

Fresno County Department of Behavioral Health: Will the Department be able to meet current and future challenges?



Fresno County

Civil Grand Jury

SUMMARY

Thousands of Fresno County residents experience a mental health or substance abuse crisis. The Department of Behavioral Health provides services to those who are indigent or covered by Medi-Cal. Citizens who possess private insurance do not qualify for Department of Behavioral Health assistance.

Each year, the Fresno County Civil Grand Jury must investigate at least one county department and generate a report. In light of the Department of Behavioral Health's size and budget, it was selected for review and investigation.

This Grand Jury investigation focused on the organizational inner workings of the Department of Behavioral Health as opposed to the quality of services provided. Through this investigation the Grand Jury wanted to determine if the Department of Behavioral Health can meet the current and future challenges. Based on information collected during numerous interviews the department has many challenges.

- The Department of Behavioral Health lacks a vertical communication system to allow clinicians to escalate questions and concerns to senior level management. While there are numerous management and departmental meetings, the communications appear to be oriented downward.
- In the summer of 2024 the Department of Behavioral Health transitioned from their previous billing and reporting system (Avatar) to a new system (SmartCare). The transition has been difficult for many of the users, who claim that it is more cumbersome to use and actually slows processes down.
- The accounting division at the Department of Behavioral Health has difficulty preparing accounting documents in a manner acceptable to the Auditor-Controller / Treasurer-Tax Collector's Office at the County.
- There is a reported need for additional training and supplies for clinicians working with the public.

GLOSSARY

BHB - Fresno County Behavioral Health Board

BHSA - Behavioral Health Services Act (Proposition 1)

CAO - Fresno County Chief Administrative Officer

CalAIM - California Advancing and Innovating Medi-Cal

CalMHSA - California Mental Health Services Authority

DBH - Fresno County Department of Behavioral Health

MHSA - Mental Health Services Act (Proposition 63)

SME - Subject Matter Expert

BACKGROUND

The Fresno County Department of Behavioral Health (DBH) operates with a budget of approximately \$479 million and a staff of 753 county personnel. Additionally they outsource mental health services through approximately 130 subcontracts. These include inpatient and outpatient clinics, counseling centers, and other outsourced services. Many subcontractors have multiple contracts with DBH. The department budget is funded primarily through Medicaid/Medi-Cal and grants under the Mental Health Services Act (MHSA). The MHSA was passed by California voters in 2004 as Proposition 63, the so-called “millionaire tax”. It added a 1% income tax to earners with before tax income over \$1 million to fund mental health service projects throughout the state. In 2024, Proposition 1 revised the MHSA and renamed it the Behavioral Health Service Act (BHSA).

METHODOLOGY

The Grand Jury conducted 15 interviews with Fresno County employees and elected officials, DBH employees at multiple levels, and County contracted and other service providers. In addition to interviews, the Grand Jury toured a DBH facility and attended a Fresno County Behavioral Health Board (BHB) meeting. Documentation requested and received from county and DBH employees was analyzed along with information gathered from the DBH website and internet research.

DISCUSSION

The Department of Behavioral Health exists to provide help to citizens of Fresno County covered by Medi-Cal who require mental health and substance disorder services. Of the 753 employees in the department, approximately 228 (30.2 %) actually provide clinical services directly to the public. The balance of the employees are administrative, accounting, and analysts managing department contractors, writing grants, and verifying compliance with regulations and grant requirements. We note that there are 27 clinical positions currently open, with limited opportunities to fill due to the competitive marketplace for clinicians. There is also a small medical staff (approximately 20) consisting primarily of licensed vocational nurses. The Fresno County Grand Jury perceives that DBH is administratively top heavy.

The Director of the DBH reports to the County Board of Supervisors. Because the Director of Behavioral Health also serves as the Public Guardian (protecting the financial interests of those incapable of managing their own affairs as required by Probate Code section 2920¹), Fresno County provides the DBH with an annual budget of \$609,000 to fund the Public Guardian's Office and services. The majority of the balance of DBH's \$479,000,000 budget comes from Medi-Cal billings and Proposition 63 grant funding. Since this funding does not come from the County, there appears to be minimal financial oversight of DBH's operations from the Board of Supervisors.

