

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

636



**FROM:** Department of Mental Health

**SUBMITTAL DATE:**  
April 24, 2006

**SUBJECT:** Approval of the increased aggregate amount and Amendments to the FY 05/06 contracts with Institutes of Mental Disease (IMD) providers.

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

1. Approve the increased annual aggregate from \$4,000,000 to \$5,000,000;
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 Medi-Cal rate adjustments not to exceed the aggregate amount of \$5,000,000 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 \$5,000,000 annually through June 30, 2008.

**BACKGROUND:** Continued on page 2

**THESE AMENDMENTS HAVE BEEN FORM APPROVED BY THE OFFICE OF THE COUNTY COUNSEL.**

JW:KS

*Jerry Wengerd*  
Jerry Wengerd, Director  
Department of Mental Health

<b>FINANCIAL DATA</b>	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:	05/06 - 07/08

<b>SOURCE OF FUNDS:</b> 85.77% Realignment, and 14.23% 3 <sup>rd</sup> Party	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE** *Lisa Brandt*

**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:  
Per Exec. Ofc.:

3008 468 SE 4M11: 35  
RECEIVED RIVERSIDE COUNTY

**SUBJECT:** Approval of the increased aggregate amount and Amendments to the FY 05/06 contracts with Institutes of Mental Disease (IMD) providers

**BACKGROUND:** (continued)

On May 17, 2005, item 3.18, the Board approved the first amendment to the FY 0405 agreements, and authorized the Purchasing agent to enter into amendments with the IMD providers and to renew to June 30, 2008, the contracts with the IMD providers not to exceed an aggregate amount of \$4,000,000.

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

These contracts are established to provide service at this necessary level of care. The contract maximum is based on a projected utilization. This utilization is been monitored throughout the year to determine the fiscal year-end utilization projection. With the growing population in Riverside, the need for this level of care has also increased. Additionally, the State Department of Mental Health notified counties of an annual rate increase, however, notification was received months after the rate was already increased. The Department received a notice (DMH Information Notice No.: 05-11) from the State Department of Mental Health on February 21, 2006, that the rate was increased from \$125.32 a day to \$133.09 per day per client, effective July 1, 2005 to June 30, 2006. The State also notified the Department that this rate would continue to increase at 6.5% annually from July 1, 2006 to June 30, 2008. With these two factors being taken into consideration, it is necessary for the Department to increase the annual aggregate amount for these services by \$1,000,000.

A summary of the contracts with IMD providers

<b>CONTRACTOR</b>	<b>CURRENT CONTRACT MAXIMUM</b>	<b>Additional due to Rate Increase</b>	
Country Villa	\$1,100,000	\$64,232	\$1,164,232
Braswell dba. Sierra Vista	\$1,204,531	\$72,510	\$1,277,041
Vista Pacifica	\$767,000	\$43,715	\$810,715
Shandin Hills	\$928,469	\$53,225	\$981,694
Yr end utilization projection		\$500,000	\$500,000
<b>TOTAL</b>	<b>\$4,000,000</b>	<b>\$733,682</b>	<b>\$4,733,682</b>

**SUBJECT:** Approval of the increased aggregate amount and Amendments to the FY 05/06 contracts with Institutes of Mental Disease (IMD) providers

**BACKGROUND:** (continued)

There are sufficient funds in the Department's budget for Fiscal Year 2005/06 to provide for these necessary amendments. Funding for these four 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.