

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Children's 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
C. B. Bautista, Director of Children's System of Care
DATE: July 11, 2006
SUBJECT: Establish Umbrella Contract for Day Treatment and Other Outpatient Mental Health Services

ACTION REQUESTED:

Establish an umbrella contract not to exceed \$1,380,000 for the period of July 1, 2006 through June 30, 2007, to provide funding for day treatment and other outpatient mental health services currently provided by nine group home providers; authorize the Chairman to sign individual provider agreements, and authorize the Director of Health and Human Services to add any new, qualified providers and authorize amendments as needed.

BACKGROUND:

Residential Providers (group homes) require counties to provide augmented funding for provision of mental health services for children placed in their facilities. This practice has developed due to the severity of children placed in these programs and the need for day treatment and outpatient mental health services. Placement in a group home with Day Treatment and Outpatient Mental Health Services ranges in cost from \$10,200 to \$12,200 per month as compared to approximately \$23,000 for inpatient care and about \$14,300 per month for State hospital care. Mental health services offered by Residential Providers are Medi-Cal reimbursable for eligible clients.

The budgeted amount of \$1,380,000 will provide approximately 6,000 days of treatment at an average cost of approximately \$126/day for Day Rehabilitative Services and \$195/day for Day Treatment Intensive services, plus medication support services. The costs vary due to the type and intensity of service provided. Over the past year, we have seen a slight increase in the number of children placed into this level of programs. In FY2005-06, we expect to place 38 children in Rate Classification Level (RCL) 14 group homes with an average duration of about six months per child.

The concept of an "umbrella contract" was first approved by your Board in FY2001-02 and continues to work well for services with multiple potential providers. The providers to be included on the approved provider list for this contract include: Milhous Children's Services, Inc., Sunny Hills Children's Garden - Family and Children's Services, Inc., Victor Treatment Centers, Inc., River Oak Center for Children, Inc., FamiliesFirst, Inc., Summitview Child Treatment Center, Seneca Center, Inc., Santa Clara County CTF and Charis Youth Center. Costs for services are based upon negotiations between the host counties and the providers. Subsequently, rates are not set for most of the providers until July of the following year. While most of these agreements are established on a fiscal year basis, the Santa Clara County CTF is on a calendar year cycle as desired by Santa Clara County.

These services are exempt from the competitive process in accordance with Purchasing Policy Section 1.3(l) due to the limited availability of qualified providers.

FISCAL IMPACT:

Expenditures under this contract have been budgeted in the Client and Program Aid budget, Appropriation 53020, for these services in the amount of \$1,380,000 based on historical usage and future projections. This represents an increase of \$100,000 over last year's contract ceiling. Funding is derived mainly from State mental health, federal Medi-Cal totaling \$940,000. County match for these services will total approximately \$440,000 in realignment and County general funds.

The following Agreements for:

Families First, Inc.

Victor Treatment Centers, Inc.

River Oak Center For Children

**Summitview Child Treatment
Center, Inc.**

Charis Youth Center, Inc.

is on file with the Clerk of the Board
for BOS meeting:

July 11, 2006