

Memorandum

Date: October 20, 2026

To: The Honorable Lake County Board of Supervisors

From: Elise Jones, Director of Behavioral Health Services

Subject: Approve Agreement between the County of Lake and North Valley Behavioral Health, LLC. for Acute Inpatient Psychiatric Hospital Services and Professional Services Associated with Acute Inpatient Psychiatric Hospitalization for Fiscal Year 2026-27, in an amount not to exceed \$550,000, and authorize the Chair to sign.

Executive Summary:

Lake County Behavioral Health Services (LCBHS) is requesting approval of an Agreement with North Valley Behavioral Health, LLC. for acute inpatient psychiatric hospital services and professional services associated with acute inpatient psychiatric hospitalization for the period of July 1, 2026 through June 30, 2027, in an amount not to exceed \$550,000.

LCBHS, as the Mental Health Plan for Lake County, is responsible for ensuring access to medically necessary acute inpatient psychiatric hospital services for Medi-Cal beneficiaries who meet applicable Specialty Mental Health Services requirements. Lake County does not have an acute psychiatric hospital within the County; therefore, LCBHS must maintain access to qualified out-of-county facilities for individuals requiring a hospital-based level of psychiatric care. North Valley Behavioral Health provides these services at its facilities in Yuba City.

North Valley Behavioral Health is a licensed acute care psychiatric inpatient provider serving adults who require a level of psychiatric care that cannot safely be provided in the home or community setting. Services include multidisciplinary evaluation and treatment, stabilization, medication management, therapy, case management, and coordinated discharge planning. Utilization of North Valley Behavioral Health has varied based on client placement and acute inpatient needs. In FY 2024-25, LCBHS served 15 clients for a total of 404 bed days, with expenditures totaling \$461,687. In FY 2025-26, LCBHS served 6 clients for a total of 232 bed days, with expenditures totaling \$270,979. Although utilization decreased in FY 2025-26, the need for acute inpatient psychiatric hospitalization can fluctuate significantly based on individual client needs and cannot be predicted with certainty.

The proposed FY 2026-27 maximum compensation of \$550,000 provides sufficient capacity for LCBHS to respond to acute inpatient placement needs throughout the fiscal year while maintaining an established contractual relationship with the provider. The maximum contract amount does not represent a guaranteed expenditure; the County pays only for services actually authorized and provided.

Under the Agreement, North Valley Behavioral Health will provide acute inpatient psychiatric hospital treatment through a multidisciplinary treatment approach that includes psychiatric assessment and treatment, medication evaluation and management, nursing and health monitoring, individual and group therapy, rehabilitation services, social work and case management, and discharge planning. The Contractor is also required to maintain applicable licensing, certification, enrollment and credentialing requirements and comply with federal, State, DHCS, Medi-Cal and County requirements.

LCBHS retains responsibility for authorization and oversight of services. Services and placements must be authorized by the County, and LCBHS retains authority over hospitalization authorization and concurrent review. The Agreement also requires sufficient clinical, billing and utilization documentation for the County to validate services and support applicable claiming and oversight requirements.

The Agreement establishes an all-inclusive rate of \$1,250 per authorized client day at the Contractor's two authorized Yuba City facilities. The per diem includes facility and professional services routinely associated with acute inpatient hospitalization, including room and board, nursing, physician and other professional services, psychiatric treatment, medication management, therapy, rehabilitation, social work and case management, discharge planning, routine supplies, and ordinary laboratory and diagnostic services.

The Agreement is currently funded with Mental Health Realignment. LCBHS is evaluating the use of Behavioral Health Services Act (BHSA) funding for eligible costs associated with these services, including the County's non-federal share of applicable Medi-Cal services, consistent with BHSA requirements and the County's Integrated Plan.

The Agreement is exempt from the formal Request for Proposals process pursuant to Section 2-38.2(2) of the County's Purchasing Policy/Code due to the specialized nature of acute inpatient psychiatric hospital services, the need for licensed hospital-based psychiatric care, and North Valley Behavioral Health's qualifications and capacity to provide these services.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Purchasing Considerations (check all that apply):

☐ Not applicable

- ☐ Fully Article X.- and/or Consultant Selection Policy-Compliant (*describe process undertaken in "Executive Summary"*)
- ☐ Section 2-38 Exemption from Competitive Bidding (*rationale in "Executive Summary," attach documentation, as needed*)
- ☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee ("Yes," if checked)
- ☐ Other (*Please describe in Executive Summary*)

Consistency with Vision 2028 (check all that apply):

☐ Not applicable

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|--|--|--|
| ☐ Well-being of Residents | ☐ Public Safety | ☐ Disaster Prevention, Preparedness, Recovery |
| ☐ Economic Development | ☐ Infrastructure | ☐ County Workforce |
| ☐ Community Collaboration | ☐ Business Process Efficiency | ☐ Clear Lake |

Recommended Action: Approve Agreement between the County of Lake and North Valley Behavioral Health, LLC. for Acute Inpatient Psychiatric Hospital Services and Professional Services Associated with Acute Inpatient Psychiatric Hospitalization for Fiscal Year 2026-27, in an amount not to exceed \$550,000, and authorize the Chair to sign.