



Agenda Date: 5/1/2007
Agenda Placement: 6C

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Alice Hughey for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Amendment No. 3 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. 3 to Agreement No. 4402 with Davis Guest Home increasing the amount by \$100,000 for a new maximum of \$300,000 for Fiscal Year 2006-2007, with an automatic annual renewal provision, revising the Scope of Work to remove duplicative rate language, and revising the contractor's daily patch rate for Fiscal Year 2007-2008 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 increased client bed days in Fiscal Year 2006-2007 and an increase in the contractor's daily patch rate for Fiscal Year 2007-2008, and remove duplicative rate language from the scope of work. The increase in the Fiscal Year 2007-2008 daily patch rate will be absorbed within the new contract maximum.

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, 2007, the agreement contains an automatic renewal, which allows the County the option to continue these services into the next fiscal year. HHSA's budget request for Fiscal Year 2007-2008 includes appropriations to maintain the Fiscal Year 2006-2007 level of services and accommodate a Fiscal Year 2007-2008 patch rate increase.
Consequences if not approved:	If this amendment is not approved, the provider will not be appropriately compensated for additional client bed days or the Fiscal Year 2007-2008 patch rate increase, and HHSA will not be able to continue utilizing the contractor's services. Alternatively, the contractor may refuse to serve the County's clients, or the County may be sued by the contractor.
Additional Information:	This agreement is funded with Realignment, general fund dollars, and Social Security income that HHSA receives for services provided to clients for whom HHSA serves as conservator.

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 is designed to provide a structured, community-based living situation along with sufficient programming to support mentally ill adults who have a history of requiring institutional care. Approval of the requested amendment will allow the department to continue to offer licensed structured residential placements with enhanced services to support adult mental health clients at this level of care. Under the agreement, the contractor may also provide augmented mental health and other auxiliary services to the clients placed in its care to accomplish the goal of transferring adult clients out of institutional care into more cost-effective and clinically appropriate community settings.

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.

For Fiscal Year 2006-2007, the increase in the number of Davis Guest Home client bed days has resulted in a 39% increase in costs. For Fiscal Year 2007-2008, the increase in client bed days and the increase in the daily patch rate are projected to increase costs by an additional 8%, resulting in a new contract maximum amount of \$300,000.

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

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita