

County of Santa Clara

Santa Clara Valley Health & Hospital System

Mental Health Services



HHS05 042109

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Director, Mental Health Department

DATE: April 21, 2009

TO: Board of Supervisors

FROM:

A handwritten signature in black ink that reads "Kim Roberts" followed by a small mark.

Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Mental Health Department's Alternate Plan for FY10 Budget Reduction Proposal to Close or Reduce County Adult Outpatient Programs

RECOMMENDED ACTION

Consider recommendations relating to the Mental Health Department's FY10 budget reduction proposal to close or reduce County adult outpatient programs.

Possible action:

- a. Accept report relating to alternate plan to the proposal submitted in February 2009 related to the closure of County operated East Valley and North County programs; the alternate plan would achieve greater savings by moving clients and staff positions into Santa Clara Valley Medical Center and retaining the County services.
- b. Introduction and preliminary adoption of Salary Ordinance No. NS-5.09.82 amending Santa Clara County Salary Ordinance No. NS-5.09 relating to the compensation of employees adding 8.0 Psychiatrist III positions, 19.5 Psychiatric Social Worker II

positions and 8.0 Health Service Representative positions in Santa Clara Valley Medical Center. (Roll Call Vote to waive reading, Roll Call Vote to adopt)

- c. Approve Appropriation Modification No. 165 - \$479,768, increasing revenue and expenditures in the Santa Clara Valley Medical Center budget. (4/5 Roll Call Vote)

FISCAL IMPLICATIONS

These actions in conjunction with the Mental Health Department’s FY10 budget reduction proposals will generate an annualized \$9.2 million in County General Fund savings which is being applied to the department’s \$22.5 million budget reduction target. The additional positions and service and supply expenses in the Santa Clara Valley Medical Center budget will be fully funded by Federally Qualified Health Center (FQHC) revenues. The positions being added in FY09 will mitigate the effect on the Mental Health Department Psychiatrists and Licensed Clinical Social Workers whose positions are proposed for deletion in FY10.

The positions and other expenses are budgeted as follows:

Expense Component	FY09 Expense	Ongoing Expense
8.0 (P55) Psychiatrist III	\$170,704	\$2,048,448
19.5 (Y41) Psychiatric Social Worker II (must be licensed)	\$199,934	\$2,399,202
8.0 (D2E) Health Service Representative	\$ 52,776	\$ 633,312
Service/Supplies & Indirect	\$ 56,355	\$ 676,258
Total Expenses	\$479,768	\$5,757,220

REASONS FOR RECOMMENDATION

The Mental Health Department (MHD), Santa Clara Valley Medical Center (SCVMC) Ambulatory and Managed Care, and SCVHHS Finance have completed work on an innovative plan for the Board's consideration that would achieve General Fund savings in the Mental Health Department and significant increased revenues in SCVMC, while maintaining mental health outpatient services at three sites (Fairoaks/Sunnyvale, South County and East Valley Clinics).

The savings are possible due to: 1) SCVMC’s proposed expansion of the medical home model at Valley Health Centers (VHC) Sunnyvale, VHC Gilroy and VHC East Valley in FY10 which is a multidisciplinary approach to care, with a focus on behavioral and mental health to improve patients’ self-management ability; and 2) significantly more favorable reimbursement rates in the primary care clinic system.

The alternate plan, referred to as the MHD/SCVMC Integrated Outpatient Service, involves the transfer of Mental Health clients, MDs (Psychiatrists) and Licensed Clinical Social Workers into the three VHCs that will have the medical home design, thus preserving service capacity that would otherwise be lost in the Mental Health Department if the Board were to approve the reductions originally proposed for the County operated adult clinics.

This alternative plan would add 27.5 FTE MD Psychiatrist and Psychiatric Social Worker II positions to the three SCVMC clinics prior to the end of the fiscal year, and would fill those positions by transfer of licensed MHD staff. Only Licensed Clinical Social Workers will be eligible to fill the Psychiatric Social Worker positions as non-licensed staff

services cannot be billed as FQHC services. The corresponding 27.5 FTE vacant positions in MHD would be deleted as part of the FY10 budget process. In addition, 8.0 new Health Services Representative positions are needed to support the clinical staff and complete necessary registration and billing.

The attached proposal comparison outlines the alternative plan in comparison to the original reduction proposals. The Sunnyvale/Fairoaks, East Valley and South County clinic changes were described above. The new Mental Health Services Act funded program is currently being implemented at the Central Mental Health site (see Background section for additional information). The Downtown and Narvaez proposals remain unchanged. The uninsured mental health consumers at these program sites will be transferred to the new program at Central Mental Health.

The Mental Health Department's original proposal would have generated \$4,581,528 in General Fund savings. The alternate plan, including the addition of the new positions in SCVMC, will generate \$9,270,826 in General Fund savings and new revenue.

Salary ordinance amendments approved by the Board through this action will be effective on May 18, 2009, thus providing time for the Employee Services Agency, MHD and SCVMC to complete the transfer of staff into new positions, prior to implementation of the Board approved FY10 budget reductions. It will also provide MHD time to notify and transfer mental health clients to new staff providers as needed.

BACKGROUND

MHD/SCVMC Integrated Outpatient Service Implementation

Implementation would occur in two phases. Phase I would be completed in FY10 and include:

1. The addition of 8.0 FTE Psychiatrists, 19.5 FTE Psychiatric Social Worker (PSW) II and 8.0 FTE Health Services Representatives positions in the SCVMC budget (BU 921);
2. Administrative transfers of eligible MHD staff into new SCVMC Psychiatrist and PSW II positions, in coordination with Labor Relations and labor organizations;
3. Filling of vacant clerical positions to support new clinical model;
4. Notification and transfer of clients to new staff providers as needed;
5. Staff training on new service entry and chart documentation requirements under SCVMC clinics;
6. Initiation of new service delivery and billing in BU 921;
7. Service monitoring, analysis, and adjustment of productivity assumptions as determined by SCVMC and MHD leadership;
8. Piloting of Primary Care consultation component; and
9. Initiation of planning of integrated care model.

Phase II would be completed in FY11 and include: 1) finalization of financial model; 2) finalization and implementation of Primary Care and Behavioral Health Medical Home Model service delivery design; and 3) analysis of replication potential.

With implementation of the changes listed above, the MHD will be maintaining minimal case management and peer support services at each of the sites, utilizing remaining general funds and MHSA funding to offer clients additional services as needed.

New MHSA Funded Program for the Uninsured

A new MHSA funded program approved by the Board in December 2008 is currently being implemented at Central Mental Health located on the SCVMC campus. This new program will have the planned capacity to serve 2,000 uninsured mental health clients, thus allowing the Mental Health Department to maintain essential safety net services to consumers without insurance. The new program will also have a specific focus on providing intensive benefit assistance support. Approximately 1,200 mental health clients will be transferred to the new uninsured program from County programs and an additional 500 are expected to be transferred from contract providers. These transfers are necessary because reductions primarily impact uninsured adults most severely as these services are funded with discretionary County funds. Without the MHSA funded service component, the MHD would be facing the elimination of services to about 1,700 seriously mentally ill adults.

Policy Implications Regarding Services to Uninsured Clients

This proposal does not in itself implement a change in policy regarding how services are provided to uninsured mental health clients. It does, however, offer a solution that preserves service capacity for Medi-Cal beneficiaries that would have otherwise been lost, along with services to uninsured, with closure of County mental health programs as originally proposed in the MHD reduction proposal.

The Mandate Study outlines the clients and service functions that are mandated under guiding legislation and/or state and federal contractual obligations. Departments have been asked to classify services in terms of level of discretionary and non-discretionary County general funds. Mandated populations for public mental health services include Medi-Cal beneficiaries, Special Education entitled students and those receiving involuntary care under the Lanterman-Petris-Short (LPS) Act. Those who are not mandated (the uninsured, under-insured, or private insured) may be served "to the extent that resources are available." As discretionary general funds are reduced, services to the uninsured, and partially uninsured adults, are most impacted.

The MHD has attempted to mitigate the impact of reduced general funded services (i.e., discretionary services) by creating two new MHSA Funded Programs, the new Urgent Care Program and the Uninsured Program for adults. These programs were previously approved by the Board and by the State Department of Mental Health. They are both currently being implemented at the SCVMC Campus.

The overall impact of reductions in discretionary general funds in the MHD results in a reduction in service capacity available to uninsured mental health clients across all levels of service with the exception of involuntary care (Emergency Psychiatric Services, Inpatient, and locked Institutes for Mental Diseases). Therefore, the MHD is compelled to restrict services to those uninsured that have the greatest mental health need. Approximately 80

individuals per month are currently entering services as they are referred from hospital or Emergency Psychiatric Services.

While currently served uninsured mental health clients are not being restricted from receiving services, they will experience a change in services as they are relocated to the new uninsured program. The MHD will continue to expand this new service to the extent that resources are available through MHSA or other funding.

Conclusion

The Mental Health Department is currently working with County and contract providers to determine the insurance status (Medi-Cal, Medicare, uninsured) of all 8,000 adult mental health clients currently served in the mental health system. As notification of the change of service must be made 30 days prior to a change, letters will be mailed over the coming weeks, and informational meetings for clients will be held at all impacted programs. It is anticipated that it will take approximately three months to transfer all mental health clients to new service sites. During this time, the MHD will be monitoring the service needs of its consumers.

SEIU 521 concurs with this recommendation.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended actions may impact the timely transition of services for mentally ill clients.

ATTACHMENTS

- MHD/VMC Integrated Outpatient Service
- Proposal Comparison
- Salary Ordinance Amendment No. NS-5.09.82