



Board Agenda Item 27

DATE: June 2, 2026

TO: Board of Supervisors

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

SUBJECT: Amendment to Extend Central Star Behavioral Health Inc. Adolescent Youth Psychiatric Health Facility Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute Amendment No. 3 to Agreement No. 25-277 with Central Star Behavioral Health Inc. for operation of the adolescent youth psychiatric health facility, extending the term by one year, from July 1, 2026, through June 30, 2027, and increasing the maximum by \$7,611,113 to a total of \$43,835,520; and**
- 2. Approve and authorize the Chairman to execute Amendment No. 2 to License Agreement No. 25-278 with Central Star Behavioral Health Inc. to extend use of County leased space at 3115 N. Millbrook Ave, Fresno CA 93703, for one year, from July 1, 2026, through June 30, 2027 (\$0).**

There is no additional Net County Cost associated with the recommended actions. Approval of recommended action number one will extend the term of the Agreement by one year and increase the maximum compensation to allow Central Star Behavioral Health to continue to provide adolescent youth psychiatric health facility services. Recommended action number two will extend the corresponding license agreement by one year. These recommended amendments will allow the Department to utilize services provided by the contractor until new contracts are adopted. While the County leased space is located within District 3, the impact of this item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. If your Board does not approve the recommended actions, the Department would not be in compliance with Department of Health Care Services (DHCS) mandated services. Furthermore, adolescent youth actively experiencing a behavioral health crisis will not receive the care they need and adolescent youth who meet medical necessity for acute psychiatric inpatient services would be sent out-of-county for care. The Department is not able to assume operations for any of these services due to staffing requirements, licensure and new Lanterman-Petris-Short Act (LPS) interim regulations.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The first recommended action increases the maximum compensation by \$7,611,113, for the extension of the agreement and brings the total maximum compensation to \$43,835,520. The maximum amount of the agreement will be fully offset with Medi-Cal Federal Financial Participation (FFP), Mental Health Realignment funds, Private Insurance and Out of County Revenue. Approval of the second recommended action has no cost associated and will allow Central Star Behavioral Health to continue to provide services in the county leased building. Sufficient

appropriations and estimated revenues will be included in the Department of Behavioral Health Org 5630 FY 2026-27 Recommended Budget.

DISCUSSION:

On June 23, 2020, the Board approved Agreement No. 20-238 with Central Star Behavioral Health to provide 24 hours a day/7 day a week adolescent youth inpatient psychiatric health facility services, and a License Agreement for County-owned property located within the University Medical Center (UMC) Campus at 4411 E Cesar Chavez Blvd (previously known as Kings Canyon Road).

On December 3, 2024, the Board approved Amendment No 1. 24-618 to Agreement No. 20-238 and a new License Agreement, for facility relocation and associated budget modifications as the Kings Canyon UMC Campus has been sold and requires services to relocate.

On March 25, 2025, a Request for Proposal (RFP) No. 25-067 for Adolescent and Youth Psychiatric Facility Services was issued, on April 8, 2025, Addendum No. 1 to County's RFP No. 25-067 was issued, and on April 11, 2025, Addendum No. 2 to County's RFP No. 25-067 was issued. The RFP closed on April 23, 2025. No bids were received.

On June 24, 2025, the Board approved Amendment No. 2 25-277 to Agreement No. 20-238 and Amendment No. 1 to License Agreement FL-120, extending the term by one year, which included a six-month base term and an optional six-month extension, from July 1, 2025, through June 30, 2026, and increased contract maximum for the service agreement.

The Department has been working with the Purchasing Department and consulting with DHCS about different options the Department could pursue for procurement and ensuring compliance with all regulations and licensing. The barriers have been the limited number of agencies that provide this level of care, new LPS regulations published and effective on February 24, 2026, and fiscal implications. The Department attempted to reach out to agencies to gauge interest pursuing an agreement under the RFP terms with limited interest.

Approval of the first recommended action will allow mandated inpatient psychiatric services to continue with the current vendor until a new contract is adopted. Once final guidance is received from DHCS, the Department may issue an updated RFP. Approval of the second recommended action will allow Central Star Behavioral Health to continue to utilize the County leased building. The Department is mandated to provide inpatient psychiatric services, and approval of the first and second recommended actions will allow adolescent youth to receive services in the County.

In FY 2024-2025, 219 unique individuals were served with an average monthly census of 11. For the period of July 2025 to December 2025, 92 unique individuals were served with an average monthly census of 11.

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

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of this item at the June 2026 meeting.

REFERENCE MATERIAL:

BAI #49, June 24, 2025
BAI #46, December 3, 2024
BAI #36, June 23, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 3 to Agreement No. 25-277 with Central Star

On file with Clerk - Amendment No. 2 to License Agreement No. 25-278 with Central Star

CAO ANALYST:

Ron Alexander