

**COUNTY OF SONOMA  
AGENDA ITEM  
SUMMARY REPORT**

Clerk of the Board Use Only  
Meeting Date \_\_\_\_\_ Held Until \_\_\_\_\_  
Agenda Item No: \_\_\_\_\_ Agenda Item No: \_\_\_\_\_  
\_\_\_\_\_

**Department:** Health Services

**( X ) 4/5 Vote Required**

**Contact:**  
Rita Scardaci

**Phone:**  
(707) 565-4700

**Board Date:**  
7/14/09

**Deadline for Board Action:**  
7/14/09

**AGENDA SHORT TITLE:** Mental Health Services Contracts

**REQUESTED BOARD ACTION:**

Authorize the Director of Health Services to execute FY 09-10 mental health service provider contracts, subject to County Counsel review, and any future amendments that do not significantly change the scope of work or service category funding (\$19,390,278).

Resolution authorizing budgetary adjustments to the FY 09-10 Final Budget within the Special Revenue Fund – Department of Health Services in the amount of \$15,000 (requires 4/5 vote).

**CURRENT FISCAL YEAR FINANCIAL IMPACT**

**EXPENDITURES**

**ADD'L FUNDS REQUIRING BOARD APPROVAL**

**Estimated Cost** \$ 19,390,278

**Contingencies**  
(Fund Name: )

**Amount Budgeted** 19,375,278

**Unanticipated Revenue** \$ 15,000  
(Source: MHSA )

**Other Avail Approp**  
(Explain below)

**Other Transfer(s)**  
(Source: )

**Additional Requested:** \$ 15,000

**Add'l Funds Requested:** \$ 15,000

**Explanation (if required):**

**Prior Board Action(s):** 7/15/08 – Authorized Director to execute FY 08-09 Mental Health Services Contracts.

**Alternatives – Results of Non-Approval:** Delay, reduction, or elimination of needed mental health services and support to a significant number of clients.

**BACKGROUND:**

The Department of Health Services' Mental Health Division maintains a consistent panel of healthcare providers to ensure continuity of care and provision of services that are geographically accessible to Sonoma County residents. Contracted providers must be licensed by the state and comply with certification requirements specific to the treatments provided.

The recommended contract providers include over 50 organizations providing a variety of treatment modalities necessary for a continuum of effective and best-practice programs. Some of the mental health services provided are so specialized that only a very limited number of providers offer the services. Some of the organizations were selected using a competitive process. Consistent with managed care plans, the Mental Health Division maintains an open provider network. This means that any licensed provider may submit a request to contract with the County to provide mental health services. Requests to contract are reviewed and approved based on client need. Contracts are negotiated and managed by Mental Health Division staff in a manner consistent with maintaining an open provider network.

Some provider contracts are paid on a fee-for-service basis and therefore have no contract maximum as it is not feasible to determine future client need for the services of any one provider. However, each service category has a maximum that limits the aggregate amount paid to contractors within a given category. This enables the Department to quickly and efficiently provide clients with appropriate care. To accommodate changing service needs and capabilities it may be necessary, upon occasion, to contract with other mental health services providers not currently identified.

The majority of contracted providers have not received a rate increase for several years and in some cases, contract rates have been reduced. In many cases, the contracted payments are limited by regulation which sets forth the maximum allowable payment for mental health services. Each contract contains language allowing the Department to terminate agreements without cause, and to amend agreements in the event that adequate, anticipated funding by Federal and/or State government agencies is not provided to the County. Contracts are reviewed and approved by County Counsel prior to execution.

Mental health services providers are listed by service in Attachment A. The Department contracts for the following mental health service categories as part of the Department of Health Services treatment system:

***Long-Term Care Facilities (\$2,270,027)***

Long-term care facilities provide services to improve the daily functioning of adults with serious and persistent mental illness. Long-term care facilities also serve clients who require short to medium term intensive treatment in a secure, highly structured therapeutic environment in order to return to the community.

**Attachments:** Attachment A – Mental Health Services Contracts FY 09-10; Resolution authorizing budgetary adjustment in the amount of \$15,000.