¹ https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=2920&lawCode=PROB

The DBH also works with a state mandated advisory board known as the Fresno County Behavioral Health Board (BHB). Half of the members of the BHB have either experienced service from the DBH or are family members of those who are/were served. A County Supervisor also serves on the BHB. This group serves as the County's mental health board, advising on mental health and substance abuse issues. The BHB reviews DBH procedures and agreements, makes recommendations to the Director of Behavioral Health and Board of Supervisors, and provides a sounding board for the public on mental health and substance abuse issues and programs.

The organization of the DBH is a typical hierarchy. The Director of Behavioral Health is supported by four Deputy Directors. Each Deputy Director has Division Managers reporting to them. Each Division Manager oversees supervisors who manage employees who interface with the public and/or DBH contractors. Communication between the various levels of the organization requires improvement. Employees need a means of communicating concerns with upper management which assures a timely response. This issue is having a negative impact on morale. While there are an abundance of meetings, both in person and through video conferencing within the organization, the Grand Jury concluded that nearly all communication was directed from management to employees in a downward vector. DBH has no existing system that assures employee's questions and concerns will be heard and responded to by upper management in a timely fashion.

Most of the management staff come from similar backgrounds as social workers or therapists. Many of the lower level staff possess similar education and licensure as those at high levels in the organization. These are the skill sets that appeal to the Department. DBH would benefit from a diverse set of skills which include education and experience in organizational behavior, finance or business management.

In 2023 DBH went through an internal reorganization. The purpose of the reorganization was to improve operational efficiency and overall performance of the department. At about the same time, the State of California was modifying the billing procedures which DBH uses to generate their revenue stream. They switched from an

‘expense reimbursement’ based billing system to a ‘fee for service’ system. There were some initial problems with preparing invoices acceptable to the State on the initial submission, so significant delays began to increase the time of payment (accounts receivable aging). It should be noted here, that all payments from the DBH for services, supplies, and payroll are issued from the County of Fresno General Fund, and reimbursed by DBH when they are paid by the State (mostly Medi-Cal). Because of the delay in payment, it was determined that at one point, the DBH owed the County general fund over \$200 million. By the time this investigation was started, that amount had been paid down to approximately \$60 million. It is the Grand Jury’s understanding that as this report is being written, the issue is working towards resolution due to ongoing meetings between the Fresno County Auditor-Controller / Treasurer-Tax Collector’s Office and DBH.

The Grand Jury’s investigation serves to illustrate how quickly DBH’s cash flow affects the County’s general fund and how sensitive DBH operations could be to funding source interruptions. Since most of the budget of DBH flows from Federal and State sources, the Grand Jury believes that the Department’s funding and operation is extremely sensitive to the impacts of economic and political change. If the Federal Government cuts back parts of Medicaid (Medi-Cal in California) and California passes the cuts along to the counties, is DBH prepared to immediately roll back their services and expenses in proportion to the funding cuts?

The interviews also revealed a point of contention between the Fresno County Auditor-Controller / Treasurer-Tax Collector’s office and the Finance/Accounting division of DBH. The disagreement surrounds the length of time that funds remain in the DBH accounts before being transferred to the county general fund. The Grand Jury notes that since the County fronts all expenses of DBH operations, it is their desire that all reimbursements / revenues be transferred back to the fund immediately upon receipt. DBH has been slow to reimburse the county.

There is a lack of formal training for field clinicians. The primary training new clinicians receive is often limited to “shadowing” more experienced workers. These

employees are meeting people in their homes, or other uncontrolled environments, and may have little or no prior knowledge of the client's mental state or history. Field supplies, such as refreshed first aid kits and Narcan are lacking. They have been requested by employees with no response given by management. It has been reported that some employees are purchasing their own supplies. The Grand Jury notes that employees are not offered hands on self defense training.

