



Board Agenda Item 13

DATE: May 1, 2018

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Agreements with the Central California Faculty Medical Group for Psychiatric Services and University Faculty Associates

RECOMMENDED ACTION(S):

1. **Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 under the “unusual or extraordinary circumstances” provision for the delivery of licensed psychiatrists to provide psychiatric services;**
2. **Approve and authorize the Chairperson to execute an Agreement with Central California Faculty Medical Group, Inc., for psychiatric services by licensed psychiatrists serving Department of Behavioral Health clients, effective May 1, 2018 through June 30, 2023, which includes a three-year and two-month base contract and two optional one-year extensions (\$47,849,576) (4/5th vote);**
3. **Approve and authorize the Chairperson to execute a License Agreement with University Faculty Associates, Inc., effective May 1, 2018 through June 30, 2023, which includes a three-year and two-month base agreement and two optional one-year extensions, for County owned space at various County facilities to be used by Central California Faculty Medical Group, Inc. to provide psychiatric services; and**
4. **Approve Amendment to the Salary Resolution deleting one (1) Chief Child Psychiatrist, eight (8) Child Psychiatrists, one (1) Child Psychiatrist (PT) and allocating seven (7) Psychiatric Mental Health Nurse Practitioner and Nurse Practitioner positions, for the Department of Behavioral Health Org 5630, effective July 2, 2018, as reflected on Appendix D.**

Approval of the recommended actions will allow the Department to enter into an agreement with the Central California Faculty Medical Group (CCFMG) for psychiatric services by licensed psychiatrists to children and adults. The licensed psychiatrists to be provided under the recommended agreement will replace County-employed psychiatrists and will be hired and directed by CCFMG while delivering services within County facilities. The services will be funded with Mental Health Realignment, Short/Doyle Medi-Cal Federal Financial Participation and salary savings.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended actions, the Department of Behavioral Health would continue to struggle to meet the needs of Fresno County residents in need of critical psychiatric services.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is recommended that the County suspend competition consistent with Administrative Policy No. 34 under the unusual and extraordinary circumstances exception as CCFMG has the experience and existing resources to meet the immediate need for continued direct psychiatric services. These services will be provided directly to County behavioral health clients by licensed psychiatrists on an as needed basis as singularly offered by CCFMG. Given the shortage of County psychiatrists the recommended agreement will ensure sufficient levels of psychiatric services will be available for behavioral health clients. The Internal Services Department - Purchasing concurs with the Department's request to waive the competitive bidding process. Please reference the attached Suspension of Competition request.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The FY 2017-18 maximum compensation for the ramp-up and implementation phase (May 1, 2018 through June 30, 2018) is \$336,253. The recommended agreement has provisions for a three-year base contract and two optional one-year extensions through June 30, 2023. The annual maximum compensation will be as follows:

FY 2018-19	\$ 3,881,260
FY 2019-20	\$ 6,497,288
FY 2020-21	\$ 9,485,763
FY 2021-22	\$13,153,830
FY 2022-23	\$14,495,182

The combined maximum for the proposed five-year two-month services agreement is \$47,849,576. The recommended actions will be financed with Mental Health Realignment funds, Short/Doyle Medi-Cal Federal Financial Participation revenues, and salary savings from the proposed elimination of psychiatrist positions in the Salary Resolution, which would be filled by this agreement.

In addition, there is no cost associated with the recommended License Agreement as the health and welfare benefits to the public through the provision of psychiatric services is adequate consideration for the use of the licensed facilities. The fair market values and monthly rental rates for each facility where contracted psychiatrists will be located are listed in the attached table - Attachment A. Internal Services Department - Lease Services Division (ISD - Lease Services) was contacted and concurs with the rates. The recommended License Agreement has provisions for a three-year base contract and two optional one-year extensions through June 30, 2023. Over the term of the recommended License Agreement, the total value of the license is estimated to be \$246,038.

