



# Board Agenda Item 36

DATE: June 10, 2025

TO: Board of Supervisors

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

SUBJECT: Master Agreement for Augmented Board and Care 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 interests of the County would be served by entering into the Master Agreement given the non-competitive nature of Master Agreements; and**
- 2. Approve and authorize the Chairman to execute a Master Agreement with licensed adult residential facilities for Augmented Board and Care Services, effective July 1, 2025, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$12,000,000.**

There is no additional Net County Cost associated with the recommended actions, which will allow the Department to contract with licensed adult residential facilities certified to provide Augmented Board and Care (ABC) services. These facilities are licensed to provide Specialty Mental Health Services in conjunction with residential services sufficient to support needs resulting from an inability to perform activities of daily living for serious mental illness (SMI) conserved adults. This item is countywide.

## ALTERNATIVE ACTION(S):

Should the recommended actions not be approved, the Department would be unable to place persons at licensed facilities certified to provide augmented board and care services. Existing individuals served by the expiring contract would experience a gap in services and the Department would be left without a contracted provider to provide ABC services, leading to inappropriate placement and care for Fresno County persons served. This could include higher, more costly levels of care, such as Skilled Nursing Facilities (SNF), Geropsychiatric Nursing Care Facilities (GNCF), Institutions of Mental Disease (IMD), and Mental Health Rehabilitation Centers (MHRC); all of which are secured facilities. The other alternative would be placement in a lower level of care facility such as Supplemental Board and Care Homes which are not equipped/licensed to provide Specialty Mental Health Services to persons served residing in their facility.

## SUSPENSION OF COMPETITION CONTRACT:

It is requested that the County find under AP 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances due to the non-competitive nature of master agreements as well as the specific utilization of this agreement for augmented board and care services for Fresno County conserved persons served. 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 maximum compensation for the term is \$12,000,000 (\$2,400,000 allocated annually) and will be funded with Mental Health Realignment and Medi-Cal Federal Financial Participation (FFP). Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2025-2026 Recommended Budget and will be included in future budget requests. Actual costs will be determined by actual services provided.

### DISCUSSION:

On August 20, 2019, the Board approved Master Agreement No. 19-406 with licensed and credentialed facilities to provide specialized residential mental health services for County persons served, as mandated by the WIC and CCR Title 22.

On June 20, 2023, the Board approved Superseding Master Agreement No. A-23-283 with licensed residential facilities to provide residential mental health services with augmented specialty outpatient mental health services. This master agreement allowed Fresno County to contract with various mental health treatment providers and made necessary changes required by the implementation of California Advancing and Innovating Medi-Cal (CalAIM), including a new billing structure for Medi-Cal services.

On August 22, 2023, the Board retroactively approved Amendment I (No. 23-415) to the Master Agreement to revise the rates for Star View Behavioral Health, Inc.

On March 5, 2024, the Board approved Amendment II (No. 24-100) to the Master Agreement, adding provider BHC Alhambra Hospital, Inc. d.b.a. BHC Alhambra Hospital.

On August 20, 2024, the Board approved Amendment III (No. 24-441), which added provider Central Star Behavioral Health, Inc and removed Crestwood Behavioral Health, Inc.

On May 6, 2025, your Board approved Amendment IV (No. 25-169), which modified the rate sheet for Psynergy Programs, Inc. to allow for the inclusion of a payment mechanism for basic services for non-benefited persons served.

As the aforementioned contract ends its term, it has been decided by the Department to split this agreement into multiple master agreements to focus on specific service lines.

Augmented Board and Care Services includes residential supplemental board and care home services as well as outpatient specialty mental health services (SMHS), in close proximity to one another. These services are designed to enable persons served with a severe mental illness to live in an unlocked setting that provides supervision, mental health support services and treatment programs.

### **Utilization Data**

<u>Fiscal Year</u>	<u>Persons Served</u>	<u>Service Days</u>	<u>Expenditures</u>
2023-2024	6	602	\$124,542

Utilization data for this program remains limited to provide an appropriate prediction of growth. The current utilization above does not reflect what is the expected utilization nor is there sufficient history to have a robust, data informed estimation. This provider was added to their current agreement during the previous fiscal year. After completing their onboarding and Medi-Cal site certification and staff credentialing, the provider began providing services to Fresno County persons served in the month of November. The

expenditure data above includes the provision of SMHS. Due to the data limitations, the maximum compensation for each fiscal year for this agreement was estimated utilizing the lowest complexity rate and the average cost of SMHS per person served with a slightly higher population count of fifteen (15) persons served to account for variations in the numbers of persons served and/or their service level. Additional funds were added to the annual compensation to account for persons served requiring higher levels of care than the lowest complexity. The total proposed maximum compensation additionally accounts for the potential need for the additional of additional provider(s) on this master agreement.

The concept of residential supplemental board and care home services being provided in conjunction with SMHS has been determined to be beneficial for conserved persons. At this time, Psynergy Programs, Inc is the only vendor the Department is aware of to provide this level of service. In the future if other vendors are identified by the Conservatorship Team, they will be reviewed and added to the Master Agreement if they are interested.

Approval of the first recommended action will suspend the competitive bidding process consistent with Administrative Policy No. 34, for delivery of ABC services with licensed residential facilities. Approval of the second recommended action will authorize the Master Agreement with licensed residential facilities for the provision of ABC services, for a five-year term, total not to exceed \$12,000,000.

The modification and rate modification clauses of the agreement delegate the board's authority to the DBH Director to make certain changes to the agreement during the term of the agreement, as further described in the Article 15, Sections 1 and 2 of the agreement.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Agreement during the May 2025 meeting.

REFERENCE MATERIAL:

BAI # 27 May 6, 2025  
BAI #31 August 20, 2024  
BAI #30 March 5, 2024  
BAI #26 August 22, 2023  
BAI #44 June 20, 2023  
BAI #26 August 20, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form  
On file with Clerk - Master Agreement

CAO ANALYST:

Ronald Alexander Jr.