



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:** December 12, 2017  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PhD, Director  
Director(s) Department of Behavioral Wellness, 681-5220  
Contact Info: Chris Ribeiro, Chief Financial Officer  
Department of Behavioral Wellness, 681-5220

**SUBJECT:** Vista Pacifica Enterprises FY 17-18

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Vista Pacifica Enterprises, Inc.** (not a local vendor), an Institution for Mental Disease and a Skilled Nursing Facility, for a new total contract amount not to exceed \$613,300 for the period July 1, 2017 through June 30, 2018, inclusive of \$100,000 under Purchase Order CN21172 but which otherwise cancels, nullifies, and supersedes Purchase Order CN21172.
- B. Approve a Budget Revision Request (BRR#0005434) increasing appropriations of \$455,650 in Behavioral Wellness Mental Health Fund for Services and Supplies funded by unanticipated revenue from Intergovernmental Revenue – State.
- C. Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

**Auditor-Controller Concurrence**

As to form: Yes

**Summary Text:**

This item is on the agenda to increase the contract for the provider to accommodate the increase in County clients requiring IMD (Institutions for Mental Disease) level services. In FY 2016-17 Behavioral Wellness clients spent an average of 54.4 bed days in out-of-county facilities. For the First Quarter of FY 2017-18 the average number of bed days has increased to 64. This contract increases the total contract amount by \$513,300 in order to cover expenses that are expected to exceed the current contract maximum amount.

The Santa Barbara County Department of Behavioral Wellness provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, including inpatient mental health treatment services. The County is required to appropriately house clients in Lanterman Petris Short conservatorships under Public Guardian supervision. IMD services are required to be covered only to the extent that funding is available. Approval of the recommended actions will allow Behavioral Wellness to continue to provide mental health services pursuant to the California Welfare and Institutions Code and the County Mental Health Plan. Contracts with facilities providing services at various levels of care are key to ensuring that the needs of clients are optimally met. Expanding the contract with Vista Pacifica Enterprises (VPE) fills an ongoing need for additional residential services.

**Background:**

***Overview of Institutions for Mental Disease (IMDs)***

Institutions for Mental Disease (IMDs) are facilities including hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental illness, including medical attention, nursing care, and related services. The Federal IMD Exclusion prohibits the use of federal Medicaid financing for care provided to most patients in mental health and substance use disorder residential treatment facilities larger than 16 beds. Due to the Federal IMD Exclusion, these highly structured residential treatment services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. Therefore funds to provide these services are provided through unanticipated Vehicle License Fees (VLF) which are dedicated to Mental Health services, and two IMD contracts that are projected to come in under their budgeted amount.

***Limited Bed Availability in Santa Barbara County***

There are a limited number of these highly structured residential treatment services in California and none in Santa Barbara County. The county currently maintains 7 contracts for a total of 64 IMD beds throughout California. The County contracts for the number of beds that are needed at any given time and this need fluctuates. Over the past few years, the need for beds has steadily increased by 5-10 beds per year.

***IMD Costs Increasing***

On average, bed day costs have risen 4.5% to 5% per year over the last three fiscal years to account for an increase in the daily bed rates as well as a departmental need for more beds. The average number of beds in FY 16-7 was 54 while the current average number of beds is 64. The current average bed day rate for IMD services is \$196.00 and the average cost per bed per month is \$5,880.

***Ongoing Goal: Establish Residential Facilities in Santa Barbara County***

Mental Health Rehabilitation Centers (MHRC) are facilities that generally have more than 16 beds and are primarily engaged in providing long term rehabilitative care services. Currently, there are no MHRC facilities in Santa Barbara County. However, in evaluating the Department needs, one priority that has been established as top priority is to build a MHRC in county in order to bring people back into the county and close to family support for their treatment. If a facility has fewer than 16 beds, there are provisions for the Department to receive Medi-Cal reimbursements to offset costs for services provided to clients in that facility.

***Vista Pacifica Contract***

***Locations and Services Provided***

VPE has two California facilities: Vista Pacifica Center located in Jurupa Valley and Vista Pacifica Convalescent in Riverside. Vista Pacifica Center specializes in geropsychology and offers four levels of service for residents that require high levels of supervision such as those whose behavioral and medical needs include: being absent without leave, extremely verbally aggressive or threatening and abusive towards staff and peers. They also include behaviors such as being suicidal, destroying property, and having severe psychosis which requires frequent redirection, counseling, and behavior modification from staff. Vista Pacifica Convalescent specializes in Alzheimer's Care and offers three levels of care: Level A focuses on residents with chronic mental health diagnosis, with active delusions and hallucinations and/or mood swings. Level B focuses on residents with dual diagnoses of Dementia and chronic mental illness with active psychosis. Level C focuses on residents with chronic mental health illness who are not stable on medications.

***Funding Sources***

The Federal IMD Exclusion prohibits the use of federal Medicaid financing for care provided to most patients in mental health and substance use disorder residential treatment facilities larger than 16 beds. Due to the Federal IMD Exclusion, these highly structured residential treatment services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. Therefore, cost to provide these services are addressed through unanticipated Vehicle License Fees (VLF) which are dedicated to Mental Health services and two IMD contracts that are projected to come in under their budgeted amount.

***Purchase Order (\$100,000)***

The total amount budgeted for IMD services for Fiscal Year 2017-2018 was \$3,594,181. Of that amount, \$100,000 was allocated to the Purchase Order with Vista Pacifica. The current Purchase Order projections were budgeted at a lower rate based on a FY 16-17 monthly caseload of 5 clients. However, during the first Quarter of FY 17-18, VPE's caseload has increased to 9, with some clients being placed at a higher level of care. Our projections suggest that this number will continue throughout the rest of the Fiscal Year and that a \$513,000 increase will be enough to cover the additional expenses.

***BeWell Staff Provides Case Management to IMD Clients***

In order to ensure that care is optimized, and lengths of stay do not exceed the medical necessity for the placement, clients in IMDs are monitored by Behavioral Wellness through attendance at formal case conferences, telephone case conferences, site visits, review of progress notes and reports from the facilities. For example, in the most recent six months a Behavioral Wellness RN Case Manager has

visited Vista Pacifica on six occasions (05/03/17, 05/10/17, 06/22/17, 08/09/17, 09/28/17, and 10/12/17). In addition, Behavioral Wellness staff is in contact with Vista Pacifica staff and clients by phone on a weekly basis.

**Performance Measures:**

The Program Goal for Vista Pacifica is to reduce mental health and substance abuse symptoms for clients, resulting in reduced utilization of involuntary care and emergency rooms for mental health and physical health problems.

For FY 17-18, Behavioral Wellness added the following Outcomes and Measures to Vista Pacifica’s contract:

- Maintain the average quarterly percentage of acute psychiatric inpatient admissions at 10% or less.
- Maintain the percent of clients hospitalized for physical health reasons per quarter at 10% or less.
- Maintain the percentage of clients transitioning to a higher level of care (i.e., State Hospital, locked IMD or long-term stabilization on inpatient unit) due to psychiatric conditions at 10% or lower.

**Fiscal and Facilities Impacts:**

Budgeted: No

**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	\$613,300		
Federal			
Fees			
Other:			
<b>Total</b>	<b>\$ 613,300.00</b>	<b>\$ -</b>	<b>\$ -</b>

Narrative: The above referenced contract is funded by State funds. The budget revision recognizes \$455,650 of expenses that are expected to exceed the budgeted amounts in the Mental Health Fund associated with inpatient acute contract beds. The expenses will be covered by unanticipated Vehicle License Fees (VLF) which are dedicated to Mental Health services. The additional \$57,650 will come from two IMD contracts that are projected to come in under their budgeted amount.

**Key Contract Risks:**

There is a risk that the number of contracted IMD and IMD-alternative beds may increase beyond what the department has projected. In that case, the department would return to the Board of Supervisors to request increases to the contract maximums where needed.

**Special Instructions:**

Please email one (1) complete copy of the contract and one (1) minute order to: [gilopez@co.santa-barbara.ca.us](mailto:gilopez@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: Vista Pacifica Enterprises FY 17-18

Attachment B: Vista Pacifica Enterprises FY 17-18 CN21172

Attachment C: BRR#0005434

**Authored by:**

Q. Lopez