

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

**TO:** Honorable Board of Supervisors

**FROM:** Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services  
Marie Osborne, Assistant Director of Adult System of Care/Medical Clinics

**DATE:** January 5, 2016

**SUBJECT:** Approval of Memorandum of Understanding (MOU) for State Hospital Bed Usage

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**ACTION REQUESTED:**

1. Approve a Memorandum of Understanding (MOU) with the California Department of State Hospitals (DSH), California Mental Health Services Authority (CalMHSA), and participating counties for the purchase of state hospital beds for participating counties from July 1, 2014 to June 30, 2016 not to exceed the amount of \$500,000, and authorize payments made to date, and authorize the Director of Health and Human Services to sign the contract and subsequent amendments not to exceed 10 percent of the total contract amount, consistent with the subject matter and scope of work.

**BACKGROUND:**

This Board approved Placer County to participate with CalMHSA in the purchase of state hospital beds on April 8, 2014 through the approval of Participation Agreement No. 117-2013-SHB-PC1 from July 1, 2013 through June 30, 2017. This Participation Agreement authorizes Placer County to act jointly with other counties in contracting operational costs with the California Department of State Hospitals for access and use of State hospital bed resources. The participation agreement outlines the cost to Placer for CalMHSA to administer this process that is \$1,402 per bed used.

Placer County has been supportive of CalMHSA negotiating the state hospital bed contract with DSH in an effort to develop a MOU more acceptable to all counties. This has been accomplished. The MOU keeps in place those items gained in the first phase such as no rate increase and mutual indemnification with additional improvements including clear admission and discharge procedures, only payment for utilized beds, and reimbursement for federal funds received by the state for these beds. The annual cost of DSH treatment beds for Placer County with a reduced census of one person is \$228,490. Reimbursement to DSH occurs through an offset of the 1991 mental health realignment funds sent to Placer County.

DSH and CalMHSA have recently finalized the MOU outlining the use of state hospital beds for all counties. Going forward CalMHSA will manage this contract and provide access of state hospital beds to counties through the required MOU between Placer and CalMHSA presented today.

**FISCAL IMPACT:**

The amount of \$228,490 is an estimated annual amount and is fully funded with State dollars. This amount was budgeted appropriately in FY 2014-15 and is included in the FY 2015-16 Budget.

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

