



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:** September 12, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Department of Behavioral Wellness, (805) 681-5220  
Contact Info: Ole Behrendtsen, MD, Medical Director, (805) 681-5220  
**SUBJECT:** **Dignity Health dba Marian Regional Medical Center FY 21–24 Second  
Amendment to the Services Agreement for Crisis Stabilization Unit Services**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with **Dignity Health dba Marian Regional Medical Center (Marian)** (a local vendor), referenced as BC 21-084, to expand referral sources for outpatient Crisis Stabilization Unit services to include Contractor-affiliated physicians working at Contractor's site and/or other healthcare providers, with no change to the maximum contract amount of **\$4,800,000** (\$1,600,000 annually) for the period of July 13, 2021 through June 30, 2024; and
- B. Determine that the above actions 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 an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment and is 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 Board of Supervisors approval of a Second Amendment to the Agreement (BC 21-084) with Dignity Health dba Marian Regional Medical Center (Marian) to expand referral sources for outpatient Crisis Stabilization Unit services to include Contractor-affiliated physicians working at Contractor's site and/or other healthcare providers, with no change to the contract maximum of **\$4,800,000** for the period of July 13, 2021 through June 30, 2024.

**Background:**

On July 13, 2021, the Board approved the execution of a multi-year Services Agreement with Marian for 24-hour, 7-day per week hospital-based crisis stabilization unit services. The Marian CSU is located in Santa Maria. The Marian CSU serves adults who present in the emergency department, are medically stabilized, and would benefit from multidisciplinary mental health evaluation and crisis services for up to 23 hours and 59 minutes.

The Marian CSU provides a safe, short-term, voluntary emergency treatment option for individuals experiencing a psychiatric emergency or mental health crisis. Also, the Marian CSU reduces the length of time clients who present at Marian’s Emergency Department (ED) in a psychiatric emergency or mental health crisis must remain in the ED. By providing timely mental health crisis stabilization services, Marian will medically clear and transfer these clients to its 8-bed CSU for crisis stabilization services lasting less than 24 hours, in accordance with California Code of Regulations (CCR), Title 9, Section 1810.210.

On August 16, 2022, the Board of Supervisors adopted Resolution 22-174 designating the Marian CSU as a Lanterman-Petris-Short (LPS) Welfare and Institutions Code section 5150 (5150) facility, which allowed designated staff of the Marian CSU to provide evaluation and treatment to adults with mental health disorders who have been deemed a danger to themselves or others or are gravely disabled. The Board also approved the First Amendment to the Agreement to add LPS 5150 services and update language for compliance with county, state, and federal requirements, with no change to the contract maximum of \$4,800,000 for the period of July 13, 2021 through June 30, 2024.

BWell now requests Board approval of the Second Amendment to the Agreement, which will allow the Marian CSU to receive referrals for outpatient services from Contractor-affiliated physicians working at Contractor’s site and/or other healthcare providers in addition to Marian’s ED. Approval of the recommended actions will allow the Marian CSU to provide outpatient services to clients from various referral sources.

**Performance Measure:**

The Agreement with Dignity Health contains performance measures to monitor program implementation. Exhibit E (Program Goals, Outcomes, and Measures) of the Agreement details the performance expectations for the Contractor.

**Performance Outcomes:**

For Q3 and Q4 of FY 22-23, Marian met all of their program goals.

1. Marian discharged 330 clients. Of these:
  - A. 32% discharged to a higher level of care (with a goal of 40% or less); and
  - B. 68% discharged to a lower level of care (with a goal of 60% or more).
2. Assess client need for mental health and/or substance use services and community support services: Marian met all goals at 100%, with a goal of 90% or more.
3. Provide client linkage to appropriate mental health and/or substance use services and community support services as demonstrated in discharge plan: Marian met all goals, with 3.B (Substance Use Disorder Services) and 3.C (Primary Care Physician) at 95%, and all others at 100%, with a goal of 90% or more.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>FY 21-22 Cost:</b>	<b>FY 22-23 Cost:</b>	<b>FY 23-24 Cost:</b>	<b>Total Cost FY 21-24:</b>
General Fund Discretionary Fund				
Balance	\$800,000			\$800,000
State				\$0
Medi-Cal Patient Revenue			\$ 1,600,000	\$1,600,000
Federal: Medi-Cal	\$800,000	\$800,000		\$1,600,000
MHSA Growth/Other Local Funds		\$800,000		\$800,000
<b>Total</b>	<b>\$ 1,600,000</b>	<b>\$ 1,600,000</b>	<b>\$ 1,600,000</b>	<b>\$4,800,000</b>

Narrative: In Fiscal Years 21-22 and FY 22-23, crisis stabilization unit costs were funded with a combination of federal and local funds. Federal financial participation comprised approximately 50% of the funding with the local share being funded by General Fund Discretionary Fund Balance in FY 21-22 and Mental Health Services Act (MHSA) Growth in FY 22-23. In FY 23-24, with the transition to California Advancing and Innovating Medi-Cal (CalAIM) Payment Reform, the contract will be funded by Medi-Cal Patient Revenue which is primarily comprised of Federal funds.

**Key Contract Risks:**

The agreement involves some higher risk categories such as contract size (over \$500,000), the funding source (cost-reimbursed through Medi-Cal funds), Marian’s use of a subcontractor for some of their psychiatric services, and the provision of LPS 5150 services. However, in order to mitigate these potential risks, the contract is a limited term pilot with clear performance outcomes. As referenced above, Marian’s performance has met or exceeded these goals.

BWell Quality Care Management conducts regular monitoring and feedback of service provision to ensure all elements of CSU operations align with Mental Health Plan (MHP) rules and regulations. The contract is cost-reimbursed with a contract maximum to ensure the billing mechanisms are utilized in accordance with MHP financial standards. The County may terminate the agreement for convenience, cause, or non-appropriation of funds. Marian may also terminate the agreement for convenience by providing 120 days’ notice to the County or for non-payment by County.

**Special Instructions:**

Please return one (1) Minute Order and one (1) complete copy of the Agreement to Bethany Le at [bethle@sbcbswell.org](mailto:bethle@sbcbswell.org) and to the BWell Contracts Division at [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

- Attachment A: Dignity Health MRMC FY 21-24 BC 21-084 AM2
- Attachment B: Dignity Health MRMC FY 21-24 BC 21-084 AM1 executed
- Attachment C: Dignity Health MRMC FY 21-24 BC 21-084 executed

**Authored by:**

Bethany Le