



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: July 19, 2016
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Alice Gleghorn, PhD, Director
Director(s) Behavioral Wellness 681-5220
Contact Info: Pam Fisher, Deputy Director, Chief of Clinical Operations
Behavioral Wellness 681-5220
SUBJECT: Mental Health Association First Amendment Fiscal Year 16-17

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Chair to execute a First Amendment for Services of Independent Contractor with **Mental Health Association in Santa Barbara County** (dba Mental Wellness Center) (a local vendor), for reallocation of \$143,936 for the provision of startup and administrative oversight services to operate a five (5) bed permanent housing facility, De La Vina House, with no change to original maximum contract amount of **\$1,724,054** through June 30, 2017.
- B. Determine that the above actions are organizational or administrative actions of government that will not result in direct or indirect physical changes in the environment, pursuant to section 15378(b)(5) of the California Environmental Quality Act (CEQA) guidelines.

Summary Text:

Behavioral Wellness provides specialty mental health services to Medi-Cal beneficiaries and other individuals to the extent resources allow, in part through contracted services. Approval of the recommended actions will enable Behavioral Wellness to add additional beds to meet the demand of permanent and stable housing for chronically homeless individuals identified and referred by Behavioral Wellness staff.

Background: Mental Health Association in Santa Barbara County (dba Mental Wellness Center (MWC)) provides residential and community mental health services to adults in the Santa Barbara area. MWC's Family Advocate offers services to families of clients with serious mental illness through education, support and linkage to resources.

MWC currently provides services through Casa Juana Maria and CG House programs in an Adult Residential Facility providing in-home rehabilitation and support services to residents. As well as, Alameda House, a residential program providing an adult housing program for individuals with Serious Mental Illness (SMI). MWC also operates the Santa Barbara Consumer-Led Program that offers peer-support, self-help and connections to community resources, including health and wellness activities, as well as a Computer Lab for clients to have access to computers and learn related skills.

The De La Vina House is a new program for MWC. MWC will lease a new facility in Santa Barbara to provide permanent housing single room occupancy for five (5) clients. This will provide greatly needed housing for the chronically homeless individuals who meet the Continuum of Care Shelter Plus care eligibility. Behavioral Wellness Homeless Outreach Worker and other Behavioral Wellness Contract providers will refer clients who meet the criteria for placement.

Behavioral Wellness will provide fiscal support for startup services and administrative oversight to operate a permanent house facility. There will be no change to original maximum contract amount. Funds for the start-up and administrative oversight of this new program will be funded by reallocation of \$143,936 from CG and Alameda House, which were previous startup funds for those two programs for FY 15-16 and budgeted in the FY 16-17.

Performance Measure:

MWC demonstrated positive outcomes for the Casa Juana Maria program, which serves 6 severely mentally ill clients in a long-term residential setting. Through Quarter 2 of FY15/16, 33% (2 of the 6 clients) were either employed, enrolled in school/training or volunteering. All clients maintained stable/permanent housing. There were no incarcerations or psychiatric inpatient admissions for clients living at Casa Juana Maria.

Behavioral Wellness is in the processing of setting up formal outcome measures for the new program, De La Vina House; at this time it is in the startup phase. However, the following performance measures are written into the contract:

- i. Number of beds/units provided;
- ii. Number of clients in stable/permanent housing; and
- iii. Number of evictions.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 862,027.00	\$ 862,027.00	
Federal	\$ 862,027.00	\$ 862,027.00	
Fees			
Other:			
Total	\$ 1,724,054.00	\$ 1,724,054.00	

Narrative: The above referenced contracts are funded by State and Federal funds. The funding sources are included in FY 2016-2017 Budget.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. The dollars Behavioral Wellness collects from the Centers for Medicare and Medicaid Services (CMS) via the State for specialty mental health services provided to Medi-Cal beneficiaries are subject to a complex and lengthy cost settlement process. Behavioral Wellness is required to submit an annual cost report which reports all costs associated with providing mental health services for a given Fiscal Year (actual cost). The actual cost is one component that the State reviews when it performs its “cost settlement” process. In this process, the State settles to the lower of actual cost or Published Charges, which are the fees charged to the general public (as adopted by the contractor’s Board of Directors). The cost settlement process results in a preliminary settlement, which typically takes place two years after the close of a Fiscal Year; however, the settlement process is not complete until the State completes the final audit. State audits for Medi-Cal funds for specialty mental health services typically occur five years after the end of the fiscal year being audited. To address these risks and to minimize settlement amounts with contract providers, Behavioral Wellness calculates rates for Medi-Cal services provided by organizational providers on a quarterly basis. Regular reports to contractors on unclaimed and denied units allow providers to correct errors and maximize Medi-Cal penetration rates. Even with these measures, there is the risk that the State will disallow units of service or determine costs to be non-allowable, resulting in repayment. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please email one (1) signature page and one (1) minute order to: admhscontractsstaff@co.santa-barbara.ca.us.

Attachments:

- Attachment A: Mental Wellness Center FY 16-17 Amendment 1 BC
- Attachment B: Mental Wellness Center FY 16-17 BC

Authored by:

D. Morales