

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

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: May 20, 2014

SUBJECT: El Dorado Psychiatric Health Facility Amendment FY 2013-14

ACTION REQUESTED:

1. Approve contract amendment CN005137-C with the County of El Dorado increasing the annual amount \$100,000 (\$60,000 net County cost) for a revised annual total not to exceed \$200,000 for mandated medically necessary mental health services for Placer County residents in need of psychiatric hospitalization commencing with fiscal year 2013-14, and authorize the Director of Health and Human Services to sign the amendment and subsequent amendments up to 10 percent of the total contract amount, consistent with the current agreement's subject matter and scope of work.

BACKGROUND:

Placer County Adult System of Care (ASOC) provided mandated mental health services to 2,600 people last year who were evaluated to determine if they were a danger to themselves, a danger to others, or gravely disabled due to a mental disorder according to State law (Welfare and Institutions Code section 5150). This year, the number of people needing mandated evaluations is projected to increase to 2,800 for an overall increase of 70 percent in the last eight years. This was anticipated, and as a result, the hospital contracts were increased significantly, however, the increases were not sufficient and this amendment is the second increase following the Board action of February 4 when the Board approved an increase to a private hospital.

Placer County has a continuum of care in place that includes a Psychiatric Health Facility (PHF) and contracts with other county-operated PHFs and private psychiatric hospitals. The priority for placements is with the Placer County PHF or other PHFs as they are eligible for Federal financial participation. This contract amendment provides an increased not-to-exceed amount to the El Dorado PHF.

Placer County has received State funding to increase crisis intervention services as a strategy to decrease hospitalizations. It is also anticipated that with the implementation of Health Care Reform more persons evaluated will have private insurance that will cover psychiatric hospitalization reducing the impact on the County.

This mandated continuum of psychiatric services can be expanded within the current budget. This is accomplished with reductions in cost for some budgeted residential services and operational savings projected for the current year.

This contract amendment was reviewed and recommended for Board of Supervisors approval by the Mental Health, Alcohol, and Drug Advisory Board at its April 28, 2014 board meeting.

FISCAL IMPACT:

The expenditure included in this amended contract is included in the Department's FY 2013-14 Final Budget and will be included in the FY 2014-15 Requested Budget. Funding of \$100,000 in FY 2013-14 is provided by \$40,000 (40 percent) State funding and \$60,000 (60 percent) County General Funds. The increase is included in the Department's FY 2014-15 Requested Budget with the same funding split.

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

