

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: July 10, 2012

SUBJECT: Revenue Agreement for Inpatient Treatment of Nevada County Clients at the Placer County Psychiatric Health Facility

ACTION REQUESTED:

Approve a revenue agreement with Nevada County for inpatient treatment of Nevada County clients at the Placer County Psychiatric Health Facility from July 1, 2012 through June 30, 2014 in an amount not to exceed \$648,600, and authorize the Director of Health and Human Services to sign subsequent amendments.

BACKGROUND:

Placer County has a long history of coordinating psychiatric emergency services with Nevada County. Nevada County has purchased psychiatric treatment services as available in the Placer County Psychiatric Health Facility, located in the Cirby Hills Center, Roseville since FY 2002-03 (one year after this service was established). Nevada County has been a partner with Placer County in the development and use of inpatient services for many years and continues experiencing an increased need for inpatient services. Quality assurance and review procedures have continued to allow Placer County to make this resource available to Nevada County. This relationship assists Nevada County and provides some revenue to Placer County to offset the costs of this program.

The proposed contract provides for the purchase of an estimated of 730 days of psychiatric hospitalization services over the two-year contract term. Nevada County will guarantee full cost of all services provided (\$820 per day) to Placer County. In addition to this guaranteed bed purchase, this contract allows for the purchase of additional bed days as necessary and as space is available, based on actual utilization. The contract is augmented by Placer County's ability to bill Medi-Cal for federal reimbursement when a client is eligible, thus increasing the actual amount of revenue to Placer County.

This contract also allows Nevada County access to the Placer County Adult System of Care's crisis residential program (operated by Anka Behavioral Health) as available and necessary for continuity of client care.

Placer County Adult System of Care will have approval for all admissions.

The Placer County Mental Health, Alcohol & Drug Advisory Board has reviewed and recommended the approval of this agreement at its last meeting on May 21, 2012.

FISCAL IMPACT:

This agreement will generate approximately \$800,000 in reimbursement from Nevada County and Medi-Cal. Of this amount, half is included in the Department's FY 2012-13 Proposed Budget and the remainder will be included in the Department's FY 2013-14 Requested Budget.

This contract is on file with the Clerk of the Board for review.

