



County of Santa Cruz

HEALTH SERVICES AGENCY
Behavioral Health Division



Salud Mental y
Tratamiento del Uso
de Sustancias

NOTICE OF PUBLIC MEETING BEHAVIORAL HEALTH ADVISORY BOARD

JULY 17, 2025, 3:00 PM–5:00 PM

KATHLEEN A. KING COMMUNITY ROOM, 85 NIELSON STREET, WATSONVILLE 95076

THE PUBLIC MAY JOIN THE MEETING ON MICROSOFT TEAMS (LINK BELOW) OR

CALL (831)454-2222, CONFERENCE ID 113 677 024#

Xaloc Cabanes Chair 1 st District	Valerie Webb Member 2 nd District	Michael Neidig Co-Chair 3 rd District	Antonio Rivas Member 4 th District	Jennifer Wells Kaupp Member 5 th District
Kaelin Wagnermarsh Member 1 st District	Dean Shoji Kashino Member 2 nd District	Hugh McCormick Member 3 rd District	Lourdes Barraza Member 4 th District	Jeffrey Arlt Secretary 5 th District

Kimberly De Serpa Board of Supervisor Member	
Dr. Marni R. Sandoval Director, County Behavioral Health	Karen Kern Deputy Director, County Behavioral Health

Information regarding participation in the Behavioral Health Advisory Board Meeting

The public may attend the meeting at the Kathleen A. King Community Room, 85 Nielson Street, Watsonville. Individuals may click here to [Join the meeting now](#) or may participate by telephone by calling (831)454-2222, Conference ID 113 677 024#. All participants are muted upon entry to prevent echoing and minimize any unintended disruption of background sounds. This meeting will be recorded and posted on the Behavioral Health Advisory Board website.

If you are a person with a special need, or if interpreting services (English/Spanish or sign language) are needed, please call 454-4611 (Hearing Impaired TDD/TTY: 711) at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

Si usted es una persona con una discapacidad o necesita servicios de interpretación (inglés/español o Lenguaje de señas), por favor llame al (831) 454-4611 (Personas con Discapacidad Auditiva TDD/TTY: 711) con 72 horas de anticipación a la junta para hacer arreglos. Personas con discapacidades pueden pedir una copia de la agenda en una forma alternativa.

BEHAVIORAL HEALTH ADVISORY BOARD AGENDA

ID	Time	Regular Business
1	3:00–3:15	<ul style="list-style-type: none">• Roll Call• Public Comment (No action or discussion will be undertaken today on any item raised during Public Comment period except that Mental Health Board Members may briefly respond to statements made or questions posed. Limited to 3 minutes each)• Board Member Announcements• <i>Approval of May 15, 2025 and June 12, 2025 minutes*</i>• Secretary's Report
		Standing Reports
2	3:15–3:25	May and June Patients' Rights Reports – George Carvalho, Patients' Rights Advocate for Advocacy, Inc.
3	3:25–3:35	Board of Supervisors Report – Supervisor Kimberly De Serpa
4	3:35–3:45	Behavioral Health Director's Report – Karen Kern, Behavioral Health Deputy Director
5	3:45–3:55	Site Visit Ad Hoc Committee Update – Kaelin Wagnermarsh and Dean Kashino
		New Agenda Items
6	3:55–4:20	Review and discussion of Mike Beebe's Report
7	4:20–4:30	Discussion of expanding Collaborative Courts
8	4:30–4:40	Formation of New Committees
9	4:40–4:55	2025–2026 Goals and Objectives
	4:55–5:00	Future Agenda Items
	5:00	Adjourn

*Italicized items with * indicate action items for board approval.*

NEXT BEHAVIORAL HEALTH ADVISORY BOARD MEETING IS ON:

AUGUST 21, 2025, 3:00 PM – 5:00 PM

TO BE ANNOUNCED



County of Santa Cruz

HEALTH SERVICES AGENCY BEHAVIORAL HEALTH DIVISION



Salud Mental y
Tratamiento del Uso
de Sustancias

MINUTES – Draft

MENTAL HEALTH ADVISORY BOARD

MAY 15, 2025, 3:00 PM – 5:00 PM

1400 EMELINE, CONFERENCE ROOMS 206-207, SANTA CRUZ, CA 95060

MICROSOFT TEAMS (831) 454-2222, CONFERENCE ID 516 328 698#

Present: Antonio Rivas, Dean Kashino, Jeffrey Arlt, Jennifer Wells Kaupp, Kaelin Wagnermarsh,
Lourdes Barraza, Michael Neidig, Xaloc Cabanes, Supervisor Kimberly De Serpa
Absent: Hugh McCormick, Valerie Webb
Staff: Marni Sandoval, Karen Kern, James Russell, Jane Batoon-Kurovski

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- I. Roll Call – Quorum present. Meeting called to order at 3:04p.m. by Chair Xaloc Cabanes.
 - II. Public Comment – 1 addressed the MHAB in the conference room.
1 addressed the MHAB via Microsoft Teams.
 - III. Board Member Announcements
 - Motion to add Letter of Recommendation to BOS to reinstate the HSA budget FY2025-2026: Dean Kashino
Second: Antonio Rivas
Ayes: Rivas, Kashino, Arlt, Kaupp, Wagnermarsh, Barraza, Neidig, Cabanes
Abstain: Supervisor De Serpa
Motion passed.
 - Introductions of Dr. Marni R. Sandoval, Director of Behavioral Health and Lourdes Barraza, new MHAB member for the 4th District.
 - IV. Approve April 17, 2025 Minutes
Motion/Second: Dean Kashino / Supervisor De Serpa
Ayes: Rivas, Kashino, Arlt, Kaupp, Wagnermarsh, Barraza, Neidig, Cabanes, De Serpa
Motion passed.
 - V. Reports
 - A. Secretary's Report
 - No attendance/training issues.
 - B. Patients' Rights Report – George Carvalho, Patients' Rights Advocate
April report was provided. George did not attend the meeting.
 - C. Board of Supervisors Report – Supervisor Kim De Serpa
 - May revise came out – funding for schools is mostly okay. The County is not good, potential cuts in the Medicaid program.

D. MHSA 2025–2026 Annual Plan: Open Public Comment – Karen Kern, Behavioral Health Deputy Director

- MHSA and BHSA Overview
 - Five components of MHSA: Community Services & Supports, Prevention & Early Intervention, Innovation, Workforce Education & Training, Capital Facilities & Technology Needs.
 - Stakeholders that partnered with the CPPP this year: adults/seniors, families, providers of mental health services, law enforcement agencies, education agencies, social service agencies, Veterans, SUD services, different healthcare organizations, and special populations.
 - BHSA (SB326) expands services to include substance use treatment and changes the allocation of dollars to different services that are eligible under the plan.
 - The reporting and stakeholder input will be expanded under BHSA.
- Community Program Planning Process (CPPP): Key Findings
 - SCCBHD System, Program & Service Strengths
Most respondents reported knowing where to go or who to call to access services for their own or another's mental health needs.
 - SCCBHD System, Program & Service Challenges & Gaps include not enough service space for services that are currently provided; limited variety of services available; more timely access to services needed and general accessibility of services.
 - SCCBHD Populations in Need include people experiencing homelessness and/or housing insecurity; youth experiencing behavioral health crisis; individuals with early signs of behavioral health needs; adults experiencing BH Crisis; Older Adults, specifically those in need of residential housing.
- Proposed FY25–26 MHSA Program Modifications & Budget Request
 - IHART services: case management, therapy and OT, psychiatric provider, housing navigation, peer support
 - Full-Service Partnership Clients and Housing – house 100 individuals enrolled on Full-Service Partnership Teams by June 2026 and provide supportive behavioral health services to assist them in reaching recovery and self-sufficiency.
 - Innovation Plan: Crisis Now – support staffing for Children's Crisis Center for FY25–26 under the Crisis Now Pillar "Somewhere to Go"
- Next Steps for the FY2025–26 Annual Update
Finalize Annual Update following the Public Comment Period and present Annual Update to Board of Supervisor for approval, then submit Annual Update to the Mental Health Services Oversight & Accountability Commission (MHSOAC).

E. Site Visit Ad Hoc Committee Update – Kaelin Wagnermarsh and Dean Kashino

- Juvenile Hall site visit postponed for a few months due to construction.
- The board will select a different location to be discussed at retreat.

