

# **Alcohol, Drug & Mental Health Services FY 2008-09 Restructuring Plan Status Report**



**Board of Supervisors Presentation  
April 22, 2008**

# ADMHS Report

- Update on the balanced budget for FY 2008-09
- Status Report on Adult Mental Health Services
- Update on business operations improvements

# Core Adult MH Funding: Realignment

- As of 1991, realigned revenues flow directly to Counties
- Shift in responsibility from State to Counties for mental health programs
- Two dedicated funding streams:
  - ½ cent increase in State Sales Tax
  - State Vehicle License Fee

# Core Adult MH Funding: Medi-Cal

- By 1998, Medi-Cal mental health managed care program
- Medi-Cal beneficiaries must receive MH services through the County Mental Health Plan

# Mandates

## ➤ Services:

- Involuntary acute and long-term mental health treatment
- Emergency services

## ➤ Population Groups:

- Medi-Cal beneficiaries with mental health needs
- Children with serious emotional disturbance (SED) to the extent resources allow
- Adults and older adults with severe mental illness (SMI) to the extent resources allow
- Special education students

# Realignment Funding Issues

- Never fully funded mental health needs
- Has not grown over time as expected
- Does not keep up with the costs of providing services

# Medi-Cal Funding Issues

- Cost of living adjustments not received
- Allocations to Counties for managing this program reduced
- Limited realignment funding pays for increased costs <sup>1</sup>

# California Impacts

- Riverside, Shasta, Glenn Counties threaten to withdraw from State MH Plan due to insufficient state funding<sup>1</sup>
- Sonoma
  - Transferred \$12 million in funds to the Mental Health Division<sup>2</sup>
  - Eliminated 70 positions since FY 2002-2003<sup>2</sup>
  - Closed PHF last year, scheduled closure of private psych hospital<sup>3</sup>

1 Gang, *Riverside Press-Enterprise*, 4/1/08 [http://www.pe.com/localnews/rivcounty/stories/PE\\_News\\_Local\\_H\\_board02.430192d.html](http://www.pe.com/localnews/rivcounty/stories/PE_News_Local_H_board02.430192d.html)  
4/16

2 Sonoma County FY 07-08 Budget. Department of Health Services, Health and Human Services.)

3 Lauer. *California Healthline*. *California's Mental Health System May Be Headed for Crisis*. 4/14/08



# California Impacts (cont)

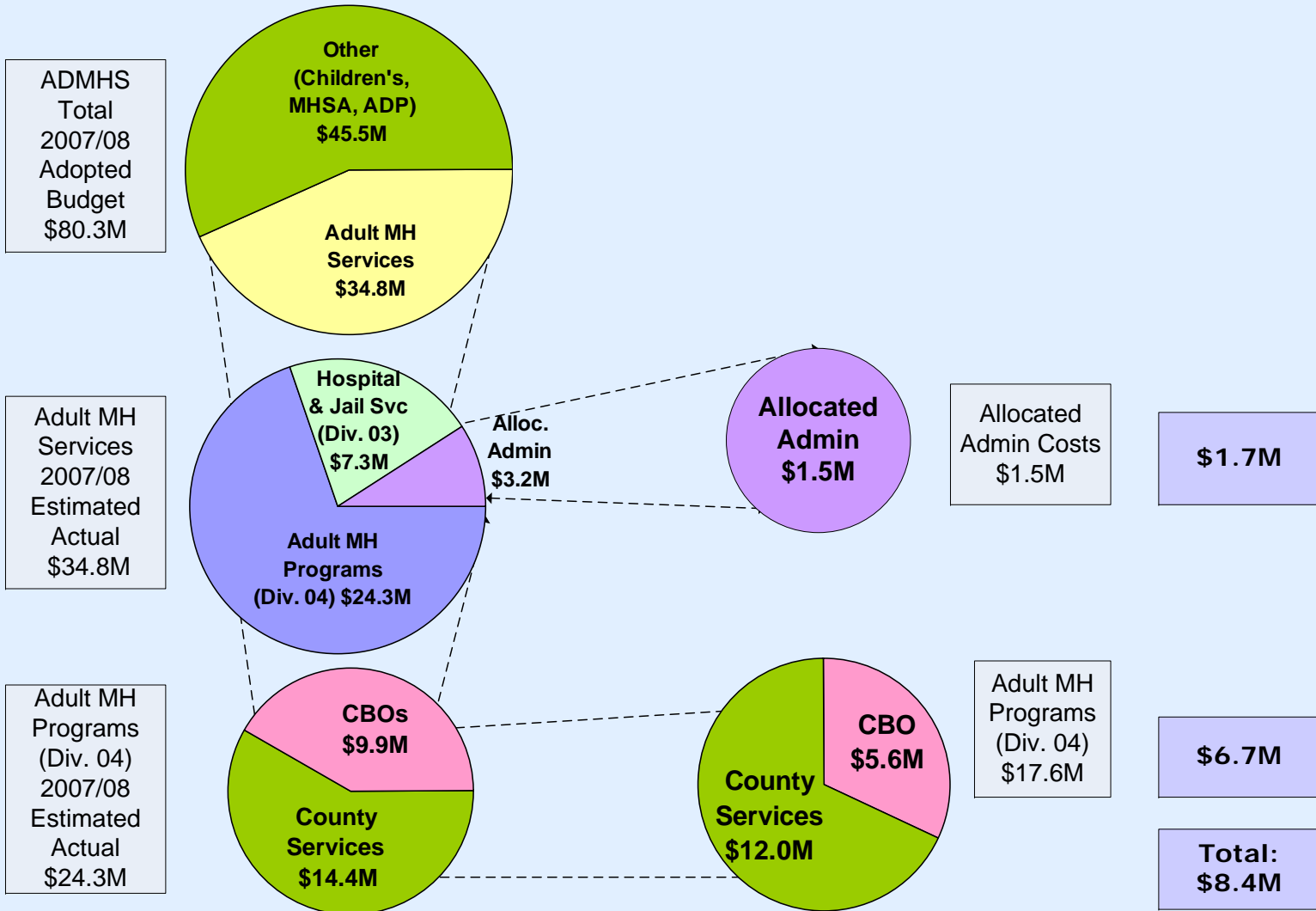
- Santa Clara County ordered its Mental Health Department to cut \$17 million from its budget<sup>4</sup>
- Fresno
  - Cut \$8 million from MH Budget.
  - Eliminated > 140 of 636 mental health staff positions
  - Curtail services for about 650 clients with less severe conditions<sup>4</sup>
- Shasta serves 500 fewer clients due to increased MC costs<sup>4</sup>

