

Crestwood Behavioral Health is proud to be California's leading provider of psychiatric and social rehabilitation services. Our business focus is on creating relationships within counties where we both have a financial commitment, and we work together to provide the services tailored to meet specific needs of county clients, and where we share a common set of values that guide our work practices and policies.

For FY 24/25, based on Crestwood's documented operating needs, rates were increased by 3.5 - 5% for the following reasons:

1. State-mandated wage increases based on Senate Bill (SB) 525 and SB 616. SB 525 increases the minimum wage for healthcare workers in California by an estimated 30%, effective July 1, 2024. We calculated the impact of this Bill on all Crestwood facilities and the annual additional salary costs are **2.75 million** in FY 24/25.
2. Over the last couple of years, the wage increases for psychiatrists and nurses, including psychiatric nurses and psychiatric technicians, have hit us hard. California is one of the highest paying states for registered nurses. The registered nurse salary in California ranges from \$125,340 to \$164,700 per year. This means that nurses in California earn an average of \$60 – 84 per hour. As of July 2024, the average salary for a psychiatrist in California ranges from \$250,100 to \$340,330 per year and all our facilities have a behavioral health component. We are required to have a psychiatrist and a Medical Director for each facility. We provide Psychiatric Care in our Skilled Nursing facilities, which is unique and not many Skilled Nursing Facilities in CA provide this type of care. Analyzing our expenses for the 2023 calendar year, we have concluded that eight of our facilities are incurring financial losses.
3. In order to provide excellent service to County clients, we need a very solid team of well-educated, trained, client-focused employees who are willing to go the extra mile to deliver consistently excellent and compassionate care. For our employees, we need to provide a comprehensive compensation program with increased salaries and a range of benefits to recruit, hire and retain committed workforce. We are asking for a rate increase to keep up with the cost of living in California, remain a competitive employer, and keep pace with rising wages.
4. We have calculated the impact of our rate increase for the Lake County for FY 24/25 and the total budget increase will be \$84,315 for the full year, which is only \$7,000 per month.
5. In FY 23/24, we underspend \$16.5 K from the contract maximum. For FY 24/25, we are asking for an increase in the maximum contract amount from 1.2 million to 1.27 million, or a total increase of 70K only.

Please note that Crestwood is committed to excellence in programming and has sought accreditation for their programs. All mental health rehabilitation centers, psychiatric health facilities, and residential treatment programs are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF).