

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 4/23/2013	(3) CONTACT/PHONE Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve an Amendment to the FY 2012-13 executed contract (Clerk's File) with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,312,980, an increase of \$79,618, for additional outpatient mental health services for adult clients with serious mental illness.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct Chairperson to sign an Amendment to the FY 2012-13 executed contract (Clerk's File) with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,312,980, an increase of \$79,618, for additional outpatient mental health services for adult clients with serious mental illness.			
(6) FUNDING SOURCE(S) Medi-Cal, Managed Care, Realignment	(7) CURRENT YEAR FINANCIAL IMPACT \$1,312,980.00	(8) ANNUAL FINANCIAL IMPACT \$1,312,980.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 12008145		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>August 21, 2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Karen Baylor, Ph.D., MFT, Behavioral Health Administrator

DATE: 4/23/2013

SUBJECT: Request to approve an Amendment to the FY 2012-13 executed contract (Clerk's File) with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,312,980, an increase of \$79,618, for additional outpatient mental health services for adult clients with serious mental illness.

RECOMMENDATION

It is recommended that the Board approve and direct Chairperson to sign an Amendment to the FY 2012-13 executed contract (Clerk's File) with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,312,980, an increase of \$79,618, for additional outpatient mental health services for adult clients with serious mental illness.

DISCUSSION

Psynergy Programs, Inc. operates two licensed board and care facilities, Nueva Vista in Morgan Hill and Cielo Vista in Greenfield. The programs are designed to prepare clients to reintegrate into the community within a nine to twelve month period. Clients from higher level placements in Institutions for Mental Disease (IMDs) or acute hospitals are initially accepted into the facilities where a 90-day program of intensive services is provided. The program includes a full range of outpatient mental health services available to clients at an adjacent mental health clinic site. This array of intensive outpatient mental health services is offered in addition to the social support services generally provided at more traditional board and care facilities.

The Behavioral Health Department recommends an amendment to the contract with Psynergy Programs, Inc. to allow the payment of anticipated costs for additional outpatient mental health services to adults with serious mental illness. The original contract was approved August 21, 2012 for \$1,233,362 and was based on a projected annual average of 33 clients residing at Psynergy Programs and using 153,733 minutes (12,811 per month) of mental health services. Through the first eight months of the year, the average number of county clients residing at Psynergy Programs is 33 and using 120,427 minutes (15,053 per month) of mental health services. Most of these clients were transferred to Psynergy Programs from costlier, higher-level placements such as acute hospitals and locked IMDs. Most were considered to be too difficult to manage in more independent settings. Psynergy's success in managing more difficult clients in a more independent setting has not only greatly benefitted the clients, but allowed Behavioral Health to achieve savings in IMD costs.

The increase in cost is due to the higher number of mental health services minutes anticipated to be purchased. These services are necessary to prevent clients from returning to a higher level of care, and to help them progress toward independent living and returning back to the community. The original contract purchased approximately 12,045 bed days and approximately 153,733 minutes of mental health services. With the increase in necessary mental health services, the contract amendment will allow the County to purchase a total of 12,045 bed days and 180,906 minutes (15,075 per month) of mental health services for the remainder of the contract period.

OTHER AGENCY INVOLVEMENT/IMPACT

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

FINANCIAL CONSIDERATIONS

The original contract was approved and budgeted for \$1,233,362. The contract amendment is adding \$79,618 for a total amended amount of \$1,312,980. The additional amount will be fully funded through savings in FY 2012-13 budgeted IMD costs. Although the utilization for Psynergy Programs exceeds the initial contract and budget, the overall utilization for IMD and Board & Care is within the initial estimates for all adult residential care facilities. Medi-Cal reimbursements for the outpatient mental health services portion are expected to be approximately 66% of cost. The remaining 34% of costs will be paid for through Managed Care and Realignment funds.

RESULTS

As stated above, the average number of clients residing at Psynergy Programs has been 33 through the first eight months of FY 2012-13 using 15,053 minutes of mental health services per month. In FY 2011-12, Psynergy Programs provided board and care to an approximate average of 32 clients using 14,960 minutes of mental health services. Psynergy Programs assist Behavioral Health's performance objectives by helping clients be as functional and productive as possible in the least restrictive and least costly environments. These individuals are provided with the opportunity to be successful in progressing toward a more independent lifestyle and integrating back into the community. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Clerk's File Statement for Psynergy Amendment to 12-13 Contract