

**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: March 25, 2008

SUBJECT: Agreements to Purchase Locked Psychiatric Facility Services

ACTION REQUESTED:

Approve two agreements for the purchase or expanded purchase of locked psychiatric facility services. The aggregate of these contracts will result in a net cost savings of approximately \$110,000 for the County:

- a. Agreement with the State of California Department of Mental Health for County use of State hospital beds during FY 2007/08 in the amount of \$271,030, and
- b. Amend Contract Number CN012438 with Country Villa Merced Behavioral Health Center in the amount of \$170,000 resulting from increased utilization of this locked psychiatric facility, for the period from July 1, 2007 through June 30, 2009, for a revised total contract award of \$352,500, and authorize the Director of Health and Human Services to sign subsequent amendments.

BACKGROUND:

Placer County is mandated to provide an integrated and coordinated range of community mental health services appropriate to the needs of each client. The Placer County Systems of Care effectively manages critical mental health services by establishing targeted populations, reviewing lengths of treatment, and identifying persons with the most critical need to serve. This contract continuum included crisis, hospital, residential, and outclient services. At this time we are reviewing the usage and expenditures of these contracts, finalizing a state contract and making a mid-year change based on current usage.

The Napa State Hospital contract is reduced this year as a direct result of our successful efforts to manage this costly service. The FY 2007/08 agreement for two beds totals \$271,030. This is a \$176,659 decrease (39%) over last year's expenditure. In addition, two other locked facilities, Sierra Vista and Heritage Oaks Hospitals, have reduced utilization for an additional savings of \$106,000.

The Merced Behavioral Health Center provides locked psychiatric care for persons ages 18 and above with chronic and disabling mental illness who are unable to live independently. This facility has been able to take a number of difficult and hard to place persons who were not accepted at other contracted facilities. This has increased the use of the contract in order to best manage persons in needing services in locked facilities. This contract change simply moves the approved and budgeted dollars to the appropriate program. There are no new County general funds required. Placer County is committed to exhausting all other possible levels of service prior to recommendations for locked psychiatric services and has successfully managed these costly services within the resources that are available.

The Mental Health, Alcohol and Drug Advisory Board reviewed and recommended for approval the Napa State Hospital contract on January 28th and the Merced Behavioral Health Center amendment on February 25th, 2008.

FISCAL IMPACT:

The new and amended contract amounts are properly budgeted in FY 2007/08 with a combination of state funds (\$261,765) and County General Funds (\$261,765). There is no additional impact to the County General Fund.

The following documents:

Agreements:

- 1. CA. Department of Mental Health
(State Hospital Beds)**
- 2. Country Villa Merced Behavioral
Health Center**

is on file with Clerk of the Board

for BOS meeting:

March 25, 2008