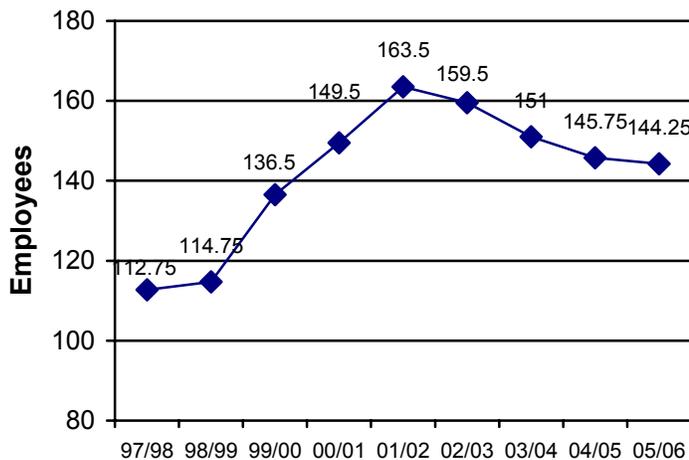


MISSION STATEMENT

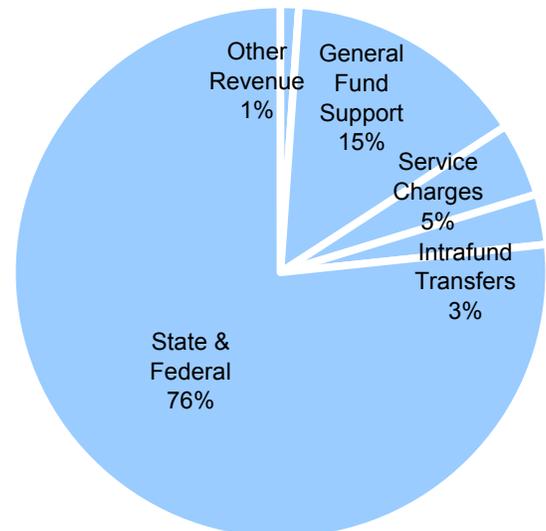
San Luis Obispo County Mental Health partners with agencies, providers, consumers and other stakeholders to provide effective integrated evidence-based services essential for living, working, learning, and participating fully in the community to individuals and families affected by serious mental illness.

	2003-04	2004-05	2005-06	2005-06	2005-06
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 19,366,900	\$ 19,610,635	\$ 16,636,525	\$ 19,989,647	\$ 19,989,647
Salary and Benefits	13,123,440	13,232,663	11,437,913	13,677,834	13,677,834
Services and Supplies	9,429,049	10,551,120	9,662,393	10,601,947	10,601,947
Other Charges	192,000	0	3,766	3,766	3,766
Fixed Assets	0	0	0	0	0
**Gross Expenditures	\$ 22,744,489	\$ 23,783,783	\$ 21,104,072	\$ 24,283,547	\$ 24,283,547
Less Intrafund Transfers	1,090,278	727,382	926,781	710,548	710,548
**Net Expenditures	\$ 21,654,211	\$ 23,056,401	\$ 20,177,291	\$ 23,572,999	\$ 23,572,999
General Fund Support (G.F.S.)	<u>\$ 2,287,311</u>	<u>\$ 3,445,766</u>	<u>\$ 3,540,766</u>	<u>\$ 3,583,352</u>	<u>\$ 3,583,352</u>

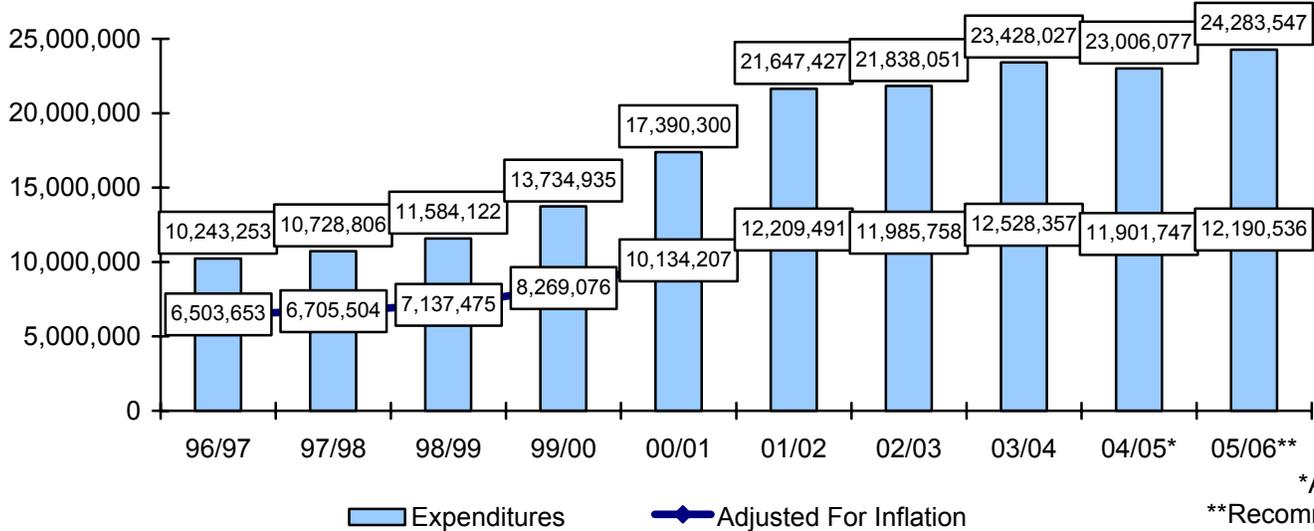
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



