



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 24-473

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Jeï Africa, Director, Behavioral Health & Recovery Services

Subject: Agreement with Crestwood Behavioral Health for Residential Rehabilitation and Long-Term Care Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Crestwood Behavioral Health for residential rehabilitation and long-term care services, for the term of July 1, 2024 through June 30, 2027, in an amount not to exceed \$17,334,000.

BACKGROUND:

As a provider of mental health services, Crestwood Behavioral Health's (Crestwood) programs include skilled nursing facilities/neurobehavioral programs, mental health rehabilitation centers (MHRC), adult residential programs, wellness clinics, community programs, residential care facilities for the elderly, and psychiatric health facilities. Crestwood offers a continuum of care and treatment, from traditional psychiatric services to recovery programs, geared towards community reintegration. Crestwood has provided services for San Mateo County residents since 1988.

DISCUSSION:

The agreement with Crestwood is for the provision of beds for San Mateo County residents. Crestwood has a demonstrated ability to provide care for adults with serious and persistent mental illness and with co morbid medical issues who are in need of a locked placement. Crestwood provides care for clients with complex behavioral health needs, including accepting clients directly from state hospital placements.

MHRC facilities like Crestwood have established expertise serving clients with complex behavioral health needs. However, California is currently confronting a shortage of MHRC facilities like Crestwood, which provides acute, psychiatric, and subacute beds within the State. 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 an MHRC placement is available for them. San Mateo County clients continue to suffer the detrimental effects of this MHRC bed shortage. To illustrate:

Behavioral Health and Health Services (BHRS) currently has eight (8) clients who have been waiting for over four months in acute facilities for placement at an MHRC.

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

Under this agreement Crestwood shall continue to provide services to both the BHRS and Aging and Adult Services (AAS) divisions of San Mateo County Health. Specifically, Crestwood’s network of facilities provides up to 53 beds for BHRS clients who are seriously mentally ill and in need of mental health rehabilitation, treatment, and long-term care. Crestwood also provides up to eight (8) skilled nursing facility beds for AAS clients who are probate dementia conservatees of the San Mateo County Public Guardian and who require a long-term care setting. Services provided through this agreement offer an alternative to the use of more costly hospital emergency services, inpatient hospital admissions and correctional facilities.

BHRS has purchased four (4) dedicated beds at Crestwood’s San Jose Psychiatric Health Facility (PHF), as a less costly alternative to beds with other providers. Purchasing these beds guarantees their availability. These beds will be managed by San Mateo Medical Center’s Psychiatric Emergency Services, as back up to SMMC’s 3A/B. Additionally, should PES be able to predict availability, the beds could be transferred to other counties in need of placement, and those counties would be billed the same rates by PHF and BHRS would be credited (i.e., not charged for those days).

Crestwood will also be providing services at the new Mental Health Rehabilitation Center and Co-housing facilities, the Cordilleras Health, and Healing Campus, under a separate agreement awarded through the Request for Proposal process.

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 agreement and resolution have been reviewed and approved by County Attorney as to form.

It is anticipated that 80% of clients will be maintained at a current or lower level of care.

PERFORMANCE MEASURE:

Measure	FY 2023-24 Estimated	FY 2024-25 Projected
Percentage of clients maintained at current or lower level of care	80% 12 Clients*	80% 12 Clients*

*This metric is tied to MHRC clients.

EQUITY IMPACT:

This contract will positively impact a critically underserved community of behavioral health clients (25% LatinX, 25% Asian/Pacific Islander, 5% Black, 3% Mixed Race) who have severe mental illness and will benefit from a secured placement to support their stabilization and recovery. Providers such

as Crestwood are a vital placement resource for such individuals. Having this contract with Crestwood affords these individuals an ability to step down from higher acute, more costly levels of care to a placement that can address their behavioral health needs. This provider is committed to serving this population and supporting them with achieving their recovery goals.

FISCAL IMPACT:

The term of the agreement is July 1, 2024, through June 30, 2027. The amount of the agreement is not to exceed \$17,334,000 for the three-year term. Of this amount, \$16,863,000 is for BHRS and \$471,000 is for AAS.

The contract sum will be divided evenly over the three fiscal years. Of the maximum amount for BHRS, \$5,621,000 will be for FY 2024-25 and is funded as follows: \$4,496,800 (80%) from Realignment, and \$1,124,200 (20%) Net County Cost. These funds are included in the BHRS FY 2024-25 Recommended Budget.

Of the maximum amount for AAS, \$157,000 will be for FY 2024-25 and is Net County Cost. These funds are included in the AAS FY 2024-25 Recommended Budget.

The payment provisions in this agreement remain essentially the same as those of the prior agreement. Similar arrangements will be in place for FY 2025-26 and FY 2026-27.