



Board Agenda Item 30

DATE: May 19, 2026

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health

SUBJECT: Amendment No. 2 to Master Agreement for Eating Disorder Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment No. 2 to Master Agreement No. 25-383 for Eating Disorder Services, to update Discovery Practice Management, Inc. d.b.a. Center for Discovery's facilities list and revise Exhibit D effective upon execution with no change to the term of August 5, 2025 through June 30, 2030, and increasing the maximum compensation by \$1,000,000 to a total of \$7,500,000.

There is no additional Net County Cost associated with the recommended action. The recommended action will update service locations for Discovery Practice Management, Inc. d.b.a. Center for Discovery (CFD) and revise Exhibit D to increase the maximum compensation and update invoicing requirements to align with Department standards to ensure the Department is able to continue to provide medically necessary behavioral health eating disorder treatment services for all County persons served requiring these services at the appropriately designated level of care. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Department would potentially be unable to reimburse contracted providers for any additional services provided once the current maximum compensation is reached. First and second quarter utilization data comparisons from FY 2024-25 and FY 2025-26 determined that referrals for residential treatment services for children and youth persons served have increased from one (1) to five (5). The recommended action serves to increase the maximum compensation accordingly to account for increased utilization to prevent any potential gaps and/or delays in receiving medically necessary eating disorder services. Additionally, if the facility list for CFD is not revised to account for the relocation of two of their facilities, the agreement will not accurately reflect the contracted service locations available, resulting in potential confusion and delays in placement and services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum cost of the Agreement (\$7,500,000) will be funded with Mental Health Realignment. The increase to the maximum amount will be distributed evenly over the five years of the agreement, following the same proportions as the original agreement outlay. Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health's Org 5630 FY 2025-26 Adopted Budget and will be included in future budget requests for the duration of the term of the Agreement. Actual costs will be determined by actual services provided.

DISCUSSION:

On August 5, 2025, your Board approved Master Agreement No. 25-383 with one licensed and credentialed facility to provide eating disorder services for County persons served.

On September 23, 2025, your Board approved Amendment No. 1 (No. 25-482) to the Master Agreement to add Discovery Practice Management, Inc. d.b.a. Center for Discovery and BHC Alhambra Hospital, Inc. d.b.a. BHC Alhambra Hospital.

Eating disorders are complex conditions involving both physical and psychological components. As such, effective treatment of eating disorders involves a combination of physical and mental health interventions, often provided through an integrated therapeutic modality, program, or setting. County through the Department of Behavioral Health (DBH) is a Behavioral Health Plan (BHP) as defined in Title 9 of the California Code of Regulations (C.C.R.), section 1810226. BHPs are required to cover all medically necessary treatment services including residential and day treatment intensive services to treat the eating disorder. The number of individuals requiring eating disorder services for such conditions is increasing while options for placement remain limited.

The proposed increase to the maximum compensation is based on a comparison of the first and second-quarter utilization data from FY 2024-25 and FY 2025-26. Referrals for residential treatment services for children and youth persons served have increased from one (1) to five (5). With the increased higher-level acuity, the Department estimates the FY 2025-26 maximum annual compensation to be exhausted before June 30, 2026. The increased maximum compensation is necessary to continue providing medically necessary behavioral health treatment for persons living with an eating disorder without exceeding the current maximum compensation.

On March 4, 2026, the Department completed development of a revised Financial Terms & Conditions Exhibit template to better delineate expectations for contractor compliance with invoicing requirements and ensure all contractors are held to a consistent standard. Revised Exhibit D includes both the proposed increase to the maximum compensation and the implementation of clearer, more defined deadlines and requirements for invoicing and recoupment procedures. The revision of the exhibit is intended across all Department agreements to maintain procedural consistency.

CFD has recently relocated two (2) of their contracted facilities. In order to utilize these new relocated facilities and ensure continued compliance under the terms of the agreement, the Department has revised Exhibit D - Attachment A-2 to update the site addresses.

The Department has notified and received approval from Main Human Resources of execution of the recommended amendment to comply with AB339.

Approval of the proposed action to increase the maximum compensation, revise Exhibit D and Exhibit D - Attachment A-2 of the Agreement is necessary to ensure alignment with the Department's updated invoicing requirements, ensure the continued provision of services to persons served without exceeding the current maximum compensation, and ensure persons served receive services they require in a timely manner and without delay at facilities approved by the County.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board will be notified of the recommended Amendment during the May 2026 meeting.

REFERENCE MATERIAL:

BAI #36, September 23, 2025
BAI #47, August 5, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 2 to Master Agreement

CAO ANALYST:

Ronald Alexander Jr.