



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 24-295

Board Meeting Date: 4/23/2024

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: Agreement with Davis Guest Home Inc. for Residential and Transitional Care Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Davis Guest Home Inc. for residential and transitional care services, for the term of July 1, 2024, through June 30, 2025, in an amount not to exceed \$646,050.

BACKGROUND:

Behavioral Health and Recovery Services (BHRS) has contracted with Davis Guest Home Inc. (Davis Guest Home) since May 1, 1999, for residential care facilities in Stanislaus County to provide residential care services for adults living with a mental illness. These services enhance successful community living and avoid a more costly, higher level of care.

Out-of-county Board and Care (B&C) facilities serve a critical role in the care of BHRS clients. These facilities provide long-term placements and care for a population of clients that are often stigmatized and perceived as having too many complex issues. The facilities provide clients with meals, assistance attending to activities of daily living, medication support, and social skills development. These facilities are needed due to the limited number of beds available at in-county B&C facilities.

In recent years, the County B&C market has been struggling. Established B&C contractors have been retiring and closing down their operation, and new facilities are not being open to succeed them. BHRS attempted to engage with B&C operators who are not contracted with the County, but these operators are not interested in serving clients with severe mental illness, or for relatively low expected revenue.

As a result, over the past few years, BHRS lost six in-county contracted B&C facilities, resulting in a total loss of 41 B&C beds. In response, BHRS has contracted with out-of-county providers to address the loss of in-county B&C beds.

This contract is exempt from the competitive procurement process due to the particular needs of the clients served by B&C facilities, the uniqueness of the local B&C market, and the B-1 Administrative Memo exception for Housing Services and Related Supports.

DISCUSSION:

Under this agreement, Davis Guest Home shall continue to provide beds for difficult-to-place clients and augmented services for adults with a severe mental illness who require a higher level of care and supervision. These services include supplemental intensive mental health services, social skills training, and assistance with daily living activities.

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 the County Attorney as to form.

It is anticipated that 86% of clients will remain at the same level of care or be discharged to a less restrictive level of care.

PERFORMANCE MEASURE:

Measure	FY 2023-24 Estimated	FY 2024-25 Projected
Percentage of clients that remain at the same level of care or are discharged to a less restrictive level of care	75% 5 clients	86% 6 clients

EQUITY IMPACT:

This contract will positively impact a critically underserved community of behavioral health clients who have severe mental illness and are in need of a residential placement. Residential providers such as Davis Guest Home are a vital resource for housing such individuals. Having this contract with Davis Guest Home affords these individuals an ability to step down from higher acute, more costly levels of care to a community placement. This provider is committed to serving this population and supporting them with being successful while living in a community setting.

FISCAL IMPACT:

The term of the agreement is July 1, 2024, through June 30, 2025. The amount of the agreement is not to exceed \$646,050 for the one-year term. For FY 2024-25 the maximum amount is \$646,050 and will be included in the BHRS FY 2024-2025 Recommended Budget. Of that amount, it is anticipated that \$419,750 will be funded by Mental Health Services Act; \$190,530 will be funded by sales tax through realignment, and \$35,770 will be Net County Cost.