



Board Agenda Item 38

DATE: June 30, 2026

TO: Board of Supervisors

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

SUBJECT: Amendment No. 3 to Participation Agreement No. 22-270 with the California Mental Health Services Authority

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment No. 3 to the Participation Agreement No. 22-270 with the California Mental Health Services Authority, to revise the Agreement's budget, add additional prescriber subscriptions, and extend the term of specific Quality Assurance/Quality Improvement Analytics Program Offerings, effective upon execution, with no change to the term of July 1, 2022, through March 18, 2029, or compensation maximum of \$10,806,504.

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will revise the Agreement's budget to reflect actual costs charged to CalMHSA by the Electronic Health Record (EHR) vendor, Streamline, add five (5) additional prescriber subscriptions, and extend the term of specific Quality Assurance/Quality Improvement Analytics Program Offerings. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the agreement's budget will not be revised and shall remain as defined by Amendment No. 1. The Department will also be unable to increase the number of medical professionals prescribing through the EHR. Additionally, the term of specific Quality Assurance/Quality Improvement Analytics Program Offerings will not be extended to June 30, 2026 and September 30, 2026.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. There is no change to the compensation maximum of \$10,806,504. Services are funded with Federal Financial Participation (FFP), and Realignment. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2026-27 Recommended Budget and will be included in subsequent budget requests for the remainder of the term.

DISCUSSION:

On September 14, 2010, the Board executed Joint Powers Agreement (JPA) No. 10-489 with California counties to implement statewide projects through the California Mental Health Services Authority (CalMHSA), pursuant to Welfare and Institutions Code, section 5897. The JPA allowed CalMHSA to increase cost efficiency and deliver administrative services for California counties. The County can choose to participate in CalMHSA activities, such as the EHR Program.

On September 21, 2021, the Board approved a Participation Agreement No. 21-378 with CalMHSA to develop and manage a Request for Proposals for EHR services on behalf of the County. Streamline Healthcare Solutions, the EHR vendor, was selected based on demonstrated experience and resources to provide a web-based enterprise application (SmartCare) designed for clinical best practices, to meet state objectives, and the operational needs of California county-based behavioral health systems.

On June 21, 2022, the Board approved a Participation Agreement No. 22-270 with CalMHSA to allow the County to participate with CalMHSA to establish a Semi-Statewide California-centric enterprise solution for an EHR.

On June 24, 2025, your Board approved Amendment No. 1 and No. 2 to the Participation Agreement No. 22-270, which revised the agreement's contingency funding, authorized additional purchases within the scope of the agreement, authorized specific analytic program offering purchases, and allowed for the payment of required excess user and license fees.

On July 9, 2025, CalMHSA submitted their monthly invoice for July 2025 to the Department. The invoice contained a new, unbudgeted line item that was not part of the agreement's budget. The Department requested clarification of this new line item and received a response on July 15, 2025. The Department met with CalMHSA representatives on August 4, 2025. During this meeting, CalMHSA clarified that they calculated a line item on the original agreement's budget incorrectly and that an adjustment to the budget would be necessary.

The original budget contained a 3% annual increase line item designed to capture a 3% annual increase in subscription costs each fiscal year (FY), but CalMHSA undercalculated this line item when they created the agreement. The fees currently paid to CalMHSA by the County are now insufficient to cover the fees CalMHSA is required to pay to the EHR provider, Streamline. CalMHSA drafted the budget for the original agreement and only they are aware of the actual costs charged to them by the EHR provider, Streamline. There was no action that the County could have taken to avoid this shortfall.

The recommended Amendment No. 3 updates the agreement's budget to fully capture all necessary costs that are being charged by the EHR vendor, Streamline, to CalMHSA. This increase brings the FY 2026-27 costs payable to CalMHSA in line with what CalMHSA is currently charged by the EHR vendor, Streamline. It includes the compounded 3% annual increases that were intended to take place in prior fiscal years and brings that FY budget in line with what it would have been had the 3% annual increase been calculated correctly from the beginning of the agreement.

After multiple discussions, CalMHSA has agreed not to collect the increased fee amounts that they would have been entitled to in prior fiscal years had the increases taken place as intended, nor to collect the increased fee amounts this fiscal year, prior to execution of this amendment, to avoid the need for a retroactive amendment. The fee increase is scheduled to begin after execution of this amendment. CalMHSA will be revising the affected line items in the budget to include the fee increase, rather than adding a new line item as they did originally.

The discussions between the Department and CalMHSA regarding the revised budget and prior fee amounts took a considerable amount of time, and CalMHSA also experienced some difficulty meeting County deadlines on several occasions, which resulted in a delay of implementation of this amendment, which was originally planned for FY 2025-26. Due to the complexity and the length of the discussions involved, implementation will now occur in FY 2026-27. The delay has not resulted in an increase in costs to the County.

The recommended Amendment No. 3 extends the term of the Quality Assurance/Quality Improvement program offerings, previously acquired through Amendment No. 2, as follows: Chart Review Tools and Coaching through June 30, 2026, and the Policies Development, and Enhanced Analytics - PHI Dashboards through September 30, 2026, at no additional cost to the County.

The recommended Amendment No. 3 also adds an additional five (5) prescriber subscriptions. The Department anticipates an increase in the number of medical professionals prescribing medications via SmartCare, and we are required to have enough subscriptions for all of our prescribers. These prescriber subscription fees are separate and distinct from the prescriber vouchers that the Department must purchase for its prescribers from time to time.

The budget recalculation, along with the addition of the five new prescriber subscriptions, results in an additional committed funding amount of \$414,869 as displayed in Revised Exhibit C of the amended agreement. This additional committed funding will be covered by the agreement's unallocated funding.

The recommended Amendment No. 3 to the agreement varies from the standard county template as it was drafted by CalMHSA and is utilized by CalMHSA to execute Participation Agreements with different counties and are consistent statewide.

AB339 noticing has occurred and the Human Resources Department approved execution of the recommended amendment.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended amendment during the June 2026 meeting.

REFERENCE MATERIAL:

BAI #44, June 24, 2025
BAI #50, June 21, 2022
BAI #30, September 21, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 3 to Participation Agreement No. 22-270 with CalMHSA

CAO ANALYST:

Ron Alexander