

California Mental Health Services Authority EXECUTIVE COMMITTEE TELECONFERENCE

AGENDA

Thursday, August 20, 2020

3:00 p.m. – 4:00 p.m.

Click [HERE](#) to join call

Dial-in: 1-669-900-9128

Meeting ID: 870 6860 8709

Passcode: 885456



All portions of this meeting will be conducted by teleconference in accordance with the State of California Executive Orders N-29-20 and N-35-20. Members of the public may observe and address the meeting telephonically. No physical location will be available from which members of the public may observe the meeting and offer public comment.

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If you would like to review materials relating to an item on this agenda submitted to the Board after distribution of the agenda packet, please contact Laura Li at (916) 859- 4818 (telephone) or info@calmhsa.org.

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California Mental Health Service Authority
(CalMHSA)

Executive Committee Teleconference Meeting Agenda

Thursday, August 20, 2020

3:00 p.m. – 4:00 p.m.

1. **CALL TO ORDER**
2. **ROLL CALL AND INTRODUCTIONS**
3. **INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT**

The Committee welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Committee concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Because the meeting will be held by teleconference, each interested party is invited to inform CalMHSA staff prior to discussion of the item by sending an email to laura.li@calmhsa.org indicating the item to be addressed. When it appears that there are several members of the public wishing to address the Committee on a specific item, at the outset of the item, the Committee Chair may announce the maximum amount of time that will be allowed for presentation of testimony on that item.

4. **ACTION ITEMS**

- A. **CONSENT CALENDAR**..... 4
1. Routine Matters
 - a. Minutes from April 24, 2019 Executive Committee Meeting 5

Recommendation: Approval of Consent Calendar.

5. **INFORMATIONAL REPORTS**

A. **FINANCIAL MATTERS**

1. Program Funding Commitment Form Update.....7

B. **PROGRAM MATTERS**

1. PEI Update.....10

PARTICIPATING MEMBERS:

Alameda	Glenn	Marin	Riverside	San Mateo	Tehama
Alpine	Humboldt	Mendocino	Sacramento	Santa Clara	Tri-City MHC
Amador	Imperial	Modoc	San Benito	Shasta	Trinity
Berkeley	Kern	Monterey	San Bernardino	Siskiyou	Tulare
Colusa	Kings	Napa	San Diego	Solano	Tuolumne
Contra Costa	Lassen	Orange	San Francisco	Sonoma	Ventura
El Dorado	Los Angeles	Placer	San Joaquin	Stanislaus	

Fresno Madera Plumas San Luis Obispo Sutter-Yuba

Recommendation: None, Information only.

2. State Hospital Update.....12

PARTICIPATING MEMBERS:

<i>Alameda</i>	<i>Imperial</i>	<i>Marin</i>	<i>Placer</i>	<i>San Joaquin</i>	<i>Solano</i>
<i>Butte</i>	<i>Kern</i>	<i>Modoc</i>	<i>Riverside</i>	<i>San Luis Obispo</i>	<i>Stanislaus</i>
<i>Contra Costa</i>	<i>Kings</i>	<i>Monterey</i>	<i>Sacramento</i>	<i>San Mateo</i>	<i>Tulare</i>
<i>El Dorado</i>	<i>Los Angeles</i>	<i>Napa</i>	<i>San Diego</i>	<i>Santa Barbara</i>	<i>Ventura</i>
<i>Fresno</i>	<i>Madera</i>	<i>Orange</i>	<i>San Francisco</i>	<i>Santa Clara</i>	<i>Yolo</i>

Recommendation: None, Information only.

C. GENERAL DISCUSSION

1. Report from CalMHSA President – Dawan Utecht23

Recommendation: None, Information only.

2. Report from CalMHSA Executive Director – Dr. Miller24

a. CalMHSA Assessment

Recommendation: None, Information only.

6. NEW BUSINESS

General Discussion regarding any new business topics for future meetings.

7. PUBLIC COMMENT

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and 20 minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, in case of a lengthy agenda.

8. CLOSING COMMENTS

This time is reserved for comments by Committee members and staff to identify matters for future Committee business.

9. ADJOURNMENT

* Indicates an Action Item

ACTION ITEMS – CONSENT CALENDAR

Agenda Item 4.A.1

SUBJECT: CONSENT CALENDAR

RECOMMENDATION:

Approval of Consent Calendar.

CURRENT STATUS AND BACKGROUND:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Executive Committee would like to discuss any items listed, it may be pulled from the Consent Calendar.

1. Routine Matters
 - a. Minutes from April 24, 2019 Executive Committee Meeting

REFERENCE MATERIAL(S) ATTACHED:

- Minutes from April 24, 2019 Executive Committee Meeting



"A George Hill: Company Administered JPA"

**CalMHSAs Executive Committee
Meeting Minutes from April 24, 2019**

EXECUTIVE COMMITTEE MEMBERS PRESENT

Dawan Utecht – **Fresno County**

Bill Walker – **Kern county**

Terence Rooney – **Colusa County**

Dorian Kittrell – **Butte County**

Dennis Koch – **Madera County**

Anne Robin – **San Luis Obispo County**

EXECUTIVE COMMITTEE MEMBERS ABSENT

Toni Navarro – **Tri-City Mental Health Center**

James Diel – **Napa County**

Jonathan Sherin – **Los Angeles County**

MEMBERS OF THE PUBLIC

None disclosed

CALMHSAs STAFF PRESENT

John Chaquica, Chief Operating Officer

Laura Li, JPA Administrative Director

Doug Alliston, Legal Counsel

OTHER

Margaret Prinzing, Partner at Remcho Johansen & Percell

A. CLOSED SESSION

a. CALL TO ORDER

The CalMHSA Executive Committee Teleconference was called to order at 2:00 p.m. on April 24, 2019, by CalMHSA President, Dawan Utecht.

b. ROLL CALL AND PUBLIC COMMENT INSTRUCTIONS

JPA Administrative Manager, Laura Li, called roll and reported that a quorum was established. All participants were asked to introduce themselves. Ms. Li then proceeded to review the public comment instructions, noting that items not on the agenda would be reserved for public comment at the end of the meeting.

c. CONFERENCE WITH LEGAL COUNSEL

CalMHSA Executive Committee met to discuss settlement authority for the MHAC audit.

B. NEW BUSINESS

None.

C. CLOSING COMMENTS

Dawan Utecht, CalMHSA President, asked for any closing comments.

D. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 3:00 P.M.

Respectfully Submitted,

Dawan Utecht
President, CalMHSA

Date

INFORMATIONAL REPORTS – FINANCIAL MATTERS

Agenda Item 5.A.1

SUBJECT: ANNUAL PROGRAM FUNDING FORM UPDATE

RECOMMENDATION:

None, information only.

CURRENT STATUS AND BACKGROUND:

In an effort to address Counties previously expressed requests and concerns to receive recommended funding allocations and participation renewal agreements at an earlier date, CalMHSA Staff reviewed the Annual Funding Form Process and has made changes, including starting the Annual Program Funding Form process earlier. The updated timeline is as follows:

- **September:** CalMHSA Staff will collect Suicide Prevention Hotline Call Volume Reports for Program Year (July 1 – June 30), and work with the County leads for each hotline to negotiate participating county contributions.
- **January:** The Annual Program Funding Forms will go out to all members, to be completed with their intent to fund the programs they intend to participate in for the next fiscal year.
- **March 31st** – This is the deadline for counties to return the completed Annual Member Program Funding Forms.
- **April:** The Estimated Revenue and Expenditure Report for the upcoming fiscal year, will be presented to the Finance Committee.
- **April** – Draft Participation Agreements will be sent to all counties for review and processing.
- **June** – Invoices to Counties will be issued and posted in the secure portal, based on the completed and returned Annual Member Program Funding Form, and receipt of fully executed Participation Agreements. If the form is not received by the established deadline, invoices will reflect the previous year commitments.

REFERENCE MATERIAL(S) ATTACHED:

- Funding Form Process

Funding Form Process

June 10, 2020

The CaIMHSA Funding forms are sent to members annually, to confirm their financial commitment to CaIMHSA programs. This form is then used to create the annual budget and all renewal PAs. The below is the timeline and process for funding forms; with noted **bold** due dates.

*The process will be overseen by department managers, with duties assigned out as needed.

- Finance: Moody
- Program: Michael
- Admin: Julia

Hotline Funding:

- Program: Collect Preliminary Hotline Call Volume Report to start negotiations – **September 1**
- Provide funding recommendations to admin and finance – **October 15**

FUNDING FORM DRAFTING

- Admin: Draft all county funding forms – **November 30**
- Program: Review all programs listed, and note any changes – **December 15**
- Finance: Review funding amounts and note any changes – **December 31**

FINAL FUNDING FORM (Due Back from Counties Deadline March 31)

Final funding form will be sent to members as a PDF and posted to the portal. All commitments for which the county cannot (should not) decide their own funding level, will be filled in prior to sending to the County. (See notes on Funding Form Example)

- Finance: Send Funding Forms to Members (Director and Alternate) – **January 5**
- Finance: Send Reminder Emails to Counties who have not yet returned Forms – **February 28 and March 20**
- Finance: Enter funding amounts into Revenue Summary Worksheet to assist with the budgeting and billing – **As forms are received**
- Finance: Provide Admin and Program with a copy of the Revenue Summary Worksheet (to include recommended funding amount, and funding amount submitted by county comparison) – **April 1**
- Program and Admin: Confirm funding values which differ from the suggested amount and determine the following – **April 5:**
 - Approve the funding at the lower level with no further discussion needed

- If a county is reducing funding for a program and further discussion is needed with the county to reach an agreement (ex. Pulling funds from a collaboratively funded program)
- If a county is withdrawing from a program
- If a county is wanting to participate in a new program
- Other

Draft Renewal Participation Agreements

Draft Renewal PAs will be drafted starting **April 5**, based on the funding figures provided by the Counties.

- Admin: Draft Renewal PA's reviewed and sent to counties – **April 14**
 - Email will be sent to Board Representative, Alternate, and any noted contacts for programs
 - Confirmation of participation will be asked to all Counties who have not returned their Funding Form.
 - Any PAs with funding figures in question, should be delayed until those have been resolved by CalMHSA Staff and County Staff.

Determining Funding Levels for Non-Returned Forms

Counties who have not returned their Funding Form by the deadline, despite the reminders, will still be sent PA's with a request to confirm their participation.

- PEI: Invoiced at Board Approved 4% of County's PEI Funding
- State Hospital Beds: Invoice at the determined funding amount based on beds purchased
- Suicide Hotlines: Determined by call %
- Presumptive Transfer: Fiscal will calculate the administrative fee based on funding level

Invoicing

- Fiscal: Provide Admin with a copy of the Revenue Summary to confirm totals match the PA's sent to Counties. – **April 30**
- Admin: Review the provided Revenue Summary and note any discrepancies to Fiscal –**May 15**
- Fiscal: Process and Issue County Invoices, and save them to a dedicated folder on the J drive - **May 25**
- Admin: Upload County invoices to the Portal – **June 1**

INFORMATIONAL REPORTS – PROGRAM MATTERS

Agenda Item 5.B.1

SUBJECT: PEI UPDATE

RECOMMENDATION:

None, information only.

CURRENT STATUS AND BACKGROUND:

Following Board approval on January 28, 2020, CalMHSA released a Request for Proposals (RFP) for the Prevention and Early Intervention (PEI) Three-Year Program Plan FY 2020/2021 – 2022/2023. The RFP was informed by the CalMHSA PEI Three-Year Program Plan for FY 2020-2023, written in collaboration with RAND Corporation and CalMHSA Members, which was approved by the Board at the January 2020 Board Meeting. The RFP sought proposals for the roles to support Stigma Discrimination and Reduction (SDR), Suicide Prevention (SP), and Student Mental Health (SMH). This includes training and technical assistance (County and Community-Based Organizations), social marketing, network and collaboration, and dissemination.

During the June 17, 2020 Board of Directors meeting, in lieu of approving the RFP panel's recommendation the current PEI Contracts were approved for extensions up to 6 months. This action allowed for the opportunity to ensure the PEI program addressed both COVID-19's impact on wellbeing and social justice related to racial discrimination and inequity. The current social marketing campaign and materials also need a refresh. CalMHSA Staff have taken next steps based off the Board's action and input. Below is an outline of those next steps:

- 1) Engage RAND to determine opportunities for greatest impact in the areas of stigma discrimination and reduction, student mental health, and suicide prevention
- 2) Engage RAND to determine opportunities to maximize previous investments in PEI, focusing on the Return of Investment (ROI)
- 3) Identify opportunities to expand the reach of messaging through all forms of media (earned, paid, co-branding, etc.)
- 4) Increase social marketing engagement
- 5) Increase utilization of messaging at the local level which will further Members' current messaging activities
- 6) Develop support for County Public Information Officers (PIO) in developing local messaging on stigma discrimination and reduction, mental health awareness, and access to local services and resources
- 7) Increase utilization of Directing Change films to promote local resources
- 8) Leverage existing Directing Change partnerships with county behavioral health departments and schools
- 9) Develop and implement webinars and other resources for parents and educators through Directing Change

10) Increase the frequency of messaging through Directing Change to address COVID-19 and racial inequities

REFERENCE MATERIAL(S) ATTACHED:

- None

INFORMATIONAL REPORTS – PROGRAM MATTERS

Agenda Item 5.B.2

SUBJECT: STATE HOSPITAL UPDATE

RECOMMENDATION:

None, information only.

CURRENT STATUS AND BACKGROUND:

Department of State Hospitals Bed Rate Update:

According to Welfare and Institutions Code (WIC) 4330, the Department of State Hospital (DSH) must validate the costs associated with any prospective reimbursement alteration. Therefore, the State Hospitals blended bed rate negotiated by CalMHSA for the FY 12-13 has remained stagnant, due to the DSH's inability to validate costs. In FY 18/19 DSH commenced the reimbursement adjustment determination process.

CalMHSA has recently been informed that the DSH has concluded their internal process and has submitted the cost reimbursement report to the Department of Finance (DoF) and the California Health and Human Services Agency (Agency). If the report is approved by DoF and Agency, at that time CalMHSA will be provided the report. Upon receiving the report, CalMHSA will share with our Members and begin the process of validating the proposed rates.

DSH initially hoped to incorporate the pending rates into a mid-year adjustment of the recently approved amended MOU for State Hospital Beds. However, CalMHSA strongly opposed this position due to the financial strain it would cause to Counties attempting to amend budgets mid-year. DSH understood counties position therefore will not be implementing the rate adjustments until FY 21-22. It is CalMHSA's understanding this rate is likely to be significantly higher.

The MOU Amendment to extend the term for an additional year, has been finalized. This is a three-party agreement, as in the past, which requires three signatures (DSH, CalMHSA, County). That said, DSH and CalMHSA have executed the Amendment, and will the MOU will be sent to each county for execution between August 14 – 18.

Counties will be asked to execute all three copies, while retaining one for their records and returning 2 original copies to CalMHSA.

Alternative to State Hospitals Project:

At the June 2020 CalMHSA Board meeting, the Motion to select Wellpath Recovery Solutions (Wellpath) as the provider for the prospective Alternative to State Hospitals (ASH) project was approved (see Board Agenda attached). CalMHSA subsequently entered into a non-financial, Memorandum of Understanding with Wellpath for guidance and planning of the proposed facility. Upon the selection of a site, received county commitments, and approval of the Board, a formal agreement will be entered into with Wellpath.

Based on the above approval, and in alignment with the timeline presented to the Board (attached), CalMHSA has convened the ASH subcommittee to review and provide feedback on the draft Wellpath presentation. In addition, the committee has met with Kern County to affirm their continued openness to utilization of the proposed Lerdo site. Based on this feedback, Wellpath, CalMHSA staff and subcommittee members, are working on the presentation materials. The presentation will focus on providing background on the project, description of the proposed facility, intrinsic value, accountability measures, financial structure and costs.

The next stage of the proposed timeline consists of presentation(s) to the interested Board members with the goal of determining the interest and appetite for the ASH facility. These presentation(s) will take place in the Fall of 2020 and would ultimately culminate with another Board vote to support the project moving forward, if the County support allows for financially viable project moving forward.

However, thus far, based on initial conversations with Directors there is a clear lack of comfort with the selected provider and the project outcomes as a whole. Hearing this feedback, CalMHSA plans on continuing in the near term with project presentation(s) to Counties, as outlined above, and moving forward will consider alternative options based on the feedback of the Board to ensure the direction of the project is meeting the short and long term needs of our members. The direction that is ultimately taken will be decided collaboratively among CalMHSA and the Board.

REFERENCE MATERIAL(S) ATTACHED:

- Timeline
- June Board Memo
- Executive Summary

ALTERNATIVES TO STATE HOSPITALS

NEXT STEPS AND TIMELINE

The goal of the project is to ultimately build a 250-bed facility by 2023 that will be controlled by the counties and while meeting their patient's needs. . To do so, CalMHSA will enter into an MOU with Wellpath for the purpose of developing a project plan that will include input from the committee and participating member counties.

The following is a general plan and description of significant events, which is subject to change due to assessments made over the course of time.

Steps

June and July, 2020	<ol style="list-style-type: none">1. Board approval to enter into a Memorandum of Understanding (MOU) with Wellpath for the following purposes:<ol style="list-style-type: none">a. Assess and affirm proposed Kern County location.b. Wellpath to assemble its team and affirm participation and roles:<ol style="list-style-type: none">i. Project Developerii. Architectural and Designiii. Constructioniv. Financialc. CalMHSA to affirm the sub-committee for project.d. Scope of work centered on a basic Design, Build, and Finance (DBF) model to present to CalMHSA and interested individual members, to include:<ol style="list-style-type: none">i. Design plans and estimated cost of construction.ii. Financing Model(s).iii. Estimated timeline from design to occupancy.e. Preparation of presentations to CalMHSA and interested members.f. The above services will be performed at no cost to CalMHSA—other than internal staff and travel costs of committee.
August— October, 2020	<ol style="list-style-type: none">2. Wellpath and CalMHSA<ol style="list-style-type: none">a. Individual and/or group Presentations to membersb. Participate in individual presentations (preferably to include high level representation by county)<ol style="list-style-type: none">i. Individual counties decide level of participation: Tier 1(see below for Tier definitions) Letter of Intent to Participate (not a formal commitment at this time); Tier -

- Letter of intent to reserve bed for future use (not a formal commitment at this time).

- c. ***Wellpath, CalMHSA, and the subcommittee will evaluate expressed intent of county participation to discern if financially viable. *It is estimated there should be a minimum commitment of 80% of beds of Tier 1 members (or 200 beds per year)***
- d. Present to CalMHSA Board for approval—if sufficient critical mass is achieved, we begin entering into contracts, if not the project is abandoned or modified.

November— January, 2021	<ul style="list-style-type: none"> 3. Execution of Contracts <ul style="list-style-type: none"> a. Participation Agreements for each Tier 1 participating county <ul style="list-style-type: none"> i. Will provide for terms and costs based on minimum bed commitment requirement b. Reservation Agreements for each Tier 2 member—no financial commitment, but an indication that there is a strong sense a member county intends to procure beds c. Wellpath team begins design and construction steps d. Enter into Land Lease Agreement with Kern County e. Draft Operational Agreement prepared
Early 2021	4. Design complete and signed-off
Early 2021	5. Staffing plan developed and recruitment started
Mid-Late 2022	6. Construction complete and signed-off
Early Fall 2023	7. Licensing complete and move
Fall 2023	8. All equipment and internal finishes complete
Early 2023	9. Occupancy



