

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 9, 2026

FROM

JOSHUA DUGAS, Acting Director, Department of Behavioral Health

SUBJECT

Amendments to Contracts for Early Intervention, Outpatient Treatment, Intensive Outpatient Treatment, and Recovery Services

RECOMMENDATION(S)

1. Approve amendments to contracts with the following agencies, for the provision of Early Intervention, Outpatient Treatment, Intensive Outpatient Treatment, and Recovery Services, updating standard contract language, increasing the combined contract amount by \$5,514,275, from \$14,951,224 to \$20,465,499:
 - a. G and C Swan, Inc., **Amendment No. 2 to Contract No. 24-278**, increasing the contract amount by \$150,000, from \$979,726 to \$1,129,726, with no change to the contract period of March 26, 2024 through June 30, 2027.
 - b. High Desert Child, Adolescent and Family Services Center, Inc., **Amendment No. 6 to Contract No. 22-471**, increasing the contract amount by \$3,231,569, from \$3,897,773 to \$7,129,342, with no change to the contract period of July 1, 2022 through June 30, 2027.
 - c. Inland Behavioral and Health Services, Inc., **Amendment No. 5 to Contract No. 22-472**, increasing the contract amount by \$233,898, from \$1,685,950 to \$1,919,848, with no change to the contract period of July 1, 2022 through June 30, 2027.
 - d. Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services, **Amendment No. 6 to Contract No. 22-473**, increasing the contract amount by \$1,547,266 from \$6,857,480 to \$8,404,746, with no change to the contract period of July 1, 2022 through June 30, 2027.
 - e. Social Science Services, Inc., dba Cedar House Life Change Center, **Amendment No. 5 to Contract No. 22-475**, increasing the contract amount by \$351,542, from \$1,530,295 to \$1,881,837, with no change to the contract period of July 1, 2022 through June 30, 2027.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).
(Presenter: Joshua Dugas, Acting Director, 252-5142)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote and Fulfill the Countywide Vision.

Foster Sustainable Development Through Strategic Partnerships.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

**Amendments to Contracts for Early Intervention, Outpatient Treatment,
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Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The recommended contract increase of \$5,514,275 is needed due to higher costs per client under California Advancing and Innovating Medi-Cal (CalAIM) initiatives, as well as an anticipated increase in the number of clients receiving Early Intervention, Outpatient Treatment, Intensive Outpatient Treatment, and Recovery Services (EI-OT-IOT-RS).

The increase will be funded by \$4,962,848 from Federal Financial Participation Drug Medi-Cal (FFP) funding (90%), and \$551,427 (10%) transferred from existing ongoing 2011 Realignment funding from Fund Center 9200001000 to Fund Center 1010571000, which will be backfilled with 1991 Realignment reserves.

Of the total increase, \$1,838,092 is needed in 2025-26 and will be funded by \$1,654,283 FFP funding, and \$183,809 transferred from existing ongoing 2011 Realignment funding, to be backfilled with 1991 Realignment reserves.

The remaining \$3,676,183 will be included in a future Department of Behavioral Health's (DBH) 2026-27 budget adjustment request and funded by \$3,308,565 FFP funding, and \$367,618 transferred from existing ongoing 2011 Realignment, to be backfilled with 1991 Realignment reserves.

DBH requests the following adjustments to its 2025-26 budget:

Fund Center	Commitment Item	Description	Action	Amount
1010571000	52002445	Other Professional & Specialized Services	Increase	\$1,838,092
1010571000	40408855	Medi-Cal Inpatient	Increase	\$1,654,283
1010571000	40458711	Realignment 2011	Increase	\$183,809
9200001000	40458711	Realignment 2011	Decrease	\$183,809
9200001000	40458700	State Realignment Revenue	Increase	\$183,809
1169001010	40458700	State Realignment Revenue	Decrease	\$183,809
1169001010	40458702	Realignment Reserve (Budget)	Increase	\$183,809

BACKGROUND INFORMATION

DBH is responsible for providing mental health and substance use disorder (SUD) services to county residents experiencing severe mental illness and/or SUD. EI-OT-IOT-RS provides a comprehensive continuum of SUD prevention and treatment services for residents in the county. These services include preventive support for clients to identify potential substance use before it occurs, outpatient treatment for clients with a SUD, and recovery services that assist clients who have completed a treatment program.

