



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 3/24/2026

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**To:** County of Sonoma Board of Supervisors

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

**Staff Name and Phone Number:** Nolan Sullivan, 707-565-4774; Jan Cobaleda-Kegler, 707-565-5157

**Vote Requirement:** Majority

**Supervisorial District(s):** Countywide

**Title:**

Out-of-County Placement Agreements

**Recommended Action:**

- A) Authorize the County Executive Office, or designee, to execute an agreement with the County of Fresno for Specialty Mental Health Services for Medi-Cal beneficiaries under the age of 21 Out-of-County placements for a term starting upon execution through June 30, 2027 with the option for two one-year extensions, in an amount not to exceed \$350,000 total, subject to review and approval by County Counsel. This includes \$50,000 for FY 2025-2026 and \$100,000 per year for FYs 2026-2027, 2027-2028 and 2028-2029 should the department choose to extend.
- B) Authorize the County Executive Office, or designee, to execute any and all agreements for Specialty Mental Health Services for Medi-Cal beneficiaries under the age of 21 Out-of-County placement with evergreen terms, subject to review and approval by County Counsel, as required to maintain compliance with Assembly Bill 1051 and Welfare and Institutions Code Section 14717.25(c)(2).
- C) Authorize the County Executive Officer, or designee, to execute modifications to the agreements that address changes in service needs, payment or reimbursement methodologies, subject to available funding as well as review and approval by County Counsel.

**Executive Summary:**

The Department of Health Services as Sonoma County's Mental Health Plan, is legally responsible for arranging and paying for Specialty Mental Health Services for Medi-Cal-eligible children and youth placed in out-of-county residential settings. Recent state law and guidance require the county of origin to retain this responsibility to ensure continuity of care and timely provider payment. The recommended actions authorize the County Executive Office, or designee, to execute and manage flexible agreements with out-of-county mental health plans and providers, including an agreement with Fresno County, to maintain compliance with state requirements, avoid service disruptions, and ensure uninterrupted care for vulnerable children and youth.

**Discussion:**

The Sonoma County Department of Health Services (DHS), through Behavioral Health, serves as the County's designated Mental Health Plan (MHP) for Medi-Cal beneficiaries. In this role, DHS is responsible for ensuring access to and payment for Specialty Mental Health Services (SMHS) for eligible children and youth, including

foster children and probation-supervised youth, in coordination with the Human Services Department (HSD) and Juvenile Probation.

Effective July 1, 2024, Assembly Bill 1051 (AB 1051) and Welfare and Institutions Code section 14717.25(c)(2) require the county of original jurisdiction to retain responsibility for arranging and paying for Specialty Mental Health Services when a foster child or probation-supervised youth is placed out of their home county in a Community Treatment Facility, Group Home, Children’s Crisis Residential Program or Short Term Residential Therapeutic Program, unless specific statutory exceptions apply. These requirements are further reinforced by Behavioral Health Information Notice (BHIN) 24-025, which emphasizes continuity of care and timely payment to providers for out-of-county placements.

These placements serve children and youth with complex and intensive behavioral health needs and require the delivery of Specialty Mental Health Services within a structured residential setting. These programs integrate housing with a full continuum of highly specialized behavioral health services, including Assessment, Psychiatric Evaluations, Plan Development, Therapy, Rehabilitation, Therapeutic Behavioral Services, Targeted Case Management, Intensive Care Coordination, Psychiatrist Services, Medication Support Services, Crisis Intervention, and Crisis Stabilization. When an out-of-county placement is necessary, HSD and Juvenile Probation act as the placing agencies to identify an appropriate facility. Once identified, Behavioral Health must coordinate with the host county Mental Health Plan and/or the facility to ensure services are delivered and reimbursed in compliance with State requirements.

Because placement decisions are driven by the clinical and safety needs of the child or youth, DHS does not have discretion in selecting providers and must work with qualified out-of-county agencies identified through HSD and Juvenile Probation. Without delegated contracting authority and flexible agreement structures, the County risks delays in service delivery, disruptions in care, and noncompliance with State law.

The recommended actions authorize the County Executive Office, or designee, to execute and manage agreements necessary to arrange and pay for Specialty Mental Health Services (SMHS) for Medi-Cal beneficiaries under the age of 21 who are placed out of county. Approval allows execution of an agreement with the County of Fresno to coordinate and reimburse SMHS for eligible youth and authorizes the use of evergreen agreements with up to 58 out-of-county Mental Health Plans and/or providers as required to maintain compliance with Assembly Bill 1051 and Welfare and Institutions Code section 14717.25(c)(2). The delegated authority to execute agreement modifications ensures the County can respond to changes in service needs and payment or reimbursement methodologies, subject to available funding and County Counsel review, without disrupting continuity of care for vulnerable children and youth.

The Human Services Department and Probation have placed multiple youth clients in Fresno County since the implementation of AB1051 due to the quantity and quality of the facilities there. DHS has previously executed numerous single-case agreements with these facilities however they are costly and time-consuming to execute. Executing a single agreement with Fresno County will save the department significant time and resources.

**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 3: Create a “no wrong door” approach where clients who need services across multiple departments and programs are able to access the array of services needed regardless of where they enter the system.

**Racial Equity:**

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

No

**Prior Board Actions:**

None

**FISCAL SUMMARY**

| <b>Expenditures</b>                | <b>FY 25-26<br/>Adopted</b> | <b>FY 26-27<br/>Projected</b> | <b>FY 27-28<br/>Projected</b> |
|------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Budgeted Expenses                  | \$50,000                    | \$100,000                     | \$100,000                     |
| Additional Appropriation Requested |                             |                               |                               |
| <b>Total Expenditures</b>          | <b>\$50,000</b>             | <b>\$100,000</b>              | <b>\$100,000</b>              |
| <b>Funding Sources</b>             |                             |                               |                               |
| General Fund/WA GF                 |                             |                               |                               |
| State/Federal                      | \$12,500                    | \$25,000                      | \$25,000                      |
| Fees/Other                         | \$37,500                    | \$75,000                      | \$75,000                      |
| Use of Fund Balance                |                             |                               |                               |
| General Fund Contingencies         |                             |                               |                               |
| <b>Total Sources</b>               | <b>\$50,000</b>             | <b>\$100,000</b>              | <b>\$100,000</b>              |

**Narrative Explanation of Fiscal Impacts:**

The Fiscal Year 2025-2026 Adopted Budget includes \$50,000 for contracted services with the County of Fresno. These costs will be absorbed within existing appropriations. For FY 2025-2026, the budgeted amount is supported by \$12,500 in Federal Financial Participation (FFP) and \$37,500 in Measure O funds.

Future year costs are estimated at \$100,000 annually, supported by \$25,000 in FFP and \$75,000 in Measure O funds for Fiscal Years 2026-2027 and 2027-2028.

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment 1 - Draft County of Fresno Agreement

Attachment 2 - Sample AB 1051 Agreement

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**Agenda Date:** 3/24/2026

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**Related Items "On File" with the Clerk of the Board:**

None