

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

DEPT: Behavioral Health and Recovery Services BOARD AGENDA # \*B-13  
Urgent  Routine  AGENDA DATE June 18, 2013  
CEO Concurs with Recommendation YES  NO  4/5 Vote Required YES  NO   
(Information Attached)

SUBJECT:

Approval of Amendment to Extend the Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services through July 31, 2013

STAFF RECOMMENDATIONS:

1. Approve an amendment to the agreement with Doctors Medical Center Fee for Service Inpatient Psychiatric Services to extend the agreement one month, through July 31, 2013.
2. Authorize the Behavioral Health Director or her designee to finalize and execute the amendment for Fee for Service Inpatient Psychiatric Services with Doctors Medical Center of Modesto through July 31, 2013.

FISCAL IMPACT:

The estimated total cost of this one month extension for Fiscal Year 2013-2014 is \$1,039,869, with a net cost to the County of \$787,492. Funding for this agreement comes from the following sources: Medi-Cal Federal Financial Participation, State Medi-Cal Mental Health Specialty Managed Care, Realignment, and Departmental Fund Balance. The Department included appropriations and estimated revenue for this agreement in its Adopted Proposed Budget for Fiscal Year 2013-2014. There is no additional County Cost associated with this amendment.

BOARD ACTION AS FOLLOWS:

No. 2013-303

On motion of Supervisor Monteith, Seconded by Supervisor Withrow  
and approved by the following vote,  
Ayes: Supervisors: O'Brien, Withrow, Monteith, De Martini and Chairman Chiesa  
Noes: Supervisors: None  
Excused or Absent: Supervisors: None  
Abstaining: Supervisor: None

- 1) X Approved as recommended
- 2)        Denied
- 3)        Approved as amended
- 4)        Other:

MOTION:

ATTEST: Christine Ferraro  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

Effective October 31, 2007, Stanislaus County sold its 67-bed inpatient acute psychiatric facility, Stanislaus Behavioral Health Center, to Doctors Medical Center of Modesto (DMC), a Tenet Healthcare affiliate. The Center subsequently became known as Doctors Behavioral Health Center (DBHC). At that time the County entered into a provider agreement with DMC for the purchase of 35 beds on a daily basis for County patients, defined as: Medi-Cal adult beneficiaries of Stanislaus County, adult indigent uninsured residents of Stanislaus County, and “restoration to competency” patients.

As previously reported to the Board of Supervisors, Behavioral Health and Recovery Services (BHRS) has experienced a dramatic increase in psychiatric hospitalizations over the past two years. In previous years, the average daily census for hospitalization at local and out-of-county hospitals was approximately 19 individuals per day for both adults and adolescents. This number has been steadily increasing since December 2011 when Doctors Behavioral Health Center (DBHC) began requiring that all individuals be brought to the Doctors Medical Center (DMC) Emergency Room. At times throughout the operating year, the census has been over 40 inpatient hospitalizations per day. At the same time, the percentage of uninsured individuals has increased from approximately 51% to 54%. The County has 100% fiscal responsibility for these individuals, to the extent that funding is available. Department staff continues to meet regularly to identify trends that may be contributing to this phenomenon. While the economy does play a large role, no one factor stands out. However, it has been determined that this trend is statewide and in Stanislaus County it has become a crisis.

In early 2012, the Chief Executive Office, BHRS, DMC and other stakeholders met and began a new working relationship that focused on the capacity issues and growing need for secure 24/7 programs to meet the County’s mandated obligations. This group identified both short and long-term issues related to the need for secure 24/7 mental health services and programs that surround such services. The result of this effort is a Strategic Plan that addresses in-patient needs and identifies systems issues surrounding 24/7 secure mental health services that could assist in avoiding hospitalization and reduce recidivism. The Strategic Plan, adopted by the Board of Supervisors in November 2012, recommended a continuum of care with three main goals: 1) develop recommendations for increased capacity to provide in-patient 24/7 care, including but not limited to, options that will provide less costly alternatives when appropriate; 2) assess opportunities for creating a community crisis stabilization service to avoid hospitalization when possible; and 3) develop aftercare strategies as an element of a behavioral health continuum of care around in-patient services.

The centerpiece of the continuum is the development of a 16-bed Psychiatric Health Facility (PHF) to provide a lower cost option for hospitalizations for certain county patients who do not require the DBHC level of care, to help mitigate the County’s costs for services needed. The PHF will allow for patients to be placed in a lower level of care alternative and provide additional psychiatric capacity to the community. The County is

in the process of remodeling an existing facility at the Stanislaus Recovery Center site to serve as the PHF. It is anticipated that the PHF will be operational by Spring 2014. Once the PHF is operational, it is anticipated that the overall cost of psychiatric hospitalizations will be reduced. However, in order to receive Medi-Cal funding, the PHF is limited to 16 beds. As such, there is still a need to purchase beds from DBHC to fully meet the increased need.

The current agreement with DMC expires June 30, 2013. Staff from the County Chief Executive Office and Behavioral Health and Recovery Services began meeting with DMC representatives during the Spring 2013 to renegotiate a one-year agreement for the purchase of up to 25 beds at DBHC. Those negotiations are still in process and will not be complete by June 30, 2013. To avoid a break in service to County patients, the Department is requesting to extend the current agreement and terms through July 31, 2013 in order to complete negotiations with DMC.

**POLICY ISSUES:**

Execution of this agreement with Doctors Medical Center supports the Board's priorities of A Safe Community, A Healthy Community, and Efficient Delivery of Public Services by enabling County patients to be treated at a local facility.

**STAFFING IMPACT:**

Staff from BHRS is available to support and monitor this agreement.

**CONTACT:**

Madelyn Schlaepfer, Behavioral Health Director. 209 525-6225  
or Patricia Hill Thomas, Chief Operations Officer, 209 525-6333.

**FIRST AMENDMENT TO AGREEMENT FOR INPATIENT PSYCHIATRIC SERVICES**

This Amendment to the Agreement For Inpatient Psychiatric Services is made and entered into by and between the County of Stanislaus ("COUNTY") and Doctors Medical Center of Modesto, Inc., a California corporation, hereinafter referred to as "DMC". This agreement is effective as of the date of the last signature.

WHEREAS, COUNTY and DMC entered into an Agreement for the Fiscal Year beginning July 1, 2012 through June 30, 2013 to provide comprehensive inpatient psychiatric services for COUNTY patients; and

WHEREAS, COUNTY and DMC are currently negotiating the terms of an Agreement for the Fiscal Year 2013-2014; and

WHEREAS, COUNTY and DMC require additional time to complete the negotiations for the Agreement for the Fiscal Year 2013-2014 and desire to amend the Fiscal Year 2012-2013 Agreement to extend it for one month in order to complete the contract negotiations.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree that the Agreement entered into for the Fiscal Year beginning on July 1, 2012 through June 30, 2013 is amended to extend the Agreement through July 31, 2013. This Amendment is incorporated into the agreement as follows:

I. Amend under TERMS AND CONDITIONS, Section 31, TERM, 31.1 to read as follows:

3.1 This Agreement shall commence on July 1, 2012 ("**Effective Date**"), and continue through July 31, 2013.

II. All other terms and conditions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date (s) shown below.

**COUNTY OF STANISLAUS**

**Doctors Medical Center of Modesto, Inc.**

By: Madelyn Schlaepfer, Ph.D., CEAP  
Behavioral Health Director

By: Warren J. Kirk 6/17/13  
Chief Executive Officer Date


Date: 6-19-13

"COUNTY"

"DMC"

APPROVED AS TO FORM:

COUNTY COUNSEL  
JOHN P. DOERING

  
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Vicki Fern de Castro  
Deputy County Counsel

BOS Action Item: 2013-303 Date: June 18, 2013