F. Funding Ad Hoc Committee Update – Jeffrey Arlt and Kaelin Wagnermarsh

- The committee is disbanded due to urgency of budget. The goal was to identify the gap in funding and found a \$50 to \$130 million gap between current budget levels and what is needed to operate a full-scale crisis response system that meets all the needs. The plan is to revisit after the budget.

VI. New Agenda Items

A. Revised Bylaws

Motion/Second: Antonio Rivas / Jennifer Wells Kaupp

Ayes: Rivas, Kashino, Arlt, Kaupp, Wagnermarsh, Barraza, Neidig, Cabanes, De Serpa

Motion passed.

B. Letter to Board of Supervisors regarding the sharing of information between Care Alert Program and Mobile Crisis Response Team

Motion to approve draft letter as revised: Mike Neidig

Second: Antonio Rivas

Ayes: Rivas, Kashino, Arlt, Kaupp, Wagnermarsh, Barraza, Neidig, Cabanes, De Serpa

Motion passed.

C. Letter to Board of Supervisors to Reinstate HSA Budget FY2025-2026

Motion/Second: Mike Neidig / Jennifer Wells Kaupp

Ayes: Rivas, Kashino, Arlt, Kaupp, Wagnermarsh, Barraza, Neidig, Cabanes, De Serpa

Motion passed.

VII. Adjournment

Meeting adjourned at 5:01 p.m.



County of Santa Cruz

HEALTH SERVICES AGENCY BEHAVIORAL HEALTH DIVISION



Salud Mental y
Tratamiento del Uso
de Sustancias

MINUTES – Draft

BEHAVIORAL HEALTH ADVISORY BOARD

JUNE 12, 2025, 3:00 PM – 5:00 PM

SOUTH COUNTY GOVERNMENT CENTER, 500 WESTRIDGE, WATSONVILLE, CA 95076

IN-PERSON ONLY

Present: Antonio Rivas, Dean Kashino, Hugh McCormick, Jeffrey Arlt, Jennifer Wells Kaupp,
Kaelin Wagnermarsh, Lourdes Barraza, Michael Neidig, Xaloc Cabanes
Absent: Valerie Webb, Supervisor Kimberly De Serpa
Staff: Marni Sandoval, Karen Kern, Jane Batoon-Kurovski

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- I. Roll Call – Quorum present. Meeting called to order at 10:20 a.m. by Chair Xaloc Cabanes.
 - II. Public Comment – none
 - III. Connections – board members shared their personal stories/backgrounds.
 - IV. Committees – not discussed
 - V. Review 2024-2025 Goals and Objectives – board members reviewed list.
 - VI. 2025-2026 Goals and Objectives: Service Priorities / Peer Support
The board discussed developing a roadmap for the ideal BH delivery system, with the recommendation of a Clubhouse approach, which is a formal version of MHCAN, structured with professionals. It is a place that has programs focused on people who have gone through an acute state of illness and primarily a socialization program. Clubhouses in CA are Medicare/Medicaid reimbursable services. The board will consider recommending and exploring the development of this program, which is a lower cost than treatment, and the goal is graduates of this program would become peer support specialists. Other points of discussion/recommendations:
 - Complete an exercise of defining a clubhouse and looking at MHCAN and how it is modeled. Confirm with Tyler if there is any interest or if he sees any compatibility with MHCAN expanding even more on the prevention/early intervention.
 - Send a letter to BOS requesting to start the process of having a summit where they invite all service providers for the purpose of integration of all the services and at the same time look into the different models that are successful.
 - Create an ad hoc committee to research this idea and do one for youth and for the homeless on Coral Street.

- Recommend starting with at least one Clubhouse and BH implement a peer support system.
- Suggest adding to the BOS letter that there be a more aggressive spend down and evaluation of MHSA prudent reserve.
- Recommend BH prioritize community events to bring communities together and discuss what they offer; and understanding the measures of accountability and success for what is provided to make sure they benefit folks. Question whether it would be better to give MHCAN more funding before starting something new.
- Suggestion for the upcoming year is for BHAB to focus on program development.

VII. Changes MHAB-BHAB (funding/SUDS) – Karen Kern, BH Deputy Director

- Behavioral Health Services Act opens to more behavioral health and housing related activities. There is more behavioral health integration and transformation instead of having 2 silos systems. BH encompasses both Mental Health and Substance Use Disorder Services and the intention of BHAB is to support all Behavioral Health. BHAB's role is the same but advising on a broader system of care for both Mental Health & Substance Use Disorder Services.
- Differences on how MH and SUDS are funded
County BH are administrators of two plans: Mental Health Plan and Drug Medi-Cal Organized Delivery System. There has always been State set maximum rates, but the previous structure was based on the service type, regardless of job classification. With Payment Reform, the rates were set differently and most counties got very low cap rates. Many types of activities were no longer allowed to be submitted for reimbursement and shifted from a service delivery cost reimbursement model to a practitioner type reimbursement model, so it is based on the level of licensure and specialty. Residential treatment is bound by Institute of Mental Disease (IMD). The waiver limits the amount of residential care beds for Mental Health up to 16 or less. SUDS has no limit on beds.
- Recommendations for the board – start conversations with local providers about the necessity to have integrated co-occurring facilities. If it is done locally and BH partners with them to build the program format, then policy could be created so it is open to all individuals. The boards advocacy of bringing the whole continuum of care together to discuss what the community needs and how it should function will help with the development of the program model.

VIII. Discussion changes MHAB-BHAB (funding/SUDS) – Mike Beebe, Board President of NAMI

- Focus on the following to achieve Comprehensive Health and Safety:
 1. Adequate range of cost-effective capacity of treatment options for the size of Santa Cruz County
 2. Reduction in cost from the use of out-of-county treatment facilities
 3. Timely and effective crisis response and dispatch to most appropriate destination: 988 implementation, 7/24 Crisis Now, law enforcement's additional option of deflection to treatment (in addition to charge or release)
 4. Improved medical treatment for those in jail
 5. Reduction in jail population and reduction of average days in custody
- Ideas to fund and support needed changes include: new revenue sources for the County, harvest savings from the current system, and capacity building for cost effective treatment.

- NAMI's request: restore HSA funding for staff and their supporting organizations. In FY25-26: appropriate HSA staffing levels and staffing mix; targeted in-county treatment beds/options: acute, step down, outpatient; mental health care in jail and future configuration of jail

IX. Site Visits

- Reports to be obtained before visiting the facility: example of days activities schedule, licensing inspection report if available. From Behavioral Health, obtain contract, client grievances filed during the last year concerning the facility.
- Kaelin to provide calendar of site visit dates and board members will attend as their schedules allow.

X. Deliverables

Form an ad hoc committee to do two deliverables: Data Notebook and Biennial Report.

XI. Adjournment

Meeting adjourned at 2:50 p.m.

Summary

This is a May 2025, Patients' Rights Advocate Report from the Patients' Rights Advocacy program. It includes the following: telephone calls, reports, and emails. It includes a breakdown of the number of certified clients, the number of hearings, and the number of contested hearings. It also includes a breakdown of Reise Hearing activity, including the number of Reise Hearings filed, the number of Reise conducted, and the number that was lost.

Patients' Rights Advocate Report

May 2025

7th Avenue Center

On May 5, 2025, This writer received a call from a resident concerning the quality and variety of food served at the 7th Avenue facility. This issue has been difficult for this Advocate to nail down and resolve. This writer will continue to review posted menus as well as continue to ask any resident if I may have the opportunity to speak about their opinion of the food. Considering food preferences, I've found nothing to pursue, although this complaint without proof of any sort has been presented to the clinical director and is considered an ongoing concern.

7th Avenue Center

On May 21, 2025, the PRA office received an SOC report submitted by an outside party. The client reported that he had been beaten up by a staff member. This writer forwarded a verbal report to the clinical director and interviewed the resident in person. The resident provided solid details about the alleged event including time, the staff person in question as well as witnesses, including his roommate. The clinical director informed me that the resident would only respond to him with vague responses. The director has interviewed some of the reported witnesses, yet these individuals did not substantiate the resident's account of the events thus far. This is an open and ongoing investigation.

Front Street Residential

On May 25 2025, The PRA office received a report from the Front Street residential staff of resident-to-resident verbal abuse as well as property damage. The PRA* investigated the allegation and substantiated the facilities report. However, the PRA could not substantiate the report of property damage.