In the summer of 2024 the Electronic Health Record (EHR) system was changed. DBH had previously been using a system known as Avatar. A new system, SmartCare, was being marketed by the California Mental Health Services Authority (CalMHSA) as being an improvement over Avatar. Of the 58 counties of California, 25 (including Fresno County) elected to adopt this new system. Whether the system was actually an improvement falls outside the scope of this investigation. What is clear is that the transition has not been smooth. Employees report that SmartCare requires more effort to accomplish the same tasks as Avatar. Over the years the DBH had customized Avatar to meet its specific needs. It is reported that SmartCare is less customizable and currently requires more steps / effort to accomplish the same objectives.

It is apparent that there is a need for a Subject Matter Expert (SME) within the DBH to develop a full understanding of the capabilities of the SmartCare software, act as a clearing house for all questions and develop a training protocol for all employees using the system.

The DBH Website requires corrective action. Several of the links are inoperable. Additionally, there is information that appears to be outdated or no longer applicable. Examples include:

- Central Regional Partnership – The Fresno County Loan Repayment Program posting reflects an application due date of March 2024. ([Staff Development - County of Fresno](#))² The program no longer appears to be offered.

² <https://www.fresnocountyca.gov/Departments/Behavioral-Health/For-Professionals/Staff-Development>

- Annual Beneficiary Grievance and Appeal Report (ABGAR) was last reported for fiscal year 2016-2017. ([Annual Beneficiary Grievance & Appeal Reports - County of Fresno](https://www.fresnocountyca.gov/Departments/Behavioral-Health/For-Professionals/Quality-Improvement/Annual-Beneficiary-Grievance-Appeal-Reports))³

CONCLUSIONS

The Grand Jury recognizes the difficulties DBH faces in accomplishing their mission and generally commends the department in its efforts.

The DBH is a large organization filled with compassionate people dedicated to their mission of helping members of the community suffering from mental illness and substance dependency. Our recommendations address specific areas that we believe would improve the organization. It is not our intention, however, to criticize the work ethic, dedication, or intentions of DBH employees. We found most to be sincere people who have a calling to help the community that they serve.

FINDINGS

F1. Funding is sensitive as it comes from Federal and State sources (Medi-Cal and grants), yet there is no contingency plan defining how spending will be cut at DBH in the event of funding cuts.

F2. There is no formal system of vertical communication for DBH employees to ask questions or make suggestions and have a guaranteed response from upper management.

F3. The transition to SmartCare Electronic Health Record (EHR) software system has created more issues for DBH than anticipated.

³

<https://www.fresnocountyca.gov/Departments/Behavioral-Health/For-Professionals/Quality-Improvement/Annual-Beneficiary-Grievance-Appeal-Reports>

F4. DBH Field Clinicians lack sufficient training to enhance their safety and effectiveness.

F5. DBH's Field Clinicians have no current information regarding known violent tendencies or criminal history of their patients prior to meeting with them.

F6. There are insufficient or outdated supplies provided to DBH clinicians working in environments outside of the office including complete first aid kits and Narcan.

F7. DBH is not maintaining the most current information on its website as reports located on the website are aged and require updating.

F8. The Auditor - Controller / Treasurer-Tax Collector's office and DBH Finance/Accounting division have a different perception as to the timing of reimbursements into the County's general fund.

RECOMMENDATIONS

R1. The Director of Behavioral Health should create a written contingency plan to define cuts in service in the event there are cuts in funding by January 31, 2026. (F1)

R2. The Director of Behavioral Health or his/her designee should create a vertical communication system enabling field level staff to communicate concerns and suggestions to the Deputy Director / Director level of management by December 31, 2025. (F2)

R3. An employee proficient in SmartCare should be identified by the Director of Behavioral Health as the subject matter expert (SME) to provide as needed training or assistance to all DBH Employees by December 31, 2025. (F3)

