



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



**Date:** July 28, 2015  
**Board Meeting Date:** December 15, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Lisa Mancini, Director, Aging and Adult Services  
Stephen Kaplan, Director, Behavioral Health & Recovery Services

**Subject:** Agreement with Telecare Corporation for psychiatric treatment services and long-term care

**RECOMMENDATION:**

Adopt a resolution waiving the request for proposals process and authorizing an agreement with Telecare Corporation for psychiatric treatment services and long-term care for clients of the Public Guardian for the term July 1, 2015 through June 30, 2019, in an amount not to exceed \$33,754,860.

**BACKGROUND:**

Telecare Corporation (Telecare) is one of the nation's largest providers of adult mental health services. It operates programs tailored to individuals with co-occurring conditions such as homelessness, substance abuse, and developmental disabilities. Telecare has provided psychiatric treatment services for County residents since 1982.

**DISCUSSION:**

Telecare will continue to operate the County's Cordilleras facility as a Mental Health Rehabilitation Center (MHRC). It will provide (1) psychiatric treatment, in a locked setting, for up to 68 seriously mentally ill County residents; and (2) 49 residential treatment beds to County residents who can be served in an unlocked licensed residential care setting. Telecare will also provide bed capacity for Aging and Adult Services (AAS) conserved clients and Behavioral Health and Recovery Services' (BHRS) clients at the contractor's Garfield Neurobehavioral Center (GNC) which is located in Oakland, California. The clients placed at GNC will receive treatment for severe behavioral issues associated with brain damage. The B-1 Administrative Memorandum exempts services that are required for specific clients placed in out-of-county facilities from the Request for Proposals (RFP) process.

In 2014, BHRS conducted a feasibility study regarding the physical and programmatic structures of the Cordilleras facility. The study group offered recommendations that assisted BHRS in developing a five-year plan to demolish the existing structure, build new residential facilities, and redesign the programs. Until the new facilities are ready for occupancy, Telecare will continue to be the sole provider of all services at Cordilleras.

BHRS is requesting a four-year waiver of a RFP to allow for construction of the new facilities and any delays that may occur in the process. The RFP for services within the new facilities will be designed to reflect the changes in program structure and may result in releasing more than one RFP in FY 2016-17 and/or FY 2017-18, depending on the construction schedule.

Furthermore, BHRS is requesting your Board to authorize the 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.

The agreement and resolution have been reviewed and approved by County Counsel as to form. The contractor meets insurance certification requirements. Real Property has reviewed and approved the License Agreement for use of the County-owned Cordilleras facility. This agreement is on the Continuing Resolution and is late due to prolonged contract negotiations and the delay by Telecare in returning the signed contract.

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing residential psychiatric treatment services and long-term care services. It is anticipated that no more than 25% of clients admitted to the MHRC shall be returned to a higher level of care within 15 days of admission.

**PERFORMANCE MEASURE(S):**

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Percent of clients admitted to MHRC that are returned to a higher level of care	22%* 36 of 162	25% 40 of 162

\*The FY 2014-15 actual result was better than the target of 25%.

**FISCAL IMPACT:**

The term of the agreement is July 1, 2015 through June 30, 2019, and the maximum obligation is \$33,754,860. Of this amount, \$32,474,860 is for BHRS and \$1,280,000 is for AAS.

Of the maximum amount for BHRS, \$7,770,226 has been included in the BHRS FY 2015-16 Adopted Budget. Of this amount, \$7,537,119 is funded by sales tax through Realignment and \$233,107 is Net County Cost.

.  
. .  
.

Of the maximum amount for AAS, \$320,000 has been included in the AAS FY 2015-16 Adopted Budget as 100% Net County Cost.

Similar funding arrangements will be made for future years.

The payment provisions and levels of services in this contract differ from that of the previous contract due to the exclusion of direct observation therapy services for non-adherent tuberculosis patients and the addition of one bed for BHRS at GNC. On an annualized basis, this contract represents a 4% increase over the previous contract.