# ADMHS Budgeted Expenditures

**ADMHS-Adult MH Services  
Budget 2007/08**

**ADMHS-Adult MH Services  
Recommended Budget 2008/09**

**Savings**

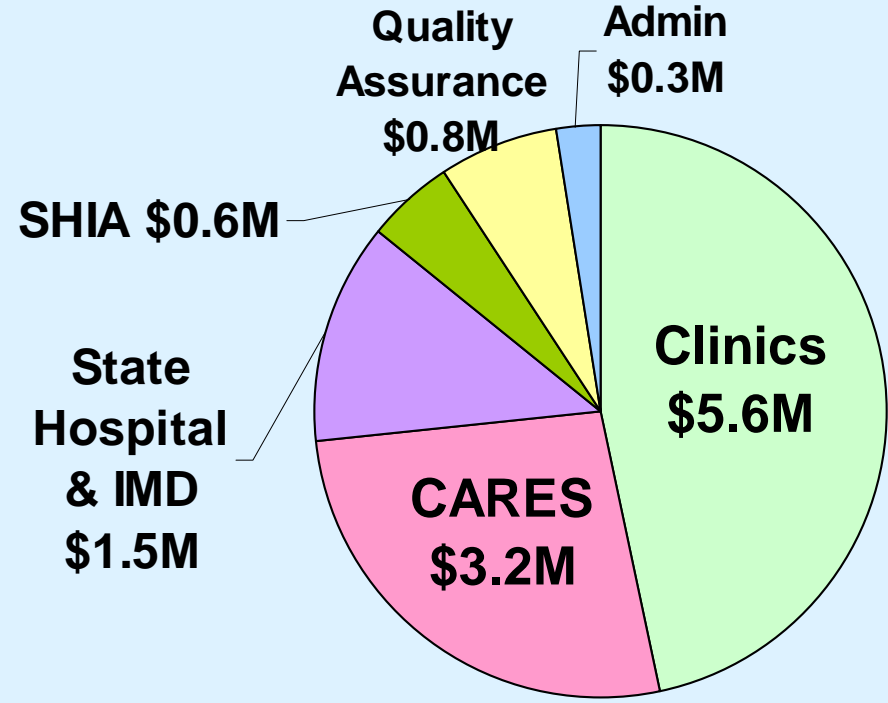
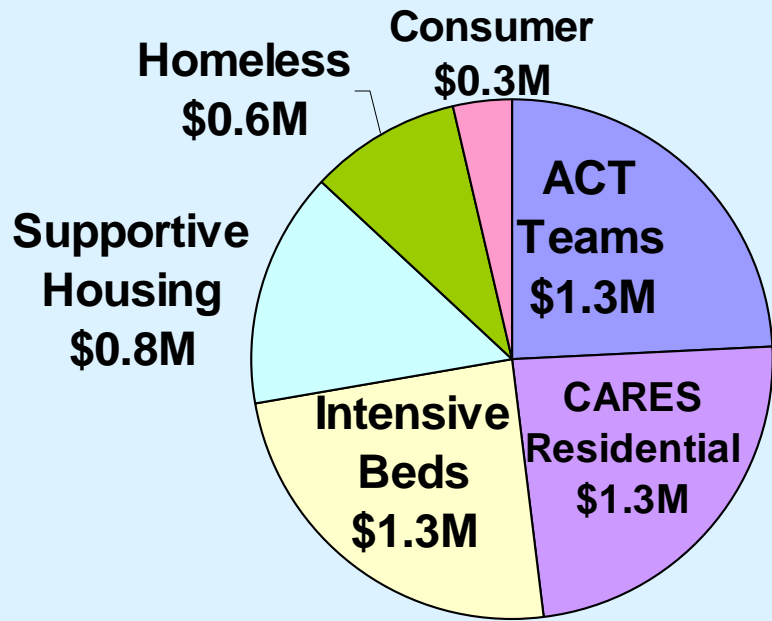


**\$ in millions**

# Adult MH Div 04

CBO Services  
2008/09  
Recommended  
\$5.6M

County Services  
2008/09  
Recommended  
\$12.0M



\$ in millions

# Adult MH Services Restructuring

- Create a service delivery framework offering:
  - Services that meet the requirements of legal mandates
  - Single point of system access and clinical accountability for each client
  - One entry, one assessment, one treatment plan

# Adult Mental Health Service Delivery System

- Mandated Emergency Services
  - CARES North and South
  - CARES North Crisis Residential
- Mandated Acute Psychiatric Services
  - Psychiatric Health Facility (PHF)/Out-of-County Acute Inpatient
  - Out-of-County Longer-Term Inpatient/State Hospital
- Reconfigured County Clinics
  - Multi-disciplinary teams
  - Assessment, treatment planning, medication

# Adult Mental Health Service Delivery System (cont)

- Community Based Organizations
  - Homeless services
  - Residential and housing support services
  - Rehabilitation and support services
  - Consumer-operated centers
- Three Assertive Community Treatment teams
  - Individuals with most high-risk conditions
  - Intensive, in-home treatment, rehabilitation, and support services

# Impact of Reduced Resources

- Decrease ADMHS and CBO services
- Reassess types and frequency of service delivery for each client
- Manage limited resources for uninsured
- Control admissions, discharges and length of stay
- Plan for increased demand for crisis and acute interventions

# FY 08-09 Services

Service/ Description	Funding FY 08-09	Difference FY 07-08 v 08-09
	Change in Service Capacity	Mitigation Comments
County Clinic Services	\$5,603,000	<b>(\$2,940,000)</b>
	Continue to serve 1,500 clients meeting criteria of severe mental illness	Approximately 500 clients not diagnosed with severe mental illness may need referral to services outside clinic system
Homeless Services	\$525,900	<b>(\$76,603)</b>
	Approximately 90% preservation of homeless services	Existing Homeless Outreach staff from ADMHS' CARES program will partially cover service gaps resulting from 10% contracted reduction
Intensive Residential Services	\$1,322,100	<b>(\$1,380,539)</b>
	<ul style="list-style-type: none"> <li>○ Reduction in overall beds from 58 to 34</li> <li>○ Average cost per bed reduced from \$46,597 to \$38,885</li> </ul>	Individuals currently living in Intensive Residential settings being assessed to determine their ability to live in less intensive housing



# FY 08-09 Services (cont)

Service/ Description	Funding FY 08-09	Difference FY 07-08 v 08-09
	Change in Service Capacity	Mitigation Comments
Assertive Community Treatment (ACT)	\$1,311,000	<b>(\$2,527,000)</b>
	<ul style="list-style-type: none"> <li>o 3 teams supported</li> <li>o 140 clients through existing core dollars and an additional 240 through MHSA funding</li> </ul>	Proposed integration of County/CBO operated teams to gain efficiencies through use of MHSA funds. Clients with lower levels of need to be transitioned to Supportive Housing Services
Supported Housing	\$825,000	<b>(\$895,882)</b>
	From 175 to 250 clients Average cost per client reduced from \$9,833 to \$3,300	Current clients living in permanent housing will receive less frequent service contacts
Day Rehabilitation; Consumer Centers	\$291,000	<b>(\$873,862)</b>
	Approximately 388 ADMHS clients being served by centers in SB, SM and Lompoc	Transition from MediCal funded services to consumer-operated resource and peer support centers

# Potential Service Impact

- Relapse of symptoms and decreased functioning
- Acute psychiatric inpatient care
- Law enforcement involvement
- Homelessness
- Emergency room and crisis visits
- Detox bed days for persons with dual disorders
- Foster care placement for children of clients
- Costly medical conditions (i.e. cardiovascular disease, diabetes)

# Business Operations

## **Contracts**

Working w/ Auditor Controller/County Counsel to develop strengthened contract. New contracts for Adult MH rolled out June 2008.

## **Utilization**

Development and roll out of admission, continued stay and discharge criteria. Target Qtr 1 of FY 08-09.

## **Outcomes**

- Rollout and collection methods completed. Qtr 1 of FY 08-09
- Ongoing results reported to QA on a quarterly basis.

## **MIS**

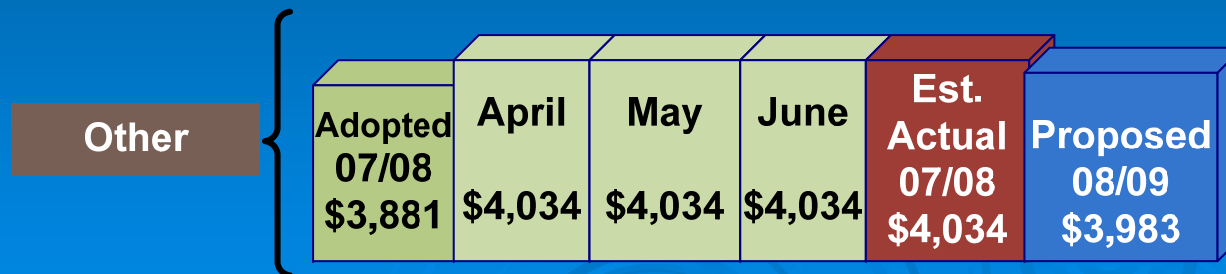
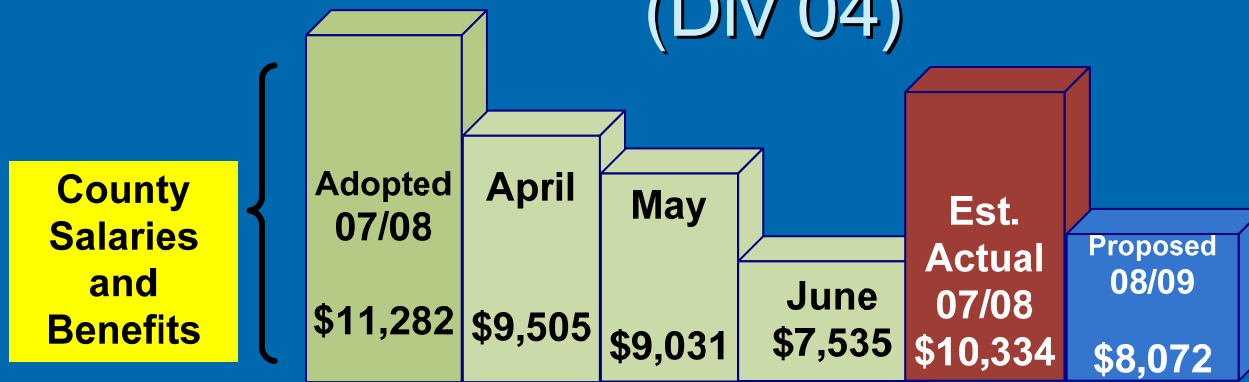
- Business requirements defined. Qtr 1 of FY 08-09.
- Executive Team to prioritize and oversee implementation. Ongoing.

## **Fiscal**

Working with Auditor Controller's office to streamline ADMHS accounting structure & develop efficiencies. Target: Qtr 1 of FY 08-09.

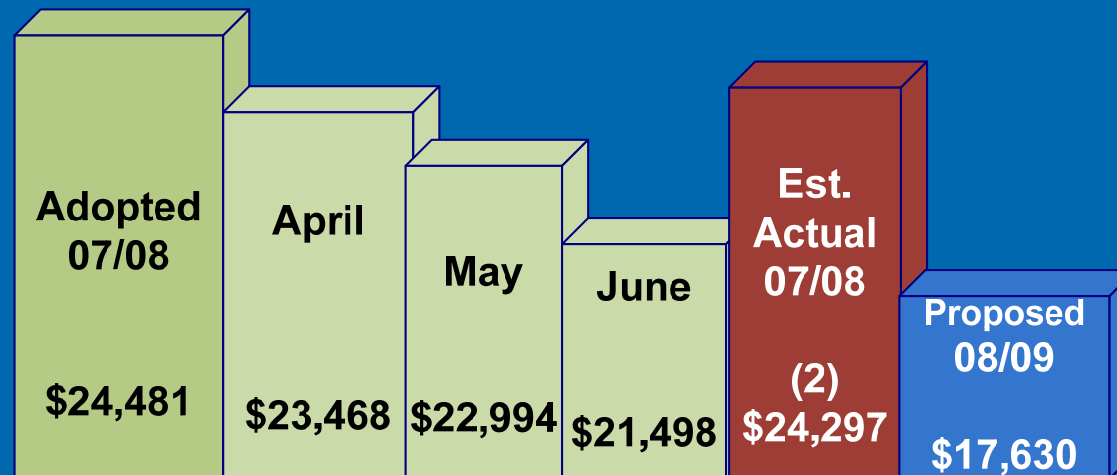
# Adult Mental Health Budget

(Div 04)



(Annualized \$ in Thousands)

# Total Adult MH Budget (Div 04)



Note:

(2) The FY 2007-08 Adjusted Budget had increased to a high of \$26,781 but has since been reduced in the Estimated Actual.

(Annualized \$ in Thousands)

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