**On File With Clerk:** None.

**CLERK OF THE BOARD USE ONLY**

<b>Board Action</b> (If other than "Requested")

<b>Vote:</b>

**BACKGROUND:** (continued)

***Children's Group Homes (\$4,801,954)***

Group homes provide mental health youth and family services to ensure that the mental health treatment needs of children living in placements are appropriately met. Services are available to children who have been assessed by Mental Health Division staff and identified as requiring specific levels of mental health intervention.

***Children's Mental Health Outpatient Services (\$3,608,144)***

Programs providing children's mental health services deliver outpatient mental health youth and family services to ensure that individual/family counseling and case management needs are addressed.

***Supportive Services to Adults in Community Care Facilities (\$2,155,728)***

Support services provided to adults in licensed community care facilities fall into two broad categories. A number of contractors provide an organized treatment program with a daily schedule of activities designed to help clients learn daily living skills, understand their mental illness, and/or deal with substance abuse issues in preparation for moving into a more independent living situation. The remaining contracts are with licensed board and care providers that offer limited supervision of clients, assistance with managing medications, and help with the activities of daily living.

***Supportive Services to Adults in Independent Living Settings (\$2,741,070)***

The Department's ultimate treatment goal for mental health clients is for them to live in the community as independently as possible. A variety of living arrangements are available to clients including single or shared apartments and homes shared by a small number of individuals. Contract providers send staff to clients' homes to teach and assist them in accomplishing all the tasks necessary to live independently including menu planning, grocery shopping, budgeting and paying bills, taking medications as prescribed, etc.

***Consumer, Family Peer Support and Recovery Services (\$2,434,567)***

Through contracts with several community-based organizations, clients and/or their families may access a variety of services designed to foster self-reliance and maximize overall quality of life. The services include provision of general health information and referral, assistance navigating the mental health systems of care, recreation and socialization, consumer and family support groups, peer counseling training, peer counseling, telephone support, advocacy training and consultation, benefits counseling, vocational training, and consumer-operated employment opportunities.

Since the adoption of the FY 09-10 Proposed Budget, the Department recognized the need for additional peer support and family education services. Under a contract with the Department for FY 08-09, the Sonoma County Chapter of the National Alliance on Mental Illness (NAMI) provided education to family members and friends about the nature of serious mental illness and how best to support their loved ones towards recovery. Family members who can effectively provide support enrich the lives of their loved ones with mental illness and enhance the services provided by the County. The Department recommends increasing the NAMI contract by \$15,000 for a total of \$220,000.

***Mental Health Services Act Community Partnerships (\$682,791)***

The Department provides funds and consultation services to community-based physical health care and/or substance abuse organizations, enabling these organizations to work more effectively with their clients who have mental illness. These collaborations facilitate access to primary care for individuals with mental illness, and assist the Mental Health Division (MHD) to identify new clients needing services. In addition, these organizations are the providers of choice for many in the Latino and Native American populations. These arrangements allow the Department to serve previously underserved populations who already receive care at the regional health centers.

**BACKGROUND:** (continued)

***Mental Health Services Act Full Service Partnerships (\$695,997)***

The Mental Health Services Act (MHSA) required counties to allocate more than 50% of the MHSA funding to research-based full service programs. These “full service partnerships” provide comprehensive services to a limited number of clients. Services include supported housing and employment, medication management, socialization, peer support, and access to staff support 24 hours per day, 7 days per week. Community-based organizations work in concert with MHD staff to provide services.

**FISCAL IMPACT:**

The FY 09-10 Final Budget includes \$19,375,278 for these service contracts. The contracts are funded by Medi-Cal Federal Financial Participation, Mental Health Services Act (MHSA), and Realignment. Realignment is budgeted in the amount of \$3,115,228.

To support the contract change discussed above, the Department is requesting a budgetary adjustment in the amount of \$15,000 increasing the contracts total to \$19,390,278.

In addition to the contracted mental health services costs, the County Human Services Department incurs room and board costs for children with serious emotional disturbance who are placed in group homes. HSD included \$4,345,563 for these costs in the FY 09 10 Proposed Budget. Of these costs, \$2,607,338 represents costs to the General Fund.