Financial Model

Objectives

1. No costs to members until Day One of Occupancy
 2. The hospital (a 250-bed facility)—site, building, equipment and operations are 100% financed by daily bed rates
 3. Rates are to be comparable to DSH bed rates—as projected
 4. Member or CalMHSA are not debt holders or guarantees
 5. Two levels of participation
 - a. Tier 1—Represented by members who signed Participation Agreements, of which committed to annually procure a minimum level (target is 80%) of beds per year. This Tier shall have guaranteed annual rates on a rolling three-year basis
 - b. Tier 2—Represented by members who are interested in procuring beds on an as-needed basis and are unable to commit to the annual minimum bed provision. This rate shall be higher than the Tier 1 rate.
-

Funding Mechanisms

1. Fundamentally supported through the counties' long-history of procuring beds of up to \$150 million per year.
 2. Counties who have signed Participation Agreements and Reservation Agreements
 3. CHRS shall form a 501 (c) 3 Organization for purposes of being the entity that issues Tax Exempt Bonds (25, 30, or 40 years)
 - a. Shall consist of a Board with CalMHSA holding a majority vote
 - b. Shall service the debt through payments from bed use
 - c. Shall pay for the Operator and Facility Manager
 - d. Hold the land lease
 4. Hospital structure shall revert back to CalMHSA upon retirement of all debt—while we could project actions at that point it is too difficult and unnecessary to predict at this time.
 5. Costs of construction and equipment—up to \$170 million (without land cost)
 6. Annual costs to operate—up to \$10 million
-

Hard costs to County

1. Daily bed rate—by the time of completion \$650-\$725
 2. These costs are not additional costs for the county but replace costs of beds currently procured.
-

Intrinsic Value Considerations:

Due to this unique situation, for the first-time, counties can direct and control operations, access a new facility, and obtain many other characteristics of great value that cannot be accessed from the State Hospital facilities today. While not science based, the following is an attempt to begin to quantify the value of such enhancements. Not factored here is the potential savings as noted above.

The below analysis has been built on elementary and subjective rationale. If we round up and use a \$650 per bed rate that would be paid to the state, what would be the additional fee a member would pay for the characteristic below:

Hospital Board member/committee member and Contracting party with the Operator, including termination	\$25
Overall improved care and treatment	\$25
Significant reduction in length of stay	\$15
New facility, equipment, and design	\$15
Access to beds without limitation	\$10
Enhanced systems - EHR, Patient Portal, Patient Monitoring, Performance Dashboards, Workforce Management, and safety and security	\$10
Risk of losing beds at all DSH facilities	\$0
	\$100

The sum of the above is \$100, which would mean that for the above features a comparable rate would be \$750 per day.



MEMORANDUM**TO:** CalMHSa Board of Directors**FROM:** Michael Helmick**DATE:** June 17, 2020**RE:** Alternative to State Hospitals

In September of 2019, the Board approved CalMHSa to release a Request for Statement of Qualifications for providers interested in participating in the ASH program. CalMHSa, and the ASH Committee, moved forward with two rounds of interviews of two organizations, Wellpath and Telecare. Following the interviews, CalMHSa and committee members conducted site visits of each provider locations. Sites visited:

1. Telecare Gladman Mental Health Rehabilitation Center in Oakland, California
2. Wellpath South Florida State Hospital in Pembroke Pines, Florida.

While each organization brought significant experience and passion for the project, ultimately Wellpath was selected due to their proven ability and past experience to efficiently execute a project with similar scope (clients-served, level of care required, and magnitude) as the proposed project. In addition, Wellpath has developed several safety protocols and measures the committee felt would support the project. Among these measures are active patient monitoring, key control, electronic health records, and other modern technological and patient safety measures. Lastly, the committee felt strongly that the proposed funding model and experience of Wellpath most accurately meets the County needs and would allow the participating counties to budget accordingly for their communities. This funding proposal would require no up-front costs and Counties would only be obligated to pay for the beds desired, with the option to procure additional beds as needed.

