



Agenda Date: 2/26/2008  
Agenda Placement: 7F

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Shelli Brobst for Randolph F. Snowden - Director  
Health & Human Services  
**REPORT BY:** Shelli Brobst, Contracts Analyst - 253-4720  
**SUBJECT:** Amendment No. 3 to Agreement with Buckelew Programs

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 3 to Agreement No. 4065 with Buckelew Programs, Inc., increasing the amount by \$12,839 for a new maximum of \$344,678, revising the Scope of Work to discontinue the Residential Support Services Program and increase services for the Supportive Living Program, and revising the contractor's budget to reflect the changes in contract activities.

### **EXECUTIVE SUMMARY**

Under its current agreement with the County, Buckelew Programs, Inc. provides residential mental health services to mentally ill adults. Approval of the requested amendment will revise the Scope of Work to discontinue the Residential Support Services Program and increase services for the Supportive Living Program, and revise the contractor's budget to increase the maximum amount to reflect costs associated with the change in contract activities.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Mental Health
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval of the requested action is discretionary in that there is no specific mandate to provide these services. The provision of these services by this specific contractor is also discretionary. However, the County has an

agreement with the State Department of Mental Health requiring the County to provide necessary services to severely mentally ill individuals at the appropriate level of care.

Approval of the requested amendment will allow HHSA to redirect program resources from the Residential Support Services (RSS) Program into the Supportive Living Program (SLP) to better serve its mental health clients. It will also allow HHSA to bill the additional SLP services to Medi-Cal. Although the contract amount reflects an increase, the costs should be fully offset through increased Medi-Cal billing revenues and more accurate reimbursement of costs through the year-end cost reporting process.

Approval of the amendment additionally will increase the contractor's Fiscal Year 2007-2008 budget to incorporate rent and utilities payments for the buildings at Napa State Hospital within the contractor's agreement. The County currently makes these payments directly to Napa State Hospital. Subject to the amendment being approved, the County will make the rent and utility payments directly to Napa State Hospital and reduce its payments to the contractor by the same amount. Including the rent and utility costs in the contractor's agreement will accurately reflect the total cost of operating the SLP program. Total program costs are used to calculate the cost per unit of delivering services. This process for the payment of rent and utility will increase HHSA's Medi-Cal reimbursement for these services and reduce the amount of contract facility costs being funded by County General Fund in the Mental Health budget.

Is the general fund affected?

Yes

Future fiscal impact:

Although the agreement terminates June 30, 2008, it contains an automatic annual renewal provision, which allows the County the option to continue these services in the following fiscal year. Appropriations will be budgeted accordingly in the event the County exercises its option to continue the services.

Consequences if not approved:

If the requested amendment is not approved, the Mental Health Division will be unable to change its Continuum of Care program design to better serve its mental health clients. HHSA also will be unable to bill additional Supportive Living Services to Medi-Cal or to include rent and utility costs in the contractor's agreement, the latter of which maximizes the amount of Medi-Cal reimbursement obtainable for these services.

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

Under the current agreement, Buckelew Programs, Inc. operates two programs providing services to mentally ill adults in Napa County.

1. The Residential Supportive Services (RSS) Program is a licensed board and care program on the grounds of Napa State Hospital for individuals transitioning from institutional care into the community. It provides 24-hour care, support, and supervision in homelike settings for adults aged 18 years and older who are seriously affected by a mental illness, unable to provide care for themselves, and can benefit from non-pressured group living. The existing program accommodates up to six residents at any one time. The program's intent is to provide a transitional residential setting with a high level of client support.
2. The Supportive Living Program (SLP) provides services for the growing population of semi-independent mental health clients in transition from a higher level of care, such as a board and care home (such as RSS) or group home, to independent living no longer requiring 24-hour supervision. HHSA currently has two houses on the grounds of Napa State Hospital with a total of seven beds for this program. SLP services also are provided to clients residing at community housing sites in Napa County. The SLP Program provides a lower level of care than the RSS Program and is designed to promote greater independence for mental health clients.

The proposed amendment discontinues the RSS program (reduction of six beds on Napa State Hospital grounds), increases the capacity of the SLP program from seven to ten beds (increase of three beds on Napa State Hospital grounds), and creates the capacity to serve a minimum of three additional clients in community placements elsewhere in the County through the SLP program. The three existing houses on the Napa State Hospital grounds will be utilized to accommodate the ten SLP clients to be served on site. With the proposed program design change, there will be more individual rooms rather than shared rooms, which assists the SLP clients to transition toward a more individualized wellness and recovery plan.

Approval of the requested amendment will change the County's existing continuum of care capacity to provide more services promoting wellness and recovery for clients (rather than longer-term board and care placements), which will better meet the needs of HHSA's clients. Severity of mental illness is always a key factor in determining the most appropriate service needs for individuals, and maintaining the ability to provide a range of services is appropriate. Nevertheless, HHSA has concluded that the "enhanced" Board and Care level of care previously provided by the RSS program is less appropriate for the current needs of most of its clients and does not integrate wellness and recovery principals into HHSA's services as well as the SLP model does. HHSA believes that the Agency can more effectively meet the range of current clients' needs through the graduated intensity of services provided through this contract amendment. HHSA anticipates no negative impacts on the community, since clients will continue to receive services based on their clinical needs. HHSA contracts with two other organizational providers to provide Supportive Living services and with a program in Modesto that provides services similar to those offered in the Buckelew RSS program.

The amendment also will increase the contractor's Fiscal Year 2007-2008 budget to include rent and utilities payments for the buildings at Napa State Hospital and increased housing costs for community-based SLP clients. The County will continue to make the rent and utility payments directly to Napa State Hospital and will reduce its payments to the contractor by that amount. The advantage of incorporating the rent and utility costs within the contractor's agreement is that the agreement reflects the true cost of operating the SLP program and enables the County to maximize Medi-Cal reimbursement for the program.

The shift in services from RSS to SLP will allow HHSA to provide more Medi-Cal eligible services. Only a small portion of the RSS services was billable to Medi-Cal. The increase in payments to the contractor under the amended agreement will be \$12,839 for the current fiscal year. The increase is net of including rent and utilities for three SLP houses, discontinuing RSS services, and increasing off-site SLP services. This increase should be fully offset by a corresponding increase in Medi-Cal billable services.

The Agency has an executed Business Associate agreement with this provider on file.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita