



# Board Agenda Item 50

DATE: November 28, 2023

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Retroactive Participation Agreement with California Mental Health Services Authority (CalMHSA) for the State Hospital Program and Memorandum of Understanding with CalMHSA and Department of State Hospitals for Purchase of State Hospital Beds

## RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a retroactive Participation Agreement (No. 4608-SHB-2023-FC) with the California Mental Health Services Authority State Hospital Program to contract for state hospital beds and services, effective July 1, 2023 through June 30, 2025 (\$5,608).**
- 2. Approve and authorize the Chairman to execute a retroactive Memorandum of Understanding with the California Department of State Hospitals and the California Mental Health Services Authority for the purchase of state psychiatric hospital beds on behalf of the County, effective October 1, 2023 through June 30, 2025 (\$850,000).**

Approval of the first recommended action will allow for a two-year agreement with the California Mental Health Services Authority (CalMHSA) to contract on the County's behalf for state hospital beds. Approval of the second recommended action will allow for a two-year Memorandum of Understanding (MOU) with CalMHSA and the California Department of State Hospitals (DSH) for the purchase of psychiatric hospital beds for County residents. Pursuant to Welfare & Institutions Code (W&IC), section 5000 and following, the agreements will provide mandated beds and services for Lanterman-Petris Short (LPS) conservatees who are gravely disabled mentally ill clients, as ordered by the Fresno County Superior Court. The agreements will be funded with Mental Health Realignment funds. This item is countywide.

## ALTERNATIVE ACTION(S):

There are no viable alternatives. Non-approval of the recommended actions will prevent the Department from authorizing state psychiatric hospital placement and services via the Participation Agreement with CalMHSA and obtaining access to placement and services utilizing the DSH/CalMHSA Memorandum of Understanding for adults with severe mental illness deemed by the Court to require a higher level of care in a locked facility.

## RETROACTIVE AGREEMENT:

The recommended agreements are retroactive to July 1, 2023 as the Department received the final approved agreements from CalMHSA on September 6, 2023. CalMHSA has historically provided agreements to the Department late in the fiscal year.

## FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. No invoices presently remain outstanding for this contract. The maximum compensation for the Participation Agreement for FY 2023-24 is \$2,804 (\$1,402 per bed); total compensation for both fiscal years is \$5,608. The maximum compensation allocated for the MOU with CalMHSA and DSH for FY 2023-24 is \$425,000; total compensation for both fiscal years is \$850,000. The cost of the MOU is based upon a dedicated bed rate structure. The cost is based on amounts provided to the California State Controller's Office per the County Actual Use statement reflecting actual bed usage by the County. Both agreements are fully offset with Mental Health Realignment funds. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2023-24 Adopted Budget and will be requested in the Department FY 2024-25 recommended budget.

#### DISCUSSION:

Pursuant to W&IC, section 5600, counties are mandated to provide an array of treatment options for adults with severe mental illness, including 24-hour treatment services at locked inpatient psychiatric hospitals for LPS conservatees who are gravely disabled, as ordered by the court. W&IC, sections 4330-4335 establish the process by which counties contract with DSH for a specified number of hospital beds, services, and the reimbursement method.

On September 14, 2010, the Board approved Agreement No. 10-489 with CalMHSA, authorizing the Department to join the CalMHSA Joint Powers Agreement (JPA), to develop, implement, administer, and provide fiscal oversight of Mental Health Services Act - Prevention and Early Intervention statewide projects. The County has received membership benefits including cost reductions and the related efficiencies of sharing resources and knowledge. On June 18, 2013, the Board approved Amendment I to Agreement No. 10-489, which broadened the scope including the authority to jointly contract with other counties for state hospital beds and services. The amendment was a product of the Department's JPA membership and delineated that CalMHSA is an administrative agent for the County.

On June 17, 2014, the Board approved Participation Agreement No. 14-327 which allowed CalMHSA to contract with DSH for state hospital bed utilization on behalf of the County and defined the roles and responsibilities between CalMHSA and the County. The Participation Agreement includes an annual payment of \$1,402 per bed to CalMHSA to cover administrative charges associated with their procurement of state hospital beds.

With your Board's approval of the recommended agreements, the County may continue to utilize state psychiatric hospital placement and services for adults with severe mental health illness that require a higher level of care within a locked facility. DSH provides LPS hospital services to persons referred by the County specifically for services under the Purchase of State Hospital Beds MOU, including those admitted pursuant to Section 1370.01 of the Penal Code and a Murphy Conservatorship [W&IC, section 5008(h)(1)(B)]. Services include, but are not limited to, psychiatric and ancillary services, health care, expert testimony, and therapy. Department staff closely monitor each person served at the state hospital level and as their mental health improves, placement staff transition them to less restrictive and less costly mental health facilities such as Mental Health Rehabilitation Centers and Skilled Nursing Facilities.

The MOU with DSH and CalMHSA becomes effective on October 1, 2023. However, the previous MOU remains effective until June 30, 2023, and the terms and conditions, as well as rates, will continue as Section II.A. of the MOU describes. With your Board's approval of the recommended MOU, the state hospital bed rates for the period of July 1, 2023 through June 30, 2025, are as follows:

- Acute \$760/bed/day
- Intermediate Care Facility \$736/bed/day
- Skilled Nursing Facility (SNF) \$814/bed/day.

The recommended agreements vary from the standard County template as they were drafted by CalMHSA in coordination with DSH. The templates are utilized by CalMHSA to execute Participation Agreements and the MOU with different Counties and are consistent statewide. Risk Management recommended the inclusion of standard County insurance requirements and indemnity language. These were not incorporated as CalMHSA will include these provisions in the agreements with the chosen researcher. The Department believes that the benefits of the recommended agreements outweigh any potential risks and recommends approval of the agreements.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of this item at the November 15, 2023 meeting.

REFERENCE MATERIAL:

BAI #30, May 11, 2021  
BAI #38, June 17, 2014  
BAI #57, June 18, 2013  
BAI #39, September 14, 2010

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Participation Agreement with CalMHSA  
On file with Clerk - MOU with CalMHSA & DSH

CAO ANALYST:

Ronald Alexander