



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 6/6/2017

Agenda Placement: 6J

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** JoAnn Melgar for Howard Himes - Director  
Health & Human Services Operations

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

**SUBJECT:** Amendment No. 14 to Agreement No. 170333B-17 with Davis Guest Home, Inc.

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 14 to Agreement No. 170333B-17 with Davis Guest Home, Inc. increasing the amount by \$350,000 for a new annual maximum of \$1,250,000 and incorporating Addendum 11 to the Compensation exhibit (Exhibit B) for the provision of residential mental health client services.

### **EXECUTIVE SUMMARY**

Davis Guest Home, Inc. provides enhanced 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 this action will increase the contractor's funding maximum from \$900,000 to \$1,250,000 for Fiscal Year (FY) 16-17 and onward. The increase is necessary to accommodate higher than average facility utilization numbers in FY 2016-2017 predominantly due to increased numbers of individuals being transitioned out of more costly Institution for Mental Disease (IMD) settings who can be placed at this lower level of care. The increase will also accommodate a 3% rate increase for FY 2017-2018. These increases are predominantly due to closures of board and care facilities located in Napa County and the closure of an IMD facility in Santa Rosa where Napa County clients had been commonly placed. Furthermore, because the number of clients placed at Davis Guest Home 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.

Davis Guest Home, Inc. is not a local provider.

**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:	The requested action is discretionary in that there is no mandate to have this specific contract nor is it mandatory to contract with this contractor. However, it is mandatory to provide treatment and care for clients who are mentally ill. Amending this contract will enable the County to continue to provide treatment for and increased clientele, in a setting appropriate to their needs.
Is the general fund affected?	No
Future fiscal impact:	Although the agreement for FY 2016-17 terminates June 30, 2017, it contains a provision for automatic annual renewal which allows the County the option to continue to contract with Davis Guest Home for these services into the next fiscal year. Appropriations for future fiscal years will be budgeted accordingly.
Consequences if not approved:	If the requested amendment is not approved, the contractor cannot be appropriately reimbursed for services provided to Napa County clientele. Alternate placements would be necessary to comply with mandated obligations. It is unlikely that the cost of alternate placements would be of lesser cost based on the level of care that is needed for the individuals served by this contractor in addition to the much higher average costs for placements in inpatient settings and institutions for mental disease.
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**

Davis Guest Home is a family-owned and operated residential care facility that provides long-term stable housing for individuals 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. This program serves as a less costly, community-based alternative to long-term locked settings and is often utilized as a step down for individuals coming out of long-term locked settings in order to better prepare the individual for a successful reentry into the community.

Located in Modesto, Davis Guest Home is the only enhanced board and care facility close to Napa County. It has proven successful in providing placement to some clients who would otherwise be institutionalized. Davis Guest Home provides services to an average of 22 Napa County residents annually.

Approval of this action will increase the contractor's funding maximum from \$900,000 to \$1,250,000 for Fiscal Year (FY) 2016-17 and onward. The increase is necessary to accommodate higher than average facility utilization numbers in FY 2016-17 predominantly due to increased numbers of individuals being transitioned out of more costly Institution for Mental Disease settings who can be placed at this lower level of care. Because the number of clients placed at Davis Guest Home 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.

The increase will also accommodate a 3% rate increase for FY 2017-2018. New rates starting July 1, 2017 are as follows:

- | Standard Rate went from \$98/day to \$102/day
- | High Acuity Rate went from \$113/day to \$117/day
- | Private Room Rates went from \$123/day to \$127/day

In addition to the rate increases, the increase in the contract maximum is necessary to accommodate higher than average facility utilization numbers in FY 2016-17 predominantly due to increased numbers of individuals being transitioned out of more costly Institution for Mental Disease settings who can be placed at this lower level of care. Furthermore, because the number of clients placed at Davis Guest Home 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.

Davis Guest Home, Inc. is not a local provider.

#### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula