

C8 Approve an amendment to the agreement with Crestwood Behavioral Health, Inc., for residential mental health treatment services which increases rates and maximum compensation by \$2,400,000.

STAFF REPORT

BOARD MEETING DATE: June 24, 2025

CATEGORY: Consent Calendar 8

SUBJECT: Approve an amendment to the agreement with Crestwood Behavioral Health, Inc., for residential mental health treatment services which increases rates and maximum compensation by \$2,400,000.

DEPARTMENT: Health and Human Services Agency-Behavioral Health and Social Services

SUPERVISORIAL DISTRICT #: All

DEPARTMENT CONTACT: Bailey Cogger, HHSA Deputy Branch Director - Behavioral Health and Social Services, (530) 225-5900

STAFF REPORT APPROVED BY: Christy Coleman, Interim HHSA Director

<u>Vote Required?</u>	<u>General Fund Impact?</u>
Simple Majority Vote	No General Fund Impact

RECOMMENDATION

Approve a second amendment effective July 1, 2025, to the agreement with Crestwood Behavioral Health, Inc., for residential mental health treatment services, which increases rates and maximum compensation from \$9,600,000 to \$12,000,000, retaining the term July 1, 2023, through June 30, 2026.

DISCUSSION

The proposed amendment will allow Crestwood Behavioral Health, Inc., (Crestwood) to continue to provide residential treatment program options for Shasta County clients with serious mental illness which include 24-hour long-term, residential treatment.

Crestwood includes a range of residential options, including Institutes for Mental Disease for Skilled Nursing Facilities (IMD/SNF) and Mental Health Rehabilitation Centers (MHRC), for adults with severe and persistent mental illness. Besides residential care, services include life skills training, money management, training on accessing community services, transitional programs, and coordinated discharge planning with County staff. IMD/SNF and MHRC facilities offer numerous advantages to the individual mental health client and to the County.

Placing residents in facilities such as Crestwood represents a significant cost savings over state mental hospitalization. These facilities provide treatment focused on developing living skills to assist client transition from a rigidly supervised setting to a board and care or other less structured community setting. Through this agreement, Shasta County can place clients at Crestwood facilities in numerous locations throughout California including those closest to home in Redding, Eureka, and Sacramento, based on the best match between the client, the services, and the location. Every attempt is made to keep clients in Shasta County, but these options are limited, and it is necessary to have the flexibility to place individuals in an out-of-county facility. Shasta County's monthly placements averaged about 24 – 32 clients between January 2024 to January 2025.

The approximate average annual placement cost for a patient is anticipated to be \$136,000 at a Crestwood facility versus more than \$279,225 per year in a state hospital. Statute requires clients be placed in the least restrictive environment possible and having access to a lower level of residential placement with these services available provides a reasonable solution to meet statutory requirements for the clients and for the County.

In addition to the long-range residential services offered at Crestwood, Psychiatric Health Facility services are also available, providing a safe environment for clients needing stabilization during a psychiatric crisis. These services are typically short-term and

will only be used when in the best interests of the client.

ALTERNATIVES

The Board could choose not to approve the recommendation, defer consideration to a future date, or provide alternate direction to staff. If the Board chooses to deny, then it will increase the risk of untreated and unhoused severely mental ill adults. Currently Shasta County has over 139 LPS conserved clients and about 28 of them reside in Crestwood facilities. This number grows each year. If we decrease placement options, we risk client numbers increasing in our emergency rooms.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. This recommendation has been reviewed by the County Administrative Office.

FISCAL IMPACT

The total cost of this agreement for Fiscal Years (FY) 2023-26 is \$12,000,000. Costs incurred through this contract are funded through the Mental Health Budget (BU 410). The Mental Health FY 2025-26 Recommended Budget includes sufficient appropriation authority for the activities described in this Amendment.

ATTACHMENTS:

1: Crestwood Behavioral Health Second Amendment

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN
THE COUNTY OF SHASTA AND
CRESTWOOD BEHAVIORAL HEALTH INC.**

This Second Amendment is entered into between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency (“County”) and Crestwood Behavioral Health Inc. (“Contractor”).

