



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: February 6, 2017
Board Meeting Date: April 25, 2017
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: Agreement With 7th Avenue Center, LLC For Locked Psychiatric Care Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with 7th Avenue Center, LLC for locked psychiatric care services, for the term of July 1, 2017 through June 30, 2020, in an amount not to exceed \$5,480,000.

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 illnesses. Counties are required by the State 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 State 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 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 the State Hospital.

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.

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 60% of clients who receive locked psychiatric care will be maintained at the current level of care or discharged to a lower level of care.

PERFORMANCE MEASURE(S):

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Percentage of clients maintained at a current or lower level of care	60% 12 clients	60% 12 clients

FISCAL IMPACT:

The term of the agreement is July 1, 2017 through June 30, 2020. The amount of the agreement is not to exceed \$5,480,000 for the three-year term. Funds in the amount of \$1,825,000 have been included in BHRS FY 2017-18 Recommended Budget. Of that amount, sales tax through Realignment will fund \$1,642,500 and the Net County Cost will be \$182,500.

The payment provisions and levels of service in the agreement are essentially the same as the prior agreement. Funds for these services will be included in the BHRS FY 2018-19 Recommended Budget and in the BHRS FY 2019-20 Recommended Budget.