JUSTIFICATION OF MOVING FORWARD WITH THIS PROJECT:

The genesis of this project began due to a shortage of LPS beds provided by the Department of State Hospitals, with no competitive alternative for options or comparison. Six years later, the California State Hospital system continues to have a considerable backlog that has

directly impacted counties and their patients. In addition, the State has indicated a bed rate increase is imminent.

The ASH solution continues to resonate with counties as it is projected to provide counties with:

- An additional 250 LPS beds.
- Competitive pricing—In addition to the DSH beds, currently at \$626 per bed per day and projected to go \$750+, the responding counties indicated they are paying daily bed rates ranging from \$250 to \$1200 per bed per day. In reality, some counties will save considerable funds and others may incur greater costs if they use this alternative.
- A financed new facility with no capital costs incurred by counties or CalMHSA
- Complete operational control of the facility, and most importantly patient care and outcomes.
- More effective placement of county patients in appropriate environments where the patient's care is provided in the way they can recover most effectively.
- Likely a reduction in person-served length of stay, corresponding cost savings, and benefits to community.
- Modern technology and building support system - The current DSH facilities, all but one built over 50 years ago, do not allow for modern advancements which improve patient outcomes and safety of patients and staff.
- Potential for significant reduction in county liabilities due to likely reduction in patient harm incidents (\$20 million paid, with an estimate of an additional \$56 million liability to individuals/families that did not receive adequate treatment or have died by suicide while incarcerated in county jails—this does not consider legal and increased insurance costs).

COUNTIES PURSUIT OF ALTERNATIVES TO THE CALIFORNIA STATE HOSPITALS

CURRENT ENVIRONMENT

The Department of State Hospitals (DSH) currently operates five hospital facilities (Atascadero, Coalinga, Metropolitan, Napa, and Patton). Collectively, these five hospitals operate approximately 6000 beds, including forensic and civilly committed patients.

- Lanterman-Petris-Short Act (LPS)
- Incompetent to Stand Trial (PC 1370)
- Offenders with Mental Illness (PC 2962/2972)
- Not Guilty by Reason of Insanity (PC 1026)
- Sexually Violent Predators (WIC 6602/6604)
- Mentally Ill Offenders from CDCR (PC 2684)

Since 2014 CalMHSa has successfully negotiated and stabilized rates for these LPS beds at \$626 per bed day. However, rates are expected to face a significant increase in the 2020-21 budget year. In addition, there is currently a wait list of at least 215 LPS individuals awaiting a state hospital bed. Due to this waitlist Counties are forced to spend significant time and resources placing these individuals in alternative facilities. Unfortunately, these facilities are often inadequate, or inconsistent with the needs of the individual's wellness and recovery and have daily bed rates that range from roughly \$250 to \$1200.

All but one of the State Hospital facilities were built over 50 years ago and lack optimal architectural design and modern, person-centric technologies, such as Electronic Health Record (EHR) and person-served/staff risk management protections.

BACKGROUND

In April of 2012, members directed CalMHSa to explore the development of State Hospital bed purchase agreements for members. Following this work, it became clear that members would benefit from expanding the pool of providers for these bed types.

In the ensuing years, CalMHSa explored potential site locations, as well as potential methods for funding such a significant project. Identifying a suitable location has been challenging due to the scale of the project, determining a geographically suitable location, and potential NIMBY concerns.

In 2019, the Board directed CalMHSa to undergo a RFSQ for interested vendors. CalMHSa has continued conversations with two organizations and site visits will occur in the first quarter of 2020.

PROPOSED SOLUTION

The ultimate goal of this program is to build a 250 bed, State Hospital level facility which would be controlled by the counties. The project will be a new structure using the design-build-finance model.

