

**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, Director of Adult System of Care

**DATE:** December 19, 2006

**SUBJECT:** Approve Contract with Davis Guest Home, Inc. for Residential Board and Care Services

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**ACTION REQUESTED:**

Approve a contract with Davis Guest Home, Inc. for residential board and care services between January 1, 2007 and June 30, 2008 in an amount not to exceed \$150,000, and authorize the Director of Health and Human Services to sign the agreement and subsequent amendments.

**BACKGROUND:**

Davis Guest Home, located in Modesto, provides an alternative service for mental health clients requiring long-term residential care. This alternative is a transitional housing setting for adult patients transitioning to a lower level of services. The primary utilization is for individuals who have an identifiable mental health condition, are on conservatorship, and reside in a long-term, locked facility. This level of care provides an alternative to the locked Institutes of Mental Disease (IMD) facilities. It also provides the client a less restrictive environment in the community and is more cost-effective.

Although somewhat distant from Placer County, given increasing concerns over the use and costs of IMDs, ASOC has decided to contract with this firm as a part of our ongoing work in evaluating cost-effective alternatives to IMDs. Davis Guest Home operates a more intensive transitional program than offered at other board and care facilities, accepting clients that are transferred directly from an IMD environment. This is a unique program that has been recommended by several consultants over the last few years. At this time, there are no comparable facilities operating in Placer County.

This contract is a component in the development of new interventions by the Adult System of Care (validated through a review by outside consultants) that are reducing the utilization of deep-end services and investing in lower levels of care. Strategies for shorter stays and avoidance of hospitalization are in place for FY06-07 as well as a part of the Mental Health Services Act implementation.

This contract was reviewed and recommended for Board of Supervisors approval by the Mental Health, Alcohol, and Drug Advisory Board at its regular meeting on December 11<sup>th</sup>.

**FISCAL IMPACT:**

These services are reimbursed on a "per client, per day" basis with an estimated capacity of four beds for 18 months based on estimated usage of \$150,000 over the 18-month term. Adult System of Care will include the fiscal year 2006-07 cost (\$50,000) in an upcoming budget revision. The contract is funded by approximately 50% realignment funding and 50% County general funds.

The following Contract for:

**Davis Guest Home, Inc.**

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

**December 19, 2006**