



# Board Agenda Item 31

DATE: July 13, 2021

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Retroactive Master Agreement with Licensed and Credentialed Facilities

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute a retroactive Master Agreement with licensed and credentialed mental health facilities for placement beds and services for adults with severe and persistent mental conditions, effective July 1, 2021, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$133,577,211; and**
2. **Authorize the Director of the Department of Behavioral Health, or designee, to:**
  - a. **add and/or delete licensed and credentialed mental health facilities and ancillary services contractors to the Master Agreement, as necessary;**
  - b. **adjust the Basic Services Daily Bed Rates, as mandated by the State;**
  - c. **negotiate and adjust Enhanced Services Bed Rates and other Enhanced Services for appropriate levels of care, when needed; and,**
  - d. **modify the Scope of Work as needed to accommodate revisions in the law relating to mental health treatment services, without exceeding the contract maximum.**

Approval recommended actions will allow the Department of Behavioral Health to increase placement beds and services for adults with severe and persistent mental health conditions through licensed and credentialed facility service providers, pursuant to Welfare and Institutions Code (WIC), section (§) 5000 et seq. and Title 22 of California Code of Regulations (CCR), §72001, et seq., and Mental Health Substance Use Disorder Services Information Notice No. 15-008. Additionally, Counties are required to pay Institution for Mental Disease (IMD) facilities up to an annual 3.5% cost-of-living adjustment pursuant to WIC, §5912. This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. The County is required by the WIC and CCR Title 22 to provide appropriate level of care placements for adults living with persistent and severe mental health conditions, in secured, licensed and credentialed facilities. Without the recommended agreement, the Department would be unable to pay for anticipated placements and services, preserve bed placements, resulting in clients being placed in a higher level of care facility.

RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to July 1, 2021. Due to the COVID-19 Pandemic, the Department is experiencing delays in negotiating rates with vendors.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum cost of the recommended agreement (\$133,577,211) will be financed with Behavioral Health Realignment funds. Pursuant to WIC, §5912 an annual 3.5% cost-of-living adjustment is included. Total expenditures will be determined by actual services provided. Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2021-22 Recommended Budget and in future budget requests for the contract term.

DISCUSSION:

Through the Department, pursuant to the WIC and CCR, the County must provide geropsychiatric skilled nursing care, locked skilled nursing care with special mental health treatment programs, mental health rehabilitation center services, ancillary services and other enhanced treatment services and other facilities to house and treat adults with severe and serious mental health impairments.

Licensed and credentialed facilities provide beds and services at appropriate level of care at secured Skilled Nursing Facilities (SNFs), Geropsychiatric Nursing Care Facilities (GNCFs), IMDs, and Mental Health Rehabilitation Centers (MHRCs) to adults living with severe and persistent mental health conditions, as mandated by the WIC and CCR Title 22. Local placements are sought first; however, out-of-county placements are often necessary when local facilities are at capacity or unable to accommodate clients that are difficult to place.

Alternative levels of care include placements through an existing Memorandum of Understanding (MOU) with the California Department of State Hospitals through the California Mental Health Services Authority (CalMHSA). Per the MOU, the State Hospital cost is \$964 per client per day. The most recent County Master Agreement (No. 16-294) resulted in an average daily cost of \$275 per client per day for placement in licensed and credentialed mental health facilities. Alternatives to utilizing the MOU include sending clients to the County's 24-hour Exodus Crisis Stabilization Center at an average daily cost of \$3,123 per client or the short-term Exodus Inpatient Psychiatric Health Facility (PHF) at an average daily cost of \$743 per client. In FY 2019-20, IMD's, SNF/GNCF's, and MHRC's saw a total of 4, 1, and 71 unique persons served, respectively. From the start of FY 2020-21 to April 2021, IMD's, SNF/GNCF's, and MHRC's saw a total of 20, 15, and 153 unique persons served, respectively, a significant increase over the previous year, see Attachment A. Placing clients at these inappropriate levels of care limits the number of beds available to patients that need crisis stabilization services and/or inpatient PHF services and may result in overflow into local hospital emergency departments.

Upon approval by your Board, the recommended agreement would be effective July 1, 2021 through June 30, 2023 and may be automatically extended for two additional one-year periods unless a written notice of non-renewal is executed between the County and any individual contractor. Approval of the recommended actions will delegate authority to the Department Director, or designee, to add and/or delete mental health facilities and ancillary contractors and to adjust the facilities' description of services and rates, and to negotiate and adjust the Enhanced Services Bed Rates for clients requiring treatment that is more intensive. The recommended agreement provides for termination due to non-allocation of funds upon the giving of 30 days advance written notice to the contractors, and provides for termination without cause by contractor, County, or their designee upon the giving of 30 days advance written notice.

REFERENCE MATERIAL:

BAI #28, April 4, 2017  
BAI #30, June 7, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A  
On file with Clerk - Master Agreement

CAO ANALYST:

Sonia M. De La Rosa