

**County of Santa Clara**  
**Behavioral Health Services Department**



24-5327

**DATE:** April 16, 2024 (Item No. {{item.number}})

**TO:** Board of Supervisors

**FROM:** Sherri Terao, Director of Behavioral Health

**SUBJECT:** Amendments and Delegation of Authority for Behavioral Health Subacute and Community Residential Treatment Services

**RECOMMENDED ACTION**

Consider recommendations relating to Subacute and Community Residential Treatment Service Agreements. (LA-1)

Possible action:

- a. Approve Tenth Amendment to Agreement with Crestwood Behavioral Health, Inc., relating to providing Skilled Nursing Facility (SNF) and Institution for Mental Diseases (IMD) services, decreasing the maximum contract amount by \$1,030,599 from \$43,448,730 to \$42,418,131, with no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.
- b. Approve Seventh Amendment to Agreement with Telecare Corporation, relating to providing IMD services, increasing the maximum contract amount by \$126,599 from \$1,080,260 to \$1,206,859, with no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.
- c. Approve Seventh Amendment to Agreement with Oaklandidence Opco, LLC dba Medical Hill Healthcare Center, relating to providing SNF services, increasing the maximum contract amount by \$904,000 from \$5,318,366 to \$6,222,366, with no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.
- d. Adopt Resolution delegating authority to the County Executive, or designee, to negotiate, execute, amend, or terminate agreements for behavioral health subacute and community residential treatment services in an amount not to exceed \$46,000,000 per fiscal year for period July 1, 2024 through June 30, 2029, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2029.

## **FISCAL IMPLICATIONS**

The recommended actions would have no net impact to the County General Fund. The proposed amendments are funded through Realignment and County General Fund. Funding for these services is included in the Fiscal Year (FY) 2023-2024 Adopted Budget.

Based on current utilization, Behavioral Health Services Department (BHSD) is projecting the need for a Delegation of Authority (DOA) to execute and amend agreements in the amount \$46,000,000 per fiscal year for period July 1, 2024, through June 30, 2029. The DOA amount is included in the FY 2024-2025 Recommended Budget and would be funded through Realignment, County General Fund, and the Mental Health Services Act (MHSA).

## **REASONS FOR RECOMMENDATION AND BACKGROUND**

Recommended actions “a,” “b,” and “c” would amend agreements with Telecare, Medical Hill, and Crestwood for subacute treatment services. The amendments modify budgets to reflect the actual number of individuals currently placed in the agencies’ facilities through the end of FY 2023-2024. At the start of the fiscal year, the maximum financial obligation allocated for each contracted provider is estimated based on their previous year’s utilization. Upon review, Telecare and Medical Hill have accepted additional clients from Barbara Arons Pavilion who often have more complex and costly needs.

Recommended action “d,” would provide Administration with a DOA to manage existing and enter into new agreements for subacute and community residential treatment services in FY 2024-2025 through FY 2028-2029. A DOA would help to expedite the processing of amendments to continue services, expand bed capacity, and transfer funding to support the increased client placements at various facilities. In addition, approval of the DOA would support the BHSD’s ability to adjust programs and execute time-sensitive agreements to step down clients into the appropriate levels of care when they are ready. BHSD currently manages seven contracts totaling approximately \$32.8 million for subacute services and 10 contracts totaling approximately \$12.9 million for mental health residential services.

### **Subacute Care Services**

Subacute care services include SNFs, IMDs, and Mental Health Rehabilitation Centers (MHRC). This level of care services individuals who may be in need of both medical and psychiatric services to prevent acute hospitalizations. Subacute facilities are less costly alternatives to acute care placements and provide specialized treatment services. These services include psychiatric, medical, and nursing care; rehabilitative services; medication monitoring; support and structure to minimize behavioral psychiatric symptoms; linkage and education to community resources; and collaborative development of individualized treatment plans to prepare individuals for independent living settings in the community.

### **Community Residential Treatment Services**

Residential Care Facilities (RCFs) and Adult Residential Treatment (ART) facilities are necessary to serve individuals stepping down and transitioning from other levels of care, such as acute and subacute. This level of care may serve individuals with Serious Mental Illness (SMI) who require supportive residential care services to live in the least restrictive community setting. These services help prevent decompensation that may result in placement in more costly institutional settings, such as inpatient acute psychiatric hospitals or subacute facilities. Community residential treatment services can serve a wide range of county behavioral health clients, including the justice-involved, unhoused, and/or dually diagnosed populations. Services include basic and intermediate care that may require specialized equipment or supplemental services, supportive behavioral intervention, assistance with medication management, and assistance in developing socially responsible behaviors, and independent living and coping skills.

BHSD monitors contract performance for these facilities, which includes, but is not limited to, monthly and quarterly contract provider meetings and monitoring billed services against fiscal appropriations. Expansion to bed capacity executed under this DOA would be included in the monthly Finance and Government Operations Committee (FGOC) reports and quarterly Public Health Crisis reports.

### **CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

### **SENIOR IMPACT**

The recommended actions would have a positive impact on seniors by allowing the County to expeditiously contract to continue and expand its subacute and community residential treatment services for this target population.

### **SUSTAINABILITY IMPLICATIONS**

The recommended actions balance public policy and program interests and enhances the Board of Supervisors sustainability goal of social equity and safety by providing less restrictive services to adults in Santa Clara County. These services reduce the need for hospitalization in State and acute care settings.

### **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve the recommended actions would result in administrative delays in contracting for timely subacute and community residential treatment services to meet client needs. The decrease of access to less restrictive and less costly psychiatric treatment services would result in a higher expenditure for acute care settings and state hospitals.

### **STEPS FOLLOWING APPROVAL**

Priority processing is requested for this DOA to ensure timely renewal and expansion of

services. Upon approval, the Clerk of the Board is requested to send an e-mail notification to Angeleah Macatiag ([Angeleah.Macatiag@hhs.sccgov.org](mailto:Angeleah.Macatiag@hhs.sccgov.org)), Evonne Lai ([Evonne.Lai@hhs.sccgov.org](mailto:Evonne.Lai@hhs.sccgov.org)), Earl Ong ([Earl.Ong@hhs.sccgov.org](mailto:Earl.Ong@hhs.sccgov.org)), and Jason Truchon ([Jason.Truchon@hhs.sccgov.org](mailto:Jason.Truchon@hhs.sccgov.org)).

## **ATTACHMENT**

- Subacute and Community Residential DOA Resolution
- Amendment 10 Crestwood FOR BOS SIGNATURE
- Amendment 7 Telecare FOR BOS SIGNATURE
- Amendment 7 Medical Hill FOR BOS SIGNATURE
- Agreement to Amendment 9 Crestwood
- Agreement to Amendment 6 Telecare
- Agreement to Amendment 6 Medical Hill
- Levine Act Identification Form for Crestwood
- Levine Act Identification Form for Telecare
- Levine Act Identification Form for Medical Hill