

**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  
Richard S. Knecht, M.S., Director of Children's System of Care

**DATE:** June 26, 2007

**SUBJECT:** Approval of FY 07-08 Contracts and FY 06-07 Contract Amendments for Payment of Mental Health Providers and Group Homes in the Adult and Children's Systems of Care

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**ACTION REQUESTED:**

- A. Authorize the Auditor's Office to establish or amend payment ceilings for mandated Mental Health Services as follows:
1. Mental Health Provider Services
    - a. Increase FY 2006-07 contract #CH000007 for mental health providers by \$220,000, for a revised total of \$1,070,000,
    - b. Establish a FY 2007-08 contract for mental health providers for an amount not to exceed \$1,100,000,
  2. Group Home Treatment Services
    - a. Increase FY 2006-07 contract #CH012257 for outpatient mental health services by \$420,000, for a revised total of \$1,800,000,
    - b. Establish a FY 2007-08 contract for outpatient mental health services for an amount not to exceed \$1,614,000, and
- B. Authorize Health and Human Services to add any new, qualified providers and authorize amendments as needed.

**BACKGROUND:**

Placer County Health and Human Services is mandated by the State to provide specific mental health services to adults and children. The eligibility and scope of these services is determined by State and Federal agencies. These services are provided either in community or group home settings. Individuals requiring group home services are determined by colleagues in the education and criminal justice system. As the county population continues to grow, Placer County will continue to experience consistent increases in the demand for these services.

All actions requested are consistent with the funding and service levels of the FY 06-07 HHS Budget revision approved by your Board on May 22, and with the FY 07-08 Budget approved by your Board on June 12, 2007. There are no new county general funds required.

The following numbered items correspond to the Action Requested above:

- 1a. 1,197 residents required these mandatory services. This reflects an increase of 10% over the number requiring these services in FY 05-06 which had formed the basis of the 06-07 projected need built into the original FY 06-07 budget.
- 1b. HHS has a thorough eligibility, treatment authorization process, and quality assurance program that assures services are limited to those mandated by state and federal agencies. These stringent cost control measures will allow the county to provide these crucial services with the \$1,100,000 requested in the FY 07-08 budget.

2a. Nine youth with severe mental illness required the most costly mandated services rather than the six children anticipated based upon the previous year's experience. A total of 38 youth were served by some aspect of these services in FY 06-07. This reflects both the unpredictability of who in our community will suffer from these illnesses as well as the department's commitment to provide as many of these services as possible close to the families and supports that will provide best long term outcomes for the youth involved.

2b. The department is projecting 38 youth to require some aspect of these crucial mental health services in FY 07-08 and we are confident that the projected service needs for these youth will be provided within the funding reflected in the 07-08 contract.

**FISCAL IMPACT:**

FY 06-07 funding for this increased service demand is comprised of \$440,000 state and federal dollars, and \$200,000 required county general fund match. The new revised total amount for FY 06-07 is \$2,870,000, and is comprised of \$2,334,000 state and federal dollars, and \$536,000 required county general fund match.

FY 07-08 funding for these services is comprised of \$2,018,000 state and federal dollars, and \$696,000 required county general fund match.

All required county general funds are within the general fund dollars current allocated to HHS within the FY 06-07 Budget and reflected in the 07-08 proposed budget.