



**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: May 28, 2019
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Alice Gleghorn, Ph.D., Director
Director(s) Department of Behavioral Wellness 681-5220
Contact Info: Lindsay Walter, J.D., Administration & Operations
Department of Behavioral Wellness 681-5236

SUBJECT: Behavioral Wellness Adult Crisis Residential Mental Health Services – Anka Behavioral Health, Inc. Bankruptcy and Coordination of Care by New Vendors

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- A. Authorize the Board Chair to terminate effective June 1, 2019, the Anka Behavioral Health, Inc. Fiscal Year 2018-2019 Agreement for Services of Independent Contractor;
- B. Approve and authorize the Chair to execute Agreements for Services of Independent Contractor with Crestwood Behavioral Health, Inc. (not a local vendor), for the provision of adult crisis residential mental health services in south Santa Barbara County, for a total contract amount not to exceed \$228,479 for FY 18-19 and \$1,390,884 for FY 19-20, for a total contract maximum not to exceed \$1,619,363 for the period of May 28, 2019 through June 30, 2020;
- C. Approve and authorize the Chair to execute Agreements for Services of Independent Contractor with Telecare Corporation (not a local vendor), for the provision of adult crisis residential mental health services in north Santa Barbara County, for \$168,894 for FY18-19 and \$2,905,248 for FY19-20, for a total contract amount not to exceed \$3,074,142 for the period of May 28, 2019 through June 30, 2020; and
- D. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guidelines Section 15378(b)(4) since the recommended actions are governmental fiscal activities which do not involve commitment to any specific project which may result in potentially significant impact on the environment.

Summary Text:

As a matter of urgency, Behavioral Wellness is requesting authorization for the Chair to execute agreements with experienced and qualified crisis residential service providers, Crestwood Behavioral Health, Inc. and Telecare Corporation, effective May 28, 2019, in order to provide a seamless transition from the County's current crisis residential services provider, Anka Behavioral Health, Inc. (Anka). On May 1, 2019, Anka unexpectedly filed for bankruptcy and announced on May 8, 2019 that it would no longer provide services to County's clients after May 31, 2019. Additionally, Behavioral Wellness requests that the Board terminate the Anka contract entered into by the Board on June 19, 2018 for FY 18-19 (BC19030) effective June 1, 2019.

Federal law allows for the procurement of service providers by noncompetitive proposals when a public exigency or emergency for the required service exists which will not permit a delay resulting from competitive solicitation. (45 C.F.R. 75.329(f).) Once the transition from Anka to the replacement providers has been complete, Behavioral Wellness will commence a competitive procurement process by issuing a request for proposal for establishment of new multi-year crisis residential contracts.

Pursuant to the oversight of the Specialty Mental Health Plan, approval of the recommended actions will assist Behavioral Wellness in appropriate coordination of care to those currently receiving services in the County's crisis residential facilities.

Background:

A Crisis Residential facility is a safe and therapeutic environment where residents are assisted to: stabilize the symptoms of mental illness and co-occurring conditions; gain skills to manage the client's condition more effectively; make progress on the path to personal recovery; and engage community supports that will enable the client to leave the facility, participate fully in necessary follow-up treatment, and improve networks of support for community life; including linkage to community services. Typically, these services are provided to clients upon discharge from a Psychiatric Health Facility (PHF).

Anka currently operates a 12-bed Crisis Residential House in Santa Maria and a 10-bed Crisis Residential House in Santa Barbara. In Fall of 2019, Anka was anticipated to begin operations of a new 10-bed Crisis Residential House also located in Santa Maria on Agnes Street. The Agnes Street facility is currently under construction funded by Senate Bill 82 Mental Health Wellness Grant funds issued by the California Health Facilities Financial Authority (CHFFA). The contract with Telecare includes the amounts required for Telecare to operate the Agnes Street facility once completed this fall.

Behavioral Wellness began contracting with Anka on June 2, 2015 and their FY18-19 contract ends on June 30, 2019. Behavioral Wellness was notified on May 1, 2019, that Anka had filed for Chapter 11 bankruptcy and was initially informed that the organization would begin winding down operations by June 30, 2019. Subsequently, on May 8, 2019, Anka informed Behavioral Wellness that it would discontinue service by June 1, 2019 and again confirmed on May 17 that all transitions to replacement providers must be complete by May 31, 2019 or else they would have to release clients from the facilities. CCL and DHCS have been working with Anka and Behavioral Wellness to support emergency transitioning of facility licenses and certifications to Telecare and Crestwood for the Santa Maria and Santa Barbara locations, respectively. Crestwood and Telecare will obtain their licenses and certifications to operate the facilities either through an assignment of Anka's licenses, subject to approval by the State and bankruptcy court, or through emergency licensing by the State. Behavioral Wellness will work with Telecare to continue the licensing process started by Anka to operate the Agnes Street facility in order to meet the operation timelines established by CHFFA.

Anka's residential-based facilities are located in Contra Costa, Alameda, Solano, Sonoma, Santa Clara, Fresno, San Luis Obispo, Santa Barbara, Ventura, Los Angeles, and Riverside Counties. Their bankruptcy filing created a state-wide disruption in service delivery requiring the County to act immediately to find replacement providers. Procurement of service providers by noncompetitive proposals may be used when

a public exigency or emergency for the requirement exists which will not permit a delay resulting from competitive solicitation (45 C.F.R. 75.329(f)), such as the situation presented by Anka's bankruptcy filing. Once the transition between Anka and the replacement providers is complete, Behavioral Wellness will seek competitive procurement of crisis residential services by issuing a request for proposals (RFP) to establish new multi-year contracts, in accordance with applicable law.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State/Realignment	\$ 198,687	\$ 2,148,066	
Federal	\$ 198,686	\$ 2,148,066	
Fees			
Other:			
Total	\$ 397,373	\$ 4,296,132	

Narrative: The above referenced contracts are funded by a combination of State and Federal funds. The funding for Anka to operate crisis residential programs was included as part of the FY 18-19 budget and the proposed FY 19-20 budget. Savings from the Anka contract for FY 18-19 and FY 19-20 will be used to fund these new contracts.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County. The Contractors' ability to provide services starting June 1, 2019 to County's clients is contingent upon their obtaining licenses from the State. The Department has been working closely with the State and Anka to ensure that the licenses are in place by June 1, 2019.

Special Instructions:

Please return one (1) Minute Order to Qiuana Lopez at gilopez@co.santa-barbara.ca.us and one (1) Minute Order to the Contracts Department at bwellcontractsstaff@co.santa-barbara.co.us.

Attachments:

Attachment A: Anka Fiscal Year 2018-2019 Contract

Attachment B: Anka Voluntary Petition for Non-Individuals Filing for Bankruptcy

Attachment C: Crestwood Behavioral Health, Inc. FY 18-20 BC

Attachment D: Telecare Corporation FY 18-20 BC

Authored by:

Qiuana Lopez and Lindsay Walter