



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-479

Board Meeting Date: 6/13/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Jeï Africa, 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 clients, for the term of July 1, 2023, through June 30, 2026, in an amount not to exceed \$5,632,787.

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. The State Department of Mental Health requires counties 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 aged 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.

DISCUSSION:

The agreement with 7th Avenue is for the provision of 18 beds for San Mateo County residents. 7th Avenue has a demonstrated ability to provide care for adults with serious and persistent mental illness and comorbid medical issues who need a locked placement. 7th Avenue provides care for clients with complex behavioral health needs, including accepting clients directly from state hospital placements.

MHRC facilities like 7th Avenue have established expertise serving clients with complex behavioral health needs. However, California is currently confronting a shortage of MHRC facilities like 7th Avenue, which provides acute, psychiatric, and subacute beds within the State. This shortage results

in high bed occupancy rates and long waitlists for placements, meaning that clients stay at the more costly acute levels of care until an MHRC placement is available. San Mateo County clients continue to suffer the detrimental effects of this MHRC bed shortage. To illustrate: BHRS currently has eight clients who have been waiting for over four months in acute facilities for placement at an MHRC.

The needs of the clients served by MHRC facilities and the uniqueness of the MHRC market inform the procurement approach that the County has adopted for this contract, in addition to the B-1 Administrative Memo exception for Housing Services and Related Supports.

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

The agreement and resolution have been reviewed and approved by the County Attorney as to form.

It is anticipated that 75% 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:

| Measure | FY 2022-23 Estimated | FY 2023-24 Projected |
|---|---------------------------------|-----------------------------|
| Percentage of clients who receive locked psychiatric care that are maintained at the current level of care or discharged to a lower level of care | 75% 15 of 20 clients | 75% 13 of 18 clients |

FISCAL IMPACT:

The term of the agreement is July 1, 2023, through June 30, 2026. The amount of the agreement is not to exceed \$5,632,787 for the three-year term. Funds in the amount of \$1,817,151 have been included in BHRS FY 2023-24 Recommended Budget. Of that amount, it is anticipated that \$1,635,976 will be funded by sales tax through Realignment, and \$181,775 will be Net County Cost. Similar arrangements will be made for future budget years.