



Board Agenda Item 38

DATE: July 11, 2017

TO: Board of Supervisors

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

SUBJECT: Retroactive Master Agreement with Licensed Residential Care Facilities for Transitional Residential Board and Care Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a retroactive Master Agreement with licensed residential care facilities for transitional residential board and care services to severely and persistently mentally ill adult clients, effective July 1, 2017, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$25,000,000.**
- 2. Authorize the Director of the Department of Behavioral Health, or designee, to add and/or delete licensed residential care facilities to the Master Agreement, as necessary.**

Approval of the recommended actions will allow the Department of Behavioral Health to provide the opportunity to transition clients from locked and/or higher-level of care institutions to less restrictive facilities, as determined by clinical staff. The facilities include transitional board and care, specialized level of care services, and/or other certified/licensed facilities with services for severely and persistently mentally ill adult clients. The recommended agreement includes language, allowing the Department Director to approve rate adjustments as may be required by the Department of Health Care Services or Social Security Insurance (SSI) rate changes as set forth by the Social Security Administration (SSA). Additionally, the recommended actions will allow the Director to add and/or delete qualified, licensed and interested vendors, as necessary, to meet the department's placement needs funded with Mental Health Realignment, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

Should your Board not approve of the recommended actions, the Department would continue to use separate master agreements for severely and persistently mentally ill adult client services rather than combining the services into once master agreement providing flexibility for clinical staff to transition the clients to a more appropriate lower level of care. The recommended agreement would also allow adult clients to remain closer to home in appropriate level of care facilities rather than being placed out-of-County.

RETROACTIVE AGREEMENT:

The proposed agreement is retroactive to July 1, 2017, to ensure all expenses for clients who have been referred to and served by the providers on this contract are compensated timely. The recommended agreement was unable to be presented to your Board in June due to contract negotiations with the providers taking longer than anticipated.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation in FY 2017-18 is \$5,000,000. The maximum compensation for the term is \$25,000,000. The recommended agreement is funded with Mental Health Realignment. Sufficient appropriations and estimated revenues were included in the Department's Org 5630 FY 2017-18 Recommended Budget and will be included in future budget requests for the duration of the term. Actual costs will be determined by actual services provided.

DISCUSSION:

The County, pursuant to Welfare and Institutions Code, section 5801 and the California Code of Regulations, Title 22, to provide placements for severely and persistently mentally ill adult clients in secured certified/licensed facilities with the appropriate level of care and services. On June 5, 2012, your Board approved Master Agreement No. 12-262 and No. 15-315 on July 14, 2015 for Transitional Residential Services Programs (TRSP) and Specialized Transitional Residential Services Programs (STRSP), respectively. The contracts are for services not offered in standard board and care facilities. The recommended agreement would combine different levels of residential placement services one agreement.

Historically, severely and persistently mentally ill adult clients have been classified as difficult to place resulting in many clients being placed at higher levels of care, such as State Hospitals, Institutions of Mental Disease (IMD), Mental Health Rehabilitation Centers (MHRC) or Skilled Nursing Facilities (SNF). A majority of the higher level of care facilities are located outside the County.

Through the County's Internal Services Department - Purchasing Division (ISD - Purchasing), Request for Statement of Qualifications (RFSQ) No. 17-067 for Transitional Residential Board and Care Services was issued on March 23, 2017, and closed on April 17, 2017 with 2 bids received. The RFSQ was distributed using the automatic bid notifications system ISD - Purchasing has in place. The RFSQ sought licensed contractors to provide professional transitional residential services to severely and persistently mentally ill adult clients with different levels of service. In addition, to the two providers who responded to the RFSQ by the closing date, two additional providers submitted a response after the closing date. It is the Department's intent to add the four providers onto the recommended agreement and additional qualified providers who may be interested, as deemed necessary by the Department.

The recommended agreement will allow the Department to place clients locally and appropriately with experienced providers to keep them closer to their families while reducing the costs associated with unnecessary higher levels of care. The specialized medical needs include, but not limited to:

- ambulatory
- medical
- behavioral
- legal
- young adults ages 18-24
- clients with developmental delays
- medication management
- self-grooming and hygiene
- money management
- use of transportation
- anger and conflict

In FY 2015-16, 38 clients were placed in STRSP facilities with an average length of stay of 228 days. From July 1, 2016 through February 17, 2017, 34 clients were placed in STRSP facilities with an average length of stay of

213 days.

In FY 2015-16, 83 clients were placed in TRSP facilities with an average length of stay of 428 days. From July 1, 2016 through February 17, 2017, 74 clients were placed in TRSP facilities with an average length of stay of 381 days.

In addition, 100% of all clients placed within the licensed residential care facilities were placed locally, which allows the clients to remain closer to their family while they receive services.

Through the recommended agreement, the County agrees to pay for services at rates established through this contract with each provider based on the classification level of service of the client. The recommended agreement includes language that will allow the Department Director to approve rate adjustments for services that do not result in any increase to the annual or term maximum compensation when mutually agreed by the parties.

The recommended agreement includes a three-year base contract and two optional one-year extensions and allows the Department Director to add and/or delete facilities without affecting the compensation paid to other contractors or increasing the compensation amount. Deletions shall be in writing and in accordance with the terms of the recommended agreement. The recommended agreement can be terminated by either party upon giving a 30-day advanced written notice.

OTHER REVIEWING AGENCIES:

The Fresno County Behavioral Health Board was informed of the recommended agreement at their June , 2017 meeting.

REFERENCE MATERIAL:

BAI #44, June 5, 2012 - Master Agreement No. 12-262
BAI #33, July 14, 2015 - Master Agreement No. 15-315

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Master Agreement with Licensed Residential Care Facilities

CAO ANALYST:

Sonia De La Rosa