



Agenda Date: 5/1/2007
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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. 4 to Agreement with Crestwood Behavioral Health, Inc.

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 4 to Agreement No. 3260 with Crestwood Behavioral Health, Inc., increasing the amount by \$250,000 for a new maximum of \$1,250,000 to provide residential mental health services.

EXECUTIVE SUMMARY

Crestwood Behavioral Health provides long-term, locked inpatient mental health treatment that includes skilled nursing services, psychosocial rehabilitation services, behavior management, life skills training, and geropsychiatric services. Napa County is required to provide these services to mental health clients who are determined to be gravely disabled. Approval of the requested amendment will increase the maximum amount of the agreement for Fiscal Year 2006-2007 to reflect an increase in daily bed rates and an increase in the number of clients requiring placement at the provider's facilities.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Mental Health
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	Although the agreement terminates June 30, 2007, it contains an automatic annual renewal provision, which allows the County the option to continue these services in the following fiscal year. Appropriations are accordingly

included in Mental Health's budget request for Fiscal Year 2007-2008.

Consequences if not approved: If the requested amendment is not approved, the contractor will not be appropriately compensated for mandated services, and the County will be out of compliance with Welfare and Institutions Code requirements to provide the necessary level of care to gravely mentally ill clients. 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. For Fiscal Year 2006-2007, the increase will be accommodated by significant salary savings in the Mental Health budget. For Fiscal Year 2007-2008, the contract is included in the requested Mental Health budget request and will be funded by a combination of Realignment, County General Fund, and clients' Social Security income.

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

Agreement No. 3260 provides for long-term, locked inpatient mental health treatment on a subacute level (i.e., treatment below the level of a hospital stay). Crestwood operates a number of facilities throughout Northern California. Services include skilled nursing services, psychosocial rehabilitation services, behavior management, life skills training, and geropsychiatric services designed to address the treatment and safety needs of individuals who, because of a mental illness, are determined to be gravely disabled. Clients are placed in the contractor's facilities by the Health and Human Services Agency, subject to the requirements of California Welfare and Institutions Code Section 5150 et. seq. Each of Crestwood's facilities charges daily bed rates and additional daily fees ("patch rates") based on the type and level of services necessary to address each client's needs. Clients with extreme medical or behavioral issues may require longer-term care; however, services are designed to stabilize clients' mental health conditions, with the goal of returning individuals back to the Napa County community mental health treatment system.

For mental health residential services, contract cost increases may result from an increase in total client bed days, an increase in the daily bed rate, an increase in the daily patch rate, or a combination of these factors. The number of clients requiring these mandatory services and the length of each client's stay is difficult to predict and fluctuates from year to year. Moreover, daily bed rates are set by the State. Furthermore, the daily patch rate and the required number of patch services vary according to each client's needs.

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 budgeted amount for this agreement is \$1,000,000. An increase in client bed days and the daily bed rate has resulted in a 20% increase in costs this year. HHSa projects that the level of client bed days will continue at the same level in Fiscal Year 2007-2008 and that the daily bed rate will increase again in Fiscal Year 2007-2008. The combination of these increases results in a new contract maximum of \$1,250,000.

The County's Privacy Officer and County Counsel have determined that a Business Associate agreement is not required for this contractor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita