

**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, LCSW, MPA, Director of Adult System of Care

DATE: October 23, 2007

SUBJECT: Yolo Community Care Continuum Agreement April 17, 2007 – June 30, 2010

ACTION REQUESTED:

Approve an amendment to Contract CN012380 with the Yolo Community Care Continuum (YCCC) in the amount of \$40,000 for a revised total contract amount not to exceed \$399,000, and authorize the Director of Health and Human Services to sign the amendment and subsequent amendments up to 10% of the total revised contract amount.

BACKGROUND:

The Adult System of Care redesign in 2006-07 included new programming that has successfully reduced placements in locked facilities, triaged clients for the most appropriate level of care and managed resources effectively. Part of the redesign identified space at the DeWitt Center (previously occupied by the Cypress House program) that would be best utilized to establish a much-needed, private adult residential board and care facility. A Request for Proposals was developed, and Yolo Community Care Continuum was awarded the contract to operate the new facility, and named the new facility "Harmony House." The YCCC organization was able to quickly complete the facility renovations, hire staff and begin services within three months of the established contract. Currently, the facility is full with persons who are returning to the community from more restrictive psychiatric placements.

At the time of the award, YCCC proposed a staffing pattern determined to best meet the needs of residents in this licensed facility. However, the budget associated with this staffing pattern included a miscalculation of total cost, resulting in the budget being inadequate for the staffing level identified in the proposal and required by State facility licensure. This error was not detected during the proposal evaluation process. Subsequent to the appointment of a new Executive Director, YCCC discovered the error and contacted the Adult System of Care to request a correction to the budget. Subsequent negotiations settled on an adjusted rate that requires YCCC to share a portion of the increased cost.

As this contract was awarded on the basis of a Request for Proposals, it was necessary to confirm that the contract award is still valid. In consultation with Procurement, it has been determined that this change is allowable and would not have altered the outcome of the Request for Proposals process.

Our program review confirms that the increased bed day cost is still much less costly than other facility options. Expected annual savings continues to range from \$200,000-\$700,000, depending on the facility comparison. This program will be re-reviewed over the next several months and outcomes will be closely monitored. Therefore, it is recommended that the annual County reimbursement be increased by \$40,000 for the current fiscal year.

FISCAL IMPACT:

The Adult System of Care will manage this cost through closely monitoring its use of more costly services to offset half (\$20,000) of this unexpected increase in program cost. The other half (\$20,000) of the increase will be covered by Mental Health Services Act funds, which are designed to flexibly meet the service and housing needs of qualified individuals.

The following Contract Amendment for:

**Amendment - Yolo
Community Care Continuum**

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

October 23-Tahoe, 2007