



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: December 28, 2015
Board Meeting Date: February 23, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Amendment to the Agreement with AFON USA, Inc. dba Hillcrest Manor for board and care services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with AFON USA, Inc. dba Hillcrest Manor for board and care services, increasing the amount by \$61,960 to an amount not to exceed \$249,107.

BACKGROUND:

On June 18, 2013, your Board approved an agreement with AFON USA, Inc. dba Hillcrest Manor, for the provision of residential board and care for mentally ill clients, for the term of July 1, 2013 through June 30, 2016, for a total obligation of \$182,550.

On July 23, 2014, the Chief of the Health System approved a first amendment to the agreement, adding a cost of living adjustment increasing the maximum obligation by \$4,597 to an amount not to exceed \$187,147, with no change to the term of the agreement.

DISCUSSION:

This contractor operates a 12-bed board and care facility for difficult to place clients, and provides augmented services for seriously mentally ill clients who require a higher level of supervision and services. The services include more intensive mental health services, social skills training, and assistance with daily living activities.

The contractor is facing rising costs on multiple fronts. Upcoming changes in the labor laws will increase the minimum wage and require mandatory payment of sick leave. Other operating expenses such as utilities, insurance, and licensing costs are also increasing. These increased costs make it difficult to stay in business and place the operators of these types of facilities in danger of closing. To prevent closures and loss

of already scarce beds, Behavioral Health and Recovery Services (BHRS) proposes to increase the daily bed rate through this amendment.

The amendment and resolution have been reviewed and approved by County Counsel as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing residential board and care services to mentally ill clients. BHRS provides a range of services to promote wellness and recovery and to support consumers so that they will remain 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 100% of board and care clients will be retained at this level of care.

PERFORMANCE MEASURE(S):

| Measure | FY 2014-15 Actual | FY 2015-16 Projected |
|--|--------------------|----------------------|
| Percent of board and care clients retained at this level of care | 100% 12 clients | 100% 12 clients |

FISCAL IMPACT:

The term of the agreement is July 1, 2013 through June 30, 2016. The amount of the agreement is not to exceed \$249,107. Funds in the amount of \$124,766 are included in the BHRS FY 2015-16 Adopted Budget. Of that amount, it is anticipated that \$112,289 will be funded by sales tax through realignment, and \$12,477 is net county cost.