

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

504



FROM: Department of Mental Health

SUBMITTAL DATE:

SUBJECT: Approval of the increased aggregate amount to the FY 06/07 contracts with Institutes of Mental Disease (IMD) providers.

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Approve the increased annual aggregate from \$5,000,000 to \$6,000,000;
2. Authorize the Purchasing Agent to enter into amendments and annually renew with the IMD facilities for the annual state rate increase and to transfer funds between these contracts as necessary, increasing and decreasing the amount of each according to the actual usage of each IMD and State rate adjustments not to exceed the aggregate amount of \$6,000,000 for all, through June 30, 2008;
3. Authorize the Purchasing Agent to establish new contracts not to exceed \$100,000 and not to exceed the annual aggregate of \$6,000,000 annually through June 30, 2008.

BACKGROUND: On August 10, 2004, item 3.49, the Board approved a 4 year contract with the IMD providers and authorized the Purchasing Agent to enter into amendments and annually renew existing contracts with the IMD facilities for any state rate adjustments and to transfer funds between these contracts as necessary, increasing and decreasing the amount of each according to the actual usage of each IMD, staying within the annual aggregate amount of \$3,673,584 for all, annually through June 30, 2008.

Jerry Wengert
Jerry Wengert, Director
Department of Mental Health

FINANCIAL
DATA

Current F.Y. Total Cost:	\$ 1,000,000	In Current Year Budget:	YES
Current F.Y. Net County Cost:	\$0	Budget Adjustment:	NO
Annual Net County Cost:	\$0	For Fiscal Year:	06/07

SOURCE OF FUNDS: 86% Realignment & 14% 3rd Party

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature *Debra Couranger*

☐ Consent ☒ Policy
☐ Consent ☒ Policy

Dep't Recomm:
Per Exec. Ofc:

Prev. Agn. Ref.: 5-2-06, 3.27; 5-17-05, 3.18; 8-10-04, 3.49

District: ALL

Agenda Number:

3.63

SUBJECT: Approval of the increased aggregate amount and Amendments to the FY 06/07 contracts with Institutes of Mental Disease (IMD) providers

BACKGROUND: (continued)

On May 17, 2005, item 3.18, the Board approved an increase to the annual aggregate from \$3,673,584 to \$4,000,000 and authorized the Purchasing Agent to enter into amendments and annually renew with the IMD facilities for the annual state rate increase and to transfer funds between these contracts as necessary, increasing and decreasing the amount of each according to the actual usage of each IMD not to exceed the aggregate amount of \$4,000,000 for all, through June 30, 2008. On May 2, 2006, item 3.27, the Board approved an increase to the annual aggregate from \$4,000,000 to \$5,000,000.

IMD providers are state licensed Skilled Nursing Facilities with a Special Treatment Program serving adult clients age 18 to 64. Consumers of these services are placed into IMD facilities based on the severity of their mental illness treatment needs and the availability of beds. Treatment services include: Self-help skills training, behavioral intervention training, interpersonal relationships, discharge planning, and pre-vocational preparation services.

The department currently contracts with four (4) IMD providers; Country Villa Riverside Health Center, Braswell Enterprises dba. Sierra Vista, Vista Pacifica Enterprises, Inc., and Shandin Hills Rehabilitation Center.

The contract maximum is based on a projected utilization multiplied by the State mandated IMD rate. With the rapidly growing population in Riverside County, the need for this level of care has increased. Utilization is monitored throughout the year to determine the fiscal year-end utilization projection and the State Department of Mental Health notifies counties the new rate a few months after the rate has already increased. The Department received DMH Information Notice No.: 05-11 on September 4, 2006, informing Counties that the rate had increased from \$133.09 per day to \$141.37 per day (6.2%). The State previously notified Counties that the rate would increase by approximately 6.5% annually, but the actual rate is not received until months into the new fiscal year. With these two factors taken into consideration, it is necessary for the Department to increase the annual aggregate amount by \$1,000,000 to continue treatment to clients with severe impairments related to their mental illness.

There are sufficient funds in the Department's budget for Fiscal Year 2006/07 to provide for the necessary increase. Funding for these four (4) contracted IMD facilities and potential rate increases are budgeted annually. These contracts contain termination provisions in case of unavailability of any Federal, State, and/or County funds. No additional County funds are required.