



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/8/2018
Agenda Placement: 10A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for Howard Himes - Director
Health & Human Services Administration

REPORT BY: JoAnn Melgar, Staff Services Analyst II - 707-253-4722

SUBJECT: Agreements related to Mental Health Placements for Severely Mentally Ill Clients

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign the following:

1. Amendments to increase the maximum of each of the following Agreements for the provision of inpatient and residential care services:
 - a. Amendment No. 5 to Agreement No. 170496B with Crestwood Behavioral Health, Inc. increasing the amount by \$100,000 for a new annual maximum of \$800,000 for acute psychiatric inpatient services;
 - b. Amendment No. 1 to Agreement No. 170925B with Psynergy Programs, Inc. increasing the amount by \$200,000 for a new annual maximum of \$300,000 and modifying the compensation to add new billing codes for Licensed Vocational Nurses and Licensed Psychiatric Technicians;
 - c. Amendment No. 2 to Agreement No. 170609B with Helios Healthcare, LLC increasing the amount by \$140,000 for a new annual maximum of \$300,000 for residential mental health services;
 - d. Amendment No. 12 to Agreement No. 170582B with Crestwood Behavioral Health, Inc. increasing the amount by \$250,000 for a new annual maximum of \$2,000,000 for residential mental health services; and
 - e. Amendment No. 1 to Agreement No. 180203B with Sail House, Inc. increasing the amount by \$75,000 for a new maximum of \$100,000 for board and care housing for adult mentally ill clients; and
 - f. Amendment No. 2 to Agreement No. 160124B with Aurora Behavioral Santa Rosa Hospital increasing the amount by \$455,000 for a new annual maximum of \$490,000 and modifying the compensation to increase rates for inpatient psychiatric services for both Medi-Cal and Indigent Napa County clients.
2. Approval of the following regarding BHC Heritage Oaks Hospital, Inc.:
 - a. Approve the termination and waiver of notice of the sixty-day Notice of Termination With or Without Cause provision contained in Agreement No. 170952B (formerly agreement No. 7603) with BHC Heritage Oaks Hospital, Inc.;
 - b. Terminate Agreement No. 170952B with BHC Heritage Oaks Hospital, Inc. effective June 30, 2017;

and

- c. Sign a new Agreement with BHC Heritage Oaks Hospital, Inc. doing business as Heritage Oaks Hospital for an annual maximum of \$400,000 for the term July 1, 2017 through June 30, 2018 and each automatic renewal thereof for inpatient psychiatric hospitalization services for Medi-Cal and indigent clients.
3. An agreement with St. Helena Hospital doing business as Adventist Health St. Helena for an annual maximum of \$300,000 for the term July 1, 2017 through June 30, 2022 to provide inpatient psychiatric hospitalization services for Medi-Cal and indigent clients.

EXECUTIVE SUMMARY

There are very limited placement options for people with severe mental health disorders in the State of California. These types of facilities provide different levels of care and clients can only be placed in facilities that have available beds and appropriate levels of care. Therefore, it is imperative to have contracts in place with several inpatient mental health facilities so options are available when a client with a severe mental illness needs to be placed.

At the March 20, 2018 Mid-Fiscal Review-Fiscal Year 2017-2018 presentation to your Board, it was noted that there was a significant adjustment to the Mental Health budget due to an increase in client services, placements in institutes for mental diseases (IMDs) and placements in indigent hospitals. The amendments presented before you today are for the approval of those additional client services and placements. 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.

Amendments:

Approval of the requested amendments will incorporate an addendum to the compensation (Exhibit B) to increase the annual contract maximum of each agreement to accommodate higher utilization at these facilities. Because the number of clients placed at these facilities varies from year to year and the demand is unknown in advance, a sufficient contract maximum is necessary in order to provide timely placement of clients in need.

In addition, approval of the requested actions will make the following changes:

1. Psynergy Programs, Inc. - add three (3) new billing codes for medication education and review and psychiatric evaluation for Licensed Vocational Nurses and Licensed Psychiatric Technicians; and
2. Aurora Behavioral Santa Rosa Hospital, Inc. - incorporate rate changes for both Medi-Cal and Indigent clients:
 - a. Acute Facility Psychiatric Day Rate (Adult) from \$1,230 per day to \$1,255 per day,
 - b. Acute Facility Psychiatric Day Rate (Older Adult) from \$1,255 per day to \$1,280 per day,
 - c. Acute Facility Psychiatric Day Rate (Child) from \$1,364 per day to \$1,391 per day, and
 - d. Administrative Day Rate from \$663 per day to \$676 per day.

