

**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 8, 2009

SUBJECT: RFP for Psychiatric Health and Crisis Residential Treatment Facilities

ACTION REQUESTED:

Approve the award of Request for Proposals (RFP) No. 9903 for mandated psychiatric health facility and crisis residential treatment facility services and the resulting contracts and amendments, to include:

- a. Telecare Corporation, for psychiatric health facility services from January 1, 2010 through June 30, 2011 in an amount not to exceed \$3,796,957,
- b. Anka Behavioral Health, Inc for Short-Term Crisis Residential Treatment Services from December 8, 2009 through June 30, 2011 in an amount not to exceed \$1,466,281 (including a start-up cost of \$49,000),
- c. Amendment CN012604-B with Yolo Community Care Continuum in the amount of \$85,000, for revised total of \$663,500 for continued interim Crisis Residential Treatment services through June 30, 2010, and
- d. Authorize the Director of Health and Human Services to sign subsequent amendments as needed, not to exceed \$49,999 per contract.

These contracts provide for the most cost effective delivery of these mandated psychiatric crisis and stabilization services and are funded through a combination of Federal, State, and County General Funds. Of these amounts, \$1,753,977 is related to FY 2009-10 and these costs are included in the Department's FY 2009-10 Final Budget, including a required County General Fund contribution of \$487,079. Additional revenue for FY 2009-10 is provided by Federal and State mental health funding in the amount of \$1,026,898 and Nevada County funding of \$240,000.

BACKGROUND:

Health and Human Services is mandated to provide psychiatric crisis and stabilization services to any resident that needs such assistance. In meeting the mandate, HHS provides the highest quality, most cost-effective services to 2000 Placer County residents who need either hospitalization or intensive counseling, or referral to community resources. Each year over 650 residents need emergency hospitalization which on average results in successful stabilization and return to the community within seven days. Even when residents are no longer in crisis, approximately 300 patients per year require residential care as a transition to self-sufficiency in the community.

Health and Human Services worked through the Procurement Division which issued Request for Proposals No. 9903, released on May 21, 2009, to solicit proposals for both a Psychiatric Health Facility and Short-Term Crisis Residential Treatment. In response to the RFP, Telecare Corporation, Anka Behavioral Health, and Willow Glen Care Center submitted the highest-rated proposals. The RFP evaluation panel, comprised of staff from Adult System of Care, Nevada County Mental Health, and Sutter-Yuba Mental Health, reviewed and rated the proposals. Based on best responsiveness to the RFP criteria and value to the County, the evaluation panel recommends award of the Psychiatric Health Facility contract to the incumbent, Telecare Corporation, and award of the Short-Term Crisis Residential Treatment contract to Anka Behavioral Health.

Implementing these sustainable structural changes will enable County staff to continue to provide critical core services while maximizing efficiency where expert capacity exists within the community.

The Telecare contract has increased two percent over the prior year based on increased patient need. However, the cost per bed day rate has been reduced and is expected to continue into FY 2010-11. In addition, the current reimbursement from Nevada County for usage of this program will continue. The Anka contract is providing a more cost-effective model than the previous County-operated program as expected in the current year budget. The Anka contract period will start up December 8, 2009 with Board approval but the program will not be operational until March 1, 2010. In the interim, an existing contract with Yolo Community Care Continuum for Crisis Residential Treatment will be increased to allow services to continue during this transitional time. In the next budget year, these contracted services will result in an annual savings of \$200,000.

These contracts and amendment were reviewed and recommended for approval by the Mental Health, Alcohol, and Drug Advisory Board at its regular meeting on November 25, 2009.

FISCAL IMPACT:

These actions will enable the Department to more effectively and efficiently manage services within available resources for the FY 2009-10 and FY 2010-11 budget years. Of these multi-year contract amounts, \$1,753,977 is related to FY 2009-10 including \$1,026,898 in Federal and State funds, \$240,000 in Nevada County funds, and a required County General Fund contribution of \$487,079. These costs are included in the Department's FY 2009-10 Final Budget.

Copies of the contracts are on file with the Clerk of the Board for review.

cc: Procurement Services Division