Reise and Certification Review Hearings

May 2025

1. TOTAL NUMBER CERTIFIED	24
2. TOTAL NUMBER OF HEARINGS	21
3. TOTAL NUMBER OF CONTESTED HEARINGS	7
4. NO CONTEST PROBABLE CAUSE	14
5. CONTESTED NO PROBABLE CAUSE	2
6. VOLUNTARY BEFORE CERTIFICATION HEARING	
7. DISCHARGED BEFORE HEARING	3
8. WRITS	0
9. CONTESTED PROBABLE CAUSE	5
10. NON-REGULARLY SCHEDULED HEARINGS	0

Ombudsman Program & Patient Advocate Program shared 0 clients in this month

(shared = skilled nursing resident (dementia) sent to behavioral health unit or mental health client placed in skilled at Telecare (Santa Cruz Psychiatric Health Facility))

Reise Hearings. /Capacity Hearings

Total number of Reise petitions filed by the Telecare treating psychiatrist: 3

Total number of Reise Hearings conducted: 2

Total number of Reise Hearings lost: 2

Total number of Reise Hearings won: 0

Total number of Reise Hearings withdrawn: 1

Hours spent on conducted hearing representation: 1 hour

Hours spent on all Reise hearings: 1 Hour

Reise appeal: 0

Respectfully:

Davi Schill PRA, George Carvalho, PRA

Summary

This is a June, 2025 Patients' Rights Advocate Report from the Patients' Rights Advocacy program. It includes the following: telephone calls, reports, and emails. It includes a breakdown of the number of certified clients, the number of hearings, and the number of contested hearings. It also includes a breakdown of Reise Hearing activity, including the number of Riese Hearings filed, the number of Riese conducted, and the number that was lost.

Patients' Rights Advocate Report June 2025

Telecare PHF

On June 14, 2025, this writer received a call from a former patient of Telecare PHF. She reported that her treating psychiatrist did not meet with the client sufficiently and was over medicated during the period of her admission. The caller also reported that staff did not provide notice of the Certification Review hearing and therefore was not afforded the right to due process on the matter of 5250 hold. This writer interviewed the Clinical Director as well, Social Worker, and Hearing officer and am unable to substantiate the client's report of events.

Opal Cliffs Rehabilitation

On June 17, 2025, this writer responded to written and verbal report of a male client exposing himself to a female client. This writer interviewed the male client. He voiced contrition for his actions and recognized that his actions were taken seriously by the staff as well as the PRA. Ms. Davi Schill* interviewed the female involved. The female resident did not have a clear recollection of the incident and did not wish to take the matter further, such as contacting local law enforcement. The staff stated that the household will receive training in maintaining healthy boundaries.

Wheelock Residential

On June 23, 2025, this writer received a verbal report of fiduciary abuse for a resident of Wheelock residential. The staff person reported that a payee failed to pay two months of back rent. During the report I received information that a supervisor for Front Street Residential Inc contacted the daughter about this issue. After this conversation and the receipt of the SOC 314. This writer received an email explaining the reason for the lack of payment as well as payment for the back rent. At this point, the PRA concludes that the issue is resolved.

7th Avenue Center

On June 25, 2025, this received a written report from staff about a resident-to-resident report of an assault. This writer interviewed the client in person who acknowledged the assault against him. He confirmed that he did not wish to press charges against the other person. This writer did not observe any wounding or bruising on his face. The client requested that I speak to his conservator about a lateral transfer to another facility. I placed a call and spoke with the conservator. He stated that the client was not ready for discharge,

but the client's choice would be considered when the time was right for discharge from the 7th Avenue facility.