On June 28, 2022 (Item No. 35), as the result of a formal procurement, the Board of Supervisors (Board) approved Contract No. 22-471 with High Desert Child, Adolescent and Family Services Center, Inc. (HDCAFSC), in the amount of \$2,290,745, Contract No. 22-472 with Inland Behavioral and Health Services, Inc. (IBHS), in the amount of \$1,685,950, Contract No. 22-473 with Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services

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(IVRS), in the amount of \$4,769,000, Contract No. 22-474 with Mental Health Systems Inc. (MHS), in the amount of \$3,153,700, and Contract No. 22-475 with Social Science Services, Inc. dba Cedar House Life Change Center (Cedar House), in the amount of \$1,530,295, to provide EI-OT-IOT-RS for a combined contract total of \$13,429,690 for the period of July 1, 2022 through June 30, 2027.

On July 1, 2020, the Department of Children and Family Services (CFS) and DBH entered into the Memorandum of Understanding (MOU) allocating \$800,000 annually for EI-OT-IOT-RS, to be used for clients referred to DBH for treatment. On September 30, 2025, the MOU renewed for a five-year term from a retroactive start date of July 1, 2025 through June 30, 2030.

Through the collaborative MOU for Case Management and SUD Treatment between DBH and CFS, CFS clients can be screened for SUD services by a DBH Case Manager who is co-located in the CFS office. If it is determined that the client would benefit from treatment, the DBH Case Manager assists the client with enrollment into a treatment modality that will be best suited to their individual needs. The chart below outlines each amendment related to CFS aggregate increases:

Approval Date	Item No.	Providers	Amendment Nos.	CFS Aggregate Amount
May 23, 2023	25	HDCAFSC, IBHS, IVRS, MHS, Cedar House	1, 1, 1, 1, 1, respectively	\$1,600,000 (\$800,000 annual allocation for 2022-24)
June 11, 2024	36	HDCAFSC, IBHS, IVRS, Cedar House, CLARE MATRIX	3, 2, 3, 2, 1, respectively	\$800,000 (For 2024-25) for a total aggregate amount of \$2,400,000
March 25, 2025	15	HDCAFSC, IBHS, IVRS, Cedar House, CLARE MATRIX	4, 3, 4, 3, 2, respectively	\$800,000 (For 2025-26) for a total aggregate amount of \$3,200,000
April 21, 2026	12	HDCAFSC, IBHS, IVRS, Cedar House	5, 4, 5, 4, respectively	\$800,000 (For 2026-27) for a total aggregate amount of \$4,000,000

On May 23, 2023 (Item No. 25), the Board approved Amendment No. 1 to Contract No. 22-473, with IVRS, which included an increase in the amount of \$57,000, from \$4,769,000 to \$4,826,000, with no change to the contract period of July 1, 2022 through June 30, 2027, in addition to the 2022-24 CFS aggregate funding.

On June 27, 2023 (Item No. 41), as a result of a formal procurement, the Board approved Contract No. 23-601, with CLARE|MATRIX in the amount of \$1,520,000, in addition to the 2022-24 CFS aggregate funding, for the contract period of July 1, 2023 through June 30, 2027.

Effective December 31, 2023, MHS terminated its contracts with the County, including Contract No. 22-474.

On March 26, 2024 (Item No. 29), as a result of a formal procurement, the Board approved Contract No. 24-278 with G and C Swan, Inc. (G & C Swan), in the amount of \$979,726, for the contract period of March 26, 2024 through June 30, 2027.

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On May 7, 2024 (Item No. 21), the Board approved Amendment No. 2 to Contract No. 22-471 with HDCAFSC, increasing the total contract amount by \$810,465, from \$2,290,745 to \$3,101,210, with no change to the contract period of July 1, 2022 through June 30, 2027. Additionally, the Board approved Amendment No. 2 to Contract No. 22-473 with IVRS, increasing the total contract amount by \$938,693, from \$4,826,000 to \$5,764,693, with no change to the contract period of July 1, 2022 through June 30, 2027. These amendments prevented service disruptions after MHS exited the County by providing additional funding to IVRS and HDCAFSC to serve former MHS clients.

