



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 24-398

Board Meeting Date: 6/11/2024

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 Ever Well Health Systems, LLC for Residential Services for Clients with Mental Illness

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Ever Well Health Systems, LLC for residential services for clients with mental illness, for the term of July 1, 2024 through June 30, 2027, in an amount not to exceed \$7,599,018.

BACKGROUND:

Behavioral Health and Recovery Services (BHRS) has contracted with Ever Well Health Systems, LLC (Ever Well) since July 1, 2017, for residential care facilities in Stanislaus County to provide services for adults living with a mental illness. These services enhance successful community living and avoid a more costly, higher level of care.

Local in-County licensed residential facilities serve a critical role in the care of BHRS clients, but beds in-County are limited. In recent years, the County licensed residential care market has been struggling. Established licensed residential care contractors have been retiring and shuttering their operations, and new facilities are not being opened to succeed them. BHRS has attempted to engage with new in-County mental health residential center operators, but these operators have not shown interest in serving clients with severe mental illness or have been discouraged by what they anticipate to be a relatively low expected revenue associated with this type of business. As a result of these accumulated factors, over the past few years BHRS has lost six in-County contracted licensed residential care facilities, resulting in a total loss of 41 beds.

Due to this in-County residential facility shortage, BHRS must contract with out-of-county licensed residential facilities. These out-of-county facilities provide long term placements and care for a population of clients that are often stigmatized and perceived as having too many complex issues. These facilities provide clients with meals, assistance attending to activities of daily living, medication support, and social skills development. All BHRS clients placed in a contracted out-of-county licensed

residential facility are closely followed by the BHRS Collaborative Care Team.

The needs of the clients served by these facilities, as well as the uniqueness of the local licensed residential care market, inform the procurement approach that the County has adopted for these contracts, and in addition Administrative Memo B-1 exempts contracts for Housing Services and Related Supports from the competitive Request for Proposals process.

DISCUSSION:

The agreement with Ever Well is for the provision of 30 beds for San Mateo County residents. Through this agreement, Ever Well will provide supervised housing, treatment, and rehabilitation services for clients with a co-occurring diagnosis. The services enable these clients to be treated in the community, thus avoiding more costly acute and sub-acute psychiatric hospitalization.

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 Attorney as to form.

It is anticipated that at least 75% of clients will be maintained at the current level of care, or step down to a less restrictive, more independent level of care, which would include all community based supported housing.

PERFORMANCE MEASURE:

Measure	FY 2024-25 Estimate	FY 2025-26 Projected
Percentage of clients that will be maintained at current level of care or discharged to a lower level of care.	75% clients	75% clients

EQUITY IMPACT:

This contract will provide access to adult MediCal beneficiaries who have severe mental illness and are in need of residential placement. Residential providers such as Ever Well provide a vital resource for housing such individuals, especially because these facilities are best equipped to support clients as they to step down from higher level or acute care, and more costly levels of care into a community placement or homelike setting.

FISCAL IMPACT:

The term of the agreement is July 1, 2024, through June 30, 2027. The amount of the agreement is not to exceed \$7,599,018 for the three-year term. Of that amount, \$2,391,874 has been included in the BHRS FY 2024-25 Recommended Budget. Of that amount, sales tax through Realignment will fund \$2,128,768. The Net County Cost will be \$263,106. Similar arrangements will be made for future years.