**Reise and Certification Review Hearings
June 2025**

1. TOTAL NUMBER CERTIFIED	18
2. TOTAL NUMBER OF HEARINGS	18
3. TOTAL NUMBER OF CONTESTED HEARINGS	5
4. NO CONTEST PROBABLE CAUSE	13
5. CONTESTED NO PROBABLE CAUSE	2
6. VOLUNTARY BEFORE CERTIFICATION HEARING	
7. DISCHARGED BEFORE HEARING	
8. WRITS	
9. CONTESTED PROBABLE CAUSE	3
10. NON-REGULARLY SCHEDULED HEARINGS	

**Ombudsman Program & Patient Advocate Program shared 0 clients in this month
(shared = skilled nursing resident (dementia) sent to behavioral health unit or mental
health client placed in skilled at Telecare (Santa Cruz Psychiatric Health Facility)**

Reise Hearings. /Capacity Hearings

Total number of Reise petitions filed by the Telecare treating psychiatrist: 3

Total number of Reise Hearings conducted: 3

Total number of Reise Hearings lost: 3

Total number of Reise Hearings won: 0

Total number of Reise Hearings withdrawn: 0

Hours spent on conducted hearing representation: 1 hour

Hours spent on all Reise hearings: 1.25 hours

Reise appeal: 0

Respectfully Submitted: Davi Schill, George Carvalho, PRA



Behavioral Health Director's Report

Dr. Marni R. Sandoval



Behavioral Health Advisory Board Meeting July 17, 2025

- I. James Russell, Director of Access and Crisis Services retired from Santa Cruz County Behavioral Health on July 7, 2025.
- II. Karen Kern, Deputy Director of Behavioral Health will be resigning from her position effective July 31, 2025. The recruitment to fill this position is currently open and scheduled to close on July 25, 2025.
- III. Update on the Children's Crisis Center
 - The center includes a Crisis Stabilization Unit (CSU) and Children's Crisis Residential Program (CCRP).
 - On June 10th The Board of Supervisors designated the Youth CSU facility as the designated facility that will provide psychiatric assessment, evaluation, treatment, crisis intervention, discharge planning, and referral for further treatment for children and youth age seventeen and under.
 - Licensing and Certification for both the CSU and CCRP are in process with the various state agencies.
 - There are active negotiations with the provider to finalize contract for program operations of both the CSU and CCRP.
 - The facility is fully furnished, and the last construction touches are being completed.
 - Start up activities will begin this month and continue through September. The ribbon cutting ceremony is being planned for September 15, 2025. Family Day will be on September 20, 2025. Details will be announced closer to the event dates.
 - Facility program open and operational status is anticipated for October 1, 2025.
- IV. BHBH-LBNC Project Update
2202 Soquel Avenue, Santa Cruz CA 95062
 1. Site Demolition: COMPLETE. Fencing and signage are up, and the demo of the old structure is complete. The site prep has begun.
 2. Site Work: IN-PROCESS. We are currently working through permitting for the rest of the site work and contracting with a vendor. This includes prepping the undersoil to mitigate risk of a slide during a seismic event and shoring up the cracked retaining wall between our site and the Sutter OP offices next door.
 3. Unit Installation: We are using a product by Life Ark that is being built in southern CA and will be installed once the site work is complete.
 4. Open & Move-in: We anticipate opening/move in December 2025 or January 2026.

NAMI SCC Recent Communications to the County Regarding Support of Behavioral Health

Purpose: Share the rationale for both the need to restore the planned cuts to HSA staff and the need to develop a plan to address shortcomings in support for those with mental health and substance use disorders across the county

Agenda:

1. Demographics & statistics

2. Our current state

-Consistent assessments

-Capacity observations

3. Current initiatives dependence on increased capacity

4. Framework for funding solutions

5. Our request

County Demographics

Of Santa Cruz County's population of 261,000 statistically 85,000 (33%) have mental health and/or substance use disorders. A third of our community deserve support in achieving lives which are healthy and fulfilling.

-43,000 have a range of mental illness

9,700 will have serious mental illness (SMI)

33,300 will have any mental illness (AMI) mild-moderate-severe impairment

2.4 times the general public with mental illness will be in the justice system

50% of those in our jail are on mental health medication

-42,000 will have substance use disorder

12 times the number of individuals in general public with the same DSM-IV diagnosis will be in justice system

92 individuals in our jail are receiving medication assisted treatment for substance use

-17,000 individuals with mental health illness will also have a co-occurring substance use disorder

-By age 14, 50% of youth will experience their first serious mental illness

-Suicide is the second leading cause of death for people aged 10-34

86,900 individuals are in this age group in our county

29.2% of SC adults 25-44 have seriously thought about suicide in 2022-2023

Our Current State: The following sources consistently recommend the need for: increased behavioral health staff & programs, more treatment beds & outpatient options, 7/24 non police crisis response, deflection from jail, and MH & SUD treatment in jail:

MHSA Report FY 2024-2025

39% strongly or somewhat disagree that Santa Cruz County's services meet the needs of people experiencing a mental health crisis. (an additional 14% neither disagree or agree). Similar findings on whether the County's behavioral health services met the community needs

Feedback on experiences with behavioral health team was positive with only 15% on average responding negatively to questions in 6 categories

June 2023 Grand Jury Report- "Diagnosing the Crisis in Behavioral Health-Underfunded, Understaffed, Overworked"

-BHD seriously understaffed-as much as 30%

-Lack of enough beds in higher level facilities can lead to people with serious mental health repeatedly cycling through the system

-Lack of step-down for patients completing both inpatient and outpatient treatment often results in patients relapsing and needing retreatment, which is bad for the patient and increases cost for the Behavioral Health Division

-Santa Cruz has three times the number of high- cost beneficiaries (approved claims of \$30,000/ year) that the state average

May 2023 Grand Jury Report- "Envisioning the Future of our Jails- We Continue to "Kick the Can"

-The Santa Cruz Jail has been described as the largest mental health holding facility in the County

-40% have been diagnosed with mental illness, 65% have active substance use disorder, 20% under the influence of drugs or alcohol at the time of the crime

June 2024 Grand Jury Report- “We Can Do Better in Our Jails! -Better Health Care and Reentry Support”

-the Grand Jury is deeply concerned with the poor mental health treatment provided to our inmate population. This extends to the treatment of inmates living with or developing mental health challenges, through jail time and post release (see CJC statistics below: majority of those in jail are awaiting trial & assumed innocent)

June 2024 Grand Jury Report- “County Behavioral Health Services- A State of Mind”

-Enhanced Case Management: Increase emphasis on enhanced case management services which will reduce long-term health care costs

-Local Care Focus: Reduce costly out-of-county inpatient transfer by investing in local resources

**** in the year 2022, transfers to hospitals outside the County were made at a cost of \$23,540,750 (these transfers were not eligible for a 50% cost match from Medi-Cal)*

Criminal Justice Council – “Santa Cruz County Mental/ Behavioral Health & Criminal Legal System Review 2021-2025

-Recommendations included: Improve jail infrastructure, improve continuity of care, increase program and treatment funding, expand treatment options and improve access, and increase housing availability

-in 2022, 263 of the 327 individuals in jail were not sentenced and average days in custody was 235 days

Sheriff Clark reporting on Jail Statistics as of 4/30/25

-With a jail population at 340: 78% were on some form of medication, 50% were on mental health related medication, 37% had a chronic medical condition, 92 were receiving medication treatment for substance use disorder, 11 were incompetent to stand trial (due to severe mental illness), and 11 had a disability or needed accommodation for disability.

-Conclusion of above is that the jail is of a default hospital without the design and staffing to support that function

Current State-Capacity Observations

Goal 1. Implement the appropriate level of capacity for the size of the community: Action- determine what the recommended number of beds and out-patient treatment options should be for our county.

Current State:

<u>Population Impacted</u>	<u>Available Beds</u>	<u>Comments</u>
Mental Health:		
43,000	-16 <u>In-County Acute</u> beds	Telecare discharged 368 in 2024 with average treatment time of 14.4 vs 2023 discharges 437 at 10.9 days
	-32 bed estimate for <u>acute out-of-county</u>	Experience in FY 18/19 was that 474 in-county discharges and 629 out-of-county for a total of 1103
	- <u>In-county Sub-Acute:</u>	
	16 beds-El Dorado	60-100 clients in 2024
	10 beds-Telos	79-100 clients in 2024 (closing 6/30/25)
Substance Use Disorder:		
42,000	46 beds	Three providers with 5 facilities one for Latino men and one for perinatal women
Co-occurring Disorders:		
17,000	30 beds	Encompass Residential Recovery. (Santa Cruz Residential Recovery has 23 pay beds)

Conclusion: Current capacity is significantly under needed level. The 2021 Rand/ MHSA Report commends we have 56 acute and 53 sub-acute bed capacity based on our population. Our current use of out-of-county treatment resources is incurring unnecessary and unreimbursed costs. Lack of sub-acute and step-down facilities means lack of treatment options for many and inability redirect individuals in need to access lower cost facilities plus a shortage in an appropriate range of treatment options limits where crisis teams and law enforcement can deflect individuals.