RECITALS

WHEREAS, County and Contractor have previously entered into an agreement on June 13, 2023, effective July 1, 2023, for provision of residential mental health treatment services (“Original Agreement”); and

WHEREAS, the Original Agreement was amended on and effective on July 1, 2023 to: (1) replace **EXHIBIT B, FISCAL YEAR 2023-24 PAYMENTS** with **EXHIBIT B-1, FISCAL YEAR 2024-25 PAYMENTS**; and (2) increase the rates and maximum compensation payable to Contractor. (“First Amendment”); and

WHEREAS, County and Contractor desire to amend the Agreement to replace **EXHIBIT B-1**, with **EXHIBIT B-2, FISCAL YEAR 2025-2026 PAYMENTS**, attached and incorporated herein, and to increase the rates and maximum compensation payable to Contractor (“Second Amendment”); and

WHEREAS, the Original Agreement, the First Amendment, and the Second Amendment are collectively referred to as the “Agreement.”

NOW, THEREFORE, the Agreement is amended as follows:

- I. Subsection B. of Section 3. **COMPENSATION** of the Agreement is amended as of the effective date of this Second Amendment in their entirety to read as follows:
 - B. In no event shall the maximum compensation exceed \$12,000,000 during the entire term of the Agreement.
- II. **EXHIBIT B-2**, is attached and incorporated into this Second Amendment. **EXHIBIT B** shall control for the service period from July 1, 2023, through July 1, 2024. **EXHIBIT B-1** shall control for the service period from July 1, 2024, until June 30, 2025. All references to **EXHIBIT B-1** within the Original Agreement are understood to be references to **EXHIBIT B-2** for dates from and after the effective the date of this Second Amendment.
- III. **REAFFIRMATION**

In all other respects, the Agreement and any attachments, as amended, remains in full force and effect.

IV. **ENTIRE AGREEMENT**

The Agreement and any attachments, as amended, constitute the entire understanding between County and Contractor.

V. **EFFECTIVE DATE**

Unless otherwise provided, this Second Amendment shall be deemed effective July 1, 2025.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to the Agreement. By their signatures below, each signatory represents that they have the authority to execute this Second Amendment and to bind the Party on whose behalf their execution is made.

COUNTY OF SHASTA

Date: _____

KEVIN W. CRYE, CHAIR
Board of Supervisors
County of Shasta
State of California

ATTEST:
DAVID RICKERT
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
JOSEPH LARMOUR
County Counsel

RISK MANAGEMENT APPROVAL

Signed by:
Todd Endres
By: _____
Todd Endres
Deputy County Counsel
06/03/2025 | 1:45 PM PDT

Signed by:
Dolyene Lane
By: _____
Dolyene Lane 06/03/2025 | 11:20 AM PDT
Risk Manager

06/02/2025 | 8:47 PM PDT
Date: _____

06/02/2025 | 10:33 PM PDT
Date: _____

CONTRACTOR

DocuSigned by:
Maria Stefanou
By: _____
Maria Stefanou
Chief Financial Officer
Signed by:
Elena Mashkevich
By: _____
Elena Mashkevich
Executive Director of Contracts
Tax I.D.#: _____ On File

EXHIBIT B-2

FISCAL YEAR 2025-2026 PAYMENTS

PAYMENT. Payment shall be made to Contractor for the number of days of services provided under this Agreement pursuant to the following conditions and terms:

- A. Contractor shall submit to County a monthly Statement in accordance with Section 4 of this Agreement.
- B. Contractor shall provide County with National Provider Identifier (NPI). Services provided without submission to County of NPI by Contractor shall be the responsibility of the Contractor and will not be reimbursed by County.
- C. IMD/SNF (18-64) rates, including temporary absence days, are set forth in California Code of Regulations, Title 22, section 51511, plus the rate for Special Program Services as set forth in California Code of Regulations, Title 22, section 51511.1.
- D. IMD/SNF rates per client per day at the time of the execution of this Agreement are \$367.00. The temporary client absence rates (bed hold rate) per client per day at the time of the execution of this Agreement are \$357.23.
- E. Specialized services will consist of three distinct levels (1, 2, and 3) and shall be paid at the IMD/SNF rate (\$367.00 per bed-day) plus the enhanced rates as identified in this **EXHIBIT B-2**, based upon psychology/psychiatry visits authorized by the HHSA Director or his/her designee.
- F. Enhanced rates include staffing and other items associated with a program or level of service a client requires above or in addition to services provided under the daily rate and shall be preapproved by County.
- G. If there are State Medi-Cal reimbursement rate adjustments for SNF/IMD facilities during the contract period, rates noted in this Agreement will be adjusted to meet these new State changes, and Contractor shall be paid at the adjusted rates up to the Agreement's maximum amount, without amendment to this Agreement.

EXHIBIT B-2

<u>SNF, SNF/STP</u>	<u>Room and Board Rate/Per Diem*</u>	<u>County Supplemental Rate</u>
Crestwood Wellness and Recovery Ctr	\$367.00	\$63.00
Redding IMD – 1122	(Indigent/Medi-Cal Ineligible)	\$81.00
		\$146.00
NPI - 1194743088		
Private Room		\$367.00
1:1 supervision (per hour)		\$32.00
Crestwood Manor	Medi-Cal Published Rate	\$74.00
Stockton SNF/STP – 1104	(Indigent/Medi-Cal Ineligible)	\$108.00
NPI - 1730128174		\$145.00
		Negotiated
Private Room		Medi-Cal Published Rate
1:1 supervision (per hour)		\$32.00
Crestwood Manor	Medi-Cal Published Rate	\$74.00
Modesto SNF/STP - 1112	(Indigent/Medi-Cal Ineligible)	\$108.00
NPI - 1508884487		\$145.00
		Negotiated
Private Room		Medi-Cal Published Rate
1:1 supervision (per hour)		\$32.00
Crestwood Manor - Fremont	Medi-Cal Published Rate	\$74.00
Alameda SNF/STP - 1134	(Indigent/Medi-Cal Ineligible)	\$119.00
NPI - 1902828403		\$172.00
		Negotiated
Private Room		Medi-Cal Published Rate
1:1 supervision (per hour)		\$32.00
Crestwood Treatment Center	Medi-Cal Published Rate	\$173.00
Fremont SNF - 1120	(Indigent/Medi-Cal Ineligible)	Negotiated
NPI - 1942228838		
Private Room		Medi-Cal Published Rate
1:1 supervision (per hour)		\$32.00

* The rates above include room and board, nursing care, special treatment program services, activity program, OTC medications, dietary, etc. Physician services, pharmacy and other ancillary medical services are not included in the per diem rate and are separately billable in accordance with Title 22, CCR, section 51511C.

EXHIBIT B-2**Mental Health Rehabilitation
Centers****Room and Service/Per Diem***

Crestwood Center	Level 1	\$436.00
Sacramento MHRC - 1106	Level 2	\$396.00
NPI - 1356411656	Level 3	\$359.00
Crestwood Behavioral Health Ctr	Level 1	\$475.00
San Jose MHRC - 1107	Level 2	\$381.00
NPI - 1376623256	Level 3	\$371.00
Crestwood Behavioral Health Ctr	Level 1	\$378.00
Eureka MHRC - 1110		
NPI - 1124046008		
Crestwood Behavioral Health Ctr	Level (1:1)	\$782.00
Bakersfield MHRC - 1115	Level 1	\$438.00
NPI - 1275610800	Level 2	\$397.00
	Level 3	\$359.00
Crestwood C.E.N.T.E.R.	Level 1	\$427.00
Angwin MHRC - 1116	Level 2	\$341.00
NPI - 1316024953	Level 3	\$288.00
Kingsburg Healing Center	Level 1	\$548.00
Kingsburg MHRC - 1140	Level 2	\$485.00
NPI – 1073989661	Level 3	\$412.00
Crestwood Recovery and Rehab	Level 1	\$440.00
Vallejo MHRC - 1141	Level 2	\$374.00
NPI - 1508935834	Level 3	\$330.00
Crestwood San Diego	Level 1	\$544.00
San Diego MHRC - 1154	Level 2	\$466.00
NPI - 1295146934	Level 3	\$389.00
Crestwood Chula Vista	Level 1	\$544.00
Chula Vista MHRC - 1164	Level 2	\$466.00
NPI - 1023495181	Level 3	\$389.00
San Francisco Healing Center	Level 1	\$574.00
San Francisco MHRC - 1166		
NPI - 1447758024		
Fallbrook Healing Center	Level 1	\$545.00
Fallbrook Healing - 1167	Level 2	\$468.00
NPI - 1639738297	Level 3	\$389.00

