



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 9, 2021
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 805-681-5220
Contact Info: Chris Ribeiro, Chief Financial Officer, 805-681-5220

SUBJECT: **Fourth Amendments to Telecare Corporation and Crestwood Behavioral Health, Inc. FY 18-21 Adult Crisis Residential Mental Health Services Agreements and Amendment to the FY 18-19 Mental Health County Maximum Allowable Rate**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve, ratify, and authorize the Chair to execute a Fourth Amendment to the Agreement for Services of Independent Contractor with **Crestwood Behavioral Health, Inc.**, a Delaware corporation (not a local vendor), for the provision of adult crisis residential mental health services in south Santa Barbara County, to extend the contract through June 30, 2021 and increase the contract amount by \$463,628 for Fiscal Year (FY) 20-21 for a maximum contract amount not to exceed **\$3,010,247.00** for the period of May 28, 2019 through June 30, 2021, inclusive of \$228,479.00 for FY 18-19, \$1,390,884.00 for FY 19-20, and \$1,390,884.00 for FY 20-21;
- B. Approve, ratify, and authorize the Chair to execute a Fourth Amendment to the Agreement for Services of Independent Contractor with **Telecare Corporation**, a California corporation (not a local vendor), for the provision of adult crisis residential mental health services in north Santa Barbara County, to extend the contract through June 30, 2021 and increase the contract amount by \$1,024,456.00 for FY 20-21, for a maximum contract amount not to exceed **\$6,147,509.00** for the period of May 28, 2019 through June 30, 2021, inclusive of \$168,894.00 for FY 18-19, \$2,905,248.00 for FY 19-20, and \$3,073,367.00 for FY 20-21;

- C. Approve and authorize the Director of the Department of Behavioral Wellness to remove the County Maximum Allowable (CMA) rate for Fiscal Year 2018-2019, with no change to the maximum contract amounts, for the following MH providers:
 - 1. Crestwood CRT; and
 - 2. Telecare Corporation CRT.
- D. Delegate to the Director of Behavioral Wellness or designee the authority to reallocate funds between funding sources with discretion during the term of the Agreements and in the year end cost settlements of the Agreements;; increase or remove the County Maximum Allowable rates based on operating needs for FY 20-21; amend the program goals, outcomes, and measures in Exhibits E of the Agreements; and make immaterial changes to the Agreements, all without altering the maximum contract amounts of the Agreements and without requiring a formal amendment to the Agreements, subject to the Board’s ability to rescind this delegated authority at any time; and
- E. 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:

These items are on the agenda to request approval to extend the contract end dates with existing crisis residential treatment (CRT) service providers, Crestwood Behavioral Health, Inc. and Telecare Corporation, from February 28, 2021 through June 30, 2021. This extension will allow time to complete contract negotiations with successful bidders, following a competitive request for proposal (RFP) process for the selection of CRT service providers. Due to the current COVID-19 public health emergency, issuance of the CRT RFP was delayed. Approval of the recommended contract extensions will allow the time needed for Behavioral Wellness (BeWell) to negotiate contracts with the successful bidders and return to the Board with the final contracts recommended for approval. These items are also on the agenda to request the Board of Supervisors (Board) approve and authorize the Director of Behavioral Wellness (BeWell) to execute amendments to remove the County Maximum Allowable (CMA) rate for Fiscal Year (FY) 2018-2019, with no change to the maximum contract amounts, and to delegate to the BeWell Director, or designee, the authority to increase or remove the CMA rate for FY 2020-2021.

Background:

A Crisis Residential Treatment (CRT) 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).

On May 1, 2019, Anka Behavioral Health Inc., the County’s former CRT provider, 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. On May 28, 2019, the Board authorized the Chair to execute agreements with experienced and qualified crisis residential service providers, Crestwood Behavioral Health, Inc. (Crestwood) and Telecare Corporation (Telecare) in order to provide a seamless transition from Anka to the new providers. Contracts were executed with Telecare and Crestwood for the time period May 28, 2019 through June 30, 2020.

Federal law allows for the procurement by noncompetitive proposals when a public exigency or emergency will not permit a delay resulting from competitive selection. (2 CFR 200.320, subdiv. (f).) BeWell was in the process of releasing a CRT RFP, but that process was delayed due to the current COVID-19 public health emergency and BeWell's need to respond to such. The RFP was issued in September 2020 and the Notice of Intent to Award was issued on November 23, 2020.

On June 16, 2020, the Board of Supervisors authorized a First Amendment to extend to contract terms for Telecare and Crestwood to December 31, 2020, to allow for completion of a CRT services Request for Proposal (RFP). On December 15, 2020, the Board of Supervisors authorized a Third Amendment, to extend to contract terms for Telecare and Crestwood to February 28, 2021 to allow for completion of contract negotiations following award of the CRT RFP services. Unfortunately, due to other priority projects resulting from COVID-19, BeWell has not been able to negotiate new contract terms with Telecare and Crestwood for FY 20-24.

