

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Children's 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
C. B. Bautista, Director of Children's System of Care

DATE: April 18, 2006

SUBJECT: Contract amendments with Charis Youth Center, Inc. and Milhous Children's Center, Inc. to increase the rates for Day Treatment Services

ACTION REQUESTED:

Approve the amendments to Contract CH012081-V#11640 with Charis Youth Center, Inc. and CH012081-V#11392 with Milhous Children's Center, Inc., effective from July 1, 2005 through June 30, 2007 to increase the rates for day treatment services within the current total contract amount, and authorize the Chairman of the Board to sign the amendments.

BACKGROUND:

Residential Providers (group homes) require counties to provide augmented funding for provision of mental health services for children placed in their facilities. This practice has developed due to the severity of illness in children placed in these programs and the need for Day Treatment and Outpatient Mental Health Services. Placement in a group home with Day Treatment and Outpatient Mental Health Services provides a less costly alternative to State hospital or inpatient treatment. Mental health services offered by Residential Providers are Medi-Cal reimbursable for eligible clients.

The budgeted amount of \$1,280,000 provides approximately 5,000 days of augmented treatment in Residential Treatment Homes at an average cost of approximately \$120/day for Day Rehabilitative Services and \$190/day for Day Treatment Intensive services, plus medication support services. The costs vary due to the type and intensity of service provided.

In October 2005, the California Department of Social Services approved a rate increase for day treatment intensive and day rehabilitation services. Two of our providers have requested an adjustment in their rates, to be effective as of November 2005. Charis is requesting an increase from \$175/day to \$181/day for Day Treatment Intensive and from \$114/day to \$118/day for Day Rehabilitation Services. Milhous is requesting an increase from \$189.33/day to \$195.58/day for Day Treatment Intensive services. These amendments are being issued only to adjust the daily rates. The total cost of services provided under these agreements is not expected to exceed the previously established total contract amount.

FISCAL IMPACT:

Expenditures under this contract have been budgeted in the Client and Program Aid budget, Appropriation 53020 for these services in the amount of \$1,280,000 based on historical usage and future projections. Funding is derived mainly from State mental health, Federal Medi-Cal totaling \$856,000. Total County match for these services would total approximately \$424,000 in realignment and county general funds. No additional county general funds are required for these amendments.

The following contracts for:

**Charis Youth Center, Inc., and
Milhous Children's Center, Inc.**

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

April 18, 2006