The proposed facility would be 100% funded via bed rates, and these bed rates will be at least competitive with the existing rates paid to the DSH. This rate will encompass ALL costs, including financing and facility management/staffing. Due to current capacity issues, this cost is not intended to be new county costs, as the individuals that will be served in the new facility are likely those that are being served in alternative facilities.

It is anticipated that there would be a two tier bed rate, one rate for members who annually commit to procure a minimum number of beds will be guaranteed a lower rate and a second rate that would be for the counties unable to commit to a minimum bed but use for overflow and capacity challenges.

CalMHSA, in partnership with our Hospitals Committee Workgroup, has determined a site in Kern County to be a viable option for this project. This site, near the Lerdo correctional facility, is an ideal location for this facility as it is geographically adjacent to major pockets of need. Due to the rural setting and an existing locked facility on the parcel this location has limited NIMBY concerns.

BENEFITS OF PROPOSED SOLUTION

The California State Hospital system has continued to have a considerable backlog that has directly impacted counties and the individuals the counties serve. This solution will allow counties to have complete operational control of the facility, and most importantly client's care and outcomes. This control will allow for more effective placement of individuals in appropriate environments where the person's care is provided in the way they can recover most effectively.

Complete operational control over the facility would enable the participating counties to establish performance metrics—surrounding treatment, recovery, length of stay, security and safety, record keeping, etc. Counties currently do not have this control within the current State Hospital system. In fact, only 9% of the State Hospital patient population is LPS individuals, and the State Hospitals have become a de facto extension of the criminal justice system. Additionally, as opposed to the current DSH system, there will be no limits to the patient acuity level for the proposed site.

The new facility will allow for the inclusion of modern technological advancements which have shown to improve care, safety of persons-served and staff, and enhanced person-served satisfaction. These advancements include EHR and risk management protocols such as:

- Client monitoring technology
- Performance dashboards
- Video monitoring
- Key control
- Workforce management resources.

In addition, there is the ability to place additional individual protection requirements on the selected vendor, such as an ombudsman, a separate board, and frequent evaluation of key measures. These measures will additionally reduce the potential liability for the provider and counties.

For example, counties have collectively paid nearly \$20 million to individuals that did not receive adequate treatment or to families of individuals who have died by suicide while incarcerated in county jails. In addition, there is an estimated \$56 million in potential liabilities which are still currently pending. There is a significant likelihood that these jailed individuals would be candidates for the proposed facility. Thus, in addition to the intrinsic value to the persons-served, the proposed facility will also benefit counties by directly reducing the liability

NEXT STEPS

Moving forward, CalMHSA will continue to work with the counties participating in the committee to decide on the most appropriate course of action. This decision will be brought before the CalMHSA Board for vetting and approval.

If the CalMHSA Board elects to move forward with a preferred proposal, then CalMHSA will meet with interested county members to understand their potential interest and level of participation to determine if the project will be viable moving forward. If it is determined that the project is viable, CalMHSA will begin the contracting process with the preferred vendor.

The project is projected to be operational in 2023.

FOR MORE INFORMATION

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INFORMATIONAL REPORTS – GENERAL DISCUSSION

Agenda Item 5.C.1

SUBJECT: REPORT FROM CalMHSA PRESIDENT – DAWAN UTECHT

RECOMMENDATION:

None, information only.

CURRENT STATUS AND BACKGROUND:

CalMHSA President, Dawan Utecht, will provide general information and updates regarding the JPA.

- General

REFERENCE MATERIAL(S) ATTACHED:

- None

INFORMATIONAL REPORTS – GENERAL DISCUSSION

Agenda Item 5.C.2

SUBJECT: REPORT FROM CalMHSJPA EXECUTIVE DIRECTOR – DR. AMIE MILLER

RECOMMENDATION:

None, information only.

CURRENT STATUS AND BACKGROUND:

CalMHSJPA Executive Director, Dr. Amie Miller, will be reporting on the status of CalMHSJPA projects.

- CalMHSJPA Assessment

REFERENCE MATERIAL(S) ATTACHED:

- None