



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-371

Board Meeting Date: 5/23/2023

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: Authorizing the Chief of San Mateo County Health or Designee to Execute Agreements with Essential Local Community-Based Organizations for Licensed Residential Care Providers

RECOMMENDATION:

Adopt a resolution authorizing the Chief of San Mateo County Health, or designee(s) to execute agreements and negotiate amendments with each contractor listed in Attachment A to provide residential care services, for the term of July 1, 2023, through June 30, 2026, in an aggregate amount not to exceed \$3,462,000

BACKGROUND:

Since 1985, this Board has approved resolutions authorizing expenditures for Licensed Residential Care Providers facilities serving clients with severe mental illness by providing residential care services. Local in-County Licensed Residential Care Providers serve a critical role in the care of Behavioral Health and Recovery Services (BHRS) clients. Licensed Residential Care Providers' facilities provide long-term placements and care for a population of clients that are often stigmatized and perceived as having too many complex issues. Licensed Residential Care Providers' facilities provide clients with meals, assistance with daily living activities, medication support, and social skills development. Additionally, being placed in an in-County Licensed Residential Care Providers means that a client is close to - and receives support from - their family, friends, and community. The alternative to in-County Licensed Residential Care Providers placement would be a more costly placement out of County and away from a client's community and support network.

In recent years, the County Licensed Residential Care Providers market has been struggling. Established Licensed Residential Care Providers contractors have been retiring and closing down their operations, and new facilities are not being opened to succeed them. BHRS has attempted to engage with County-based Licensed Residential Care Providers operators who are not contracted with the County, but these operators are not interested in serving clients with severe mental illness or relatively low expected revenue resulting from these services.

As a result, over the past few years, BHRS has lost six in-County contracted Licensed Residential Care Providers facilities, resulting in a total loss of 41 beds. The needs of the clients served by Licensed Residential Care Providers facilities, as well as the uniqueness of the local Licensed Residential Care Providers market, inform the procurement approach that the County has adopted for these contracts, in addition to the B-1 Administrative Memo exception for Housing Services and Related Supports.

DISCUSSION:

Attachment A of the resolution lists eight contractors that operate Licensed Residential Care Providers facilities, along with the contract amounts for each contractor. The not-to-exceed aggregate amount of \$3,462,000 will authorize the Chief of San Mateo Health, or designee(s), to execute agreements and associated amendments with the contractors listed in Attachment A.

Attachment B of the resolution is a sample agreement for the Licensed Residential Care Providers' facilities. All eight agreements will be substantially similar to Attachment B.

All eight local contractors operate Licensed Residential Care Providers facilities and provide an augmented service for seriously mentally ill clients who require intensive support services, as described in the Background section above. These services are needed to support clients living in the community in the least restrictive level of care.

Under the B-1 Administrative Memorandum, the selection of providers of residential services for mental health clients is exempt from the Request for Proposals requirement. 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 agreements and resolution have been reviewed and approved by the County Attorney as to form.

It is anticipated that 100% of Licensed Residential Care Providers' clients will remain in this level of care.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Estimated	FY 2023-24 Projected
Percentage of B&C clients that remain in this level of care	100% 72 clients	100% 72 clients

FISCAL IMPACT:

The term of all the agreements is July 1, 2023, through June 30, 2026. The total amount of the agreements is not to exceed \$3,462,000 in aggregate for the three-year term. Funds in the amount of \$1,154,000 will be included in the BHRS FY 2023-24 Recommended Budget. Of that amount, it is anticipated that \$367,912 or 32% will be funded by the Mental Health Services Act; \$707,479 or 61% will be funded by 1991 Realignment and \$78,609 or 7% will be funded by Net County Cost.

Similar arrangements will be made for future years. The payment provisions and levels of service in

the agreements are essentially the same as the prior agreements.