



Board Agenda Item 27

DATE: May 12, 2026

TO: Board of Supervisors

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

SUBJECT: Retroactive Amendment No. 1 to Agreement with The Fresno Center

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute retroactive Amendment No. 1 to Agreement 25-412 with The Fresno Center for culturally specific full-service partnership services, to reallocate funds within the Agreement effective January 1, 2026, with no change to the term of September 1, 2025 through June 30, 2030, or compensation maximum of \$28,909,280.

There is no additional Net County Cost associated with the recommended action which will allow for the continuation of full-service partnership services to be offered to targeted populations including Southeast Asian communities. The retroactive amendment will shift funds from the outpatient and intensive case management levels of care to the full-service partnership level of care retroactive to January 1, 2026 when the budget was exceeded, with no change to the maximum compensation. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, The Fresno Center will not have sufficient funds budgeted for the provision of Full-Service Partnership services which will impact their ability to provide treatment services and disrupt the recovery of persons with severe serious mental illnesses.

RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to January 1, 2026 to authorize payment for invoices for the remainder of FY 2025-26. The budgets originally submitted by The Fresno Center and included in the agreement estimated that more services would be provided in the outpatient and intensive case management levels of care instead of the full-service partnership level of care. Services provided over the first five months of the agreement resulted in more full-service partnership services being provided than expected based on the needs of persons enrolled in the program.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The movement of funds from outpatient services (\$250,000) and intensive case management services (\$250,000) to full-service partnership services totals \$500,000. The maximum compensation (\$28,909,280) remains unchanged and will be fully offset with Behavioral Health Services Act (BHSA), Medi-Cal Federal Financial Participation (FFP), and Realignment funds. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2025-26 Adopted Budget and will be included in future budget requests.

DISCUSSION:

On August 19, 2025, the Department executed Agreement 25-412 with The Fresno Center for full-service partnership services for the Southeast Asian population. The agreement was effective on September 1, 2025. The agreement included new requirements and payment structures as a result of CalAIM implementation.

The agreement included outpatient and intensive case management levels of care in addition to full-service partnership services creating a full continuum of care. This allows The Fresno Center the ability to step persons served down to lower levels of care as they continue with their recovery while remaining with clinical staff who are familiar with their treatment. Each level of care has its own budget established for reimbursement of Medi-Cal specialty mental health services. Services are reimbursed based on an established fee-for-service schedule for services rendered.

The Fresno Center exceeded their budget allocated for full-service partnership services in January 2026. The budgets originally submitted by The Fresno Center estimated that fewer services would be provided in the full-service partnership level of care rather than the outpatient or intensive case management levels of care. Actual services for the first five months of the agreement did not result in fewer services provided in the full-service partnership level of care as persons were not ready to be stepped down to outpatient and intensive case management. There is sufficient funding available in the outpatient and intensive case management levels of care budgets. The recommended retroactive amendment will shift funding from the outpatient and intensive case management levels of care to the full-service partnership level of care allowing for the reimbursement of services. No additional funding will be added to the agreement. There are no changes to the existing scope of work.

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 C includes both the revised compensation amounts by level of care 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.

The Department has notified and received approval from Human Resources of execution of the recommended amendment to comply with AB 339.

Approval of the proposed action to shift funding across levels of care and revise Exhibit C of the Agreement is necessary to ensure alignment with the Department's updated invoicing requirements and ensure the continued provision of services to persons served at the full-service partnership level of care.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of this agreement at the April 2026 meeting.

REFERENCE MATERIAL:

BAI #39, August 19, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 with The Fresno Center

CAO ANALYST:

Ronald Alexander