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:  Renewal Agreement with the California Department of Mental Health (State Hospital)

RECOMMENDATION
Director of Health and Human Services requests approval of and authorization for the Chair to sign the renewal of Agreement No. 6001 with the California Department of Mental Health for the term July 1, 2009 through June 30, 2010, establishing the County’s Napa State Hospital bed purchase and usage for Fiscal Year 2009-2010.

EXECUTIVE SUMMARY
Napa County contracts with Napa State Hospital for a range of mental health professional and inpatient hospital services. Approval of the recommended renewal of the agreement covering Fiscal Year 2009-2010 provides approval of payment for Psychiatric Subacute and Continuing Medical Care beds at Napa State Hospital at a total County cost of $864,430 in Fiscal Year 2009-2010.

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?    No
Consequences if not approved: If this agreement is not approved, Napa County will not have an agreement in place with the State Department of Mental Health for the mandated inpatient services provided to mentally ill individuals during Fiscal Year 2009-2010. Section 4330 of the California Welfare and Institutions Code requires counties to reimburse the State Department of Mental Health for the use of State hospital beds, and this agreement fulfills that requirement. The State agrees to provide staffing, equipment and supplies for the hospital.

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

This annual agreement with the State Department of Mental Health (DMH) provides for inpatient hospital services for persons with acute mental illness. Section 4330 of the California Welfare and Institutions Code requires counties to reimburse the State Department of Mental Health for the use of State hospital beds. The State agrees to provide staffing, equipment and supplies for the hospital.

Costs incurred under this agreement are funded by State Mental Health Realignment funding. The Health and Human Services Agency (HHSA) carefully estimates the number of beds it will need each year at Napa State Hospital since HHSA must pay for all contracted beds, whether the bed is used or not. Therefore, it is more cost-effective to underestimate the number of beds needed and pay any usage above that number on a semi-annual basis than to guarantee payment for a larger number of beds that may not be used. Every six months, if the County has exceeded the number of contracted bed days, HHSA receives a letter stating the additional amount owed. For both the contracted bed days and any overage, the State reduces the County's Realignment funding by the total amount of Napa State Hospital charges.

This required agreement covers the current fiscal year, which is almost completed. Napa County typically receives the agreement from the State late in the fiscal year and is required to approve it by the end of the fiscal year.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve
Reviewed By: Karen Collins