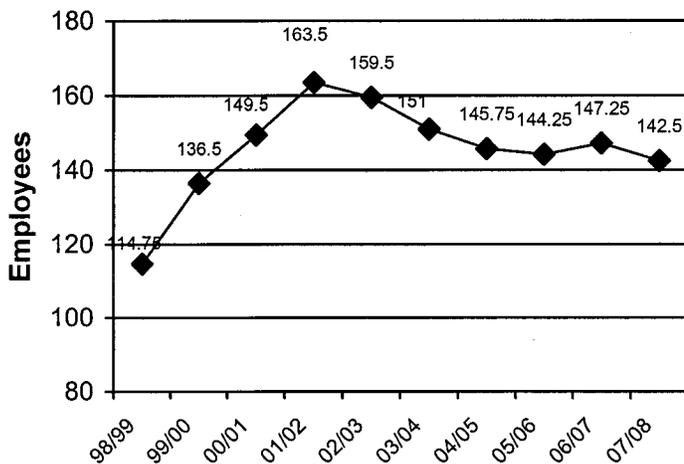


MISSION STATEMENT

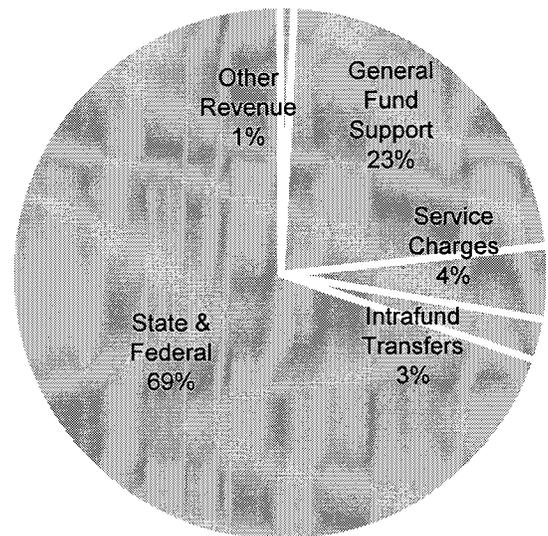
The Health Agency's Behavioral Health Department partners with agencies, providers, consumers and other stakeholders to provide effective integrated evidence-based services essential for living, working, learning, and participating fully in the community with individuals and families affected by serious mental illness.

Financial Summary	2006-07	2006-07	2007-08	2007-08	Change From 2006-07
	Budget	Projected	Requested	Recommended	
Revenues	\$ 21,992,295	\$ 21,789,180	\$ 22,486,699	\$ 22,516,425	\$ 524,130
Salary and Benefits	14,871,889	13,448,786	14,764,741	15,265,840	393,951
Services and Supplies	12,825,474	13,380,085	14,804,028	14,839,677	2,014,203
Other Charges	14,480	14,480	0	0	(14,480)
Fixed Assets	31,004	31,004	8,000	8,000	(23,004)
**Gross Expenditures	\$ 27,742,847	\$ 26,874,355	\$ 29,576,769	\$ 30,113,517	\$ 2,370,670
Less Intrafund Transfers	756,835	735,878	756,028	798,028	41,193
**Net Expenditures	\$ 26,986,012	\$ 26,138,477	\$ 28,820,741	\$ 29,315,489	\$ 2,329,477
General Fund Support (G.F.S.)	\$ 4,993,717	\$ 4,349,297	\$ 6,334,042	\$ 6,799,064	\$ 1,805,347

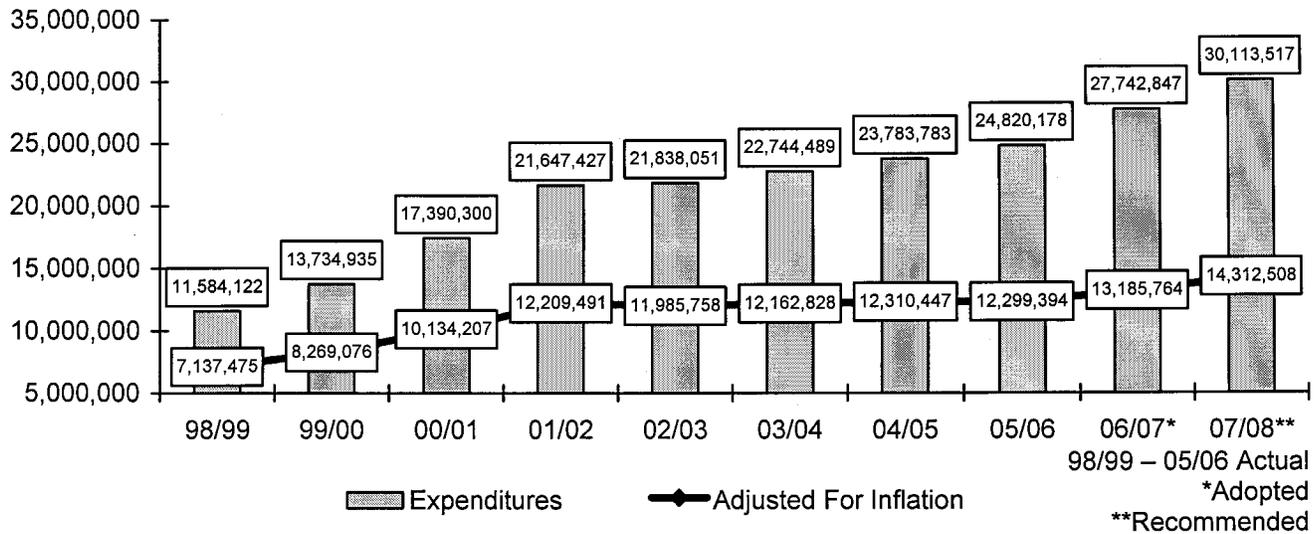
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Outpatient Services

Outpatient programs provide a variety of services to people of all ages in the community in a variety of settings. Some of the services provided are as follows: crisis intervention; individual, group and family therapy; medication and medication management; case management; social and vocational rehabilitation; and outreach to the homeless.

Total Expenditures: \$21,315,545 Total Staffing (FTE): 112.91

Residential Services

Residential services are 24-hour programs providing treatment for more extended periods of time but at lower cost than acute hospitalization. They are usually provided in unlocked residential settings and range in care level from on-site supervised intensive treatment programs to independent living arrangements with periodic staff monitoring visits.

Total Expenditures: \$2,187,838 Total Staffing (FTE): 3.0

Long-Term Care Facilities

These facilities provide long-term, 24-hour care for the severely mentally ill unable to function in a residential setting. Facilities include State hospitals and Institutions for Mental Disease (IMD). They are generally locked facilities and have the capability for medical care as well as intensive psychiatric treatment.

Total Expenditures: \$1,713,966 Total Staffing (FTE): 1.09

Psychiatric Health Facility Services

The Psychiatric Health Facility serves the 24-hour care needs of those in acute mental health crisis. It is a locked facility generally providing short-term, intensive psychiatric treatment.

Total Expenditures: \$4,896,168 Total Staffing (FTE): 25.5

DEPARTMENT COMMENTS**Key Accomplishments of the Mental Health Department for FY 2006 - 2007*****Customer Service***

- Latest survey from the state indicated that 60% of those surveyed were *very satisfied* with the services provided and 33% were *satisfied* with the services provided.
- In collaboration with the County Office of Education, expanded services to four classrooms in North County. Mental Health staff is located on site to provide services to emotionally disturbed children.
- Expanded services to children and youth through the Kinship Center and Children's Assessment Center (aka Martha's Place).
- Implemented the Department's website.

Improved Business Practice

- Expedited the intake process at the outpatient clinics for youth released from the Juvenile Services Center. These youth receive priority with intake appointments and do not have to wait several weeks to be assessed for mental health services.
- Conducted law enforcement forums and meetings with the Emergency Room Physicians in order to improve communication between the systems. These meetings have been lead by the Medical Director and provide a forum for problem-solving regarding shared cases. These meetings have been well received by both law enforcement and the Emergency Departments.
- Conducted training and strategic planning for the members of the Mental Health Board.

Finances

- A deadline for submission of documentation of services was implemented. Previously, therapists and case managers had thirty days to write up a progress note regarding the service they provided to their clients. Staff is now to write up their progress notes within 24 hours of when the service was delivered. All data must be entered into the computer by the fifth day of the following month.

Learning & Growth

- Behavioral Health conducted the first integrated training with staff from both Mental Health and Drug and Alcohol Services on co-occurring disorders.

Major Focus for FY 2007 – 2008**Using Technology to Improve Customer Service**

- Implement Clinician's Gateway in order to improve efficiency with billing. Clinician's Gateway is a browser-based front-end interface to the billing system. Currently, Medical Record Technicians must input a service from a paper document. The new software will capture the service data needed for billing when an electronic progress note is created eliminating the data entry required by the Medical Records Technician.

Internal Business and Program Improvements

- Continue to work with Drug and Alcohol Services provide co-occurring client services. Services for clients with co-occurring disorders require universal release of information, screening and assessment protocols.
- Use the new technology to implement reports and other data as management tools in order to provide a level of accountability. For example, a standard of 75% productivity has been set for each direct care staff. This means that out of an 8 hour day, six hours needs to be in direct services to their clients. Currently, there is not an accurate tool for the Program Supervisors to use to monitor the amount of productivity for each of their staff. In order for administration to ensure that the department is generating the maximum amount of revenue, productivity of each direct care staff must be monitored on a continual basis. This level of productivity will then be added to the employees' performance evaluation.

Finance

- Continue to find ways to leverage existing funding. Continue to participate in state meetings in order to advocate for more funding and to keep apprised of the state budget.
- Explore other opportunities for integrated resources with Mental Health and Drug and Alcohol Services.

Learning and Growth

- Mental Health will provide staff training for core, research-based competencies such as Cognitive Behavioral Therapy (CBT), Motivational Enhancement Therapy (MET), and other evidence based practices.
- In continuing to provide quality service to County residents, the Behavioral Health Department will continue to seek opportunities to collaboratively train staff from Mental Health and Drug and Alcohol Services around issues such as co-occurring disorders.

Key Challenges and Strategies for Fiscal Year 2007 – 2008

- Funding Issues
 - The Department must find other sources for revenues in order to sustain the current service levels. Use new technology to discover ways to maximize billing.
 - Continue to monitor Institute for Mental Disease (IMD's) days and state hospital days with the implementation of the Adult Placement Committee.
- Progressive Technology
 - The replacement of the information system in the Department is crucial to billing and to accurate reporting of data. Administration needs accurate management tools in order to measure the productivity of staff. Data entry of services allows for human errors, which can mean disallowances of revenue. Having a billing system that automatically bills from the progress note will decrease human error and the number of disallowed claims.
- Psychiatric Health Facility (PHF)
 - Implement the recommendations from the PHF task force.
 - Revise policy and procedure manual.
- Quality Assurance
 - Revise the policy and procedure manual.
 - Review and revise forms for case records.
- Strategic Planning
 - Design the plan for conducting strategic planning with input from internal and external customers.
- Recruitment and Retention
 - Ability to recruit and retain psychiatrists, nurses and other professional and technical staff is critical.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Similar to prior years, the operational budget for Mental Health is significantly out of balance. Because state revenues are not keeping pace with state mandated programs, the level of General Fund support is recommended to increase \$1,805,347 or 36%. This increase is recommended in order to avoid significant reductions to service levels such as reduced mental health support at the jail, reduced contracts for community programs, reduced community housing, and the closure of an outpatient clinic.

Total Expenditures are recommended to increase by \$2,329,477 or 8% and with exception of the budget augmentation recommended below, generally only include inflationary increases. The 3.5% increase in pension related expense increases the department's salary and benefit accounts by \$309,209. The total salary and benefits accounts would be increasing considerably more if it were not for the transfer of 5.0 positions from this fund center to other fund centers (more explanation below).

Revenues are increasing by \$524,130 or 2%. There are marginal increases to a number of state and federal funding sources. As part of the FY 2006-2007 budget, the Department of Social Services (DSS) transferred \$400,000 of excess sales tax realignment revenue to Mental Health in order to help mitigate the budget imbalance. It was known at the time that this was a short-term and likely one-time transfer. This proved to be the case as excess DSS funds are not available this year for transfer to Mental Health.

The recommended position allocation changes include the following. Two Department Automation Specialist positions and two Department Personnel Technician positions are transferring to the Public Health fund center (fund center 160) pursuant to the Health Agency reorganization. The departmental information technology and personnel functions will be consolidated agency wide in the Public Health fund center. A Supervising Medical Records Technician is being transferred to the Mental Health Services Act fund center (fund center 165) in order to better support the programs in that fund center. A 0.75 custodian position is recommended for deletion as the Mental Health Department will be vacating its current facilities and moving to the newly renovated Health Campus

(the former General Hospital). The Department of General Services will provide the custodial support for this facility. Lastly, a 1.0 Mental Health Therapist III position and a 1.0 Mental Health Therapist IV position are recommended for addition in order to support the operations at the Psychiatric Health Facility as noted below in the budget augmentation request.

It is important to note that \$916,800 of state funding for County homeless programs, which was recommended for deletion in the January version of the Governor's budget is included in this fund center. The Governor is proposing to eliminate this funding to counties and use Mental Health Services Act (MHSA) funding instead. Many agencies believe this proposal will not move forward as it would violate the stringent non-supplantation stipulations included in MHSA. If this change is pursued by the Governor's Office, it is likely that legal challenges would ensue. In summary, if the Governor's proposal is approved by the State Legislature and included in the State budget, the Mental Health Department's homeless programs would be devastated.

BUDGET AUGMENTATION REQUESTS RECOMMENDED FOR FUNDING

Unit Amount	Description	Results
Gross: \$253,714	1.0 Mental Health Therapist IV	<u>Mental Health Therapist IV:</u> Increase level of compliance with quality assurance standards.
General Fund Support: \$231,686	1.0 Mental Health Therapist III	Improve documentation in order to meet requirements.
	Additional hours of contract psychiatrist time (+3.0 hrs/day)	Improve internal training on processes and procedures.
	All positions will support patient care at the Psychiatric Health Facility (PHF)	<u>Mental Health Therapist III:</u> Additional crisis support during the evening shift (respond to issues at the PHF, respond to calls on the 800 phone line, and coordinate activities with the Mobile Crisis Teams).
		<u>Additional Psychiatrist contract hours:</u> Additional coverage during the evening shift in order to perform admissions assistance, serve as a liaison with emergency room physicians, respond to medical issues, and provide consultation to the Mobile Crisis Teams).

GOALS AND PERFORMANCE MEASURES

Department Goal: To help mentally ill individuals be as functional and productive as possible in the least restrictive and least costly environments.						
Community-wide Result Link: A healthy and safe community.						
1. Performance Measure: Rate of client satisfaction with mental health services.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
87%	86%	82%	84%	85%	85%	87%
What: Results are provided by the State from surveys taken of all individuals receiving mental health services from County Mental Health during one-week periods in November and May of each fiscal year. Populations surveyed are Adult, Older Adult, Youth and Youth Families. Customer Service areas tested are Access to Service, Cultural Sensitivity, Participation in Treatment Planning, Outcomes and General Satisfaction. The rate is an average rating for all areas tested for all populations against the maximum possible score. A rating above 70% indicates those served are "satisfied."						
Why: Client satisfaction is monitored on an ongoing basis to gain consumer input regarding the quality of mental health services provided.						
How are we doing? The most recent average rating from the State for May 2005 is 84%. 84% represents an average overall rating by our clients of "satisfied".						

2. Performance Measure: Total number of patient days in State hospitals.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
410	571	986	522	1,000	365	730
<p>What: Reflects the use of State hospital patient days by county residents. State hospitals represent the most restrictive and most costly treatment environment available to county residents.</p> <p>Why: Low reliance on State hospital admissions is generally considered more beneficial to overall client recovery. Much of the mental health outpatient service is designed to reduce placement in State hospitals.</p> <p>How are we doing? Our County has done very well in keeping clients out of the State Hospital. During fiscal year 2006-07 we had only one individual in the State Hospital for the full year. This individual was placed at the State Hospital judicially as unable to stand trial (Murphy Conservatorship).</p>						
3. Performance Measure: Days spent annually by adult individuals placed in out-of-county residential facilities, both Institutions for Mental Disease (IMD) and Board and Care.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
7,918	7,823	10,006	11,441	12,313	10,324	10,800
<p>What: Measures utilization of out-of-county residential facilities. These health care facilities are for those county mental health clients whose local community functioning is impaired.</p> <p>Why: Low reliance on out-of-county residential facilities is generally considered more beneficial to overall client recovery. Most of our outpatient services are designed to reduce placements in out-of-county facilities.</p> <p>How are we doing? The upward growth trend experienced in fiscal year 2004-05 and 2005-06 has been reversed as various reduction strategies were implemented. In February 2006, an adult residential placement team was established to regularly review all placements and identify clients ready to return to the community with increased case management. During fiscal year 2006-07, additional adult housing became available in San Luis Obispo County as a new six-bed intensive adult residential facility and a twelve bed supported housing facility opened. During fiscal year 2006-07 the number of adult individuals in out-of-county residential dropped to an average monthly count of 28 individuals down from 35 during fiscal year 2005-06.</p>						
4. Performance Measure: Day Treatment days provided to youth in out-of-county group home facilities.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
1,531	2,089	1,494	1,887	1,885	1,800	1,800
<p>What: Measures the provision of mental health day treatment services to youth placed in out-of-county rate classification level 14 (RCL 14) group homes. Rate Classification Level (RCL) Fourteen is the highest level classified by the State for residential treatment facilities and group homes.</p> <p>Why: Youth are placed in RCL 14 group homes by the Department of Social Services, Probation and School Districts. These youth are the most severely mentally ill youth in the county. Youth mental health outpatient services are designed to avoid placements in RCL 14 group homes whenever possible. Day Treatment mental health services are provided to all youth placed at RCL 14 group homes.</p> <p>How are we doing? San Luis Obispo County has avoided placing youth in RCL 14 group homes whenever possible. The County has averaged twelve youth placed in RCL 14 group homes during the last four fiscal years. Although the number of clients served was the same for each fiscal year, day treatment days were less in 04-05 because the average length of stay per youth was shorter. The most recent comparable county data from 2002-03 shows San Luis Obispo County spent only 2.3% on day treatment services to Medi-Cal clients. This spending amount was less than four of our comparable counties: Kern - .2%, Monterey - 17%, Napa - 10%, Placer - 23%, Santa Barbara - .8%, Santa Cruz - 17%.</p>						

