

EL DORADO COUNTY MENTAL HEALTH DEPARTMENT

*Treatment Works, People Recover
El tratamiento es efectivo, las personas se
recuperan*

**A Report to the Board on
Mental Health Department
Programs and Funding Issues
May 6, 2008**

Background

**On April 1st, your Board requested
a presentation summarizing:**

- **Programs the department administers**
- **Which are mandated**
- **What are the funding streams**
- **How is realignment money used**
- **How does the money flow from the State (i.e., as advances vs. reimbursements)**
- **What are the costs and (unintended) consequences of cutting programs**

Mission: Promote EDC's Public Safety & Mental Health

MHD's Partnerships for Wellbeing

- **Office of Education & Schools (EPSDT, AB3632, SARB)**
- **Law Enforcement/Criminal Justice (BHC & JH)**
- **Hospital Emergency Departments (Marshall & Barton)**
- **Department of Human Services (SB163 & Guardian)**
- **Public Health Department (ACCEL & AOD)**
- **Community Health Center (CMSP grant)**
- **Barton Health Center**
- **First 5 Commission**

Costs and (Unintended) Consequences of Eliminating Mental Health Services in EDC

- **Symptom relapse, decreased functioning, suffering**
- **Increased placements in higher cost settings such as hospitals, jails and juvenile halls**
- **Increased school failure and drop-outs**
- **Increased use of expensive, out-of-home placements for troubled children and youth**
- **Increased costs for criminal justice and law enforcement**
- **Increased homelessness and unemployment**
- **Increased emergency room and crisis service use**

California's Mental Health System May Be Headed for Crisis

- **March 20, 2008: Stanislaus County Cuts Mental Health Care from Indigent Program**
- **March 26, 2008: Sonoma County Mental Health Patients Reassigned**
- **April 02, 2008: Riverside County Moves To Drop Out of State Mental Health Plan**
- **April 10, 2008: Medi-Cal Cuts Put Mental Health Services in Danger**
- **April 18, 2008: Santa Barbara County Could Cut Mental Health Care**
- **April 21, 2008: Contra Costa County is considering closing three mental health clinics and eliminating home visits for seniors and disabled adults.**

The EDC Mental Health Department Operates Clinical Service Programs

- That are **mandated** by statutory obligations
- And others, at our discretion, but which impose specific contractual responsibilities

Statutory Obligations

W&IC sec. 17000:

“Every county...shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein...”

- Considerable variation as to how counties implement
 - 34 counties do CMSP
- Mental health services to *the extent resources are available*

Statutory Obligations

Counties have three other significant statutorily mandated responsibilities related to mental health services:

- 1) Services to individuals who are involuntarily committed for 72 hours because they pose a danger to themselves or the community (*W&IC sec. 5150*)
- 2) Services to special-education children identified as needing mental health services by their Individual Education Plan (*AB 3632, ch. 26.5*)
- 3) Medi-Cal specialty mental health services for children (*Federally-mandated EPSDT services*)

Statutory Obligations

*The Bronzan-McCorquodale Act of 1991
(or “realignment”) requires that:*

“The board of supervisors of each County...shall adopt and submit to the [State] Director of Mental Health a proposed annual county mental health services performance contract for mental health services in the county.” (*W&IC sec. 5650*)

Contractual Responsibilities

If a County contracts with the State DMH to administer the local Medi-Cal mental health plan, it must:

- Establish a local mental health advisory board
- Comply with standards of care and reporting requirements
- Employ or contract with providers to provide Medi-Cal and indigent care services (*to the extent resources are available for the indigent*)
- Receive State certification for service sites
- Select and monitor service methods and system coordination

Discretionary Programs

State law authorizes, but does not require counties to implement quality-improvement projects and grant-funded programs designed to enhance mental health service delivery or to meet the needs of special populations. Examples for EDC MHD include:

- Adult system of care
- MHSA (cannot use funds to supplant existing programs)
- MIOCR grant to fund the Behavioral Health Courts
- CMSP grant to fund behavioral healthcare for non-Medi-Cal
- Juvenile detention services?

Mandated Juvenile Detention Services

Title 15, sec 1437: the health administrator in cooperation with the mental health director and facility administrator shall establish policies and procedures to provide the following mental health services:

- Intake screening
- Crisis intervention
- Stabilization and management of acute psychiatric episodes
- Medication services
- Elective therapy services when resources permit

**The Department Is Organized to
Provide These Mandated and
Discretionary Clinical Service
Programs as Follows:**

Psychiatric Health Facility (PHF)

- Provides the **mandated** services of evaluation & treatment of 5150 detainees
- EDC's discretion is to operate a PHF, other counties choose to contract out these services
- Total FY08-09 estimated cost: \$2,131,268
- General Fund Contribution: \$0

Psychiatric Emergency Services (PES)

- 24/7/365 Crisis Service
- **Mandated** to evaluate for 5150 detention
- Discretionary provision of crisis resolution services in many locations
- Total FY08-09 estimated cost: \$455,509
- General Fund Contribution: \$0

Community Mental Health Services

- *Children's Services:* Mandated to provide IEP & EPSDT services
- *Adult and Older Adult Services:* discretionary service levels
- Total FY08-09 estimated cost: \$9,513,201
- General Fund Contribution: \$5,000

Mental Health Services Act (MHSA)

- Discretionary, but Contractual Responsibilities
- In FY08-09, MHSA funds will represent 23% of the total Department revenues
- Total FY08-09 estimated cost: \$4,096,787
(which will fund programs still in development)
- General Fund Contribution: \$0

Administration

- Contractually obligated to manage the MediCal mental health plan and other contracts
 - Includes QI/UR compliance, budget preparation, fiscal administration, contract development and management, medical records management
- FY08-09 estimated cost: \$2,471,760
- General Fund Contribution: \$16,510

Total FY08-09 Estimated Program Expenses

- These mandated and discretionary clinical service programs are estimated to cost \$18,668,525 in FY08-09
- How are they funded?
 - State and Federal funding
 - Grants
 - County General Fund (\$21,510)

Major Sources of Public Mental Health Funding in California

- **Realignment Revenues**
 - ½ Cent Increase in State Sales Tax in 1991
 - State Vehicle License Fee
- **Medi-Cal FFP**
- **State Categorical Funding** (AB 3632, Medi-Cal EPSDT, managed care allocation)
- **Mental Health Services Act**
- **MIOCR, SAMHSA, etc.**

FY08-09 Estimated Revenues by Source

Medi-Cal	\$6,376,412
Realignment	4,051,298
MHSA	3,911,968
State Allocations	1,095,388
Private/Other Payers	955,000
Grants	740,768
Miscellaneous	<u>360,744</u>
Total Estimated Revenues	\$17,491,608

FY08-09

Estimated Program Costs and Funding Sources

Program	Medi-Cal	MHSA	Grants	State Alloc	Private Payers	Misc Rev	Realign-ment	Total Revenue	Expense	Use of Fund Bal
PHF	\$510,187	\$0	\$0	\$171,731	\$595,000	\$5,000	\$159,981	\$1,441,899	\$2,131,268	(\$689,369)
PES	\$130,000	\$0	\$0	\$0	\$75,000	\$0	\$250,509	\$455,509	\$455,509	\$0
Community MH Services	\$4,417,959	\$285,037	\$740,768	\$923,657	\$275,000	\$118,729	\$2,264,502	\$9,025,652	\$9,513,201	(\$487,549)
MHSA Programs	\$309,522	\$3,626,930	\$0	\$0	\$0	\$160,335	\$0	\$4,096,787	\$4,096,787	\$0
Admin	\$1,008,744	\$0	\$0	\$0	\$10,000	\$76,710	\$1,376,306	\$2,471,760	\$2,471,760	\$0
Totals	\$6,376,412	\$3,911,967	\$740,768	\$1,095,388	\$955,000	\$360,774	\$4,051,298	\$17,491,607	\$18,668,525	(\$1,176,918)

Conclusion

The MHD will continue running a structural deficit unless changes are made now and into the future

Strategy

Cut our losses,
not our programs

Recommended Action

- **Reduce long-term institutional care costs**
(estimated FY08-09 cost = \$680,000)
 - Collaborate with the Public Guardian and the Court to compassionately but aggressively find alternative placement and care for conservatees residing in unreimbursed IMDs
 - Estimated annual savings = \$340,000

Recommended Action

- **Create viable and funded options for uninsured clients:**
 - Cost of treating uninsured clients in FY07-08 is estimated at \$588,071
 - CMSP project
 - Safety Net Services for the Uninsured

CMSP Project

- 3 year behavioral health pilot project to diagnose and treat mental illness and drug dependencies in the local CMSP population
- Collaboration with Community Health Center, Gates Recovery Foundation and Progress House
- Fee-for-service reimbursement

Safety Net Services for the Uninsured

- Case-by-case risk assessment
- Weekly one-stop drop-in group providing resources and referral to community services
 - DHS eligibility worker on-site
- Daily outreach and engagement support and psycho-educational groups
- Un-reimbursed services determined on a case-by-case basis

Recommended Action

- **Restructure use of the PHF facility to:**
 - Maintain an acute inpatient service that has been costing the MHD about \$1M per year
 - Create a crisis residential facility (CRF)
 - Reduce net cost

Restructure the PHF

- Reduce beds to total of 10 (from 15)
- Increase per diem rate to \$650 (from \$580) for contracts with surrounding counties
- Estimated annual savings = \$214,448

Restructure the PHF

- Open a 4-bed, 30-day “crisis residential” facility (CRF) in the existing County-owned building (may use MHSA capital facilities funds to pay for renovation costs)
 - Will allow billing at the Medi-Cal “crisis” rate of \$3.79 per minute to accomplish immediate crisis stabilization
 - Will provide crisis resolution housing for up to 30 days at the Medi-Cal per diem rate of \$313.08 and/or can be billed to the MHSA for uninsured clients
 - Merge PES into the unit
- Estimated annual savings = \$474,921

Impact of Recommended Actions

Recommended Action	Effect on Structural Deficit	Effect on FY08-09 Budget
Reduce IMD Costs	\$ (340,000)	\$ (255,000)
Alternative Funding for Uninsured Clients	\$ (294,036)	\$ (220,527)
Reduce PHF Beds to 10	\$ (214,448)	\$ (160,836)
Create a Crisis Residential Facility	\$ (474,921)	\$ (237,461)
Total Deficit Reduction	\$ (1,323,405)	\$ (873,824)

FY08-09

Revised Program Costs and Funding Sources

Program	Medi Cal	MHSA	Grants	State Alloc	Private Payers	Misc Rev	Realign- ment	Total Rev	Expense	Use of Fund Bal
PHF	\$510,187	\$219,021	\$0	\$171,731	\$711,749	\$5,000	\$159,981	\$1,777,669	\$2,068,741	(\$291,072)
PES	\$130,000	\$0	\$0	\$0	\$75,000	\$0	\$250,509	\$455,509	\$455,509	\$0
Community MH Services	\$4,638,486	\$285,037	\$740,768	\$923,657	\$275,000	\$118,729	\$2,264,502	\$9,246,179	\$9,258,201	(\$12,022)
MHSA Programs	\$309,522	\$3,407,909	\$0	\$0	\$0	\$160,335	\$0	\$3,877,766	\$3,877,766	\$0
Admin	\$1,008,744	\$0	\$0	\$0	\$10,000	\$76,710	\$1,376,306	\$2,471,760	\$2,471,760	\$0
Totals	\$6,596,939	\$3,911,967	\$740,768	\$1,095,388	\$1,071,749	\$360,774	\$4,051,298	\$17,828,883	\$18,131,977	(\$303,094)

Future Year Program Costs and Funding Sources

Program	Medi Cal	MHSA	Grants	State Alloc	Private Payers	Misc Rev	Realign-ment	Total Rev	Expense	Incr to Fund Bal (Realign)
PHF	\$510,187	\$363,041	\$0	\$171,731	\$948,999	\$5,000	\$159,981	\$2,158,939	\$2,158,939	\$0
PES	\$130,000	\$0	\$0	\$0	\$75,000	\$0	\$250,509	\$455,509	\$455,509	\$0
Community MH Services	\$4,711,995	\$285,037	\$740,768	\$923,657	\$275,000	\$118,729	\$2,264,502	\$9,319,688	\$9,173,201	\$146,487
MHSA Programs	\$309,522	\$3,263,889	\$0	\$0	\$0	\$160,335	\$0	\$3,733,746	\$3,733,746	\$0
Admin	\$1,008,744	\$0	\$0	\$0	\$10,000	\$76,710	\$1,376,306	\$2,471,760	\$2,471,760	\$0
Totals	\$6,670,448	\$3,911,967	\$740,768	\$1,095,388	\$1,308,999	\$360,774	\$4,051,298	\$18,139,642	\$17,993,155	\$146,487

Next Steps

- Approve recommended actions
- Direct Department to include proposed changes in FY08-09 budget submittal
- Continue to Reduce Negative Cash Balance
 - Squeaky wheel strategy to collect \$2,234,379 still owed by State DMH (as of 4/30/08)
 - Timely transfers of realignment funds

Questions?

Please direct questions or comments to:

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