



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** May 31, 2012  
**Board Meeting Date:** June 26, 2012  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jean S. Fraser, Chief, Health System  
Stephen Kaplan, Director Behavioral Health & Recovery Services

**Subject:** Agreement with Mills-Peninsula Hospitals

**RECOMMENDATION:**

Adopt a Resolution authorizing the:

**A)** President of the Board to execute an Agreement with Mills-Peninsula Hospitals for the provision of psychiatric inpatient hospital services for San Mateo County youth and adults for the term July 1, 2012 through June 30, 2014, for a maximum obligation of \$1,764,822 in aggregate with all other hospitals that have contracted with Behavioral Health and Recovery Services; and

**B)** Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

**BACKGROUND:**

In March 1995 your Board approved the acceptance of State and federal funds to implement the San Mateo County Mental Health Managed Care Plan (MHP). Since 1995 Mills-Peninsula Hospitals has contracted with the County to provide psychiatric inpatient hospital services. These services are used to accommodate emergency admissions in the northern part of the County and when the San Mateo Medical Center is full. For FYs 2012-13 and 2013-14 Behavioral Health and Recovery Services (BHRS) is contracting with Mills-Peninsula Hospitals and John Muir Behavioral Health Center. Services provided by these facilities comprise the majority of contracted psychiatric inpatient hospital services provided to San Mateo County clients. Under the B-1 Administrative Memorandum the selection of providers delivering inpatient psychiatric hospital services for mental health clients is exempt from the Request for Proposals requirement. In order to improve service capacity, BHRS offers contracts for psychiatric inpatient hospital services to any willing qualified provider.

**DISCUSSION:**

The Agreement with Mills-Peninsula Hospitals is for an aggregate amount for all hospital inpatient services authorized by BHRS. This Agreement contains rates for psychiatric inpatient hospital services for Medi-Cal-covered youth and adults and rates for psychiatric inpatient hospital services for uninsured youth and adults. Administrative Day rates, which are set by the State, are also included. This Agreement is structured on the basis of fee-for-service rates. Only services authorized by BHRS will be paid. The Agreement with John Muir has been submitted separately for approval.

The Agreement and Resolution have been reviewed and approved by County Counsel. Contractor meets insurance certification requirements.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

The Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing inpatient psychiatric hospital services for youth and adults. BHRS provides a range of services to promote wellness and recovery and to support consumers remaining in the lowest possible level of care. The provision of inpatient services is one established level of care. The services provided through this Agreement contribute to this measure. It is anticipated that no more than 12% of clients who receive psychiatric inpatient hospital services will be re-admitted within 30 days of discharge.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2011-12 Estimate</b>	<b>FY 2012-13 Projected</b>
Percentage of clients who are re-admitted within 30 days of discharge.	12%	12%

**FISCAL IMPACT:**

The term of this Agreement is July 1, 2012 through June 30, 2014. The maximum amount is \$1,764,822 for the two-year term. The maximum amount for FY 2012-13 is \$882,411 which is the aggregate amount for all contracted hospitals. Of the maximum amount, \$362,717 will be funded with Federal Financial Participation funds, \$362,717 will be from state funds for Managed Care Services, \$102,035 will be funded by sales tax through Realignment, \$11,212 will be funded through Medicare, and the remaining \$43,730 is Net County Cost. The payment provisions and levels of service in this contract are essentially the same as the prior contract. Funds for these services have been included in the BHRS FY 2012-13 Recommended Budget. A similar arrangement shall be made for FY 2013-14.