

**MEMORANDUM  
PLACER COUNTY HEALTH AND HUMAN SERVICES  
Administrative Services**

**TO:** Honorable Board of Supervisors

**FROM:** Richard J. Burton, M.D., M.P.H.  
Placer County Health Officer and Director of Health & Human Services  
Graham Knaus, Director of Administrative Services

**DATE:** July 7, 2009

**SUBJECT:** FY 2008-09 Budget Revision for Adult System of Care, Mental Health Services

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**ACTION REQUESTED:**

Approve and authorize the Chairman of the Board to sign a FY 2008-09 Adult System of Care budget revision in the amount of \$550,000, necessary to maintain the provision of essential and State-funded mental health services. State funds are also included in the Department's FY 2009-10 Proposed Budget to provide continuation of these services. No County General Funds are required.

**BACKGROUND:**

Placer County Mental Health services are strategically positioned to manage within the resources that are available while providing the highest quality care and services. These comprehensive psychiatric services include crisis, hospital, residential, and outclient services which served 2,875 individuals in FY 2007-08. Specific State-funded mental health services have been increased and used strategically this year in order to provide community care to those clients with the highest needs who would otherwise be in high-cost, locked facilities. As previously reported, these intensive treatment services have significantly reduced the utilization of more restrictive, high-cost facilities by 10 percent from the prior fiscal year, resulting in a cost savings of \$100,000.

After adoption of the FY 2008-09 Final Budget, HHS received approval from the County Executive Office to utilize anticipated State revenue to fund five positions. This strategy was effective in mitigating some of the other reductions in funds experienced during the current year. The Adult System of Care will exceed its expenditure authority before year-end, and State-funded Mental Health Services Act revenue has been identified to offset this increase. The Adult System of Care has implemented an extensive structural reorganization in the current year in order to be better positioned to manage continued decreasing revenues in the next fiscal year.

**FISCAL IMPACT:**

This budget revision increases expenditures by \$550,000, and is fully offset with State revenues in that same amount. State funds are also included in the Department's FY 2009-10 Proposed Budget to provide continuation of these services. No County General Funds are required.