R4. The Director of Behavioral Health or his/her designee should develop a formal training program for all new hires based on their administrative or professional category by March 31, 2026. (F4)

R5. The Director of Behavioral Health or his/her designee should develop a formal training for all field clinicians, with annual refresher training based on current needs, including a hands-on self defense course and make it available to all field staff who encounter clients by March 31, 2026. (F4)

R6. The Director of Behavioral Health or his/her designee should create a flag in the Smart Care System which identifies known violent tendencies and criminal history of the clients by March 31, 2026. (F5)

R7. The Director of Behavioral Health or his/her designee should implement a resupply system that ensures all first aid kits in DBH vehicles are fully stocked and updated by January 31, 2026. (F6)

R8. The Director of Behavioral Health should require that field staff be provided with Narcan, based on the potential Fentanyl and Opioid exposure in the field by January 31, 2026. (F6)

R9. The Director of Behavioral Health or his/her designee should conduct a yearly audit of each link and button on the DBH website to ensure reports and information contained on the website are up to date by January 31, 2026. (F7)

R10. The Director of Behavioral Health or his/her designee should schedule monthly meetings with the County Auditor/Controller's Office to timely resolve any accounting issues by December 31, 2025. (F8)

R11. The Director of Behavioral Health should develop a clear written procedure regarding the timing of reimbursement from DBH to the County general fund by December 31, 2025. (F8)

REQUIRED RESPONSES

Pursuant to California Penal Code section 933 and 933.05, each entity or individual named below must respond to the enumerated Findings and Recommendations within specific statutory guidelines.

Responses to Findings shall be either:

- The respondent agrees with the finding; or
- The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

Responses to Recommendations shall be one of the following:

- The recommendation has been implemented, with a summary regarding the implemented action; or
- The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation; or
- The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency where applicable. This time frame shall not exceed six months from the date of the publication of the Grand Jury report; or
- The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

Required response within 90 days:

Fresno County Board of Supervisors (F1-F8), (R1-R11)

INVITED RESPONSES

Director, Fresno County Department of Behavioral Health (F1-F8), (R1-R11)

Fresno County Auditor-Controller/Treasurer -Tax Collector (F8), (R10, R11)

Responses are to be sent to:

The Honorable Judge Houry A. Sanderson
Fresno County Superior Court
1100 Van Ness Avenue
Fresno, CA 93724-0002

WORKS CITED

Fresno County 2024-2025 recommended Department of Behavioral Health pages 43-52
[fy-2024-25-recommended-budget.pdf](https://www.fresnocountyca.gov/files/sharedassets/county/v/1/county-administrative-office/cao-fy-2024-25-recommended-budget.pdf).
(<https://www.fresnocountyca.gov/files/sharedassets/county/v/1/county-administrative-office/cao-budget/fy-2024-25-budget/fy-2024-25-recommended-budget.pdf>).

Fresno County Behavioral Health Board.
[Behavioral Health Board - County of Fresno](https://www.fresnocountyca.gov/Departments/Behavioral-Health/Care-Services/Get-Involved/Behavioral-Health-Board).
(<https://www.fresnocountyca.gov/Departments/Behavioral-Health/Care-Services/Get-Involved/Behavioral-Health-Board>).

CalMHSA (California Mental Health Services Authority). <https://www.calmhsa.org>.

CalMHSA Newsletter [newsletter - California Mental Health Services Authority](https://www.calmhsa.org/?s=newsletter&post_type=page).
(https://www.calmhsa.org/?s=newsletter&post_type=page).

Fresno County Department of Behavioral Health.
<https://www.fresnocountyca.gov/Departments/Behavioral-Health>.

APPENDIX

Mental Health Services Act/Behavioral Health Services Act (Proposition 63).

https://www.dhcs.ca.gov/services/MH/Pages/MH_Prop63.aspx.

DISCLAIMER

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

This report is a product of the entire grand jury with the exception of a juror who recused from this investigation. This grand juror was excluded from all parts of the investigation, including interviews and deliberations, as well as the writing and approval of this report.

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