Department Goal: To provide cost effective mental health services to community residents.						
Communitywide Result Link: A well-governed community.						
5. Performance Measure: Inpatient Psychiatric Health Facility (PHF) direct patient cost per day.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
\$917	\$934	\$830	\$845	\$800	\$1,100	\$900
<p>What: The county provides a full functioning 24-hour Psychiatric Health Facility. Approximately 30% of the PHF direct costs are reimbursed from Federal, State and third party insurance payments. Measuring average daily cost per patient provides an indication of cost efficiency of this resource expenditure.</p> <p>Why: This measure is one component of measuring how efficiently our Inpatient Psychiatric Health Facility functions.</p> <p>How are we doing? This measure is greatly influenced by the average daily client census. The average daily census was 11.5 for fiscal year 2005-06 but decreased to 9.1 for the first half of fiscal year 2006-07. Part of this reduction was due to available beds being reduced as retrofit construction occurred on the PHF. Other average daily census variance factors are difficult to identify and anticipate although we believe increased crisis intervention services funded by the Mental Health Services Act has reduced PHF admissions. Although the fiscal year 2006-07 PHF program costs have increased only slightly compared to fiscal year 2005-06, the average daily census reduction caused a significantly higher cost per day. We found no published data regarding county operated PHF costs, however, we did have Merced, Placer and State Department of Mental Health (DMH) review our PHF costs in fiscal year 2004-05. They found our PHF costs to be in line with their county operated PHFs. What was not consistent was our average length of stay. Shorter lengths of stay decrease the average daily census (because volatility is increased) and the average patient daily cost is increased. The average length of stay reported for 10 county operated PHFs in 2000-01 was 8.14 days while the SLO PHF average was 3.2 days.</p>						
6. Performance Measure: Average annual service cost per unduplicated Medi-Cal client.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
\$3,608	\$3,240	\$3,477	\$4,360	\$3,900	\$4,500	\$4,700
<p>What: Annual cost of Medi-Cal claimed mental health services are divided by annual Medi-Cal clients served.</p> <p>Why: Provides indicator of level of service being provided to each Medi-Cal client.</p> <p>How are we doing? The increase in average cost experienced in fiscal year 2005-06 is driven mostly by increased services to children. The cost per adult Medi-Cal client served in 2005-06 was \$3,237, \$378 or 13% higher than the prior three-year average of \$2,859. The cost per youth Medi-Cal client served in 2005-06 was \$5,932, \$1,572 or 36% higher than the prior three-year average of \$4,360. This increase in cost reflects SLO County's increased efforts to maintain children in their homes and foster homes by providing more intensive services (i.e., Therapeutic Behavioral Services and Wraparound), thereby avoiding placement in out-of-county group homes.</p> <p>A recently issued report by APS Healthcare, California's External Quality Review Organization (EQRO) found that for calendar year 2005, SLO County approved claims per Medi-Cal beneficiary served was \$4,106. This amount is slightly higher than the amount for the region or State, but just under two-thirds of the amount of two of our comparable counties, Monterey (\$6,181) and Santa Barbara (\$6,192) (data from APS Healthcare is only available for these two comparable counties).</p> <p>San Luis Obispo's lower cost per client relative to other counties is reflective of SLO County's mental health service delivery characteristics:</p> <ol style="list-style-type: none"> 1) SLO County serves more Medi-Cal clients compared to most of our comparable counties. Penetration rate refers to the percent of Medi-Cal eligible persons who actually receive services. For calendar year 2005 the EQRO reported SLO County's penetration rate at 9.39% versus Monterey's 4.45% and Santa Barbara's 7.49%. 2) SLO County has shorter stays on its PHF. This translates into more clients seen and less spent on each PHF client seen. 2002-03 data shows San Luis Obispo County provided the lowest average annual inpatient days of service per Medi-Cal client at 5.9 days compared to an average of 12.3 days for comparable counties. Comparable county days were: Kern-9.6, Monterey-8.5, Napa-13.1, Placer-17.8, Santa Barbara-14.4 and Santa Cruz-10.7. Because the San Luis Obispo County PHF has a shorter average stay than other counties, San Luis Obispo County is able to provide emergency inpatient services to twice as many clients as comparable counties. 3) SLO County sees more age 0-15 clients than other counties. EQRO reports SLO County's penetration rate for age 0-15 youth at 7.08% compared to Monterey's 3.01% and Santa Barbara's 5.11%. 						
7. Performance Measure: Rate of readmission to Psychiatric Health Facility (PHF) within 30 days of discharge.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
11.83%	11.81%	12.35%	15.89%	12.00%	13.00%	12.00%
<p>What: Readmissions to PHF within 30 days of discharge provides indication whether PHF services were effective in stabilizing client for at least 30 days.</p> <p>Why: Low readmission rates indicate that clients are being stabilized to an appropriate level before discharge.</p> <p>How are we doing The fiscal year 2006-07 readmission rate has decreased from 2005-06. This is evidence of the effectiveness of a new Mental Health Services Act program implemented to provide after-care follow-up services for all PHF clients discharged after an emergency episode.</p>						