

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

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 6/4/2013	(3) CONTACT/PHONE Cindy Collins, ASM, 788-2932 Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve a renewal contract (Clerk's File) with Psynergy Programs, Inc. for FY 2013-14 in the amount not to exceed \$1,418,868 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct Chairperson to sign the renewal contract with Psynergy Program, Inc. for FY 2013-14 in the amount not to exceed \$1,418,868 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.			
(6) FUNDING SOURCE(S) Medi-Care, Managed Care, Realignment	(7) CURRENT YEAR FINANCIAL IMPACT \$1,418,868.00	(8) ANNUAL FINANCIAL IMPACT \$1,418,868.00	(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) 19001277		(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 No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>07-10-2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(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: 6/4/2013

SUBJECT: Request to approve a renewal contract (Clerk's File) with Psynergy Programs, Inc. for Fiscal Year (FY) 2013-14 in the amount not to exceed \$1,418,868 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.

RECOMMENDATION

It is recommended that the Board approve and direct Chairperson to sign the renewal contract with Psynergy Program, Inc. for FY 2013-14 in the amount not to exceed \$1,418,868 to provide residential board and care, social support, and outpatient mental health services to adults 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 offer a different approach to residential board and care services, and 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 Nueva Vista facility where a 90-day program of intensive services is provided.

Psynergy Programs in the Nueva Vista facility is able to manage the difficult behaviors and conditions presented by clients transferring from acute hospital or locked IMD settings by providing very high intensity level services during the first three months of residence. 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. Outpatient mental health services may include assessments, treatment plan development, case management, crisis intervention, individual and group therapy, individual and group rehabilitation, animal assisted therapy, supervision, medication management, care management, and collateral with others involved in the overall care plan. Social support services may include custom daily living programs, assistance with appointments, transportation, leisure activities such as arts and crafts or yoga, money management, and transition plans.

As clients become more stable, service levels are gradually reduced. During the next six to nine months following the initial 90 day period of intense services, most clients will achieve the stability and improvement in life skills necessary to allow for their transfer to Psynergy's Cielo Vista facility, Psynergy's Tres Vistas apartments (supported accommodations) located on the Nueva Vista grounds, or to local County programs such as MHSA Full Service partnerships or Transitions Mental Association's residential programs. Residential services are designed to enhance basic living skills, improve social functioning, and allow for training opportunities within the community. Mental health support groups are provided to help clients gain insight into their illness, assist them in symptom management, and encourage peer support activities.

The founders of Psynergy Programs, Inc. take a holistic approach to clients' physical and mental wellbeing and recovery. In addition to mental health support groups and outpatient mental health services, clients are encouraged to participate in physical activities. Exercise equipment, yoga classes, equestrian therapy, and walking groups are all available to clients. Great attention is given to the preparation of healthy meals and dietary practices that help to control weight and promote optimal interaction with and absorption of prescribed medications. Psynergy Programs, Inc. coordinates closely with

primary medical care providers and assists clients in monitoring ongoing medical conditions such as diabetes. The program sets high standards for client hygiene and encourages clients to participate in maintaining their shared living space. Psynergy Programs, Inc. offers linkage to educational and vocational resources in the community which are especially valuable to younger clients as they transition to more independent living situations.

The renewal of this contract is dependent upon Board approval of the Health Agency FY 2013-14 budget. Each contract includes language that would allow the County to terminate the agreement in the unlikely event the Health Agency's budgets are not approved with sufficient funding for this use.

OTHER AGENCY INVOLVEMENT/IMPACT

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

FINANCIAL CONSIDERATIONS

The renewal contract amount for FY 2013-14 is not to exceed \$1,418,868 and based on an average of 32 clients residing at Psynergy Programs, Inc. facilities. Estimated costs for FY 2012-13 are anticipated to be at the amended contract amount of \$1,312,980. The FY 2013-14 contract is \$105,888 (or 8.1%) more than the FY 2012-13 amended contract of \$1,312,980. The increased FY 2013-14 contract amount is due to the slight rate increase at the Cielo Vista facility and the anticipated increased need for mental health services during FY 2013-14 based upon client census for 2012-13. Mental health services are those services which include assessment, case management, collateral services, crisis intervention, individual therapy, group therapy, individual rehabilitation, group rehabilitation, and medication management. The anticipated increase in mental health services is twofold: 1) clients stepping down from higher levels of care, such as more expensive IMD facilities, into lower levels of care, such as Psynergy facilities, require more mental health services to keep them stabilized and to prevent relapse back into an IMD facility, and 2) new clients in need of residential placement with a high level of care, not as severe as what an IMD may provide but more intense than what a Board & Care normally provides, are requiring more mental health services in order to keep the client from being placed in a costly IMD facility. The average use per minute of mental health services during FY 2011-12 was 14,144 per month while the average for FY 2012-13 to date is 15,958 per month, an increase of over 1,800 minutes per month.

Residential rates at Nueva Vista are set for new patients at \$90.00 per day for the first ninety days of client residence. The rate subsequently drops to \$60.00 per day for the remainder of the client stay. This tiered rate schedule is in keeping with the belief that clients need more intensive levels of service initially following transfer from an acute hospital or locked IMD setting. As clients stabilize in the program, there is a corresponding reduction in the number and intensity of services. Residential rates for clients with a co-morbid medical condition or co-occurring developmental delays are set at \$90.00 per day. Clients with a co-occurring substance abuse disorder require more intensive services so the residential rate is set at \$120.00 per day. The augmented services provided through the outpatient clinic are in addition to the traditional residential program services and are important in assisting clients to move more quickly toward community reintegration. Rates at the Nueva Vista location for 2013-14 have not increased over 2012-13 rates.

Residential rates at Cielo Vista are \$50.00 per day, a 10% rate increase over 2012-13 rates of \$45 per day, or 1.8% increase of the total contract. This rate increase is due to the expiration of the deeply discounted daily rate for this facility that was offered to the County upon initially contracting with Psynergy during FY 2007-08. Other counties pay a minimum rate of \$60-\$70 per day. Psynergy would continue to offer a discounted rate to San Luis Obispo County; however, at the rate of \$45 per day is not economically feasible for Psynergy and possibly puts our clients' placements in jeopardy. Since the County began contracting with Psynergy during FY 2007-08, their costs have risen substantially due to increases in insurance, additional staffing requirements, food and transportation costs. The \$50 per day rate allows Psynergy to operate at neutral cost while guaranteeing our clients appropriate placement. Cielo Vista is appropriate for clients who are ready to transition from Nueva Vista to a slightly more independent setting, but continue to need the structure and support offered by residential board and care programs. Psynergy's new independent residential option, Tres Vistas, is available to clients at no cost to the County. In comparison, the typical IMD rate ranges from \$165 to \$325 per day. Outpatient mental health services rates are reimbursable through Medi-Cal at approximately 46%.

RESULTS

FY 2012-13 started off with 6 clients residing in IMD facilities, down from a census high of 16 during 2011-12. The number of clients residing in IMD facilities at the end of April 2013 is up to 7 clients, after peaking at 9 clients during the

year. This continued reduction of clients residing in IMD facilities is due to the success of Psynergy Programs and their ability to transfer and manage these clients in their outpatient facilities, thereby increasing the client census, as well as mental health services provided, for Psynergy Programs. Behavioral Health endeavors to choose residential provider services that most appropriately meet the current diagnosis and treatment needs of the individual client. Although the goal for clients residing at Psynergy is to step down to even lower levels of care and return to their community within San Luis Obispo County, fluctuations in a client's medical condition and/or response to medications do occur, and that movement of clients to higher level placement will be appropriate in some cases and that this does not necessarily reflect any negative performance on the part of the service provider.

The Behavioral Health Department seeks to provide clients the appropriate level of care by matching treatment services, including residential placements, to clients' individual needs. The above mentioned contracts provide the necessary resources to assure that the appropriate level of care is available for the adults in need of residential treatment services. 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 Filed Coversheet for Psynergy 13-14 Contract Renewal