

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

348 

FORM APPROVED COUNTY COUNSEL  
BY: MS Victor 05/12/08  
DATE: MARSHAL VICTOR

**FROM:** Department of Mental Health

**SUBMITTAL DATE:**


**SUBJECT:** Approval of increased aggregate for FY 2007/08 Institutes of Mental Disease (IMD) contracts and Approval of the FY 2008/09 contracts with Institutes of Mental Disease (IMD) providers.

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

1. Increase the FY 2007/08 Institute of Mental Disease (IMD) aggregate from \$7M to \$9M; and authorize the Purchasing Agent to enter into FY 2007/08 amendments;
2. Approve the FY 2008/09 contract renewals with Institutes of Mental Disease (IMD) providers as outlined in Attachment A;
3. Authorize the Purchasing Agent to enter into necessary amendments with the IMD facilities for the annual state rate adjustment 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 State rate adjustments not to exceed the aggregate amount of \$9,000,000 for all, through June 30, 2013;
4. Authorize the Purchasing Agent to establish new contracts not to exceed \$100,000 under the approved aggregate amount; and
5. Authorize the Purchasing Agent to renew these contracts annually not to exceed the annual aggregate of \$9,000,000 through June 30, 2013.

**BACKGROUND:** On June 26, 2007, Agenda item 3.46, the Board of Supervisors approved contracts with the IMD providers through FY 2013. The Purchasing Agent was authorized to enter into amendments, annually renew existing contracts with the IMD facilities for any state rate adjustments, and to transfer funds between these contracts as necessary, adjusting the amount according to the actual usage of each IMD while staying within the annual aggregate amount of \$7,000,000 for all through June 30, 2013.

JW:KAS

  
Jerry Wengert, Director  
Department of Mental Health

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$9,000,000	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$0	Budget Adjustment:	NO
	Annual Net County Cost:	\$0	For Fiscal Year:	07/08-12/13

<b>SOURCE OF FUNDS:</b> 86% State & 14% 3 <sup>rd</sup> Party	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

BY:   
Debra Cournoyer

**County Executive Office Signature**

Dep't Recomm:  Consent  Poli   
Per Exec. Ofc:  Consent  Poli

Prev. Agn. Ref.: 6-26-07, 3.46; 2-27-07, 3.63; 5-2-06, 3.27; 5-17-05, 3.18; 8-10-04, 3.49

District: ALL

Agenda Number:

**3.35**

**SUBJECT:** Approval of increased aggregate for FY 2007/08 Institutes of Mental Disease (IMD) contracts and Approval of the FY 2008/09 contracts with Institutes of Mental Disease (IMD) providers.

**BACKGROUND:** (continued)

The Department of Mental Health (RCDMH) has analyzed the projections through FY 2008/09 and with increased utilization and rate increases imposed by the State, the aggregate amount needs to be increased by \$2,000,000 to cover the costs of treating these severely mentally ill clients.

Each IMD provider contract maximum is based on a projected utilization multiplied by the State mandated IMD rate. With the rapidly growing population in Riverside County, the need for this level of care has greatly increased. Utilization is monitored throughout the year to determine the projected contract need. The State Department of Mental Health (DMH) has previously notified counties of rate changes via Information Notice No.: 05-11, notifying Counties that the rate for IMD services would increase by 6.5% annually effective July 1, 2005 through June 30, 2008. Thereafter, effective July 1, 2008 the reimbursement rate for IMDs will increase by 4.7% annually. The rate for FY 2008/09 is calculated to be \$156.98 per bed day.

IMD providers are state licensed Skilled Nursing Facilities with a Special Treatment Program serving adult clients ages 18 to 64. Consumers of these services are placed into IMD facilities based on the severity of their mental illness, treatment needs and the availability of beds. Treatment services include: self-help skills training, behavioral intervention training, interpersonal relationships, discharge planning, and pre-vocational preparation services. RCDMH is also responsible to pay for ancillary services, which include psychotropic medications. The IMDs provide a lower level of care from the Inpatient Treatment Facility (ITF) and are more cost effective. Without these IMDs, clients will have to be placed at the County's Inpatient Treatment Facility (ITF) at a significantly higher cost to the Department.

RCDMH currently contracts with four (4) IMD providers; Country Villa Riverside Healthcare Center, Sierra Vista, Vista Pacifica Enterprises, Inc., and Shandin Hills Rehabilitation Center. A summary of contract obligation is summarized in Attachment A.

**FINANCIAL IMPACT:**

There are sufficient funds in the RCDMH's budget for FY 2008/09 to provide for this necessary increase. Funding for these IMD services 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.

## ATTACHMENT A

### RIVERSIDE COUNTY DEPARTMENT OF MENTAL HEALTH CONTRACT JUSTIFICATIONS, FY 2008/2009

Institutes for Mental Diseases (IMDs) are State-licensed Skilled Nursing facilities (SNF) with special treatment programs, serving clients within the age range of 18-64. Treatment services include: self-help skills training, behavioral intervention training, interpersonal relationships, discharge planning, and pre-vocations preparation services (i.e. homemaking, work activity, and vocational planning).

<b>CONTRACTOR</b>	<b>FY 2007/08</b>	<b>ADJUSTMENT Increase/Decrease</b>	<b>AMOUNT</b>	<b>FY 2008/09</b>
Country Villa Riverside HealthCare Center.	\$2,758,000	<b>Increase</b>	\$543,808	\$3,301,808
Shandin Hills Rehabilitation Center.	\$1,428,000	<b>Increase</b>	\$383,518	\$1,811,518
Sierra Vista	\$1,089,900	<b>Increase</b>	\$601,482	\$1,691,382
Vista Pacifica Enterprises, Inc.	\$1,724,100	<b>Increase</b>	\$471,192	\$2,195,292
<b>TOTAL</b>	<b>\$ 7,000,000</b>		<b>\$2,000,000</b>	<b>\$ 9,000,000</b>