



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: July 11, 2016
Board Meeting Date: September 6, 2016
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: Amendment to the Agreement with 7th Avenue Center, LLC

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with 7th Avenue Center, LLC, increasing the amount by \$1,300,000 to an amount not to exceed \$3,556,566, with no change to the term of the agreement.

BACKGROUND:

On September 9, 2014, the Board approved an agreement with 7th Avenue Center, LLC for the provision of locked psychiatric services for seriously and persistently mentally ill adults for the term of July 1, 2014 through June 30, 2017, for the total obligation of \$2,231,566.

On April 2, 2015, through an Executive Letter, the agreement was amended for the first time to include Bed Hold rates, effective July 1, 2014 through June 30, 2017, with no change to the maximum amount or the term of the agreement.

On May 31, 2016, due to increase of bed usage, the agreement was amended for the second time increasing the maximum obligation by \$25,000 to a new maximum of \$2,256,566, with no change to the term of the agreement.

DISCUSSION:

The agreement with 7th Avenue Center, LLC 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 Center, LLC. For severely mentally ill clients, 7th Avenue Center, LLC is a less expensive alternative placement than Napa State Hospital. 7th Avenue Center, LLC has been willing to work with clients with very difficult behavioral problems who are placed directly from the State Hospital.

It is now necessary to amend this agreement due to a higher than expected number of clients transferred to 7th Avenue Center, LLC from the State Hospital; and increase the maximum amount by \$1,300,000 to an amount not to exceed \$3,556,566, with no change to the agreement term.

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 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 through the provision of residential board and care services to mentally ill clients. Behavioral Health and Recovery Services (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. The services provided contribute to this measure. 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 2015-16 Estimated | FY 2016-17 Projected |
|--|-----------------------------|-----------------------------|
| Percentage of clients maintained at the current or lower level of care | 60% 6 clients | 60% 6 clients |

FISCAL IMPACT:

The term of the agreement is July 1, 2014 through June 30, 2017. The maximum is being increased by \$1,300,000 to a new maximum of \$3,556,566. Funds in the amount of \$1,300,000 have been included in the BHRS FY 2016-17 Approved Recommended Budget. Of the increase, sales tax through Realignment will fund \$1,170,000 and the Net County Cost will be \$130,000.