



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-475

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
Jei Africa, Director, Behavioral Health and Recovery Services

Subject: Amendment to the Agreement with Ever Well Health Systems, LLC for Residential Services for Mentally Ill Clients

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Ever Well Health Systems, LLC for residential services for mentally ill clients, increasing the maximum amount by \$771,638 to an amount not to exceed \$5,764,892 with no change to the agreement term.

BACKGROUND:

Ever Well Health Systems, LLC (EWHS) is an appropriate model/level of care for many clients with serious mental illnesses to experience life in the community and become de-institutionalized. EWHS provides placements for clients with complex mental health, behavioral, and medical issues. Over the past few years, EWHS has expanded bed capacity and has placed clients with more complex needs. EWHS has facilities in San Joaquin, Sutter, and Tulare counties.

In June 2020, this Board approved an agreement with EWHS to provide residential mental health services, in an amount not to exceed \$2,804,245, for the term of July 1, 2020, through June 30, 2023.

In February 2022, this Board approved a first amendment to the agreement with EWHS to increase the availability of beds from 15 to 19 beds, increasing the maximum amount by \$2,189,009 to an amount not to exceed \$4,993,254 and extending the term through June 30, 2024.

DISCUSSION:

Through this amendment, EWHS provides supervised housing, treatment, and rehabilitation services for clients with mental health and/or both mental health and substance use issues. The services enable clients to be treated in the community, thus avoiding more costly acute psychiatric hospitalizations or sub-acute locked placements. Additionally, EWHS has agreed to place clients receiving Electro Convulsive Treatment (ECT). This additional service capacity has provided an alternative to state hospital placement for clients with complex behavioral needs receiving ECT.

The current aged Cordilleras Mental Health Center is being replaced with a new mental health rehabilitation center (MHRC) and co-housing facilities at the Cordilleras campus in Redwood City. Services at the new facilities are anticipated to begin in early 2024. BHRS will need additional licensed residential bed capacity for the relocation of clients out of the current Cordilleras Suites, which is an Enhanced Board and Care facility. BHRS is requesting approval to amend the agreement with Ever Well to increase the number of beds from 19 beds to 30 beds for FY 2023-24. The maximum contract amount will increase by \$771,638, to an amount not to exceed \$5,764,892. BHRS manages the placements in this and other residential service facilities within its total budgeted amount for mental health residential services.

Mental health residential facilities like EWHS have established expertise in serving clients with complex behavioral health needs. However, California is currently confronting a shortage of facilities like EWHS. This shortage results in high bed occupancy rates and long waitlists for placements, which means that clients stay at the more costly acute levels of care until a placement is available for them. San Mateo County clients continue to suffer the detrimental effects of this 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 mental health residential facilities and the uniqueness of the 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 provision allowing amendment of the County’s fiscal obligations by a maximum of \$25,000 (in aggregate).

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

It is anticipated that no more than 15% of all admissions will be discharged to an acute psychiatric level of care.

PERFORMANCE MEASURES:

Measure	FY 2022-23 Estimated	FY 2023-24 Projected
Percentage of all admissions that are discharged to an acute psychiatric level of care	≤15% ≤3 of 19 clients	≤15% ≤5 of 30 clients

FISCAL IMPACT:

The term of the amended agreement is from July 1, 2020, through June 30, 2024. The amount of the amended agreement is not to exceed \$5,764,892 for the four-year term. Funds in the amount of \$2,152,494 will be included in the BHRS FY 2023-2024 Recommended Budget. Of that amount, 100% is funded by Mental Health Services Act funds.