

68. Approve first amendment to rate agreement with Castlewood West, LLC dba Alsana to expand eating disorder services and extend term through June 30, 2027, and take related actions ()



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** Health Services Agency

**Subject:** Approve First Amendment to Agreement with Castlewood West, LLC dba Alsana

**Meeting Date:** June 24, 2025

**Formal Title:** Approve first amendment to rate agreement with Castlewood West, LLC dba Alsana to expand eating disorder services and extend term through June 30, 2027, and take related actions

### Recommended Actions

1. Approve the first amendment, Amendment No. 1, to a rate agreement, Contract No. 24H0101, with Castlewood West, LLC dba Alsana to expand eating disorder services needed to provide needed care for clients of the Santa Cruz County Behavioral Health system through June 30, 2027; and
2. Authorize the Interim Director of Health Services or designee to sign the amendment.

### Executive Summary

The Health Services Agency (HSA) currently contracts for eating disorder services with Castlewood West, LLC dba Alsana (Alsana) for Residential, Partial Hospitalization (PHP), and Intensive Outpatient (IOP) care for adult clients. Alsana has expanded their PHP and IOP offerings to include youth as young as 12 years of age. HSA requests Board approval to amend the existing expenditure rate agreement with Alsana to add this population and make them eligible for these services.

### Discussion

Alsana is a long-time Santa Cruz County provider that serves clients of Adult Behavioral Health Services with an eating disorder. On May 14, 2024, the Board ratified a rate agreement with Alsana for Residential, PHP, and IOP services with a term end date of June 30, 2027.

This amendment will add youth as young as 12 years of age as an eligible population under the PHP and IOP service lines at the already agreed upon rates, which, when necessary, will assist the County in locating an appropriate program for youth experiencing an eating disorder. Board approval of the proposed amendment will diversify network adequacy and ensure the continuation of the essential, specialized eating disorder services provided by Alsana.

### Financial Impact

Amendment No. 1 to Contract No. 24H0101 with Alsana is budgeted under account 363149/62367/H48008. Sufficient appropriations are included in HSA Behavioral Health Division's FY 2024-25 Approved Budget and FY 2025-26 Proposed Budget. This agreement is funded by Mental Health Services Act Community Services and Supports (MHSA-CSS). MHSA, enacted through Proposition 63 in 2004, funds mental health programs through a 1% tax on personal incomes over \$1 million. Because this funding depends on high-income earners, it is vulnerable to economic fluctuations and may vary year to year. No County General Funds are needed or requested.

**Strategic Initiatives**

Operational Plan - Comprehensive Health & Safety

**Submitted By:**

Jennifer Herrera, Interim Director of Health Services

**Recommended By:**

Carlos J. Palacios, County Executive Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.

**COUNTY OF SANTA CRUZ**  
**AMENDMENT NO. 1 TO CONTRACT**

The parties hereto desire to amend that certain Contract No. 24H0101 dated November 8, 2023 (“Contract”), by and between the County of Santa Cruz through the Health Services Agency (“COUNTY”) and Castlewood West, LLC dba Alsana (“CONTRACTOR”) in the manner described below.

**BACKGROUND/PURPOSE OF AMENDMENT:**

To include two new services offered by CONTRACTOR. CONTRACTOR is now able to provide eating disorder services to children and virtual services.

NOW THEREFORE, the Parties mutually agree as follows:

1. Exhibit A is hereby amended to read as follows:

Delete existing Exhibit A and replace with attached Amended Exhibit A.

2. Exhibit B is hereby amended to read as follows:

Delete existing Exhibit B and replace with attached Amended Exhibit B.

3. Except as modified herein, the Contract shall remain in full force and effect. In the event of a conflict between the provisions of this Amendment and the Contract, the provisions of this Amendment shall govern.

[Signatures on Following Page]

CONTRACTOR

Signed by:  
By: Jordan Watson  
Jordan Watson  
CEO

Date: 6/3/2025

COUNTY OF SANTA CRUZ

By: \_\_\_\_\_  
Director of Health Services or Designee  
Health Services Agency

Date: \_\_\_\_\_

APPROVED AS TO FORM

Signed by:  
By: John Ng  
Office of the County Counsel

Date: 6/2/2025

APPROVED AS TO INSURANCE

Signed by:  
By: Gina Borasi  
Risk Management

Date: 6/2/2025

## COUNTY OF SANTA CRUZ

### AMENDED EXHIBIT A – Scope of Services

CONTRACTOR agrees to and will exercise special skill to accomplish the following results:

1. DUTIES. Upon COUNTY's written request, CONTRACTOR agrees to and will provide specialized eating disorder services including residential treatment services (RTC), a partial hospitalization program (PHP), and an intensive outpatient program (IOP) at the following locations:

Castlewood West RTC  
213 Seventeen Mile Drive  
Pacific Grove, CA 93950

Castlewood West PHP/IOP  
10 Harris Court, Building C, Suite 6  
Monterey, CA 93940

Alsana West, PHP/IOP  
31248 Oak Crest Dr., Suite 220  
Westlake Village, CA 91361

COUNTY'S written request to provide said services shall include name of client, type of service, requested length of stay, and approval signature of the applicable COUNTY Branch Director, or designee. Services are summarized below:

#### A. Eating Disorder RTC

- (a) Target population
  - i. Adults 18 years of age and older
- (b) Individualized therapy
  - i. Personal weekly session with facility psychiatrist
  - ii. Individual sessions four times each with their primary therapist (for the first month of treatment)
  - iii. One individual meeting weekly with an eating disorder dietician
  - iv. Additional intervention for co-occurring disorders such as anxiety, depression, obsessive-compulsive disorder (OCD), and post-traumatic stress disorder (PTSD)
- (c) Nutrition components
  - i. Ongoing group nutrition education

Contractor: Castlewood West, LLC dba Alsana

Contract No.: 0101

- ii. Three staff-monitored meals daily with after-meal therapeutic discussion to process and promote healthy eating behaviors
  - iii. Personalized meal plans including snacks
  - iv. Compliance monitoring (food access is completely restricted and secured)
  - v. Individual sessions and consults with primary dietician
- (d) Group therapy and support
- i. Daily group therapy in small groups and larger special-topic sessions
  - ii. Built in support from peer groups with similar issues and problems
- (e) Health and wellbeing monitoring
- i. Weight is carefully monitored and tracked once each day
  - ii. Vital signs are taken at least daily
  - iii. Labs are drawn weekly, and monitored by CONTRACTOR's nursing staff and CONTRACTOR's Medical Director
  - iv. Gradual increase in independence as healthy skills and coping mechanisms become stronger (this signals readiness for moving to other levels of care)
- (f) Other important support services
- i. Weekend outings with healthy eating components
  - ii. Family support therapy
  - iii. Family visiting opportunities at specified times
  - iv. 12-step groups available as needed in the local community
  - v. Relapse prevention plan development and practice
  - vi. Continuum of care to allow for increase in autonomy
  - vii. Alumni Program
- (g) Nutrition Education and Meal Processing
- i. CONTRACTOR's residential eating disorder treatment center's nutrition program to be staffed by licensed dieticians.

**B. Eating Disorder PHP (services may be delivered in person or virtually)**

- (a) Target population
- i. Adults 18 years of age and older
  - ii. Youth 12-17 years of age
- (b) PHP Programming - Therapy modalities include:
- i. 2 Individual or 1 individual and 1 supportive session with a primary therapist provided by CONTRACTOR
  - ii. One weekly session with CONTRACTOR's staff psychiatrist
  - iii. One weekly session with CONTRACTOR's licensed dietitian
  - iv. One weekly session with CONTRACTOR's nurse
  - v. Cooperative planning with CONTRACTOR's staff dietitian to develop meal and exercise plans
  - vi. Life skills coaching
  - vii. Exposure and Response Prevention therapy
  - viii. Continued peer support with others in PHP

Contractor: Castlewood West, LLC dba Alsana

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- ix. Six hours of group therapy each day (at CONTRACTOR's Ryan Ranch facility in Monterey, California)
- x. Decreased monitoring to provide true opportunities for independence, responsibility and accountability
- xi. One to two meals a day are CONTRACTOR staff-supported
- xii. Post-meal processing with CONTRACTOR staff
- xiii. Continued relapse skill planning and practice in conjunction with a primary therapist provided by CONTRACTOR
- xiv. Family therapy, in preparation for returning home

(c) Additional Services for in-person clients– Housing and Transportation

- i. Housing: Unsupervised housing is available for clients in the PHP. Client will live with roommates in a two-bedroom apartment. The community is encouraged to support each other in recovery minded behavior and hosts a potluck once per week.
- ii. Transportation: To ensure client is able to receive the PHP level care, transportation is made available by CONTRACTOR to the client to/from client's apartment complex to/from the PHP.

(d) Age ranges will be separated by age range for both Adolescent and Adult

C. Eating Disorder IOP (services may be delivered in person or virtually)

(a) Target population

- i. Adults 18 years of age and older
- ii. Youth 12-17 years of age

(b) Eating disorder intensive outpatient program includes:

- i. 20 hours of group therapy each week
- ii. Small therapeutic groups chosen to provide the best mutual support at this level of recovery
- iii. Every other week individual sessions with eating disorder specialized dietitians
- iv. 2 weekly individual therapy sessions
- v. Up to five fully supervised meals, each with post-meal support as needed
- vi. Continued development and active use of relapse skills

(c) Therapy techniques used in individual and group treatment sessions, include cognitive behavior therapy (CBT), dialectical behavior therapy (DBT), exposure/response prevention therapy, internal family systems therapy, creative movement, art therapy, and life-coaching.

(d) At this level of care, some clients still require help with other issues. To meet these needs the following are also offered:

- i. Continued family and relationship support (including marital issues)
- ii. Continued coping skill development for anxiety, OCD, depression
- iii. Continued trauma processing and trauma resolution therapy

(e) Additional Services for in-person clients - Housing

Contractor: Castlewood West, LLC dba Alsana

Contract No.: 0101

- i. Unsupervised housing is available for clients in the IOP. Client will live with roommates in a two-bedroom apartment. The community is encouraged to support each other in recovery minded behavior and hosts a potluck once per week.
  - (f) Transportation is not provided at IOP level of care. Client shall provide their own transportation.
  - (g) Age ranges will be separated by age range for both Adolescent and Adult
- 2. REPORTING RESPONSIBILITIES AND COLLABORATION: Clinical report shall be provided on a weekly basis to the COUNTY Director of Psychiatry, Adult Services Director, Children's Services Director or designee for the purposes of monitoring consumer progress, benefit, and appropriateness of level of placement.

\*\* END OF EXHIBIT A \*\*

**COUNTY OF SANTA CRUZ**

**AMENDED EXHIBIT B – Budget, Fiscal and Payment Provisions**

**1. Compensation**

A. In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR in arrears based on a negotiated rate per day per client. This compensation includes any and all reimbursements due to CONTRACTOR for duties performed pursuant to this Agreement as requested by COUNTY including without limitation reimbursement for materials needed to perform these services.

B. COUNTY will pay CONTRACTOR for services provided in accordance with the following rate schedule for COUNTY approved clients/services:

|   | <b>FY 23-24</b>   | <b>FY 24-25</b>   | <b>FY 25-26</b>   | <b>FY 26-27</b>   |
|---|-------------------|-------------------|-------------------|-------------------|
| Residential Daily Rate per client served: | \$1,555.00        | \$1,715.00        | \$1,890.00        | \$2,005.00        |
| PHP Daily Rates per client served:        |                   |                   |                   |                   |
| Daily Programming Rate                    | \$1,110.00        | \$1,214.00        | \$1,263.00        | \$1,314.00        |
| Daily Housing Rate                        | \$45.00           | \$45.00           | \$45.00           | \$45.00           |
| <b>Total PHP Daily Rate</b>               | <b>\$1,155.00</b> | <b>\$1,259.00</b> | <b>\$1,308.00</b> | <b>\$1,359.00</b> |
| IOP Daily Rates per client served:        |                   |                   |                   |                   |
| Daily Programming Rate                    | \$630.00          | \$690.00          | \$733.00          | \$762.00          |
| Daily Housing Rate                        | \$45.00           | \$45.00           | \$45.00           | \$45.00           |
| <b>Total IOP Daily Rate:</b>              | <b>\$675.00</b>   | <b>\$735.00</b>   | <b>\$778.00</b>   | <b>\$807.00</b>   |

C. PHP and IOP Services delivered in a virtual format will exclude the Daily Housing Rate

**2. Payment Terms**

CONTRACTOR will invoice in the format and in the manner required by COUNTY. Invoices at a minimum will include the following: invoice date, invoice number, remit to address including vendor name, agreement number, date(s) of service (if applicable), description of services rendered, and total due. COUNTY will pay

| For internal use only. Revisions may be made to address account code changes and/or typographical errors. |        |  |  |  |  |  |  |  |  |  |
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| GL Key  | 363149 |  |  |  |  |  |  |  |  |  |
| GL Obj  | 62367  |  |  |  |  |  |  |  |  |  |
| JL Key  | H48008 |  |  |  |  |  |  |  |  |  |
| Total Amount  | N/A    |  |  |  |  |  |  |  |  |  |

CONTRACTOR within thirty (30) calendar days of receipt of an invoice approved by COUNTY.

Remit all invoices to: [MHInvoices@santacruzcountyca.gov](mailto:MHInvoices@santacruzcountyca.gov)

**3. Cost Report**

CONTRACTOR agrees to submit a detailed cost report in a format prescribed by COUNTY no later than sixty (60) days from the date of termination of this Agreement, or at the end of each COUNTY fiscal year (June 30), whichever occurs first. This report shall be subject to audit by appropriate Federal, State, and County audit agencies as described in provisions of Exhibit C.

**4. Settlements**

At the time when CONTRACTOR submits a cost report required by Section Three of this Exhibit, CONTRACTOR shall reconcile all amounts earned under this Agreement and CONTRACTOR shall submit a claim for any amounts due from COUNTY or CONTRACTOR shall submit a check to COUNTY reimbursing COUNTY for any unearned amounts.

**5. Budget Control**

Budget modification(s) may be requested in writing by CONTRACTOR to COUNTY and are subject to prior review and written approval by COUNTY. Any change to the compensation total, if applicable, shall require a contract amendment and may be subject to COUNTY Board of Supervisor approval.

**\*\* END OF EXHIBIT B \*\***

## Certificate Of Completion

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## Signer Events

John Nguyen

John.Nguyen@santacruzcountyca.gov

Lead Assistant County County Counsel

Security Level: Email, Account Authentication (None)

## Signature

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Gina Borasi

GINA.BORASI@SANTACRUZCOUNTYCA.GOV

Risk Manager

County of Santa Cruz

Security Level: Email, Account Authentication (None)

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Jordan Watson

Jordan.Watson@alsana.com

Chief Growth Officer

Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
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Jennifer Herrera

Jennifer.Herrera@santacruzcountyca.gov

Security Level: Email, Account Authentication (None)

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cbd.esignature@santacruzcountyca.gov  
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Maite Arce  
Maite.Arce@santacruzcountyca.gov  
Associate Analyst  
County of Santa Cruz  
Security Level: Email, Account Authentication  
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Michael McLay  
Michael.McLay@santacruzcountyca.gov  
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