EXHIBIT B-2

Champion Healing Center	Level 1	\$597.00
Lompoc Healing Center - 1170	Level 2	\$505.00
NPI - 1487282273	Level 3	\$419.00

*The rates above include room and board, nursing care, program services, activity programs, OTC medications, dietary, etc.

Physician services, pharmacy and other ancillary medical services **are not included** in the per diem rate and are separately billable in accordance with Title 9.

Additional Services:

- The Private Room is billable at the facility's lowest Level Rate
- 1:1 supervision (per hour) is billable at \$32.00
- Bedhold Rate is billable at client's Level Rate at the time of a bedhold

EXHIBIT B-2

<u>Psychiatric Health Facilities</u>	<u>Room and Board/Per Diem*</u>	<u>Room and Board/Per Diem* for indigent client</u>
Crestwood Psychiatric Health Facility American River PHF - 1153 NPI - 1972827343	\$1,084.00	\$1,134.00
Crestwood Psychiatric Health Facility Sacramento PHF - 1156 NPI - 1669734075	\$1,084.00	\$1,134.00
Crestwood Psychiatric Health Facility San Jose PHF - 1157 NPI - 1598065047	\$1,235.00	\$1,285.00
Crestwood Psychiatric Health Facility Bakersfield PHF - 1158 NPI - 1194034645	\$1,097.00	\$1,147.00
Crestwood Psychiatric Health Facility Solano PHF - 1159 NPI - 1780009142	\$1,156.00	\$1,206.00
Crestwood Psychiatric Health Facility San Luis Obispo PHF - 1171 NPI - 1629771811	\$1,041.00	\$1,091.00
Crestwood Psychiatric Health Facility Sonoma PHF - 1175 NPI - 1043848831	\$1,153.00	\$1,203.00

* The rates above include room and board, nursing care, activity program, program services, OTC medications, dietary, etc.

Physician services, pharmacy and other ancillary medical services **are not included** in the per diem rate and are separately billable in accordance with Title 22.

EXHIBIT B-2

<u>Adult Residential Facilities/Social Rehabilitation Centers*</u>	<u>County</u> <u>Supplemental Rate</u>
Pathways Eureka Pathways, Social Rehab - 1125 NPI - 1811374564	\$248.00
Our House Solano Our House ARF - 1136 NPI - 1750452199	\$189.00
Bridge Program - Bakersfield Bakersfield Bridge, Social Rehab - 1137 NPI - 1265501597	\$258.00
American River Residential Services American River ARF - 1139 NPI - 1104905645	\$193.00
Bridge Program - Pleasant Hill Pleasant Hill Bridge ARF - 1143 NPI - 1669543005	\$193.00
The Pathway Pleasant Hill Pathway, Social Rehab - 1144 NPI – 1578634911	\$246.00
Bridge Program Fresno Fresno Bridge, Social Rehab - 1145 NPI - 1093892663	\$247.00
Crestwood Hope Center Vallejo RCFE - 1152 NPI - 1962702324	\$193.00

* Room and board rate is paid by the responsible party. The room and board rate includes program services, activity programs, OTC medications, dietary, etc.

Physician services, pharmacy and other ancillary medical services are not included in the per diem rate and are separately billable in accordance with Title 22.