



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



**Date:** July 16, 2015  
**Board Meeting Date:** September 1, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Stephen Kaplan, Director, Behavioral Health & Recovery Services

**Subject:** Agreement with Psynergy Programs, Inc. for Mental Health Services

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Psynergy Programs, Inc. for residential mental health services for the term of July 1, 2015 through June 30, 2017, in an amount not to exceed \$913,750.

**BACKGROUND:**

Psynergy Programs Inc. (Psynergy) provides a full range of mental health residential services, which include: rehabilitative mental health services, psychiatric services, medication support, individual and group therapy, therapeutic programs with enhanced medical support for specific issues (e.g., diabetes), and Modified Therapeutic Community. The programs emphasize independent living skills, nutrition and exercise. Psynergy has three facilities located in Morgan Hill and Greenfield, California.

Under the B-1 Administrative Memorandum, the selections of providers of housing services and related supports for mental health clients are exempt from the requirement for Requests for Proposals (RFP) process. Behavioral Health & Recovery Services (BHRS) manages the placements in this and other residential service facilities within the total budgeted amount for mental health residential services.

**DISCUSSION:**

Psynergy is a vital resource for difficult to place clients, such as those who unnecessarily remain in locked facilities because they are unable to manage their health issues independently. With this option, clients can be moved to a more appropriate lower level of care, which will be a cost savings for the County.

The contract is late due to protracted negotiations with the vendor.

The resolution contains the County's standard provisions allowing amendments of the County's fiscal obligation by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County counsel as to form. This agreement is on the Continuing Resolution.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing residential board and care services to mentally ill clients. It is anticipated that no more than 10% of all admissions will be discharged to an acute psychiatric level of care.

**PERFORMANCE MEASURE(S):**

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Percentage of clients discharged to an acute psychiatric level of care.	15%* 2 of 13 clients	10% 1 of 10 clients

\* Target of 10% was exceeded.

**FISCAL IMPACT:**

The term of the agreement is July 1, 2015 through June 30, 2017. The amount of the agreement is not to exceed \$913,750 for the two-year term. Funds in the amount of \$457,500 are included in the BHRS FY 2015-16 Recommended Budget. Of that amount, it is anticipated that \$59,475 will be funded by Federal Financial Participation for MediCal, \$352,275 will be funded by 1991 Realignment, and \$45,750 will be net County Cost. Similar arrangements will be made for future budget years.