

**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: July 10, 2007

SUBJECT: Contracts and Amendments for Mental Health Services

ACTION REQUESTED:

Approve the following actions relating to a comprehensive array of mandated intensive mental health services for Placer County residents with the highest level of need:

- a. Approve FY2006-07 contract amendments #CN012222-A with Crestwood Behavioral Health by \$90,000, and contract #CN012224-A with Willow Glen Care Center by \$20,000.
- b. Approve 1-year contracts for FY2007-08 with Crestwood Behavioral Health, Telecare Corporation, and Sierra Family Services in a total amount not to exceed \$4,667,126.
- c. Approve 2-year contracts for FY2007-08 through 2008-09 for residential mental health services with BHC Heritage Oaks Hospital, BHC Sierra Vista Hospital, Country Villa Merced Behavioral Health Center, and Willow Glen Care Center for a total amount not to exceed \$1,987,600.
- d. Authorize the Director of Health and Human Services to approve subsequent amendments up to 10% of the total contract amount or \$49,999, whichever is less.

BACKGROUND:

Placer County Health and Human Services (HHS) is mandated by the State to provide specific mental health services to adults and children. These comprehensive psychiatric services include crisis, hospital, residential and outclient services. The residential/hospital contracts represent the highest levels of care for adults with significant mental disorders. More information on the individual contractors is included as Attachment A.

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 the proposed FY07-08 Budget approved by your Board on June 12, 2007. There are no new county general funds required.

FY2006-07 contract amendments with Crestwood and Willow Glen are necessary as a result of the planned closure of the County-operated Cypress House residential facility and the resulting higher utilization of other services during this transition. Successful strategies implemented in FY2006-07 significantly reduced the length of stay in residential/hospital programs and resulting costs.

All the FY2007-08 contracts have been negotiated to effectively maximize available funding. The overall combined FY2007-08 contract costs were reduced by \$312,814 compared to the prior year through improved utilization review and placement options.

These contracts were reviewed and recommended for approval by the Mental Health, Alcohol, and Drug Advisory Board at its regular meeting on June 25, 2007.

FISCAL IMPACT:

The total funding for these contracts and amendments is comprised of \$1,964,329 in Federal funding, \$2,978,659 in State funding, \$169,449 in fees, and \$1,652,290 in required County general fund match.

Attachments

Attachment A – Provider Contract Summary

Adult System of Care Mental Health Provider Summary
ATTACHMENT A
July 10, 2007

TELECARE: Requesting approval of FY07-08 contract

This is the 7th year of contracted services with the Telecare Corporation, an Oakland based corporation, for the daily operations of the County's Psychiatric Health Facility (PHF). Telecare has partnered with Placer County in a unique arrangement that utilizes a combination of County and provider staff working together to provide this critical component of our system. A joint quality assurance and review process has been established to review the program quality and outcomes. The Placer County PHF operates at full capacity (16 beds). Program staff has worked diligently to discharge persons to lower levels of care, in order to provide the least restrictive and clinically appropriate treatment and to reduce the high cost of locked psychiatric facilities.

BHC HOSPITALS: Requesting approval of 2-year (FY07-08 through FY08-09) contracts

These two-year contracts represent the 8th and 9th year of contracted services with BHC Hospitals for service to Placer County adults and children who require acute inpatient mental health services at their Heritage Oaks Hospital and Sierra Vista Hospital. This provider has been designated by the County as a facility for 72-hour detention and treatment in accordance with Welfare and Institutions Code Section 5150 and California Code of Regulations, Title 9, Section 820. The designation offers services for our children's population and overflow for adults from our PHF. These facilities are also the most expense placements at \$815 a day less partial Medi-Cal reimbursement for children and seniors. These contracts are utilized primarily for children and as overflow for the PHF when the PHF is full.

COUNTRY VILLA MERCED BEHAVIORAL HEALTH CENTER: Requesting approval of 2-year (FY07-08 through FY08-09) contract

This is the 3rd year of contracted services with Merced Behavioral Health Center for residential care in a secured Skilled Nursing Facility. The 96-bed locked inpatient facility provides long-term psychiatric care for persons ages 18 and above with chronic and persistent mental illness who are unable to live independently. Residents must be ambulatory, have an AXIS I psychiatric diagnosis (not organic in nature), and a stable medical condition. The Merced program considers the patient's prior level of functioning and expected rehabilitation goals as well as a multi-disciplinary approach to treatment planning, structured living environment, and structured group activities. Patients also receive individual behavior modification plans, group and individual therapy. Other services include healthy meals, dietary education, and skilled nursing care. This facility offers an alternative to acute inpatient care services (State Hospitals, Cirby Hills Psychiatric Health Facility, and BHC Hospitals).

CRESTWOOD BEHAVIORAL HEALTH: Requesting approval of FY06-07 amendment and 07-08 contract

This provider has a long-term relationship with Placer County spanning 20+ years of service to Placer County residents who require a structured therapeutic setting in a secure facility. Crestwood offers nine mental health facilities throughout Northern California. For the past four years, we have continued to manage utilization of these facilities at reduced levels based upon our budget strategy and redesign of our Rosewood House Program at the Cirby Hills Facility. Quality services will continue to be received although it is expected that there will be reduced lengths of service provided to most clients. The utilization of outcome data related to length of stay and evaluation of client readiness to return to lower levels of care at discharge have been successful in providing feedback regarding treatment planning, interventions, and overall services received.

WILLOW GLEN CARE CENTER: Requesting approval of FY06-07 amendment and 2-year (FY07-08 through FY08-09) contract

This is the 9th year of contracted services with Willow Glen Care Center. This contract will include services for elderly and non-elderly mental health residents requiring long-term residential care in a 24-hour secured perimeter facility as well as step-down residential treatment in 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 in need of stabilization following a stay in an acute facility. This level of care provides an alternative to the locked facilities such as Crestwood, and is more cost-effective because Medi-Cal reimbursement is allowed.

SIERRA FAMILY SERVICES: Requesting approval of FY07-08 contract

Sierra Family Services is a long-standing and important community agency partner with the County in the areas of outclient mental health and emergency crisis services. Mental Health services are provided on an outclient basis in Auburn, Roseville, Lincoln, and Tahoe areas, and include services to adults and children. Other programs provided under this agreement include Anger Management, Parenting Enhancement, and Domestic Violence Batterer's Programs. This contract also provides after-hours crisis response at Sutter Roseville Medical Center. Sierra Family Services is the only identified outclient provider of Managed Care Medi-Cal services in Placer County. Managed Care Medi-Cal providers must have licensed, qualified, mental health staff; must have the fiscal capability to bill through Managed Care Medi-Cal; and must be geographically desirable to the client population.

The following Contracts for:

Amendments:

Crestwood Behavioral Health, Inc.
Willow Glen Care Center, Inc.

Contracts:

Telecare Corp.
BHC Heritage Oaks Hospital
BHC Sierra Vista Hospital
Country Villa Merced Behavioral Health Center
Crestwood Behavioral Health, Inc.
Willow Glen Care Center, Inc.
Sierra Family Services, Inc.

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

July 10, 2007