Approval of the above amendments will allow BeWell clients to continue to receive necessary adult crisis residential mental health services without a gap in services while BeWell negotiates contracts with the successful bidders. BeWell will return to the Board with the final contracts recommended for approval.

In addition, BeWell provides a continuum of mental health services to Santa Barbara County residents, in part through contracted providers, including CBOs. CBOs currently deliver 50% of the outpatient MH services to County clients. The CMA rate was established in FY 2012-2013 after the Department of Health Care Services (DHCS) removed the State Maximum Allowable (SMA) rate limitation for mental health services. The CMA rate was based on the last schedule of the SMA rates and was kept as a local restriction to ensure that contractors deliver service at a cost-effective rate. BeWell monitors contractor costs, rates, and service levels quarterly through a rate review process and recommends adjustments when necessary.

After careful and thorough consideration, executive management at BeWell has concluded that removing the CMA rate for FY 2018-2019 is warranted and in the best interest of the County. Removal of the CMA rate would allow these CBOs to recover the lower of their actual costs or their published charges for FY 2018-2019 in accordance with the federal financial participation (FFP) process. With approval of the Board, BeWell will amend each agreement listed above to remove the CMA rate. For contracts put into place for FY 2020-2021, the BeWell Director would have the ability to waive the CMA rate if necessary.

Performance Outcomes:

Crestwood Behavioral Health, Inc.

After taking over Anka Behavioral Health Inc.'s CRT contract in South County on May 28, 2019, BeWell is satisfied with Crestwood's performance.

Telecare Corporation:

The Telecare Corporation provides an array of mental health services to adults in the Santa Maria area. One of these services is the North County Crisis Residential Treatment (CRT), which provides short-term crisis residential services. This program has a forensic component, and will allow for a longer length of stay (up to 90 days). The second CRT is Agnes Avenue CRT, which is a traditional CRT providing short-term crisis residential services for up to 30 days. Both are recovery-focused, learning environments to improve symptom management, community living and interpersonal skills needed to function well in the community. Below is a summary of the second two quarters of this current FY for each of the programs:

Carmen Lane Forensic CRT: During Q2 and Q3, Telecare met and exceeded all goals. During Q3, Carmen Lane CRT maintained 84% bed days during this quarter. This is a small decrease from last quarter. Their collaboration with Justice Alliance, PHF, and CSU helps to ensure they receive consistent and appropriate referrals. During this quarter, Carmen Lane CRT referred 6 clients who were not currently connected to a BeWell MH program to NCCS or Homeless Services for aftercare support which includes housing placement. All other clients were referred to follow up with their current BeWell treatment providers.

Agnes Ave CRT opened its doors in Nov. 2019. They have currently met all outcome goals set for them. In Q3, they were able to discharge clients back to the community at a lower level of care at a 96% success rate.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 18-19 Cost:</u>	<u>FY 19-20 Cost:</u>	<u>FY 20-21 Cost</u>	<u>FY 18-21 Overall Total</u>
General Fund				
State/Realignment	\$ 198,687	\$ 2,148,066	\$ 2,232,125.50	
Federal	\$ 198,687	\$ 2,148,066	\$ 2,232,125.50	
Fees				
Total	\$ 397,373	\$ 4,296,132	\$ 4,464,251.00	\$ 9,157,756

Narrative: The above-referenced contracts are funded by a combination of State and Federal funds.

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 effects to the County would be minimal, as any County matching funds to the federal programs are already accounted for in the adopted budget and in existing contracts. Behavioral Wellness will utilize existing matching funds (Realignment, MHSA) to provide a maximum 50% match to FFP funds received from the removal of the CMA limitation. Matching funds will not be in excess of amounts already considered in the adopted or proposed budget.

Special Instructions:

Please email one (1) Minute Order and two (2) complete executed amendments to Amber Foschaar at cfoschaar@sbcwell.org and to the Contracts Division at bwelcontractsstaff@co.santa-barbara.ca.us.

Attachments:

- Attachment A: Telecare Corporation FY 18-21 BC Fourth Amendment
- Attachment B: Telecare Corporation FY 18-21 BC Third Amendment
- Attachment C: Telecare Corporation FY 18-20 BC Second Amendment executed
- Attachment D: Telecare Corporation FY 18-20 BC First Amendment executed
- Attachment E: Telecare Corporation FY 18-20 BC executed (BC19-219)
- Attachment F: Crestwood Behavioral Health, Inc. FY 18-21 BC Fourth Amendment

Attachment G: Crestwood Behavioral Health, Inc. FY 18-21 BC Third Amendment

Attachment H: Crestwood Behavioral Health, Inc. FY 18-20 BC Second Amendment executed

Attachment I: Crestwood Behavioral Health, Inc. FY 18-20 BC First Amendment executed

Attachment J: Crestwood Behavioral Health, Inc. FY 18-20 BC executed (BC 19-220)

Authored by:

M. Johnson/ A. Foschaar