



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-582

Board Meeting Date: 9/26/2017

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 Psynergy Programs, Inc. for Mental Health Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Psynergy Programs, Inc. for residential mental health services extending the term through June 30, 2019 and increasing the amount by \$1,388,600 to an amount not to exceed \$2,302,350.

BACKGROUND:

On September 1, 2015, your Board approved an agreement with Psynergy Programs, Inc. (Psynergy) to provide residential mental health services, for the term July 1, 2015 through June 30, 2017, in an amount not to exceed \$913,750.

DISCUSSION:

It is now necessary to amend this agreement to increase the number of beds from 10 to 14 due to a higher than expected number of clients transferred to Psynergy from locked facilities. This amendment increases the contract amount by \$1,388,600, to an amount not to exceed \$2,302,350, and extends the agreement term through June 30, 2019.

Under this agreement, Psynergy will continue to provide a full range of mental health residential services, which include: rehabilitative mental health services, psychiatric services, medication support, individual and group therapy, therapeutic programs with enhanced medical support for specific issues (e.g., diabetes), and Modified Therapeutic Community.

Psynergy is a vital resource for difficult to place clients, such as those who unnecessarily remain in locked facilities because they are unable to manage their health issues independently. With this option, clients can be moved to a more appropriate lower level of care, which will be less costly for the County: currently, a 12-month client placement at the State Hospital costs approximately \$228,490, whereas a 12-month placement of the same client who can "step down" to the lower level of care provided by Psynergy is approximately \$47,450.

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. The amendment is late due to protracted negotiations to increase the amount of beds.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing residential board and care services to mentally ill clients. It is anticipated that no more than 10% of all admissions will be discharged to an acute psychiatric level of care.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Estimated	FY 2017-18 Projected
Percentage of clients discharged to an acute psychiatric level of care.	10% 1 of 10 clients	7% 1 of 14 clients

FISCAL IMPACT:

The term of the revised agreement is July 1, 2015 through June 30, 2019. The amount of the agreement is not to exceed \$2,302,350. The amendment increases the contract amount by \$1,388,600. Funds in the amount of \$664,300 are included in the BHRS FY 2017-18 Approved Recommended Budget. Of that amount, \$112,267 will be funded by MediCal Federal Financial Participation; \$12,622 will be funded by Medi-Care; \$487,130 will be through 1991 Realignment, and \$52,281 will be Net County Cost. Similar arrangements will be made for future years.