



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 5/6/2025

To: County of Sonoma Board of Supervisors

Department or Agency Name(s): Department of Health Services

Staff Name and Phone Number: Nolan Sullivan, 707-565-7901; Jan Cobaleda-Kegler, 707-565-5157

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Behavioral Health Services Agreements

Recommended Action:

- A) Authorize Director of Health Services, or designee, delegated authority to execute agreements and/or amendments, subject to review and approval as to form by counsel, as referenced in Attachment 1 as follows:
 - i. From \$348,608 to \$399,808, for a \$51,200 increase to the California Mental Health Services Authority Interoperability Agreement in order to meet State and Federal interoperability requirements and add functionality needs to the Behavioral Health Electronic Health Record (SmartCare).
 - ii. From \$4,670,323 to \$6,250,323, for a \$1,580,000 increase to address increased service utilization at Long Term Care Facilities.
 - iii. From \$1,906,017 to \$2,614,017, for a \$708,000 increase to address increased service utilization at Residential Care Facilities.
 - iv. From \$5,839,020 to \$7,567,621 for a \$1,728,601 increase to address increased hiring of temporary medical staffing to cover essential services while recruiting for vacant allocations.

Executive Summary:

The Sonoma County Department of Health Services (DHS or the Department) provides mental health and substance use disorder (SUD) services through a network of contracted providers. These services must meet State and Federal regulations, including maintaining an adequate network of providers to meet the needs of clients across different demographics and geographic areas. DHS plans its resource needs in advance, but service demand fluctuates, and mid-year contract adjustments are often needed to meet higher or lower service utilization.

Key contract and payment areas requiring additional delegated authority for FY 2024-2025 include:

1. **California Mental Health Services Authority (CalMHSA) Interoperability:** To meet State and Federal interoperability requirements, functionality needs to be added to the Behavioral Health Electronic Health Record (SmartCare). To meet this need, increased delegated authority is needed to increase the current CalMHSA Interoperability Agreement by \$51,200 for FY 2024-2025, subject to review

and approval as to form by counsel.

- 2. Increased Service Utilization at Long Term Care Facilities (LTCs):** DHS requests \$1,580,000 more in delegated authority to address increased service demand for clients in LTCs, subject to review and approval as to form by counsel.
- 3. Increased Service Utilization at Residential Care Facilities (RCFs):** DHS requests \$708,000 more in delegated authority to address increased service demand for clients in RCFs, subject to review and approval as to form by counsel.
- 4. Increased Utilization of Medical Staffing Agency:** DHS requests \$1,728,601 more in delegated authority to address increased hiring of temporary medical staffing to cover essential services while recruiting for vacant allocations, subject to review and approval as to form by counsel.

These increases in delegated authority will help DHS provide uninterrupted care and meet the evolving needs of the community. No new appropriations are required as the necessary appropriations for these increases are included in the DHS FY 2024-2025 Adopted Budget.

Discussion:

DHS contracts with a broad range of licensed providers to provide timely access to high-quality mental health and SUD services, as well as providers of administrative and support services. Many of the Department's behavioral health service contracts are managed within a medical network of care as mandated by Federal and State regulations. Consistent with State requirements for Mental Health Plans, the County is expected to maintain an adequate network of service providers based on client need, geographic coverage, culturally appropriate needs, and language capabilities. The Department estimates and works to identify anticipated resource needs and client demand for services throughout the County prior to the fiscal year; however, the volume of services in particular areas or with some service provider types fluctuates and mid-year contract adjustments are often needed to meet higher or lower service utilization.

1. California Mental Health Services Authority (CalMHSA) Interoperability:

To meet ongoing and evolving State and Federal interoperability requirements, DHS will need to add functionality to the Behavioral Health Electronic Health Record (SmartCare). CalMHSA will facilitate additional requirements for the exchange of protected health information, personally identifiable information, and other information between DHS and connect participants to larger national exchange networks. To help achieve this needed functionality, DHS is requesting the delegated authority to increase the current CalMHSA Interoperability Agreement by \$51,200 for FY 2024-2025 for a new not-to-exceed amount of \$399,808, subject to review and approval as to form by counsel. The funding source for the current Agreement is 1991 Realignment. The proposed funding source for the increase is unspent Behavioral Health Quality Improvement Program (BHQIP) grant revenue.

2. Long Term Care Facilities (LTCs):

DHS contracts with Long Term Care Facilities to meet particular clients' needs for specialized, longer-term care. A long-term care facility is a place where people who can't fully care for themselves can live and receive help with daily activities like eating, bathing, and getting dressed. These facilities provide ongoing care for individuals who have chronic illnesses, disabilities, or are elderly and need assistance for a long period of time. These facilities can be a nursing home or an assisted living community, depending on the level of care needed by the client. Contracts with four vendors have been identified

as requiring an increase in the maximum amount for the contract due to higher than estimated client utilization. The increases in authority for these contracts will be funded from existing appropriations of 1991 Realignment and 2011 Realignment and savings from other underutilized contracts that had been slated to use these funds.

- **California Psychiatric Transitions** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$335,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$1,860,617, subject to review and approval as to form by counsel. The funding will be redirected from reductions to LTC and other contracts, which have fewer client placements or lower utilization than originally anticipated. The funding sources are 1991 Realignment and 2011 Realignment.
- **Mental Health Management I, Inc. dba Canyon Manor** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$45,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$1,732,305, subject to review and approval as to form by counsel. The funding will be redirected from reductions to LTC and other contracts, which have fewer client placements or lower utilization than originally anticipated. The funding sources are 1991 Realignment and 2011 Realignment.
- **Crestwood Behavioral Health (LTC)** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$1,190,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$11,582,060, subject to review and approval as to form by counsel. The funding will be redirected from reductions to LTC and other contracts, which have fewer client placements or lower utilization than originally anticipated, as well as redirecting 1991 Realignment and 2011 Realignment from other service contracts.
- **Helios Healthcare, LLC dba Idylwood Care Center** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$10,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$415,987, subject to review and approval as to form by counsel. The funding will come from reductions to LTC and other contracts, which have fewer client placements or lower utilization than originally anticipated. The funding sources are 1991 Realignment and 2011 Realignment.

LTC summary table:

Contractor	Current FY 24-25 contract/budget amount	Change for FY 24-25	New FY 24-25 contract/budget amount
California Psychiatric Transitions	\$508,539	\$335,000	\$843,539
Canyon Manor	\$562,435	\$45,000	\$607,435
Crestwood Behavioral Health	\$3,464,020	\$1,190,000	\$4,654,020
Helios Healthcare	\$135,329	\$10,000	\$145,329
Total:	\$4,670,323	\$1,580,000	\$6,250,323

3. Increased Service Utilization at Residential Care Facilities (RCFs):

Based on individual client need, it is often necessary to place Sonoma County behavioral health clients in RCFs, which provide augmented services in a residential setting. These clients are often on Lanternman-Petris-Short (LPS) conservatorships, a court-ordered legal arrangement that provides for the care of a person who is deemed "gravely disabled" due to a mental illness. For clients who are not conserved, placement at an RCF often helps to stabilize the client and prevent them from needing to be conserved in the future. It is difficult to identify with certainty what the caseload will be for each provider working in partnership to serve clients. For this reason, increases in delegated authority for these contracts are periodically necessary and can be funded with existing appropriations of Measure O and County General Fund deriving from savings generated by the underutilization of other contracts that had been slated to use these funds.

- **Le Elen Manor** - A budgetary shortfall has been projected for this contract due to a higher number of client placements with this provider than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$100,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$2,251,732, subject to review and approval as to form by counsel. The funding will be redirected from reductions to other RCF contracts, which have fewer client placements than originally anticipated. The funding sources are Measure O and County General Fund.
- **American Housing, Inc. dba Palm View Retreat** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$20,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$1,118,771, subject to review and approval as to form by counsel. The funding will be redirected from reductions to other RCF contracts, which have fewer client placements than originally anticipated. The funding sources are Measure O and County General Fund.
- **Psynergy Programs (RCF)** - A budgetary shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this Agreement by \$548,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$2,867,548, subject to review and approval as to form by counsel. The funding will be redirected from reductions to other RCF contracts, which have fewer client placements than originally anticipated. The funding sources are Measure O and County General Fund.
- **Angelita P. Aquino dba McHugh Care Home** - A shortfall has been projected for this contract due to a higher number of client placements than what was originally budgeted for. DHS is requesting the delegated authority to increase this agreement by \$40,000 for FY 2024-2025 for a new total contract not-to-exceed amount of \$658,273, subject to review and approval as to form by counsel. The funding will be redirected from reductions to other RCF contracts (which have fewer client placements than originally anticipated). The funding sources are Measure O and County General Fund.

RCF summary table:

Contractor	Current FY 24-25 contract amount	Change for FY 24-25	New FY 24-25 contract amount
Le Elen Manor	\$717,244	\$100,000	\$817,244
Palm View Retreat	\$366,257	\$20,000	\$386,257
Psynergy Programs (RCF)	\$822,516	\$548,000	\$1,222,516
Angelita P. Aquino dba McHugh Care Home	\$206,091	\$40,000	\$246,091
Total:	\$2,112,108	\$708,000	\$2,820,108

4. Medical Staffing - Amergis:

DHS contracts with Amergis Health Care Staffing Agency to maintain a pool of psychiatrists and other psychiatric professionals to provide services in the event the County is unable to recruit and retain staff, or to provide for the specialized needs of Mental Health Plan patients. The Department contracts with staffing agencies, locum tenens, or other providers as needed, and in FY 2024-2025, DHS will need to augment this contract by \$1,728,601, subject to review and approval as to form by counsel. DHS works with County-HR to recruit and retain qualified medical staffing; however DHS will continue to need medical staffing agencies to provide psychiatric and clinical services to fill the operational needs resulting from vacant county medical positions.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable.

Objective: Objective 2: Identify gaps in the Safety Net system of services and identify areas where departments can address those gaps directly, and seek guidance from the Board when additional resources and/or policy direction is needed.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

July 16, 2024 - Department of Health Services Delegated Authority for Service Agreements

November 12, 2024 - Drug Medi-Cal Organized Delivery System Agreements

Agenda Date: 5/6/2025

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Projected	FY26-27 Projected
Budgeted Expenses	\$4,067,801		
Additional Appropriation Requested			
Total Expenditures	\$4,067,801		
Funding Sources			
General Fund/WA GF			
State/Federal	\$242,720		
Fees/Other			
Use of Fund Balance	\$3,825,081		
General Fund Contingencies			
Total Sources	\$4,067,801		

Narrative Explanation of Fiscal Impacts:

DHS is requesting an additional \$4,067,801 in Delegated Authority to increase contract maximums, as outlined previously in this Board Item, to respond to higher-than- anticipated contract utilization. No new appropriations are required as the necessary appropriations for these increases are included in the DHS FY 2024-2025 Adopted Budget.

The California Mental Health Services Authority Interoperability increase will be offset using \$51,200 in unspent Behavioral Health Quality Improvement Program grant (BHQIP) funds. The Mental Health Services Act (MHSA) fund balance of \$939,298 and Diversion grant of \$191,520 with an offset of Measure O funds of \$597,783. The remainder of the increase (\$2,288,000) will be funded by freed up 1991 Realignment, 2011 Realignment, and Measure O appropriations made available by decreases in other related contracts, which will free up Realignment and Measure O funds in the amount of \$1,414,900. Additionally, the re-direction of unused grant funding in the amount of \$873,100 will further free up additional appropriated Realignment funds, which can then be used for the increases proposed in this Board Item. For further fiscal details refer to Attachment 1.

The request to increase the temp agency contract with Maxim (Amergis) will be funded with Mental Health Services Act (MHSA) and Measure O fund balance.

Staffing Impacts:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 - Additional Delegated Authority by Provider

Related Items “On File” with the Clerk of the Board:

None