



## Legislation Details (With Text)

**File #:** 17-0469

**On agenda:** 6/20/2017

**Final action:** 6/20/2017

**Enactment date:**

**Enactment #:** Agreement No. 14-704-2

**Title:** Approve and Authorize the Chairman to execute Amendment II to Agreement No. 14-704 with Central Star Behavioral Health, Inc., to update the terms of compensation for acute youth inpatient psychiatric health facility services, effective July 1, 2017, with no change to the compensation amount or term of January 1, 2015 through June 30, 2020 (\$22,260,096)

**Attachments:** 1. Agenda Item, 2. Agreement No.14-704-2 with Central Star

Date	Ver.	Action By	Action	Result
6/20/2017	1	Board of Supervisors	Approved (Consent Agenda)	Pass

**DATE:** June 20, 2017

**TO:** Board of Supervisors

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

**SUBJECT:** Amendment II to Agreement with Central Star Behavioral Health, Inc.

### RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute Amendment II to Agreement No. 14-704 with Central Star Behavioral Health, Inc., to update the terms of compensation for acute youth inpatient psychiatric health facility services, effective July 1, 2017, with no change to the compensation amount or term of January 1, 2015 through June 30, 2020. (\$22,260,096)**

Approval of the recommended action will adjust the terms for compensation from daily bed use to operational cost, within the agreement with Central Star Behavioral Health, Inc. (Central Star). This change, in compensation terms, will allow Central Star to continue operation of the acute youth inpatient psychiatric health facility, with no change to the maximum compensation and no increase in Net County Cost.

### ALTERNATIVE ACTION(S):

If your Board does not approve the recommended action, Central Star may have to decrease services to youth requiring inpatient psychiatric services. This would result in referrals for youth inpatient psychiatric services outside of the County, at an increased cost, which may impact care coordination and produce a hardship for the clients and their families.

### FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended amendment will allow the Department to compensate Central Star for the actual monthly operational cost to run the program, rather than a daily bed rate, with no change to the maximum compensation for the term (\$22,260,096). The amendment will be fully funded with Medi-Cal Federal Financial Participation and Mental Health Realignment. Sufficient appropriations and estimated revenues will be included in the Behavioral Health Org 5630 FY 2017-18 Requested Budget and in subsequent budget years for the duration of the

agreement.

DISCUSSION:

On December 2, 2014, your Board approved Agreement No. 14-704 with Central Star for the operation of a 16-bed youth acute inpatient psychiatric health facility (Youth PHF). The Youth PHF provides a coordinated and seamless system of care and crisis services for youth within the County. Prior to this Agreement, youth between the ages of 12 and 18 were sent outside of the County to receive inpatient psychiatric services, creating undue hardships for the youth and their families. The agreement alleviated the service need and provided a more efficient system of care for youth clients.

Upon analysis of the Youth PHF's program trends, Amendment I to Agreement No. 14-704 was presented and executed by your Board on May 24, 2016. Amendment I allowed an adjustment in the terms for compensation for FY 2016-17 by increasing the daily bed rate from the contracted \$712.64 per day to \$844 per day for 12 beds with no change to the contract maximum. Additionally, the amendment allowed for an update to the Modification Clause, allowing the Department Director to approve line item budget changes greater than 10% of the maximum compensation, but which did not result in any change to the maximum compensation amount, via an amendment as reviewed and approved by County Counsel and the Auditor.

In FY 2015-16, approximately 670 total admissions were recorded at the Youth PHF. Of those, 340 were unique County clients and 24 out-of-county clients residing in group homes within the County. The average length of stay for County clients was 6 days and 20% of the clients were admitted to the Youth PHF two or more times. Additionally, the Youth PHF averaged a daily occupancy of 10 beds and seven of those beds were occupied by County clients.

In FY 2016-17 through March 31, 2017, approximately 546 total admissions were recorded at the Youth PHF. Of those, 298 were unique County clients and 31 out-of-county clients residing in a group home within the County. The average length of stay for County clients was 5 days and 19.8% of the clients were admitted to the PHF two or more times. Additionally, the Youth PHF averaged a daily occupancy of 11 beds and nine of those beds were occupied by County clients.

Analysis of Central Star's program trends resulted in an identified need for a change to the agreement's compensation terms, in order to remain a sustainable program. In response to this analysis, with your Board's approval, the Department will compensate Central Star for the actual monthly operational cost to run the program, rather than a daily bed rate. The proposed change does not change the contract maximum and Central Star would continue to contract services with hospitals, community organizations, and other county agencies to offset revenue and for any costs above the maximum contracted amount.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of this Amendment at the April 2017 meeting.

REFERENCE MATERIAL:

BAI #40, May 24, 2016  
BAI #9, December 2, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment II to Agreement No. 14-704 with Central Star

CAO ANALYST:

Sonia De La Rosa