



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



**Date:** August 5, 2014  
**Board Meeting Date:** September 9, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

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

**Subject:** Agreement with 7th Avenue Center, LLC

**RECOMMENDATION:**

Adopt a Resolution authorizing an agreement with 7th Avenue Center, LLC for locked psychiatric care services, for the term of July 1, 2014 through June 30, 2017, in an amount not to exceed \$2,231,566.

**BACKGROUND:**

Mental Health Rehabilitation Centers (MHRC) such as 7th Avenue Center, LLC (7th Avenue) provide locked psychiatric care for adults with serious and persistent mental illness. Counties are required by the California Department of Mental Health to pay a “basic rate” for skilled nursing/basic care for adults 18-64 years of age who are housed in MHRC facilities. The basic rates vary by geographic region and are set annually by the California Department of Health Services. Medi-Cal provides basic rate funding for individuals in locked facilities who are age 65 years and older. In addition to the basic rate, selected San Mateo County clients at MHRC facilities may be authorized for supplemental payments, often referred to as “patches” or “enhanced rates” in order to provide augmented services based on the severity of an individual’s illness.

7th Avenue has contracted with Behavioral Health and Recovery Services (BHRS) since 2002.

Under the B-1 Administrative Memorandum, the selection of providers for these long-term locked facility services is exempt from the Request for Proposals requirement.

**DISCUSSION:**

The agreement with 7th Avenue is for the provision of ten beds for San Mateo County residents. Efforts over the last several years to decrease the length of stay at Napa State Hospital and at Cordilleras Mental Health Facility have resulted in an increased

use of community placements like 7th Avenue. For severely mentally ill clients, 7th Avenue is a less expensive alternative placement than Napa State Hospital. 7th Avenue has been willing to work with clients with very difficult behavioral problems who are placed directly from a State Hospital.

BHRS requests 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. 7th Avenue meets insurance certification requirements.

7th Avenue 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. This agreement is on the Continuing Resolution.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community through the provision of residential board and care services to mentally ill clients. 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 residential board and care services is one established level of care. It is anticipated that 60% of clients who receive locked psychiatric care from this contractor will be maintained at the current level of care or discharged to a lower level of care.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Projected</b>
Percentage of clients maintained at a current or lower level of care	60%	60%

**FISCAL IMPACT:**

The term of the agreement is July 1, 2014 through June 30, 2017, and the maximum obligation is \$2,231,566 for the three-year term. Funds in the amount of \$717,773 will be included in the BHRS FY 2014-15 Recommended Budget. Of this amount, sales tax through Realignment will fund \$645,996 and the Net County Cost will be \$71,777. Similar arrangements will be made for FY 2015-16 and for FY 2016-17. Payment provisions and levels of service in this agreement are essentially the same as the prior agreement.