

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: February 25, 2014

SUBJECT: Amended Contract with Sierra Mental Wellness Group for Mental Health Crisis Services

ACTION REQUESTED:

1. Approve an amended contract with Sierra Mental Wellness Group for mental health crisis services from July 1, 2013 through June 30, 2014 in order to allow for Medi-Cal reimbursement for these services, increase the total contract amount \$4,300 (\$1,075 net County cost) for related administrative costs, for a revised total of \$563,455, and authorize the Director of Health and Human Services to sign this amended contract and approve subsequent amendments up to an aggregate amount of \$49,999, consistent with the amended agreement's subject matter and scope of work.

BACKGROUND:

Sierra Mental Wellness Group (SMWG), a long-standing and vital agency partner with Placer County, is contracted to provide mandated emergency mental health crisis services. This service allows for individuals with mental illness to receive interventions up to and including involuntary inpatient psychiatric services should they be deemed to be a danger to themselves, a danger to others or gravely disabled. This year, Placer County will evaluate approximately 3,000 people experiencing a mental health crisis.

Services provided through this agreement include all activities related to the provision of mental health crisis in both western and eastern Placer County. SMWG provides mental health crisis response services in eastern Placer County, 24 hours a day, seven days a week, and provides services after normal business hours in western Placer County. This agreement supports an after-hours crisis response to Sutter Roseville Medical Center, Sutter Auburn Faith Hospital, Tahoe Forest Hospital, Placer County Jail, and Juvenile Detention Facility when needed.

A majority of the individuals seen for crisis evaluations are adults who historically have not qualified for Medi-Cal. Prior to the implementation of the Affordable Care Act, adult Medi-Cal beneficiaries accounted for 20 percent of individuals who received emergency mental health crisis services, and about 30 percent did not have insurance. With the implementation of the Affordable Care Act, it is estimated that adult Medi-Cal/Medicare beneficiaries will account for 45 percent of the individuals receiving these mandated services, and the number of individuals without insurance is expected to be reduced significantly. This change provides Placer County an opportunity to adjust its reimbursement strategy to more effectively respond to this change in medical insurance for those we expect to serve. This amended contract provides clarification of how and when select services offered through this contract can be submitted for Medi-Cal reimbursement, gives specific guidelines regarding clinical documentation and describes detailed fiscal responsibilities to ensure that policies adhere to State and Federal requirements. It also increases the total contract by \$4,300 in order to provide SMWG a small increase in administrative capacity necessary to implement these changes. This will be offset by an increase of \$40,000 of Federal reimbursement to Placer County.

This amended contract has been reviewed fiscally and programmatically to determine that this is the most cost-effective approach in providing these critical and mandated services in a timely manner to individuals in Placer County dealing with a mental health crisis. The contract expenditures totaling \$563,445 are included in the Department's FY 2013-14 Final Budget.

FISCAL IMPACT:

This change will require a \$4,300 increase to the contract to include \$3,225 of Federal and State funds and \$1,075 in County General Fund cost. An increase of Federal reimbursement of \$40,000 is also projected.

This amended contract is on file with the Clerk of the Board for review.