BHC Heritage Oaks Hospital, Inc.

Today's requested action will also terminate Agreement No. 170952B with BHC Heritage Oaks Hospital, Inc. (Heritage Oaks) effective June 30, 2017 and replace it with a new agreement.

The reason for requesting termination of Agreement No. 170952B is because it only covers children who are Medi-Cal beneficiaries placed at that facility. The new agreement will cover:

1. Children who are Medi-Cal beneficiaries, and
2. Children and adults who are not beneficiaries of Medi-Cal or who are referred by the County whose services are not billable to Medi-Cal, i.e. indigent clients.

St. Helena Hospital

Today's requested action will approve a new agreement with St. Helena Hospital to replace two previous agreements (Nos. 3592 and 4141) that expired on June 30, 2017. Agreement No. 3592 only covered inpatient psychiatric hospitalization services for Medi-Cal beneficiaries and Agreement No. 4141 only covered inpatient psychiatric hospitalization services for indigent clients. If approved by the Board the new agreement will cover both types of clients.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Health & Human Services Mental Health
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval of these amendments is not mandatory; however it will increase the contract maximums for these facilities in order to accommodate higher utilization levels.
Is the general fund affected?	No
Future fiscal impact:	Although the agreements terminate June 30, 2018, they contain clauses that provides for automatic annual renewal, thereby enabling the County to continue these services into the next fiscal year. The necessary appropriations will be budgeted accordingly.
Consequences if not approved:	If the recommended amendments are not approved, the County will be unable to place clients in the appropriate level of care.

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

Crestwood Solano Psychiatric Health Facility (PHF)

The Crestwood Solano Psychiatric Health Facility (PHF) is a 16-bed mental health stabilization program located at

2201 Tuolumne Street in Vallejo, California. The PHF provides a secure structured program for individuals experiencing a psychiatric crisis requiring 24-hour observation and stabilization by a team of professional staff. The facility admits individuals 18 years of age or older who may be admitted on either a voluntary or involuntary basis. The PHF provides an alternative to traditional psychiatric hospitalization care for residents of Napa County experiencing an acute psychiatric emergency of such magnitude that it is unmanageable in the community. Health and Human Services Agency (HHSA) clients placed at this facility are referred from the HHSA Mental Health Division's Crisis Stabilization Services Program, which has a maximum placement of 23 hours.

Psynergy Programs, Inc.

Psynergy Programs, Inc. (Psynergy) operates adult residential board and care homes and outpatient mental health clinics in Morgan Hill, Sacramento, and Greenfield, California. Psynergy has expertise in treating seriously mentally ill adults in therapeutic locked settings and is a less expensive alternative to Napa State Hospital and other Institute of Mental Disease (IMD) facilities.

Psynergy has demonstrated that providing reliable adult residential home care in combination with intensive outpatient mental health services can help individuals with mental illness avoid the unnecessary expense and emotional trauma often associated with incarceration and hospitalization. Psynergy provides both residential services and mental health services to people with serious mental illnesses ages 18 and above. The program utilizes tenets of the Wellness and Recovery, Integrated Dual Diagnosis Treatment and Modified Therapeutic Community treatment models and are an alternative to locked settings such as a State Hospital, Psychiatric Hospital, an Institute for Mental Disease (IMD), a Psychiatric Health Facility, IMD's and jail.

The ultimate goal of Psynergy's services is to improve each individual's quality of life, to help individuals gain the skills and ability necessary to stay out of locked hospital settings and to move into a less restrictive living arrangement in the community.

Helios Health Care, LLC

Helios Healthcare, LLC (Helios) is a specialized Institution for Mental Disease that serves clients with both serious mental illness and serious medical conditions. Most of the clients referred to Helios are older adults with both types of challenges. It is unique in this category of placement because most IMD's will not admit this type of mental health client.

