



Board Agenda Item 33

DATE: October 21, 2025

TO: Board of Supervisors

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

SUBJECT: Amendment No. 2 to Master Agreement with Short Term Residential Therapeutic Programs for Specialty Mental Health Services

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interest of the County would be served by adding Beloved Ones to the Master Agreement given the non-competitive nature of Master Agreements; and**
- 2. Approve and authorize the Chairman to execute Amendment No. 2 to Master Agreement No. 25-234 with Short Term Residential Therapeutic Programs for Specialty Mental Health Services, to add Beloved Ones and remove Brighter Horizons Group Homes, Inc., as a contracted provider, and update the location sites for contracted provider, Core Conditions, Inc. with no change to the term of July 1, 2025, through June 30, 2028, or maximum compensation of \$75,000,000.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will allow the Department to add Beloved Ones onto the Master Agreement for the provision of specialty mental health services (SMHS) for all youth County persons served requiring these services, will remove Brighter Horizons Group Homes, Inc., a recently terminated Short-Term Residential Therapeutic Program (STRTP) vendor, and update the service locations for Core Conditions, Inc., a third STRTP vendor. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department will not be able to utilize Contractor Beloved Ones to provide necessary services for a youth person served currently residing in a Beloved Ones facility after an emergency placement. Additionally, if the contracted locations are not revised to remove inactive sites, the agreement will not accurately reflect the available contracted service locations for youth in the foster care/child welfare system, resulting in potential confusion and delays in placement and services.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP No. 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances as the Department will contract with any vendor who meets the requirements of the Master Agreement. The General Services Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The total maximum compensation amount for the master agreement (\$75,000,000) will be fully offset with Medi-Cal Federal Financial Participation (FFP) and Mental Health Realignment. Sufficient appropriations and estimated revenues are included in Department Org's 5630 FY 2025-26 Adopted Budget and will be included in future budget requests for the duration of the term.

DISCUSSION:

On October 11, 2015, Assembly Bill 403 was signed into law allowing the State of California to implement provisions of the Continuum of Care Reform (CCR). This reform included the creation of a new youth residential licensing category - the Short-Term Residential Therapeutic Program (STRTP) - to replace the group home Rate Classification Level (RCL) structure and to provide short-term, specialized, and intensive treatment, 24-hour care, and supervision to youth and non-minor dependents placed within their agency.

On September 25, 2016, Assembly Bill 1997 adopted additional changes to further facilitate implementation of CCR, including the requirement for STRTPs to be the providers of specialty mental health services to youth and non-minor dependents placed in their care. This would allow for the timely provision of services and greater care coordination for foster youth in the system. Once licensure from the California Department of Social Services (CDSS) is achieved, the STRTP has twelve months to obtain mental health program approval, including Medi-Cal site certification, by its local Mental Health Plan. For STRTPs within Fresno County, this mental health program approval is completed via the Fresno County Department of Behavioral Health (DBH). STRTPs located outside of Fresno County receive their mental health program approval either from the Department of Health Care Services (DHCS) or their county of residence, if said county is a delegate county.

On June 10, 2025, the Board approved Master Agreement No. A-25-234 with multiple STRTPs for the provision of specialty mental health services to youth placed within their programs.

On August 19, 2025, the Board approved Amendment No. 1 (25-416) to Master Agreement No. 25-234, which removed The Virtuous Woman, Inc., as an STRTP provider and revised the location site for contracted provider, Quality Group Homes.

On June 12, 2025, Brighter Horizons Group Homes Inc. received a notice of nonrenewal of their Annual Mental Health Program Approval Application (MHPA) from the Fresno County DBH. On June 24, 2025, Fresno County DBH received a notice from Brighter Horizon Group Homes requesting a review of the decision of nonrenewal. The nonrenewal appeals documents were received from Brighter Horizons Group Homes Inc. and the appeals presentation occurred on July 15, 2025. On July 22, 2025, Fresno County DBH upheld the revocation and Brighter Horizon Group Homes, Inc. was advised their MHPA and site certification would be terminated effective July 31, 2025. Fresno County DBH sent a termination letter to the vendor on September 4, 2025, and received signed consent from the vendor for the termination on September 10, 2025. With the mutual written consent of the DBH Director and Contractor, Agreement No. 25-234 was terminated on September 10, 2025, pursuant to section 15.4 of the agreement.

On August 18, 2025, an emergency placement was made by the Department of Social Services into the Beloved Ones STRTP, located in Kern County. The youth who was placed had been denied by numerous STRTPs throughout the state. Beloved Ones was able to offer six months of operation as a STRTP, in which the youth would be the sole resident, and receive the high intensity treatment required to meet their high acuity needs. DBH has reviewed and determined that the STRTP has the proper licensure, MHPA, and Medi-Cal Site Certification in place. In order to continue utilizing their services for, DBH is requesting they be added to the Master STRTP Agreement.

Approval of the recommended actions will allow the Department to add contractor Beloved Ones to the Master Agreement, update Exhibit A to reflect current contractors, and update the service sites in Exhibit B. These changes will ensure that Fresno County youth placed within their care receive the specialty mental health services they require in a timely manner and without delay at programs approved by the County.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of the recommended amendment at their October 2025 meeting.

REFERENCE MATERIAL:

BAI #41, August 19, 2025

BAI #46, June 10, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Amendment No. 2 to Master Agreement

CAO ANALYST:

Ronald Alexander Jr.