



Board Agenda Item 41

DATE: August 19, 2025

TO: Board of Supervisors

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

SUBJECT: Amendment No. 1 to Master Agreement with Short Term Residential Therapeutic Programs for Specialty Mental Health Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute Amendment No. 1 to Master Agreement to remove The Virtuous Woman, Inc. as a contracted provider and update the location sites for contracted provider, Quality Group Homes, with no change to the term of July 1, 2025, to June 30, 2028, or maximum compensation of \$75,000,000; and**
- 2. Approve and authorize the Director of the Department of Behavioral Health to send 30-day notice letter of termination without cause for Master Agreement No. A-25-234 for services with The Virtuous Woman, Inc.**

There is no additional Net County Cost associated with the recommended actions, which will remove one Short-Term Residential Therapeutic Program (STRTP) vendor from the agreement and update the service locations for a second STRTP vendor. The Director of the Department of Behavioral Health will send a 30-day written notice to terminate The Virtuous Woman, Inc. from the agreement, effective September 18, 2025, subject to your Board's approval. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended actions, 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.

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 revenues are included in Department Org's 5630 FY 2025-26 Recommended 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. This Agreement was effective July 1, 2025 for a three-year base term, with two optional 12-month extensions. That same month, Fresno County DBH became aware that contractor, The Virtuous Woman, Inc., had shut down operations, thus the need to remove the contractor from the Master Agreement. Pursuant to Article 6, Section 3, on Page 5 of the Agreement, the Agreement may be terminated without cause by Contractor or County upon 30 days advanced written notice to each individual Contractor. DBH also found that Exhibit B incorrectly included the main office address instead of the home's actual service address for Quality Group Homes.

Approval of the recommended actions will allow the Department to remove a vendor from the list of contracted vendors and update the service locations of a second vendor on this master agreement. 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 July 2025 meeting.

REFERENCE MATERIAL:

BAI #46, June 10, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Master Agreement

CAO ANALYST:

Ronald Alexander Jr.