The Helios Idylwood Care Center is a locked two-building, 172 bed Skilled Nursing Facility located in Sunnyvale, California. The program is designed to expand the availability of 24-hour mental health services to better meet the needs of adults and older adults served in the Mental Health Division who have both behavioral and medical issues. Services include: 24-hour skilled nursing care and psychiatric and psychological care with an emphasis on reducing the inappropriate utilization of acute beds, decreasing recidivism, and stabilizing both medical and behavioral symptoms. Services provided under this agreement are designed to stabilize individuals' mental health condition with the goal of discharging clients to lower levels of care or back to the Napa County Health and Human Services community-based mental health treatment system.

This facility is under the larger organization of Crestwood Inc., which Napa County has been contracting with for many years. This is a specialized treatment center for psychiatric skilled nursing that continues to be a growing need for aging Napa County mental health clients.

Crestwood Behavioral Health, Inc. (Covering 5 Placement Facilities)

Crestwood Behavioral Health, Inc. (Crestwood) provides long-term, inpatient mental health treatment on a sub-acute level, which means treatment below the level of a hospital stay, and 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. Crestwood operates a number of facilities in several California locations with individualized programs for specific behavioral challenges. Health and Human Services Agency places clients in five Crestwood facilities located in Eureka, Stockton, Angwin, Redding and Vallejo (not including Crestwood PHF).

Services provided include skilled nursing, enhanced board and care, psychosocial rehabilitation, behavior management, life skills training, and gero-psychiatric services designed to address the treatment and safety needs of individuals who, because of a mental illness, are determined to be gravely disabled. The services are designed to stabilize individuals' mental health conditions, with the goal of returning individuals to the Napa County community mental health treatment system. Individuals with extreme medical or behavioral issues may require longer-term care. Individuals are placed in the contractor's facilities by HHS Mental Health Division, subject to the requirements of California Welfare and Institutions (W&I) Code Section 5150 et. seq. Each of Crestwood's facilities charge daily bed rates and additional daily fees ("patch rates") based on the type and level of services necessary to address each individual's needs.

Sail House, Inc.

Sail House, Inc. is an enhanced Board and Care facility that was selected for its availability and expertise in housing mental health clients long term, in a minimally restrictive environment. This is not a locked facility.

The programs at the Sail House Adult Residential Facility and Gilmore Place Residential Care for the Elderly are designed to provide long-term stable housing for residents who are unable to maintain traditional board and care community placements. These placements serve as a less costly, community based alternatives to long-term locked settings. Located in Red Bluff, California, Sail House Inc. is one of the only the enhanced board and care facilities of its type close to Napa County and has proven to be successful in housing particularly difficult clients who would otherwise be institutionalized.

Aurora Behavioral Santa Rosa Hospital

Aurora Behavioral Santa Rosa Hospital (Aurora) provides inpatient psychiatric services for Napa County residents who are in an acute state of crisis and must be placed immediately. Both Medi-Cal clients and those who are indigent and uninsured may be placed at Aurora. Those clients referred to Aurora are deemed to be an imminent risk to themselves or others or are gravely disabled because of a mental disorder and need treatment to stabilize their situation. Under the managed care system, the County is mandated to formally contract with inpatient mental health facilities. All placements made to this facility are made by HHS Mental Health Division's Crisis Stabilization Services Program, which has a maximum placement of 23 hours.

BHC Heritage Oaks Hospital, Inc.

BHC Heritage Oaks Hospital, Inc. (Heritage Oaks) provides locked inpatient psychiatric services to stabilize adults and children who are deemed to be an imminent risk to themselves or others or who are gravely disabled because of a mental disorder. The County entered into the original agreement with Heritage Oaks in 2011 to provide inpatient psychiatric hospitalization services for children who are Medi-Cal beneficiaries. The new agreement will provide inpatient resources for both children who are Medi-Cal beneficiaries and adult and child indigent clients.

St. Helena Hospital

Services at St. Helena Hospital are designed to meet inpatient psychiatric service requirements for adults who are deemed to be an imminent risk to themselves or others or who are gravely disabled because of a mental disorder and need treatment to stabilize their situation. All services are delivered in a locked setting. Under the managed

care system, every county that has a hospital with an acute psychiatric unit on its site negotiates the Medi-Cal rate for those services for the hospital on an annual or biannual basis. These rates are then passed on to other counties utilizing these services.

Napa County is mandated to formally contract with this inpatient facility because it is located in Napa County. All placements made to this facility are made by HHS Mental Health Division's Crisis Stabilization Services Program, which has a maximum placement of 23 hours.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri