



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 6/2/2020

To: Board of Supervisors of Sonoma County
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Barbie Robinson, 565-7876
Vote Requirement: 4/5th
Supervisory District(s): Countywide

Title:

Behavioral Health Services Agreements - Additional Delegated Authority for Fiscal Year 2019-2020

Recommended Action:

- A) Authorize an increase to the Director of Health Services' delegated authority to execute agreements for mental health and substance use disorder services and related support services, initially approved by the Board on July 9, 2019, of \$5,794,716 for fiscal year 2019-2020 to provide for increased in service needs and costs.
- B) Adopt a resolution adjusting the fiscal year 2019-2020 final budget by increasing revenues and expenditures in the Department of Health Services by \$8,746,534 to reflect additional revenues and expenditures related to the provision of behavioral health services. (4/5ths vote required)
- C) Authorize the Director of Health Services to execute an agreement with Aurora Behavioral Healthcare for reimbursement of associated administrative costs incurred by the County for the term July 1, 2019 through June 30, 2020, resulting in revenue of \$250,000.

Executive Summary:

On July 9, 2019 the Board approved \$41,619,923 for mental health and substance use disorder services and \$1,873,507 for behavioral health support services agreements for fiscal year 2019-2020. The Department has identified additional required expenditures of \$5,794,716 to meet client needs for fiscal year 2019-2020, consisting of \$5,613,516 for mental health and substance use disorder services and \$181,200 for behavioral health support services agreements. The additional requested delegated authority will result in contracting authority of \$49,288,146 for fiscal year 2019-2020, which includes \$47,233,439 for mental health and substance use disorder services and \$2,054,707 for behavioral health support services. The service areas for which the Department has experienced expenditures beyond what was initially budgeted for fiscal year 2019-2020 include the following: 1) residential care facilities, 2) wraparound services (in partnership with the Human Services Department), 3) substance use disorder services residential treatment beds, 4) increased usage of local inpatient hospital beds, and 5) narcotic treatment programs.

To accommodate increases to services contracts for mental health and substance use disorder services and behavioral health support services, the Department is requesting that the Board adopt a resolution adjusting the fiscal year 2019-2020 final budget by increasing revenues and expenditures in the Department of Health Services by \$8,746,534 to reflect additional revenues and expenditures related to the provision of behavioral health services. This action requires approval by 4/5ths of the Board.

The Department is seeking authority to received increased revenue of \$250,000 from Aurora Behavioral Healthcare. Aurora Behavioral Healthcare provides inpatient psychiatric hospitalization for Medi-Cal clients under the age of 21 and over 65. In addition, the Department contracts with Aurora to provide inpatient hospitalization and associated psychiatric professional fees for Medi-Cal Mental Health Plan clients who fall between those ages. Aurora clients needing acute inpatient psychiatric hospitalization and having a residence outside of Sonoma County may require services provided by the County. For the County to be reimbursed by Aurora for these costs, the Department is requesting approval to enter into an agreement with Aurora. In consideration of the associated costs, Aurora will reimburse the County with an administrative fee in the amount of \$250,000 for fiscal year 2019-2020.

Discussion:

Each fiscal year the Department of Health Services requests delegated authority to execute services agreements for mental health and substance use disorder services and behavioral health support services agreements. Most recently, on July 9, 2019 the Board approved \$41,619,923 for mental health and substance use disorder services and \$1,873,507 for behavioral health support services agreements for fiscal year 2019-2020. For Fiscal Year 2019-2020, the Department has identified additional required expenditures of \$5,794,716 to meet increased utilization of specialty mental health and substance use services. These increased expenditures consist of \$5,613,516 for mental health and substance use disorder services and \$181,200 for behavioral health support services agreements. The additional requested delegated authority will result in contracting authority of \$49,288,146 for fiscal year 2019-2020, which includes \$47,233,439 for mental health and substance use disorder services and \$2,054,707 for behavioral health support services.

The mental health and substance use disorder treatment and support services contracts are funded by Medi-Cal/Federal Financial Participation, Mental Health Services Act, 1991 Mental Health Realignment, 2011 Behavioral Health Realignment, Federal Substance Abuse Block Grant, various Substance Abuse and Mental Health Services Administration grants, Investment in Mental Health Wellness Act of 2013 grants, First 5 Sonoma County, Intergovernmental Transfer, reimbursements from other County departments, and County General Funds.

This item requests approval of additional delegated authority totaling \$5,794,716 to meet client needs for fiscal year 2019-2020. Mental health and substance use disorder services and behavioral health support services in the following areas experienced an increase in client need beyond that included in the approved fiscal year 2019-2020 budget. This item also requests approval of receipt of additional revenue for administrative fees from Aurora Behavioral Healthcare totaling \$250,000.

The services identified below are all services that are mandated or intended to ensure that the County does not pay more for more expensive services in the short- and long-term. Mental health care for youth in foster care is a federal entitlement, and the County is responsible for the services and associated costs for these services. Similarly, acute psychiatric hospitalization, services provided by Aurora, are the County Mental Health Plan's responsibility. While we cannot refuse to provide these services, the County's community-based services are designed to reduce the need for high levels of care. Residential care services are necessary to divert clients from more restrictive and costly services, such as hospitals and Institution for Mental Disease facilities.

Residential Care Facilities (RCFs)

Residential Care Facilities (RCFs) provide permanent supportive housing for Sonoma County Mental Health Plan adult clients with serious and persistent mental illness. This level of care and supervision is for people

unable to live independently due to mental illness, but who do not need 24-hour nursing care. RCFs are licensed by the Department of Health Care Services, Community Care Licensing Division. They are considered supportive housing programs not medical facilities and are not required to have medical personnel (e.g., nurses, certified nursing assistants, or doctors). Beyond the provision of housing, Residential Care Facilities provide meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, bathing, and transferring.

On average, 223 Mental Health Plan beneficiaries are housed in residential care facilities; split between nine local facilities and seven non-local facilities. Residential care facilities provide various levels of supportive services depending on the provider, type of facility, and/or the specific needs of the individual beneficiary. Residential care facilities currently contracted with the County of Sonoma provide service levels between the basic supportive services listed above to 24-hour one-on-one client supervision.

Residential care facilities are funded through client fees based on Social Security benefit levels as follows: 1) Room and board: \$514.37; and 2) care and supervision: \$544 maximum. Social Security amounts are not sufficient to cover fair market rent in California and the level of care and supervision needed by most of the County's beneficiaries with severe and persistent mental illness. Traditionally, the Department of Health Services has appropriated 2011 Realignment to supplement, to "patch," the difference.

Many of the individuals previously experienced homelessness. Without supportive housing services, these clients are highly likely to return to homelessness due to the effects of their severe and persistent mental illness and/or lack of life skills needed to obtain and maintain housing. Without additional funding to supplement client fees, these facilities are less likely to take clients who need these extra support levels.

During the fiscal year 2019-2020 budget hearings the Department of Health Services and the Community Development Commission (CDC) worked to develop a plan to shift funding of RCFs to funding sources under the auspices of the CDC. DHS presented a budget to the Board that reduced contract expenditures for residential care facilities to \$2,650,000 which reflected the CDC's proposed alternate funding strategy to cover the housing expenditures of the RCFs. This strategy proposed the use of vouchers to cover the housing expenditures of the 223 RCFs. The voucher programs, Housing Choice Voucher and the Mainstream Voucher, are administered by the Sonoma County Housing Authority and provide rental assistance directly to private landlords/property managers on behalf of low-income households. Subsequent to the Board's approval of the proposed DHS budget and upon further examination, it was determined that the proposed strategy was not feasible.

Individuals are served in RCFs to enable them to live in the community, at the lowest level of care necessary. Absent these facilities, clients would most likely transition to higher levels of psychiatric care, such as hospitals or IMDs, which would be the county's responsibility. Some would become involved in the criminal justice system or join the homeless population. In order to cover these costs, additional contract authority and appropriations of \$2,922,619 are needed for residential care facilities services.

Specialty Mental Health Services for Youth in Foster Care

The Department contracts with Seneca Family of Agencies to provide outpatient specialty mental health services, including intensive home-based services, to children who are Medi-Cal eligible and enrolled in the Senate Bill 163 Wraparound Program, and their families. The intent of this legislation and subsequent county programs is to return children and youth in group home care to their homes and communities; help children at imminent risk of placement in high-end group homes to remain in their homes; and provide support children

who are eligible for Adoption Assistance Program benefits.

Clients are referred to Seneca by the Sonoma County Youth and Family Partnership Case Management Council for the Wraparound Program. The Department typically uses 2011 Behavioral Health Realignment funds to provide the needed match to draw down Federal Financial Participation (FFP) funding for these services.

The Human Services Department provides \$500,000 of Wraparound Reinvestment funds to the Department of Health Services through a Memorandum of Understanding to increase fiscal claiming through the Mental Health Plan for Early and Periodic Screening, Diagnostic and Treatment eligible services provided to children receiving wraparound services. Through the Mental Health Plan, the Department is able to draw down an additional estimated \$500,000 of FFP matching funds. Funding needs for the agreement with Seneca are dependent on Wraparound child's Medi-Cal eligibility and need for specialty mental health services. These additional funds allow for more clients to be served with increased service levels. Health Services is requesting to increase the contract authority and budgetary appropriations for the agreement with Seneca by \$1,000,000, for a new maximum of \$2,050,000. Additional contract authority and appropriations of \$1,675,000 are needed for specialty mental health services for youth in foster care.

Acute Inpatient and Short-Term Crisis Services

Acute inpatient psychiatric hospitalization is the County's responsibility. Aurora Behavioral Healthcare provides inpatient psychiatric hospitalization for Medi-Cal clients under the age of 21 and over 65. In addition, the Department contracts with Aurora to provide inpatient hospitalization and associated psychiatric professional fees for Medi-Cal Mental Health Plan clients who fall between those ages.

There has been a significant increase in the need for these services for fiscal year 2019-2020 for two reasons - Aurora has raised its fees and we have increased utilization. The Department attempts to utilize Medi-Cal certified hospitals, because this allows us to draw down FFP, offsetting County costs. However, as Medi-Cal certified hospital beds become less available across the state, and we continue to reduce the number of "overstays" in the Crisis Stabilization Unit, we are increasingly reliant on Aurora. Because Aurora is not Medi-Cal certified for ages between 21 and 65, we are unable to draw down FFP. Additional contract authority and appropriations of \$898,215 are needed for acute inpatient and short-term crisis services.

Substance Use Disorder Services Residential Treatment Beds

The Department contracts with four residential substance use disorder treatment providers (California Human Development, Drug Abuse Alternatives Center, Hilltop Recovery Center and Buckelew Programs - Helen Vine Recovery Center) to provide approximately 90 residential beds for therapeutic inpatient substance use disorder treatment. Residential substance use disorder treatment is non-institutional, non-medical, residential programs that provide rehabilitation services to clients with substance use disorder diagnoses. Each client lives on the premises and is supported in their efforts to restore, maintain and apply interpersonal and independent living skills and access community support systems.

Services are provided in gender specific or coed facilities, may specialize in perinatal treatment services, may be provided in lieu of incarceration for inmates of the Main Detention Facility and North County Detention Facility and/or may be provided to residents of the community in need of therapeutic residential substance use disorder treatment. Due to increased costs, the main provider of the beds in Sonoma County increased their rate, resulting in a loss of 15 available treatment beds. Additional contract authority and appropriations of \$596,736 are needed to keep the number of available substance use disorder services residential treatment beds at 90.

Narcotic Treatment Program

The Department's narcotic treatment program provides outpatient therapeutic substance use disorder treatment in the form of narcotic replacement therapy (such as methadone). The Department has a need to increase the contract amount with two providers of these services in order to keep service levels constant and as mandated by the state. Additional contract authority and appropriations of \$186,171 are needed for narcotic treatment program services.

Budget Adjustment Request

To accommodate increases to services contracts for mental health and substance use disorder services and behavioral health support services, the Department is requesting that the Board adopt a resolution adjusting the fiscal year 2019-2020 final budget by increasing revenues and expenditures in the Department of Health Services by \$8,746,534 to reflect additional revenues and expenditures related to the provision of behavioral health services. This action requires approval by 4/5ths of the Board.

Revenue Agreement with Aurora Behavioral Healthcare

Aurora Behavioral Healthcare provides inpatient psychiatric hospitalization for Medi-Cal clients under the age of 21 and over 65. In addition, the Department contracts with Aurora to provide inpatient hospitalization and associated psychiatric professional fees for Medi-Cal Mental Health Plan clients who fall between those ages. Aurora clients needing acute inpatient psychiatric hospitalization and having a residence outside of Sonoma County may require services provided by the County. For the County to be reimbursed by Aurora for these costs, the Department is requesting approval to enter into an agreement with Aurora. In consideration of the associated costs, Aurora will reimburse the County with an administrative fee in the amount of \$250,000 for fiscal year 2019-2020.

Prior Board Actions:

The Board annually authorizes the Director of Health Services to execute agreements for mental health and substance use disorder services and support services agreements for behavioral health services. Most recently, on July 9, 2019 the Board approved \$41,619,923 for mental health and substance use disorder services and \$1,873,507 for support services agreements for behavioral health services.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY 20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested	8,746,534		
Total Expenditures	8,746,534	0	0
Funding Sources			
General Fund/WA GF	718,947		
State/Federal	1,123,951		
Fees/Other	3,951,818		
Use of Fund Balance	2,951,818		
Contingencies			

Agenda Date: 6/2/2020

Total Sources	8,746,534	0	0
----------------------	------------------	----------	----------

Narrative Explanation of Fiscal Impacts:

Increased contract provider and service agreement expenditures of \$5,794,716 will be funded with a combination of Medi-Cal Federal Financial Participation, federal grants, and Human Services realignment (\$1,123,951), DHS County Medi-Cal Services Program fund balance transferred from County General Fund in FY 19-20 (\$718,947), Aurora Behavioral Health revenue contract (\$250,000), Community Development Commission funding (\$750,000), 2011 Realignment (\$93,085), and Intergovernmental Transfer fund balance (\$2,858,733). Appropriation request includes \$2,951,818 that will need to be transferred from the department's 2011 Realignment and Intergovernmental Transfer sections.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Resolution

Related Items "On File" with the Clerk of the Board:

None