follows: (4/5 Vote Required)

- a) Approve, ratify and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with Psynergy Programs, Inc., (not a local vendor) for the provision of adult residential mental health services, to increase the FY 2017-2018 contract by \$60,293.00 and the FY 2018-2019 contract by \$500,000.00 for a total contract amount not to exceed \$2,421,549.00 for the period July 1, 2017 through June 30, 2020;
- b) Approve Budget Revision Request No. 0006036 increasing appropriations of \$500,000.00 in Behavioral Wellness Mental Health Services Act Fund for Services and Supplies funded by unanticipated Intergovernmental Revenue - State (\$350,000.00) and Charges for Services revenue (\$150,000.00); and
- c) Determine that the recommended actions are not a "project" under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

A motion was made by Supervisor Hartmann, seconded by Supervisor Adam, that this matter be Acted on as follows:

- a) Approved, ratified, and authorized; Chair to execute;
- b) and c) Approved.

The motion carried by the following vote:

Ayes: 5 - Supervisor Williams, Supervisor Hart, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino



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: January 8, 2019
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Alice Gleghorn, PhD, Director
Director(s) Department of Behavioral Wellness 805-681-5220
Contact Info: Chris Ribeiro, Chief Financial Officer
Department of Behavioral Wellness 805-681-5220

SUBJECT: Psynergy FY 17-20 Amendment 2

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A) Approve, ratify and authorize the chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with **Psynergy Programs, Inc.**, (not a local vendor) for the provision of adult residential mental health services, to increase the FY 2017-2018 contract by **\$60,293** and the FY 2018-2019 contract by **\$500,000** for a total contract amount not to exceed **\$2,421,549** for the period July 1, 2017 through June 30, 2020.
- B) Approve a Budget Revision Request (BJE #0006036) increasing appropriations of \$500,000 in Behavioral Wellness Mental Health Services Act Fund for Services and Supplies funded by unanticipated Intergovernmental Revenue – State (\$350,000) and Charges for Services revenue (\$150,000).
- C) Determine that the recommended actions are not a “project” under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Auditor-Controller Concurrence

As to form: Yes

Summary Text:

The above referenced items are on the agenda to request an increase in Psynergy Programs, Inc.'s (Psynergy) FY 17-18 and FY 18-19 contracts. Approval of the recommended actions will allow Behavioral Wellness to pay for additional client placements at Psynergy's facility.

The Board previously authorized the County to enter into a First Amendment to the Agreement for Services of Independent Contractor ("First Amendment"), on May 15, 2018, to increase the contract amount for Fiscal Year ("FY") 17-18 by \$87,707 for an amount not to exceed \$1,861,256, and signed the First Amendment setting forth an increase of \$148,000 for FY 17-18. The Second Amendment authorizes the \$60,293 difference to ensure payment for services up to \$148,000 for FY 17-18 and the additional requested amount of \$500,000 for a total contract amount not to exceed \$2,421,549 for the period July 1, 2017 through June 30, 2020. When sending the Minute Order and Auditor Summary form to the Auditor Controller's office, the department realized that the numbers in the Minute Order and Amendment conflicted. We notified the office of the conflicting numbers and they updated the County's Financial Information Network according to the amount on the executed First Amendment for FY 17-18.

Behavioral Wellness provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part through contracted providers including Community-Based Organizations (CBOs). Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met. Due to an increased demand for inpatient contracted long-term beds, Behavioral Wellness needs to amend Psynergy's contract. This amendment will be funded by unanticipated State Intergovernmental Revenue and Federal Medi-Cal Charges for Services Revenue. Approval of the recommended actions will allow Behavioral Wellness to continue to provide mandated mental health, substance use, and ancillary services.

Background:

Institutions for Mental Disease (IMD): Behavioral Wellness provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. IMDs are facilities including hospitals, nursing facilities, or other institutions of 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. Due to the Federal IMD Exclusion, these services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. There are a limited number of these highly structured residential treatment services in California and none in Santa Barbara County. Behavioral Wellness examined the current caseload and historical use of IMD facilities in order to project the following year's contract amounts within the Department's budget constraints. Behavioral Wellness also contracts with IMD-alternative facilities (Psynergy), which are unlocked facilities providing highly structural residential programs for clients transitioning out of IMDs.

Psynergy Programs, Inc. (Psynergy), located in the Bay Area, provides residential treatment services to adult clients as a step-down from IMDs. Psynergy works with clients in IMDs to identify 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.

Performance Outcomes:

For the first quarter of the current fiscal year, Psynergy has consistently held a caseload of 17-20 clients. The current funding projections are based on a caseload of up to 23 clients per month for the second quarter of the fiscal year.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Total Contract Amount</u>
General Fund		
State	\$ 600,000.00	\$ 1,384,774.00
Federal	\$ 400,000.00	\$ 1,036,775.00
Fees		
Other:		
Total	\$ 1,000,000.00	\$ 2,421,549.00 \$ -

Narrative: The above referenced contract is funded by State and Federal funds.

Key Contract Risks:

There is risk that the number of contracted IMD and IMD-alternative beds may increase beyond what the Department has projected. In this case, the Department will return to the Board of Supervisors to request an increase to the contract maximums where needed.

Special Instructions:

Please send one (1) complete copy of each executed contract and one (1) minute order to: qilopez@co.santa-barbara.ca.us.

Attachments:

- Attachment A: Psynergy 17-20 Am 2
- Attachment B: Psynergy 17-20 Am 1
- Attachment C: Psynergy FY 17-20 BC
- Attachment D: BRR#0006036

Authored by:

Q.Lopez

Second Amendment FY 17-20

TO AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

This Second Amendment to the Agreement for Services of Independent Contractor ("Second Amended Contract"), referenced as number **BC18-074**, is made by and between the County of Santa Barbara (County) and Psynergy Programs, Inc., a California corporation (Contractor), for the continued provision of services specified herein.

Whereas, Contractor represents that it is specially trained, skilled, experienced and competent to perform the special services required by County and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions referenced herein; and

Whereas, the County Board of Supervisors authorized the County to enter into a First Amendment to the Agreement for Services of Independent Contractor ("First Amendment"), on May 15, 2018, to increase the contract amount for Fiscal Year ("FY") 17-18 by \$87,707 for a contract maximum of \$1,861,256, and signed the First Amendment setting forth an increase of \$148,000 for FY 17-18. This Second Amendment authorizes the \$60,293 difference to ensure payment for services up to \$148,000 for FY 17-18.

Whereas, County anticipates that Contractor will provide, at the request of the County, a greater number of services in FY 18-19 and will incur expenses beyond the value of the Agreement and First Amendment. This Second Amended Contract adds funds in the amount of \$500,000 for Fiscal Year 18-19 to the prior FY 18-19 contract maximum of \$500,000 so as to compensate Contractor for additional services to be rendered under the Agreement and Amendments.

Whereas, the Board approves, ratifies, and authorizes the FY 17-18 contract increase of \$148,000 as stated in the executed First Amendment and approves, ratifies, and authorizes the FY 18-19 increase of \$500,000 as stated in this Second Amended Contract, for a new total contract maximum not to exceed \$2,421,549 for the period July 1, 2017 to June 30, 2020.

Whereas, this Second Amended Contract incorporates the terms and conditions set forth in the Agreement and First Amendment, except as modified by this Second Amended Contract.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, County and Contractor agree as follows:

- I. **Delete Section II, Maximum Contract Amount, from Exhibit B, Financial Provisions, and replace with the following:**

II. MAXIMUM CONTRACT AMOUNT.

The Maximum Contract Amount of this Agreement shall not exceed **\$921,549 for FY 17-18, \$1,000,000 for FY 18-19, and \$500,000 for FY 19-20, for a total contract amount not to exceed \$2,421,549** during the term of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder without a properly executed amendment.

Second Amendment FY 17-20

II. Delete Exhibit B-1, Schedule of Rates and Contract Maximum, and replace with the following:

EXHIBIT B-1 MH
BEHAVIORAL WELLNESS
SCHEDULE OF RATES AND CONTRACT MAXIMUM

CONTRACTOR NAME: Psynergy Programs, Inc. FISCAL YEAR: 2017-2020

Contracted Services	Service Type	Mode	Service Description	Unit of Service	Service Function Code	County Maximum Allowable Rate
Medi-Cal Billable Services	Outpatient Services	15	Targeted Case Management	Minutes	01	\$2.41
			Collateral	Minutes	10	\$3.12
			(1) MHS - Assessment	Minutes	30	\$3.12
			MHS - Plan Development	Minutes	31	\$3.12
			(1) MHS - Therapy (Family, Individual, Group)	Minutes	40	\$3.12
			MHS - Rehab (Family, Individual, Group)	Minutes	41, 51	\$3.12
			Medication Support and Training	Minutes	60, 61, 62	\$5.76
			Crisis Intervention	Minutes	70	\$4.63
Non - Medi-Cal Billable Services	24-Hour Services	5	Licensed Facilities* - Mid Complexity-clients w/ benefits	Bed Day	65	\$70.00
			Licensed Facilities* - Moderate Complexity-clients w/ benefits	Bed Day	65	\$100.00
			Licensed Facilities* - Severe Complexity-clients w/ benefits	Bed Day	65	\$130.00
			Licensed Facilities* - Mid Complexity-clients w/o benefits	Bed Day	65	\$111.00
			Licensed Facilities* - Moderate Complexity-clients w/o benefits	Bed Day	65	\$141.00
			Licensed Facilities* - Severe Complexity-clients w/o benefits	Bed Day	65	\$176.00
			Unlicensed Facilities** - clients w/ benefits	Bed Day	65	\$35.00
			Unlicensed Facilities** - clients w/o benefits	Bed Day	65	\$65.00
			Enhanced Support and Supervision***	Per Hour (15 min increments)	n/a	\$40.00
			Transportation	Per Hour (15 min increments)	n/a	\$50.00

*Licensed facilities include Nueva Vista, Cleo Vista, Nueva Vista Sacramento, and other Adult Residential Facilities opened by Contractor during the term of this agreement.

**Unlicensed facilities include Tres Vista Supported Accommodations and Independent Living

***Enhanced Support and Supervision requires prior County QCM Authorization

	PROGRAM			TOTAL
	17-18 Psynergy programs	18-19 Psynergy programs	19-20 Psynergy programs	
GROSS COST:	\$ 921,549	\$ 1,000,000	\$ 500,000	\$ 2,421,549
LESS REVENUES COLLECTED BY CONTRACTOR:				
PATIENT FEES				\$ -
CONTRIBUTIONS				\$ -
OTHER (LIST):				\$ -
TOTAL CONTRACTOR REVENUES	\$ -	\$ -	\$ -	\$ 0
MAXIMUM CONTRACT AMOUNT PAYABLE FY 17-18:	\$ 921,549	\$ -	\$ -	\$ 921,549
MAXIMUM CONTRACT AMOUNT PAYABLE FY 18-19:	\$ -	\$ 1,000,000	\$ -	\$ -
MAXIMUM CONTRACT AMOUNT PAYABLE FY 19-20:	\$ -	\$ -	\$ 500,000	\$ -
SOURCES OF FUNDING FOR MAXIMUM ANNUAL CONTRACT AMOUNT (2)				
MEDI-CAL (3)	\$ 372,162	\$ 403,800	\$ 237,500	\$ 1,013,462
NON-MEDI-CAL	\$ 529,800	\$ 574,000	\$ 250,000	\$ 1,354,700
SUBSIDY	\$ 19,587	\$ 21,300	\$ 12,500	\$ 53,387
OTHER (LIST):				\$ -
TOTAL (SOURCES OF FUNDING)	\$ 921,549	\$ 1,000,000	\$ 500,000	\$ 2,421,549

(1) MHS Assessment and MHS Therapy services may only be provided by licensed, registered or waived Mental Health clinicians, or graduate student interns under direct supervision of a licensed, registered or waived Mental Health clinician

(2) The Director may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. The Director also reserves the right to reallocate between funding sources in the year end cost settlement. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

(3) MHS funding may be offset by additional Medi-Cal funding.

Second Amendment FY 17-20

III. All other terms remain in full force and effect.


Second Amendment FY 17-20

SIGNATURE PAGE

Second Amendment to Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Psynergy Programs, Inc.**

IN WITNESS WHEREOF, the parties have executed this Second Amendment to be effective on the date executed by County.

COUNTY OF SANTA BARBARA:

By: 
STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS
Date: 1-17-19

CONTRACTOR:
PSYNERGY PROGRAMS, INC.

ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

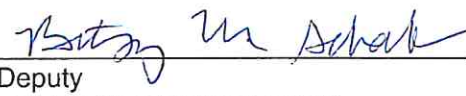
By: _____
Deputy Clerk
Date: _____

By: _____
Authorized Representative
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: 
Deputy County Counsel

By: 
Deputy

RECOMMENDED FOR APPROVAL:
ALICE GLEGHORN, PH.D., DIRECTOR
DEPARTMENT OF BEHAVIORAL
WELLNESS

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK MANAGEMENT

By: 
Director

By: 
Risk Management

Second Amendment FY 17-20

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COUNTY OF SANTA BARBARA:

By: _____
STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

Date: _____
CONTRACTOR:
PSYNERGY PROGRAMS, INC.

ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____
Deputy Clerk
Date: _____

By:  _____
Authorized Representative
Name: Arturo Uribe, LCSW
Title: President, CEO
Date: December 19, 2018

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

RECOMMENDED FOR APPROVAL:
ALICE GLEGHORN, PH.D., DIRECTOR
DEPARTMENT OF BEHAVIORAL
WELLNESS

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK MANAGEMENT

By: _____
Director

By: _____
Risk Management