COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
June 9, 2009

To: Board of Supervisors

From: Department of Behavioral Health Services

Subject: Behavioral Health Services Report Back From The May 14, 2009 Budget Workshop

Contact: Ann Edwards-Buckley, Director, 875-2002
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BACKGROUND

The Board requested a report back on five items from the Behavioral Health Services Department.

1. Why are the caseload ratios in Sacramento so much higher compared to other counties?

2. How are the Mental Health Realignment funds allocated in the department? Can they be shifted to leverage additional funds? If so, how and what is the impact on the department and the County? Other suggestions from the community included the closure of the Mental Health Treatment Center and the creation of community bases Psychiatric Facilities to draw down additional Medi-Cal funds.

3. What standards were used to determine which contracts would be eliminated and/or reduced? Why the outcomes are set so low for the contractors and how are the outcomes measured?

4. Federal Stimulus Funds

5. What can be done to relieve constraints on contracting out for effective community programs? What can be mitigated by Proposition 63 funds?

DISCUSSION

Why are the caseload ratios in Sacramento so much higher compared to other counties?

This question was regarding the caseload ratios within the Regional Support Teams (RSTs). Sacramento County Adult Mental Health Services has been funded at a core level for several years. The revenue streams have been relatively static until a recent trend of reductions in both managed care and realignment revenues to the Mental Health Division. A large portion of the realignment and all managed care funds are allotted to the Mental Health Treatment Center (MHTC - see question #2) rather than community based outpatient services. This in turn impacts the funding allocation to community based services. Historically the RSTs did

not have a service cap and consequently their numbers increased despite static funding levels. All other services have a service cap. For several reasons, the RSTs will have a program cap beginning in July 2009.

How are the Mental Health Realignment funds allocated in the department? Can they be shifted to leverage additional funds? If so, how and what is the impact on the department and the County? Other suggestions from the community included the closure of the Mental Health Treatment Center and the creation of community bases Psychiatric Facilities to draw down additional Medi-Cal funds.

Mental Health Realignment funds are allocated on a priority basis to the Mental Health Treatment Center first, and then to the remainder of the Division based upon existing program levels. The Treatment Center is allocated all of Sacramento County's managed care funds, and then after calculating Medi-Cal reimbursements for the Crisis Unit, the MHTC budget is made whole with Realignment and the required State maintenance of effort funding. Once the MHTC budget is prepared, the remaining realignment funding is allocated to Adult Services, Childrens' Services, and Division administration, based upon each unit's ability to leverage this funding against Medi-Cal and/or EPSDT funding. Since there is no other revenue available (e.g. Medi-Cal) to fund the requirements of the MHTC, it becomes the first priority in the use of available funds. The Department is looking at strategic planning surrounding its existing and potential revenue streams.

The MHTC in patient section is not eligible for Medi-Cal funding because of a federal proscription against the use of Medi-Cal for psychiatric health facilities (PHFs) with over 16 beds. We estimate that if the MHTC was eligible, the County could gain up to an additional $5.8 million which would allow an equivalent amount of realignment funding to be reallocated to outpatient services.

The Division has been studying the feasibility of creating 16-bed PHFs as a means of tapping into Medi-Cal. Successful establishment of Medi-Cal eligible PHFs would allow the County to phase out the existing 100-bed facility in favor of smaller facilities. Tentative construction estimates are between $3 to 5 million to build a single 16-bed PHF, with annual operating costs of each to be about $4 million. Reducing the capacity of the existing facility to only 16 beds (making it eligible for Medi-Cal) would require five 16-bed standalone facilities with a combined capacity of 80 beds and a County total of 96. A big issue is the probable recurrence of the "not in my back yard" NIMBY problem which surmounts many of the County's social programs, and considerable effort will have to be spent in this area as well as finding the funds to construct the facilities.

What standards were used to determine which contracts would be eliminated and/or reduced? Why the outcomes are set so low for the contractors and how are the outcomes measured?

There were very limited options in choosing Adult Mental Health Services reductions due to the limited funding after prior reductions during this fiscal year (FY 08-09). Those reductions eliminated almost all discretionary programs. The Division also had to operate within the constraints of what programs could be transformed under the Mental Health Services Act. Post-budget we will have significantly reduced core mental health specialty outpatient and subacute services.

Outcomes for alcohol and drug treatment services are based on the CalOMS (California Outcomes Management System) criteria which has four elements:

1. Completed treatment/recovery plan (referred or transferred) – this indicates that the client remained clean and sober during the length of treatment and chose to go to a less intensive treatment modality.
2. Completed treatment/recovery plan (not referred or transferred) – this indicates that the client remained clean and sober and chose not to continue other treatment.
3. Left before completing treatment/recovery plan with satisfactory progress (referred or transferred) – this indicates that the client left treatment for a variety of reasons, i.e., chose to go to a more intensive or less intensive treatment modality.
4. Left before completing treatment/recovery plan with satisfactory progress (not referred or transferred) – this indicates that the client chose to leave treatment for a variety of reasons, i.e., employment, moved out of the area, family obligations, deciding that their treatment is complete, etc.

The CalOMS data system tracks enrollment and discharge Statewide for all clients participating in publicly funded alcohol and drug treatment.

The Statewide rate of satisfactory discharges is 48.2%, based on the aggregate numbers for all four categories. The rate of satisfactory discharges for Sacramento County, in aggregate is approximately 55%-57% percent, base on modality of treatment.

Federal Stimulus Funds

The federal stimulus funds may provide some additional MediCal revenue for mental health services. However, it appears that any increase will be offset by a reduction in the Managed Care funding. Therefore, the department is not anticipating a net increase in revenues.

What can be done to relieve constraints on contracting out for effective community programs? What can be mitigated by Proposition 63 funds?

The Behavioral Health Department contracts out approximately 63.2% of its budget to community agencies, one of the highest percentages in the state. There is no impediment to contracting out services. There is a process in place to develop, implement and monitor contracts as well as meet the criteria set in Section 71-J of the County Charter.

There are considerable constraints to using Proposition 63 (MHSA) funds, primarily because of the the non-supplantation clause. However, the Division of Mental Health worked diligently on utilizing some of the funding to expand and build upon existing successful programs and made some changes to the services to ensure they are in alignment with the vision and guiding principles of the MHSA. These strategies are delineated in a Plan Amendment that was submitted to the State Department of Mental Health (DMH) on June 1, 2009. The Division is working with DMH to expedite the approval process. Due to the extraordinary fiscal circumstances facing all California counties and the state and particularly because of the Governor's recommendation to reduce managed care allocations, the counties, the State Department of Mental Health, and various professional advocacy associations and groups continue to their efforts to make more effective use of MHSA funds without violating

the letter and spirit of the law. These efforts are still in progress and are an integral part of the Legislature's ongoing budget deliberations.

Respectfully submitted,

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APPROVED:
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By: _____
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