Goal 2. Install a range of solutions are in place which are cost effective & provide options for the least restrictive treatment environment

Relative cost of treatment options

<u>Treatment Setting</u>	<u>Bed Cost</u>	<u>Cost Per Stay</u>
Residential:		
Acute Bed	\$450K / year	\$12,600 per person with a 10 day stay
Sub-Acute Bed	\$150K / year	\$4,200 per person with a 10 day stay
Co-occurring	\$150K / year	\$12,500 For mild to initial stabilization with a 30 day stay \$25,000 for complex & severe with a 60 day stay
Substance Use	\$125K / year	\$10,400 per person for a 30 day stay
Residential MH & SUD	\$228K / year	\$56,800 for 13 weeks average at \$624/day
State Hospital	\$154K / year	\$51,300 for a four month stay at \$4,337/ day
Local Jail*	\$89K/ year	\$ 57,900 / person with 237 average days in custody
Non-residential:		
Partial Hospitalization/		
Intensive Outpatient	\$7k/person	3-5 sessions/ week, 3-5 hours/ session, duration 8-12 weeks
Outpatient	\$2K/person	1-2 sessions/ week, 1-2 hours/ session, duration 45-60 days
Probation	\$4,438/ person	California average

Conclusions: Sub-acute are a third of the cost of acute and outpatient can be less with individuals at living at home. Local treatment is less expensive than State Hospitals and Jail and probation is a fraction of jail cost. Creating a range of options with the right capacity should increase the number of people receiving the right support and reduce repeated episodes and justice system involvement.

*Jail cost relatively fixed but medical cost within the jail isn't. Medical care provided does not equal outside options.

Note: Above financial statistics require review and refinement but should provide comparisons on treatment options

Building our staff & programs and treatment capacity is essential to supporting County initiatives

One of six strategic goals for the County is Comprehensive Health and Safety with four areas of focus: health equity, community support, local justice and behavioral health

Focus to achieve above

Adequate range of cost- effective capacity of treatment options for the size of our county

Reduction in cost from the use of out-of-county treatment facilities

Timely and effective crisis response and dispatch to most appropriate destination: 988 implementation, 7/24 Crisis Now, law enforcement's additional option of deflection to treatment (in addition to charge or release)

Improved medical treatment for those in jail

Reduction in jail population and reduction of average days in custody

Ideas to Fund and Support Needed Changes

New Revenue Sources for the County:

- Renegotiate current county Medi-Cal reimbursement status *
- Increase percent of property tax received without impacting other organizations *

Harvest Savings from Current System:

- Accelerate \$125M FEMA reimbursements: pick up \$40M after bond retirement and \$5M interest savings *
- Incrementally reduce current out-of-county treatment cost \$23.5M for a 50% savings
- Focus on high-cost beneficiaries and increase their resilience and reduce cost
- Review Telecare average treatment time to ensure increase utilization and reduce transfers out of county

Capacity Building for Cost Effective Treatment:

- Utilization of Prop 1 capital *
- Increased use of step-down and outpatient to increase coverage at less cost
- New bond issue once FEMA bond retired
- Address needed in-county acute beds and jail mental health needs as a shared goal
- Long-term contracts with outside providers where their capital investments are assured
- Partnering with private insurance companies to create facilities used for Medi-Cal and those privately insured
- Receive financial support for capacity growth from the cities of Santa Cruz, Watsonville, Capitola & Scotts Valley

*May require active support from our elected State and Federal legislators

OUR REQUEST

In the FY 25/26 Budget restore HSA funding for staff and their supporting organizations so current deficits are not increased and critical staff is retained.

In FY25/26 elevate the issue of capacity and its interdependency across county departments to create an agreed to assessment of current gaps and their impacts, and a multi- year plan to close the gaps

(Following included in earlier communications)

- Appropriate HSA staffing levels and staffing mix**
- Targeted in- county treatment beds/ options: acute, step down, outpatient**
- Mental health care in jail and future configuration of jail (medical support major jail function)**