*Adopted
**Recommended

SERVICE PROGRAMS

Outpatient Services

Outpatient programs include a wide variety of services to people of all ages in the community. They include brief crisis services; regular therapy visits at clinics in various parts of the county; counseling and medication services provided on-site at schools, social services organizations, and law enforcement facilities; outreach to the homeless; and programs for social and vocational rehabilitation.

Total Expenditures: \$17,533,965 Total Staffing (FTE): 121.75

Residential Services

Residential services are 24-hour programs supported by Mental Health, that provide treatment for more extended periods of time but at lower cost than acute hospitalization. They are usually provided in homelike, unlocked settings and include a continuum from intensively supervised residential treatment to independent living arrangements with regular monitoring and staff support.

Total Expenditures: \$1,407,181 Total Staffing (FTE): 0.0

Inpatient Services

Inpatient services are those "institutional" services which serve the 24-hour care needs of the most severely mentally ill people. They generally are locked facilities, with capability for medical care as well as intensive psychiatric treatment. They include the local acute hospital, state hospitals, and skilled nursing facilities with psychiatric specialization.

Total Expenditures: \$5,342,401 Total Staffing (FTE): 22.50

DEPARTMENT COMMENTS

The County Department of Mental Health is working to maintain current service levels as it transitions to programs under the Mental Health Services Act. The Mental Health budget for fiscal year 2005-06 is presented without an increase in County General Fund Support. In order to accurately reflect the historical hours worked by part time positions an additional 4.0 positions are requested offset by salary savings along with the reduction of 1.5 administrative positions. Sales Tax Realignment revenue from the Social Services Trust is included at an amount of \$613,300 to provide an equitable allocation of growth among the Department of Social Services, Health and Mental Health based on historical revenues received. The use of \$516,443 of one-time Mental Health Managed Care Trust monies is required to maintain current services.

Mental Health Services Act (MHSA)

With the passage of the Mental Health Services Act (formerly Proposition 63) the County is presented with an opportunity to expand the current community mental health system. Funds will only be allocated after each component of the MHSA is separately planned and approved by the local Mental Health Advisory Board and the State Oversight Commission. Our current assessment is that the first allocation of Mental Health Services Act operating funds will not become available until the 4th quarter of fiscal year 2005-06. We have included \$425,000 of Mental Health Services Act funds in this budget

anticipating expenditures applicable to the act beginning April 2006. The specific programs and service delivery model to be funded by the MHSA will be defined through numerous focus group and regional meetings held throughout the County with a final plan expected near the end of 2005. There are guiding principles that can help provide a vision for future community mental health services.

- 1) Community based Access. No Wrong Door or "Every Door is the Right Door." Requires developing access procedures with Community Based Organization (CBO) partners. Access to computerized billing, documentation and evaluation system must be made available to these partners.
- 2) Early Intervention and Prevention.
- 3) Recovery based principals. Treatment is personal with a focus on developing continually healing relationships.
- 4) Consumer and family focused. Treatment services are based on the consumer and the consumer's families perceived needs and values.
- 5) Integrated Community based Services. Multi-disciplinary team develop individualized plan for the whole person. This includes linkages to services available in the community.
- 6) Evidence-based practices. Services are supported by scientific evidence of successful outcomes.
- 7) Each Individual is tracked to their outcomes.

Critical to the successful implementation of the MHSA is early implementation of a distributed, networked, integrated clinical, billing and outcome tracking computer information system. Services need to be documented, tracked and billed as they occur in the field. The MHSA recognized the importance of new technology and provides technology funding.

Funding Challenges

Mental Health has suffered from decreasing revenues for a number of years. Staff position cuts began in fiscal year 2002-03 as revenues decreased. The County General Fund has had to significantly increase its contribution to Mental Health Services over the last few fiscal years. The use of the Managed Care Trust monies in this budget reflects a continuing gap in adequate funding. A listing of revenue challenges to Mental Health over recent years are listed below:

- 1) The Sales Tax Realignment formula for allocation to the Social Services, Health and Mental Health local trust funds provides Social Services with the first claim against these funds based on caseload growth. Medi-Cal caseload growth is exceeding the growth rate of Realignment from Sales Tax for the third year in a row. Therefore, the initial State allocations are providing no increases to the Health or Mental Health local realignment trust funds.
- 2) Homeless program revenue has been reduced the last two fiscal years from \$1,000,000 to \$916,800, annually.
- 3) Conditional Release Program funding from the State is being reduced in fiscal year 2005-06 by \$108,767 (a 19.8% program reduction).
- 4) State EPSDT revenue was reduced by a 10% local match requirement implemented in fiscal year 2002-03. EPSDT is budgeted at \$2,196,761; 10% is \$219,676, annually.
- 5) Psychiatric Inpatient revenues were reduced from loss of Medicare certification by \$800,000 annually.
- 6) State funding of Children's System of Care was \$471,000 in fiscal year 2001-02 and was eliminated beginning in fiscal year 2003-04.
- 7) Beginning in fiscal year 2003-04, Mental Health claimed Medi-Cal administrative revenues in the year earned. In prior years, Mental Health had received administrative revenues two years after the costs were incurred. This acceleration of claiming effectively doubled Mental Health's administrative revenues for both fiscal years 2003-04 and 2004-05. Unfortunately, this doubling effect is over in fiscal year 2005-06 with revenues reduced by \$900,000.

Accomplishments in 2004-05

Mental Health/Criminal Justice Task Force: This collaboration headed by Supervisor Bianchi continued to meet monthly to pursue two main projects: Crisis Intervention Training for police officers, and the Restorative Policing Model. Both of these initiatives are intended to improve the police's response to the mentally ill in the community and to offer a means for all involved agencies to work together to improve the lives of those most in need.

New Group Services Provided: Short-term groups and targeted groups for Cal-Works and CWS participants provided an effective means to provide services to a large number of people and provide a venue to identify those needing more intensive services.

Latino Services Expanded: Existing bilingual and culturally competent staff have been reassigned to provide services in communities in the County with large Latino populations.

Mental Health Services Act Planning: Significant effort has occurred to provide input from the widest range of stakeholders for planning the new MHSA funded programs.

Increased Partnership with Santa Barbara County: The San Luis Obispo Psychiatric Health Facility is now serving Santa Barbara adult clients in order to increase access for those individuals and to increase the census of the PHF service for better efficiency.

Housing and Jobs for Homeless: 64 out of 80 clients in the County Homeless program are in housing. The program has hired on a vocational expert to help move clients into jobs.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended level of General Fund Support for Mental Health represents a 1% increase compared to the FY 2004-05 amount. In FY 2004-05, the Board increased the level of General Fund Support for Mental Health by about \$840,000, or 33%, compared to the previous year. However, the department continues to be adversely impacted by revenue shortfalls and/or overly optimistic revenue projections.

The recommended budget continues funding for all existing positions with the exception of 1.0 FTE Administrative Services Officer and .50 Departmental Personnel Technician (DPT). Both positions are vacant. The half-time DPT will be eliminated in exchange for retaining a half-time Administrative Assistant position in Public Health that was otherwise slated for elimination. The 4.0 FTE new positions requested by the department are not recommended as the revenue needed to offset the cost of those positions was not sufficiently justified.

The information submitted with the Mental Health budget was largely insufficient to allow an appropriate analysis. Conflicting opinions exist among Health Agency staff about the level of state realignment funding expected for next year. In order to avoid eliminating staff and services while we get a firm handle on the revenue picture, the department and the Administrative Office are recommending drawing on the department's managed care reserve next year. The new Health Agency Director believes the level of state realignment funds will be significantly higher than recommended in the proposed budget. This, in turn, will reduce or eliminate the need to draw down reserves to finance the 2005-06 budget.

A significant effort is underway to solicit stakeholder feedback and priorities for the use of Proposition 63/ Mental Health Services Act (MHSA) funding. The department will bring a proposal for use of those funds before your Board later this year. As noted in the department's narrative, only a portion of the annualized funds expected to be received under the MHSA are included in the budget and will be used to pay for priority services as identified in the proposal to the state.

BOARD ADOPTED CHANGES

None.

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.

Communitywide Result Link: A healthy community. A prosperous community.

1. Performance Measure: Rate of overall client satisfaction with mental health services.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
88%	85%	87%	86%	85%	85%	85%

What: Measures client satisfaction with mental health services.

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? Mental Health Clients continue to highly rate the process and quality of services they receive.

2. Performance Measure: Total number of patient days in State hospitals.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
0	182	410	571	455	986	730

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.

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.

How are we doing? Effective community programs and case management has allowed our County to maintain a low number of State hospital placements compared to other comparable counties. There are currently 3 County mentally ill clients placed in the State hospital. Fiscal year 2004-05 data shows an increase of 415 days compared to fiscal year 2003-04. One of these individuals is turning 18 years old and the family will try to bring the individual back into a community setting. Our fiscal year 05-06 target reflects an estimate of 296 State hospital days per 100,000 County residents. For FY 99-00, the most recent State reported data showed our five comparable counties ranging from 292 to 2,685 days with an average of 807 days per 100,000 county residents. The difference between our placement level and comparable county average reflects an annual savings of over \$500,000.

3. Performance Measure: Minimum percentage of crisis intervention contacts which prevent hospitalization of patients.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
38%	54%	56%	55%	50%	52%	50%

What: Measures the effectiveness of the Crisis Intervention service providing an outreach counseling service to prevent acute psychiatric hospitalizations.

Why: When these acute hospitalizations can be safely prevented and community resources used instead, clients typically build on their strengths and recover from crises more quickly. Overall low levels of acute hospitalization are desirable but must be balanced against the safety of the individual and community.

How are we doing? The availability of a 24-hour, 7 day per week, mobile crisis intervention service has provided additional resources to augment outpatient services for county residents. A total of 1,093 interventions were provided during 04-05, preventing 572 hospitalizations. These interventions avoided \$532,248 in hospital admissions costs, based on 03-04 costs.

4. Performance Measure: Days spent annually by adult patients in long term care facilities, called Institutes for Mental Disease (IMD).

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
7,312	8,423	7,919	8,042	8,400	7,531	8,000

What: Measures utilization of out of county, long term health care facilities for those county mental health clients whose community functioning is impaired.

Why: Long-term care facilities tend to be more restrictive and more costly and require out-of-county placement, so their use is closely monitored. Low reliance on long-term care facilities is generally considered more beneficial to overall client recovery. Most of our outpatient services are designed to reduce placements in long term care facilities.

How are we doing? IMD alternative facilities are limited both locally and throughout the state. 04-05 actual results reflect increased use of a less restrictive, lower cost board and care facility located in another county. The County must continue to place most severely ill patients in out-of-county IMD facilities. Our target reflects an estimate of 3,243 IMD days per 100,000 County residents. For FY 99-00, the most recent State reported data showed our five comparable counties ranging from 576 to 7,500 days with an average of 3,874 days per 100,000 county residents. The difference between our placement level and comparable county average reflects an annual savings of over \$150,000.

5. Performance Measure: Re-offense rate for clients in the Conditional Release Program (CONREP).

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
0%	4%	0%	9%	0%	0%	0%

What: Measures the effectiveness of aftercare for judicially committed state hospital clients in the community in the CONREP program.

Why: Closely monitoring re-offense rate on this potentially dangerous clientele provides for community safety.

How are we doing? The CONREP program has been effective in preventing re-offenses among clients served. All clients served have prior arrest histories. During FY 03-04 there were two offenses, one felony and one misdemeanor. Both Clients were returned to the State Hospital.

Department Goal: To help clients with emotional traumas and psychological difficulties grow into healthy and contributing citizens.

Communitywide Result Link: A healthy community.

6. Performance Measure: Percentage increase in community functioning for youth at risk of out-of-home placement.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
16%	18%	20%	23%	20%	27%	20%

What: Measures the community functioning of seriously emotionally disturbed youth at risk of out-of-home placement, as measured by the Global Assessment of Functioning (GAF) Index.

Why: Improving community functioning in youth reduces the risk of out-of-home placement. Higher scores reflect improved functioning.

How are we doing? Youth at risk of out-of-home placement improved their community functioning by 20%, resulting in the prevention of 56 out of home placements in this group. Fifty-six placements could have cost the county as much as \$1,946,840 in Mental Health Day Treatment and patch costs.

Department Goal: To provide cost effective mental health services to community residents.

Communitywide Result Link: A well-governed community.

7. Performance Measure: Inpatient Psychiatric Health Facility patient costs per day

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
*\$656	*\$727	*\$917	*\$934	\$1,011	\$830	\$1,000

What: The county provides a full functioning 24 hour Psychiatric Health Facility. Measuring daily per patient costs is a part the Mental Health service management of the Inpatient Psychiatric Health Facility.

Why: This measure is one component of measuring how efficiently our Inpatient Psychiatric Health Facility functions.

How are we doing? Although the total cost of the Psychiatric Health Facility increased in fiscal year 2004-05 compared to the prior year the average patient costs per day decreased. A longer average length of stay per patient increased the patient days of service provided by 668 for fiscal year 2004-05. Four of our six comparable counties have Acute Inpatient Psychiatric Units. For fiscal year 99-00, the most recent year for which the State has reported comparative data, comparable county costs ranged from \$584 to \$662 per day, with an average of \$629. The San Luis Obispo County cost for fiscal year 99-00 was \$637, slightly higher than the average cost for the comparable counties.