

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # \*B-5

Urgent

Routine

AGENDA DATE December 20, 2011

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Proceed with the Facility Programming and Planning Phase for the Psychiatric Health Facility and Approval to Issue Request for Proposals for Architect and Design Services for a Possible Future Psychiatric Health Facility

STAFF RECOMMENDATIONS:

Authorize the Project Manager to issue request for proposals for professional architectural design services for a possible future psychiatric health facility on January 19, 2012; modify the bid date if necessary; accept and open the proposals on February 28, 2012, immediately after 2:00 p.m.; and return to the Board of Supervisors to recommend a contract of a design team for this project.

FISCAL IMPACT:

Behavioral Health and Recovery Services contracts \$3,754,800 annually for 25 beds at Doctors Behavioral Health Center and an additional \$948,822 annually for patients transported to facilities outside of the County, bringing the total cost of purchasing beds to \$4,703,622. Staff estimates costs of the County operating a Psychiatric Health Facility locally would be approximately \$4,749,452. The County proposes to explore the feasibility of establishing a Psychiatric Health Facility.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-777

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**FISCAL IMPACT (Continued):**

At this time, staff recommends the Board of Supervisors authorize the Project Manager to issue request for proposals and qualification statements for professional architectural design services for a possible future psychiatric health facility. Any recommendation to select a design team will return to the Board of Supervisors for consideration and approval.

The cost for this phase and a possible future project will be funded by dedicated funds from the proceeds of the sale of the former Stanislaus Behavioral Health Center with no impact to the General Fund.

**DISCUSSION:**

A Psychiatric Health Facility (PHF) is defined in Section 1250.2 of the California Health and Safety Code as “a health facility, licensed by the State Department of Mental Health, that provide 24-hour inpatient care for mentally disordered, incompetent, or other persons described in Division 5 or Division 6 of the Welfare and Institutions Code. This care shall include, but not be limited to, the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings.” In simple terms, a PHF is an intensive secure residential psychiatric treatment facility that does not provide related medical care.

Prior to October 31, 2007, the County owned and operated a 67-bed acute psychiatric hospital known as Stanislaus Behavioral Health Center (SBHC). The property and operations were sold to Doctors Medical Center of Modesto, effective November 1, 2007, and renamed Doctors Behavioral Health Center (DBHC).

Behavioral Health and Recovery Services (BHRS) entered into an agreement with Doctors Medical Center/DBHC to reserve 35 beds at a rate of \$799 per bed, per day, for the period of November 1, 2007 through June 30, 2010. The agreement was re-negotiated effective January 1, 2010, to reserve 25 beds at a rate of \$974 per bed, per day. The agreement expires on June 30, 2012. Included in the agreement is a clause regarding non-competition, as follows:

“So long as this Agreement remains in full force and effect, the County shall not operate a psychiatric health facility (“PHF”), as defined in the California Health and Safety Code § 1250.2. If County commences the development of, or the planning for, a PHF, County shall notify DMC in writing.”

In a letter dated August 25, 2011, the County notified Doctors Medical Center that the County was beginning to explore the potential to open a 16-bed PHF as a resource to

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assist in the treatment of psychiatric patients who do not also require inpatient medical care, and to assist the County in meeting some of the psychiatric health care needs of members of our community for which DBHC is not a viable solution.

In Fiscal Year 2010-2011, BHRS averaged 15.1 beds per day at DBHC, at an estimated cost of \$3,754,800. Approximately 54% of these beds were eligible for 50% reimbursement from Medi-Cal. The 46% remaining were uninsured. The estimated cost of \$3,754,800 is based on the denial of claims. A 20-25% denial rate is the norm. If there were no denials, the full cost to the County for the 15.1 bed days would be over \$5.3 million.

Additionally, an average of five patients per day were transported to facilities outside of the County for an additional cost of \$948,822, bringing the total cost of purchased beds to \$4,703,622. Out of County placements can be for a variety of reasons and may be decided by DBHC or the County. A majority of these are children and adolescents. There are no facilities in Stanislaus County for these age groups. Other reasons for out of county placements may be behavioral, such as a tendency for violence, the patient has not previously responded to treatment at DBHC, staffing levels at DBHC.

Staff estimates the County cost of operating a 16-bed Psychiatric Health Facility locally would be approximately \$2,700,000. The need for additional beds is expected to continue, based on 2010-2011 trends. The total projected cost to provide residential psychiatric services, including a County PHF and other purchased beds, is \$4,749,452, or \$650.61 per day. The maximum Medi-Cal reimbursement rate is \$612.47 per day. The balance of the daily costs could be covered through the Department's Realignment or Managed Care allocations. Since a PHF does not have the licensing/staffing requirements that an acute facility has, there may be better control over denials. Additionally, a PHF does not have the same regulatory requirements of an acute psychiatric hospital.

A PHF could be an important resource in the provision of these services in our community. As discussions continue with our partner, Doctors Medical Center regarding long-term acute psychiatric beds, staff recommends that a request for proposals be issued for professional architectural design services for a possible future psychiatric health facility.

Two alternatives for locations will be evaluated, for a multi-care Psychiatric Health Facility which includes an Institution for Mental Diseases (IMD) and a Psychiatric Health Facility. The Architectural/Engineering team will provide feasibility studies comparing at least two sites as proposed by the County and make recommendations as to which site will better meet the County's needs.

The County owns property at 1904 Richland Avenue in Ceres, CA that is commonly known as the Stanislaus Recovery Center. Included on the site is a 10,000 square foot

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facility formerly used as a 13-room Perinatal treatment center for women and their children. This facility could be modified to accommodate a 16-bed Psychiatric Health Facility. The facility is currently being used on a short-term basis by the Redwood Center as a clean and sober living facility. The second site is consideration of a unit at the current location of Doctors Behavioral Health Center. The two sites are recommended to be evaluated for possible consideration and cost analysis for a future PHF facility.

Given the current economy and budget restrictions, staff recommends additional work to be conducted in order to complete the planning work. Any conversion of an existing site will require regulatory upgrades to the facility and would include hiring an architect and design team for the project.

The Architectural/Engineering team will also provide possible *future* phase design services including schematic design, design development, and Construction Documents for bidding purposes by general contractors, evaluation of bids, and technical support during construction, and a budget estimate of probable cost of the project ***if the Board ultimately decides to pursue the establishment of a PHF.***

It is recommended that the Board of Supervisors authorize the Project Manager to issue request for proposals for professional architectural design services for a possible future psychiatric health facility on January 19, 2012; modify the bid date if necessary; accept and open the proposals on February 28, 2012 immediately after 2:00 p.m.; If approved, staff will return to the Board of Supervisors to recommend a contract of a design team for this project. Funding from the proceeds of the sale of SBHC has been designated for this purpose.

**POLICY ISSUES:**

Approval of this item will meet the Board's priority of a Healthy Community by enabling County patients to be treated at a local health facility as defined in Section 1250.2 of the California Health and Safety Code.

**STAFFING IMPACTS:**

Existing Chief Executive Office and Behavioral Health and Recovery Services staff are available to support this project. Additionally, staff will research and discuss the potential to contract out for Operator/Provider Services.

**CONTACT INFORMATION:**

Patricia Hill Thomas, Chief Operations Officer. Telephone: 525-6333.