On March 25, 2025 (Item No. 15), the Board approved Amendment No. 4 to Contract No. 22-471 with HDCAFSC, increasing the total contract amount by \$796,563, from \$3,101,210 to \$3,897,773, with no change to the contract period of July 1, 2022 through June 30, 2027, in addition to the 2025-26 CFS aggregate funding. Additionally, Item No. 15 also included approval of Amendment No. 4 to Contract No. 22-473, with IVRS, increasing the total contract amount by \$1,092,787, from \$5,764,693 to \$6,857,480, with no change to the contract period of July 1, 2022 through June 30, 2027, in addition to the 2025-26 CFS aggregate funding.

Effective September 30, 2025, CLARE|MATRIX terminated its contracts with the County, including Contract No. 23-601.

On December 16, 2025 (Item No. 29), the Board approved contract-amendment templates to update the provisional payment language in contracts with providers of specialty mental health and/or Substance Use Disorder and Recovery Services (SUDRS) to reflect a fee-for-service (FFS) payment methodology. As part of the California Department of Health Care Services (DHCS) CalAIM, DBH has shifted from cost-based reimbursement to FFS with eligible providers for Medi-Cal billable services, streamlining administrative processes to prioritize equitable health outcomes for all Californians.

In December 2025, DBH reviewed the finalized FFS rates and determined that, based on historical utilization patterns and recent provider cost data, providers had been reimbursed at levels below their actual costs. In addition, the new uniform FFS structure, developed using aggregated provider data from all DBH programs, further elevated costs for some programs, resulting in increased costs per client for DBH following the implementation of the FFS rates.

On March 25, 2026, Amendment No. 2 to Contract No. 24-278, with G & C Swan, was executed amending the provisional payment language through the delegated authority process authorized by the Board on December 16, 2025 (Item No. 29) board action.

On April 21, 2026 (Item No.12), the Board approved Amendment No. 5 to Contract No. 22-473 with IVRS, Amendment No. 4 to Contract No. 22-472 with IBHS, and Amendment No. 4 to Contract No. 22-475 with Cedar House updating standard contract language to include amended provisional payment language, in addition to the 2026-27 CFS aggregate funding with no changes to the contract amounts or contract period.

The requested \$5,514,275 increase will prevent service disruptions and ensure compliance with CalAIM requirements, including the required shift to FFS payment models under the Behavioral Health Payment Reform. Additionally, approval of the recommendation will update standard language to include Behavioral Health Services Act requirements, effective July 1, 2026, provisional payment language to reflect FFS transition within DBH contract language, and the Levine Act – Campaign Contribution Disclosure (formerly Senate Bill 1439).

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From July 1, 2022 through December 31, 2025, the EI-OT-IOT-RS program served:

- Approximately 3,054 unduplicated clients annually;
- Estimated cost of \$979 per client across all service providers.

From January 1, 2026 through June 30, 2027, DBH projects the EI-OT-IOT-RS program to serve:

- Approximately 3,563 unduplicated clients annually;
- Estimated cost of \$1,871 per client across all service providers.

DBH will also implement mechanisms to regularly review 1) client service data and progress, conduct site visits and annual monitoring to ensure performance and compliance standards of the contract(s) are met; 2) applicable claims data and claims for reimbursement to ensure fidelity and accuracy of service billing and optimization of Medi-Cal reimbursement in alignment with contract terms and DHCS billing requirements; and 3) provider invoices administratively and programmatically to ensure client and/or bed counts are accurate prior to payment processing.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by Behavioral Health (Marianna Martinez, Administrative Supervisor II, 383-3940) on May 4, 2026; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on May 13, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-3035) on May 22, 2026; Children and Family Services (Christopher Pearson, Administrative Supervisor II, 658-1108) on May 22, 2026; and County Finance and Administration (Iliana Rodriguez, Administrative Analyst, 386-8392 and John Hallen, Principal Administrative Analyst, 388-0208) on May 26, 2026.

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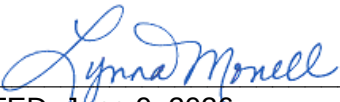
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 9, 2026



cc: DBH - Rodriguez w/agrees
Contractor - c/o DBH w/agree
File - w/agree

CCM 06/25/2026