Sufficient appropriations and estimated revenues are available in the Department's Org 5630 FY 2017-18 Adopted Budget and will be included in subsequent budget requests for the duration of the recommended agreements. Actual cost will be determined by actual services provided.

DISCUSSION:

The Department has experienced a severe shortage of psychiatrists in the San Joaquin Valley and in the State of California. As a result, the Department has struggled for several years with filling its psychiatrist positions. Other contributing factors include retirements and aggressive recruitment tactics by the California Department of Corrections and the Department of State Hospitals.

Psychiatrists provide essential psychiatric services to seriously mentally ill clients, which helps deter decompensation of clients and also aids in preventing costly hospitalization. The specific services to be provided under the recommended agreement include assessments, consultations, medications, monitoring, crisis and family interventions, multi-disciplinary team participation, forensic evaluations, group therapy, and other related services as necessary.

The recommended agreement will create a unique partnership with CCFMG, which leverages their affiliation with an academic institution, University of California, San Francisco - Fresno Campus, along with providing a desirable community mental health practice setting. This partnership will provide the opportunity to offer a more attractive work setting/compensation package than either entity can offer on its own, which will improve psychiatrist recruitment and retention issues that have plagued the Department. Concurrently, the recommended agreement includes provisions intended to ensure performance accountability such as withholding of contractor payments and termination/non-renewal of the agreement due to unsatisfactory performance by CCFMG. The Department has experienced an increasing dependence on other means of contracted psychiatric services, (i.e., Locum Tenens and telepsychiatry) which can be exorbitantly expensive and provide less continuity of care for clients in need than would be provided by CCFMG psychiatrists. Approval of the recommended agreement will result in a reduction in the need for those other, more expensive, means of providing services.

CCFMG will provide Adult/Child Psychiatrists each year through the final year of the recommended agreement as follows:

FY 2018-19: 6.5 FTE Adult/Child Psychiatrists (including 1.0 FTE Medical Director)
FY 2019-20: 11.5 FTE Adult/Child Psychiatrists (including 1.0 FTE Medical Director)
FY 2020-21: 16.5 FTE Adult/Child Psychiatrists (including 1.0 FTE Medical Director)
FY 2021-22: 23.5 FTE Adult/Child Psychiatrists (including 1.0 FTE Medical Director)
FY 2022-23: 26.5 FTE Adult/Child Psychiatrists (including 1.0 FTE Medical Director)

In accordance with the shift to contracted Adult/Child Psychiatrist positions, the Department is proposing the elimination of ten (10) Psychiatrist positions as only three (3) positions are currently filled. In addition, seven (7) positions would be allocated and flexibly staff Psychiatric Mental Health Nurse Practitioner/Nurse Practitioner with only four (4) of these positions currently filled. Additionally, one (1) extra-help Child Psychiatrist that is currently filled will also be eliminated. The implementation of the proposed staffing changes would coincide with CCFMG providing Psychiatrists to deliver the psychiatric services.

The recommended agreement includes language for termination by CCFMG and/or the County, or their designees, upon a 60-day advanced written notice and allows for the termination due to non-allocation of funds upon the giving of a 30-day advanced written notice to the contractor.

Approval of the recommended License Agreement with University Faculty Associates, Inc. (CCFMG's non-profit organization) will allow the CCFMG Adult/Child Psychiatrists to deliver services within County facilities where the Department provides psychiatric services to adults, older adults, children, and perinatal clients. The recommended agreement includes language that provides flexibility to shift specific locations where services will be delivered to allow the Department to monitor and adjust the location of resources so they best meet client needs.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of this item.

ATTACHMENTS INCLUDED AND/OR ON FILE:

E-PD-048 Suspension of Competition
Salary Resolution - Appendix D
Attachment A - Fair Market Value Summary
On File with the Clerk - CCFMG Agreement
On File with the Clerk - UFA Agreement

CAO ANALYST:

Ronald Alexander