

BEHAVIORAL HEALTH SERVICES

COUNTY OF SAN LUIS OBISPO



Reply to:

MENTAL HEALTH SERVICES
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To: Board of Supervisors

From: Jeff Hamm, Health Agency Director
Karen Baylor, Ph.D., Behavioral Health Services Administrator

A handwritten signature in black ink, appearing to read "Karen Baylor", is written over the printed name of the Behavioral Health Services Administrator.

Date: July 18, 2006

Subject: Request to approve renewal contracts for FY 2006-07 with Sylmar Health and Rehabilitation Center, Inc.; Merced Behavioral Health Center, Inc.; dba Merced Manor; 7th Avenue Center, LLC; Davis Guest Home, Inc.; and American Care Home to provide a continuum of adult residential care services.

RECOMMENDATION:

It is recommended that the Board approve renewal contracts for FY 2006-07 with Sylmar Health and Rehabilitation Center, Inc.; Merced Behavioral Health Center, Inc. dba Merced Manor; 7th Avenue Center, LLC; Davis Guest Home, Inc; and American Care Home to provide a continuum of adult residential care services.

DISCUSSION:

The Health Agency's Behavioral Health Department contracts for a wide range of adult residential services to provide the appropriate level of care required for seriously mentally ill individuals in need of residential placement. Institutions for Mental Disease (IMDs), board and care facilities, and community transitional housing are all integral to Behavioral Health's continuum of care model for adults needing residential treatment.

IMDs:

With the exception of state hospitals and other acute hospitals, IMDs offer the most intensive level of care in the residential care continuum. IMDs are locked facilities that are primarily engaged in providing diagnosis, treatment, and care of persons with severe mental illness, including medical attention, nursing care, and related services. Intensive services including psychiatrist coverage are offered twenty-four hours per day/seven days per week. Most clients placed in IMDs have failed to succeed in outpatient settings and less restrictive residential placements. Often IMD clients have been placed under conservatorship by the courts. Although the desired outcome is to move clients

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to the least restrictive level in which they can be successful, a certain percentage of the mentally ill population will at any given time need the level of treatment offered in an IMD setting. IMDs can include psychiatric hospitals, psychiatric health facilities (PHF), skilled nursing facilities (SNF) with a certified special treatment program for the mentally ill, and mental health rehabilitation centers (MHRC). Due to the severity of their symptoms, clients placed in IMDs are unable to live successfully in a less restrictive setting.

Sylmar Health and Rehabilitation Center, Inc. and Merced Manor are both licensed by the State Department of Health Services as skilled nursing facilities with special treatment programs certified by the State Department of Mental Health. The 7th Avenue Center, LLC is licensed as a mental health rehabilitation center. Because there are no IMD facilities in San Luis Obispo County, Behavioral Health utilizes contractors in Sylmar, Merced, and Santa Cruz, depending on bed availability.

Board and Care Facilities:

Davis Guest Home, Inc., American Care Home II, and American Care Home are a vital, relatively low cost part of the continuum of care for the mentally ill. These board and care facilities provide a less restrictive setting for those individuals who are ready for discharge from an IMD, but continue to need additional support to develop basic living and socialization skills. Programs offer a broad range of services to residents to support them in discovering and acquiring independent living skills and self-help management skills. Many out-of-home activities are provided to residents in an effort to normalize lifestyles and allow social training opportunities within the community. Programs are developed around a monthly schedule of activities, daily routines, training opportunities, orientation time, and daily social and recreational events. The programs are tailored to coincide with each client's Individual Program Plan. Individual board and care facilities offer a range of programs that vary in intensity according to the level of augmentation. Clients may move from one service level or board and care to another as they progress through programs designed to assist them in moving toward more independent living.

Davis Guest Home:

Davis Guest Home, a board and care facility located in Modesto, offers augmented residential programs as an alternative to costlier IMD placements for those clients ready to transition to a slightly lower level of care. This board and care provides a highly structured environment, extensive socialization programs, and onsite psychiatrist coverage. The higher intensity level programs are geared toward newly transferred IMD clients and their special needs. Behavioral Health has utilized Davis Guest Home programs since December of 2003. The number of transfers from IMDs to Davis Guest Home has risen from five clients in FY 2004-05 to thirteen in FY 2005-06. Currently, Behavioral Health has twelve clients placed at Davis Guest Home.

American Care Home II:

Six patients from IMDs and other higher-cost facilities have recently been transferred to the newly opened, locally-run American Care Home II in Templeton. A contract with the new facility for the last quarter of FY 05-06 and continuing through FY 2006-07 was approved by the Board on March 26, 2006. This board and care facility has increased local bed capacity by six for adults with mental illness. Programs offered at American Care Home II are more highly structured and intense than

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those at the traditional American Care Home. It is possible to provide this augmented level of services due to the small size of the facility and higher ratio of caregivers to clients.

American Care Home:

American Care Home continues to provide residential services at its 38-bed board and care facility in Atascadero. Until the recent opening of American Care Home II, it was the only locally available option for adult clients needing this level of residential care in our community. American Care Home offers a supportive living environment for individuals with mental illness. These clients need structured programs, but can manage in a less restrictive setting than a locked IMD or other higher intensity level facility.

Until this year, the socialization programs offered at the facility were provided through another contractor on the American Care Home premises. During the past year, staffing shortages and scheduling issues led to a decrease in client participation in socialization programs. In the FY 2006-07 contract, American Care Home staff will take over the provision of socialization programs which will continue to be funded through \$80,666 in federal SAMHSA Grant monies. Because American Care Home provides a more basic level of residential care services and has a greater economy of scale than American Care Home II, the cost per day remains lower. Behavioral Health continues to support American Care Home clients with psychiatrist time and case management through the Atascadero Mental Health Clinic.

Community Housing:

Community housing offers residents the opportunity to prepare for re-entry into the community in a semi-independent or independent living arrangement. Community housing is the least costly placement option and is provided locally by Transitions-Mental Health Association (T-MHA). T-MHA housing programs will be presented to the Board under separate cover as part of the contractor's overall service contract with the County.

OTHER AGENCY INVOLVEMENT/IMPACT:

County Counsel has reviewed the contracts as to form and legal effect.

FINANCIAL CONSIDERATIONS:

The FY 2006-07 Health Agency - Mental Health Budget includes a total of \$1,919,676 for non-acute hospital adult residential services as seen below:

IMDs	\$1,019,579
Davis Guest Home	260,000
American Care Home II	131,400
American Care Home	277,200
Community Housing	231,497

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Cost comparisons for the various levels of adult residential care are as follows:

Facility	Basic Rate per Day/per Client	Augmented Service Rates
Sylmar Health and Rehabilitation Center (IMD) in Sylmar	\$175.00	\$35.00 - \$200.00
Merced Manor (IMD) in Merced	\$141.37	
7 th Avenue Center (IMD) in Santa Cruz	\$119.89	\$28.64 - \$113.02
Davis Guest Home in Modesto	\$63.00	
American Care Home II in Templeton	\$60.00	
American Care Home in Atascadero	\$19.00	\$6.00 Socialization Program
T-MHA community housing in San Luis Obispo	\$15.97	

Because IMD costs represent a substantial portion of the amount budgeted for all adult residential placements, Mental Health’s Adult Placement Committee monitors all IMD placements closely to assure that they are appropriate and medically necessary. The committee was formed to monitor placements, identify barriers, and seek system improvements. Members of the committee include the following stakeholders: an intensive case manager who also serves as liaison to the IMDs, board and care facilities, and community housing; the owner of both American Care Homes; representatives from the Public Guardian’s Office and T-MHA; Mental Health’s Clinical Program Manager for adult services; and the social worker from the Psychiatric Health Facility. It is expected that the manager for Mental Health Services Act - Full Service Partnerships (FSP) will join the group when FSP programs become operational.

The average annual cost of an individual in an IMD is approximately \$53,000. Comparatively, the annual costs for one client are: Davis Guest Home (\$23,000) American Care Home II (\$21,900) and American Care Home (\$9,125) respectively. By transferring clients to lower levels of placement, Behavioral Health achieves substantial savings and contributes to its mission to serve clients in the least restrictive setting possible.

The FY 2006-07 Health Agency - Mental Health budget includes \$1,019,579 for IMD services, a decrease of \$54,421 in funding from the FY 2005-06 budgeted amount. The number of IMD placements is expected to decrease as FSP programs are implemented. FSP programs are scheduled to begin during the first few months of the contract year. Clients targeted to receive these intensive wrap-around services will have extensive outpatient support to assist them to be able to remain in the community.

The County is not able to claim federal reimbursement for services provided to individuals residing in IMDs. State regulated contract rates reflect provision of services at a standard level-of-care. Contractors also provide higher rate services for augmented levels of care to higher risk clients in need of specialty services. FY 2006-07 rates can range from \$119.89 to \$375.00 per day, depending

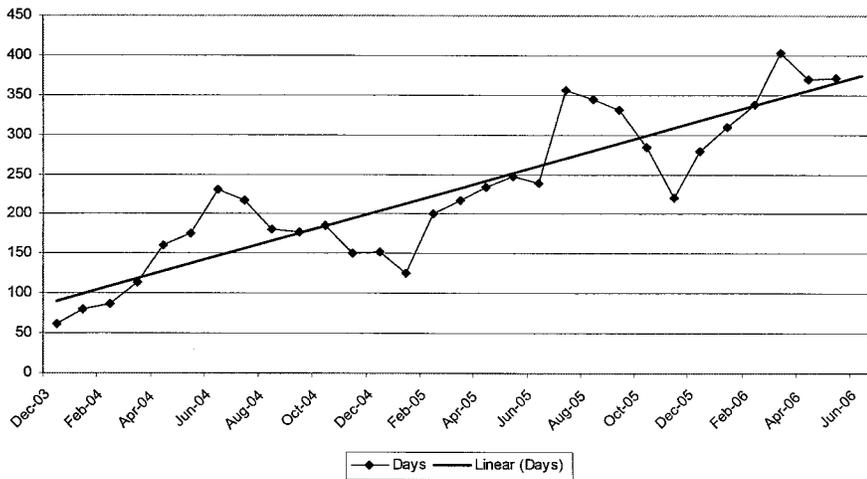
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on the level of care authorized by the county case manager. IMD days and costs for each facility projected days and costs for FY 2005-06, and current year budgeted figures are presented in the table below:

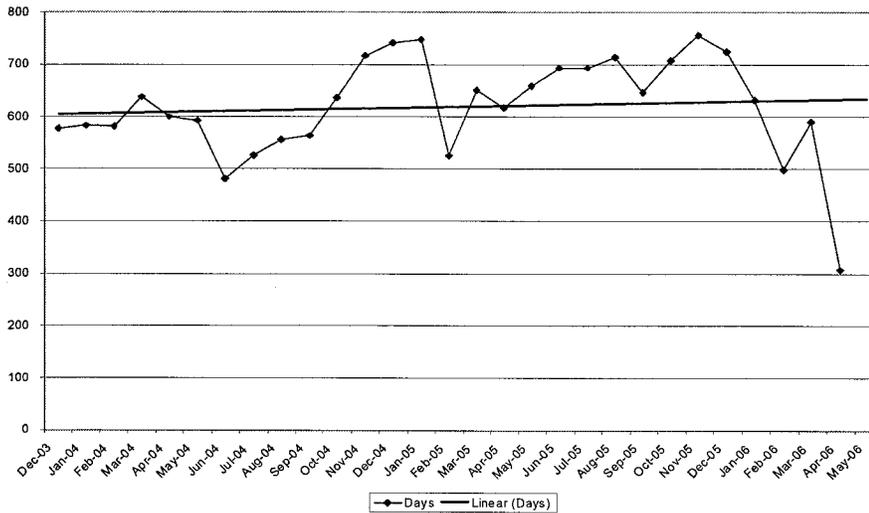
	FY 2004-05 Actual			FY 2005-06 Projected			FY 2006-07 Budgeted		
	Days	Clients	Cost	Days	Clients	Cost	Days	Clients	Cost
Merced	4,956	25	623,291	3,871	26	516,293	2,821	24	379,079
Sylmar	1,990	8	343,358	2,972	9	544,300	2,800	8	504,000
7 th Ave.	686	5	127,451	593	5	97,845	700	5	136,500
Totals	7,632	38	1,094,100	7,436	40	1,158,438	6,321	37	1,019,579

The charts below reflect the monthly occupancy rates and overall trends in the number of placements at both IMDs and Davis Guest Home. The substantial drop in client days in April of 2006 is in part a reflection of client transfers from IMDs and Davis Guest Home to the newly opened American Care Home II in Templeton.

Davis Guest Home Days Per Month



IMD Days



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The following table reflects the number of clients and patient days budgeted for Davis Guest Home and both American Care Homes for FY 2006-07:

	FY 2006-07 Budgeted/ Days	FY 2006-07 Budgeted/ Clients
Davis Guest Home	4,000	11
American Care Home II	1,825	5
American Care Home I	11,680	32

RESULTS:

Appropriate transfers help Behavioral Health reach its mission to serve clients in the least restrictive setting possible and to advance the department's goal of assisting mentally ill individuals to be as functional and productive as possible in least costly environments. Local board and care facilities have the added advantage of allowing mentally ill individuals to remain in their own communities and close to family and friends.

By providing mentally ill individuals the opportunity to be successful in progressing toward a more independent lifestyle and integrate more successfully into the community, Behavioral Health contributes to wider County goals to ensure that all stakeholders in the community enjoy healthy, successful, and productive lives and a sense of security and well being.

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