



Agenda Date: 3/11/2008
Agenda Placement: 7D

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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. 4 to Agreement No. 4402 with Davis Guest Home

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 4 to Agreement No. 4402 with Davis Guest Home increasing the amount by \$160,000 for a new maximum of \$460,000 to provide residential mental health services.

EXECUTIVE SUMMARY

Davis Guest Home provides augmented board and care services to adult Napa County clients who are unable to stay in traditional board and care community placements because their mental health symptoms and/or behaviors prevent them from functioning at the level of independence required in other programs. Approval of the requested amendment will increase the maximum amount to reflect an increase in the number of client bed days this fiscal year. The increased cost for the client bed days is fully offset by corresponding savings in contract costs for the more costly and restrictive institutional placements.

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:	This action is discretionary in that there is no mandate to have this specific contract. However, the County receives funding and is under contract with the State Department of Mental Health to provide medically necessary mental health services at the most appropriate level, and this contract assists the

County in fulfilling that obligation. Approval of the requested amendment will allow HHSA to maintain placement options at other than high-cost institutional settings for seriously mentally ill adults and to effectively monitor the quality of care these clients receive.

Is the general fund affected? Yes

Future fiscal impact: Although the agreement terminates June 30, 2008, it contains an automatic renewal, which allows the County the option to continue these services into the next fiscal year. HHSA is including sufficient appropriations in the Fiscal Year 2008-2009 requested budget for its Mental Health Division to continue the services next fiscal year.

Consequences if not approved: If this amendment is not approved, the provider will not be compensated for additional client bed days this fiscal year, and the County would need to find alternative placements for clients needing this level of care.

Additional Information: Additional General Fund costs involved in the amendment of this contract will be completely offset by corresponding reductions in General Fund costs budgeted for Mental Health placements of clients in high-cost institutional settings.

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

Davis Guest Home provides a structured, community-based living situation along with sufficient programming to support mentally ill adults who have a history of requiring institutional care. Under the current agreement, the contractor may also provide augmented mental health and other auxiliary services to the clients placed by HHSA in its care to accomplish the goal of transferring adult clients out of institutional care into more cost-effective and clinically appropriate community settings. HHSA currently has 16 clients placed at Davis Guest Home.

Staff is recommending the current agreement be amended to increase the contract maximum to accommodate an increase in the number of placements requiring this level of care in Fiscal Year 2007-2008. During the current year, the provider has been able to offer additional beds to Napa County clients, which has allowed more clients to move out of higher cost, more restrictive institutional care facilities (Institutions for Mental Disease or IMDs). The increased costs of placements with this provider are fully offset by corresponding savings in budgeted IMD contract costs. Approval of the requested amendment will enable HHSA to offer additional licensed structured residential placements with enhanced services to support adult mental health clients.

In residential mental health care, contract cost increases may result from an increase in client bed days, an increase in the daily patch rate (additional daily fees assessed for specific mental health services), or a combination of these factors. The number of clients requiring these services and the length of each client's stay is difficult to predict and fluctuates from year to year. The daily patch rate and the required number of patch services (specific mental health services) vary according to each client's needs.

Additionally, under the County's current protocols for contract management, HHSA is only able to pay a contractor up to the amount of the spending authority specified in an approved contract. To avoid having expenditure authority "stranded" in contracts that may not be fully utilized during the year, HHSA's practice is to gradually amend contracts during the course of the year, as they are utilized. Approval of the requested amendment will increase the maximum compensation payable to this contractor. This is in line with HHSA's practice of monitoring utilization of specialty services through the year and applying funding by means of periodic contract amendments.

The Agency has an executed Business Associate agreement with this vendor in place.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita