



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/10/2011
Agenda Placement: 7C

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. 6 to Agreement with Milhous Children's Services, Inc.

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chairman to sign Amendment No. 6 to Agreement No. 4422 with Milhous Children's Services, Inc., increasing the amount by \$50,000 for a new annual maximum of \$450,000, for residential mental health treatment services for minors.

EXECUTIVE SUMMARY

Milhous provides a full-day mental health treatment program to children enrolled in its Rate Classification Level (RCL) 14 Residential Program. The amendment increases the contract maximum due to an increased number of clients requiring these services this fiscal year.

Milhous Children's Services, Inc. is not a local vendor.

FISCAL IMPACT

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| 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 activity is a mandated service, but the County has some discretion as to the level of services provided. The selection of provider is discretionary. |

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| Is the general fund affected? | No |
| Future fiscal impact: | Although the agreement terminates June 30, 2011, it contains an automatic annual renewal provision, which allows the County the option to continue these services in the following fiscal year. Appropriations for future fiscal years will be budgeted accordingly. |
| Consequences if not approved: | If the amendment is not approved, the County will be unable to increase capacity to provide mandated services to eligible children and youth as required by the County's contract with the Department of Mental Health, which could result in non-compliance with the mandate and breach of contract. |
| Additional Information: | The agreement is funded by Federal Financial Participation (FFP, or the federal share of Medicaid) and State Early and Periodic Screening, Diagnosis and Treatment (EPSDT, or children's Medi-Cal). |

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, Milhous Children's Services provides day treatment services, therapy services and psychiatric services for severely emotionally disturbed (SED) children and adolescents (AB 3632 clients) who require placement and mental health services at a Rate Classification Level (RCL) 14 group home. The RCL level refers to the State guidelines governing the rates such facilities may charge, which in turn reflect the intensity of services. RCL 14 is the highest rating possible, short of locked facilities such as community treatment facilities or inpatient hospitals. Staffing ratios are greater in RCL 14 facilities, and more intensive services are provided to the children or youth to ensure that they progress developmentally and can benefit from their education.

Approval of the amendment will increase the maximum amount of the agreement due to an increase in the number of placements for children and adolescents clients this fiscal year. There is no impact to the General Fund.

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. Thus, to avoid having expenditure authority "stranded" in contracts that may not be fully utilized during the year, HHSA's practice is to amend contracts during the course of the year, as they are utilized. The recommended amendment is thus 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 County will only reimburse the contractor for services that have been authorized by the program manager, and only up to the Board-authorized maximum.

Milhous is not a local vendor. There are no RCL group homes in Napa County.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Collins