



DATE: 5/15/2019

TO: Honorable Members of the Board of Supervisors  
Jeffrey V. Smith, M.D., J.D., County Executive

FROM: René G. Santiago, Deputy County Executive/Director, SCVHI DocuSigned by: Rene Santiago A968A3B7E216400...  
Toni Tullys, Director of Behavioral Health Services DocuSigned by: Toni Tullys AB2AABE6ED30409...

SUBJECT: Board and Care Facilities Closing – Implications for Santa Clara County

Under advisement from the Board of Supervisors (Board) meeting on April 15, 2019, at the request of Supervisor Simitian, the Board directed Administration to return to the Board by May 29, 2019 with the recommended off-agenda report related to reports of Board and Care (B&C) facilities closing at an alarming rate and any implications that might exist for Santa Clara County. This report provides the requested information.

As published in the San Francisco Chronicle on April 15, 2019, it was reported that San Francisco B&C homes for seriously mentally ill (SMI) clients are closing at an alarming rate due to escalating costs. Specifically, the article notes that while housing values soar and minimum-wage increases drive up staffing costs, state reimbursement rates to B&Cs have remained stagnant and more facilities are shutting their doors.

In Santa Clara County, the Behavioral Health Services Department (BHSD) contracts with 11 B&C facilities. The relationships and contracts with many of these facilities have been in place for over 15 years. These facilities and the populations they serve are summarized below.

<u>Facility</u>	<u>Client Population</u>
Riviera Villa	Young Adults/Adults
Laurel Haven	Older Adults/Wheelchair/Medical/etc.
Diya Senior Care	Blind/DD/General Population
Sunrise RCF	General Population/Adults
Luxury Villas	Hearing Impaired/General Population
New Horizons	General Population
Stone Haven	Medical/General Population
South County Retirement Home	Adults/Older Adults
Min's	Female Adults
Drake House	Medical/Older Adults
Success Groups	General Population/Adults

In total, the contracted facilities provide a varying number of slots (or potential client placements) for County residents requiring different levels of supported care. Our current contract is for 248 beds (with a planned fiscal year (FY) 2019 amendment increasing to approximately 267 beds). In addition to the B&C component, many clients in these facilities have the support of the Department's outpatient teams that provide an array of clinical services and support. Specific to Santa Clara County, the Department funds a B&C Liaison position that closely coordinates any identified County needs against the available services in the community and provides ongoing assistance to the supplemental board and care providers. The Department also holds quarterly meetings with the supplemental B&C homes to provide technical assistance and training to the providers who directly care for these clients in the community.

To support the various levels of care required by these clients, the Department provides additional financial funds (often called "patch rates") to supplement the contracted rate and to further provide financial support to the contracted facilities. These additional patch rates vary between \$39/Day to \$150/Day and are dependent on the level of care required by each of the clients.

In addition to the coordination, supplemental funding, and specialized referral process, the Department also seeks to enhance efficiencies with these contracted facilities and support them by the following mechanisms:

1. To ensure responsible financial planning, each fiscal year the Department creates a projected budget based on past utilization of services and existing capacity so that accuracy for future needs can be accounted for in an appropriate manner.
2. To help manage capacity and levels of care within all contract facilities, the Department conducts a six-month review to ascertain if the clients continue to meet their current level of care or if they have improved so that they can step down to a lower level of care, which opens bed capacity. Outpatient case managers ensure that their clients have appropriate housing placements before they are stepped down.
3. The Department actively searches for new providers that might be able to provide care for the SMI clients and negotiates the services that they are able to provide. On occasion, the Department needs to contract with out of County facilities if a client's needs are beyond what the existing B&C facilities are able to provide.

While Santa Clara County's property values have increased, the above mechanisms have somewhat mitigated reductions in capacity of these scarce resources. However, there does appear to be a growing trend of B&C facility owners who are retiring and who wish to close these properties upon their retirement. The reasons provided are often related to the costs and direct services associated with providing complex care to a population that is aging and also seriously mentally ill. As this population increases, the demand for these beds will increase. the Department anticipates challenges with available placements. To address these needs, the Department has included Mental Health Services Act (MHSA) funding in the FY 2019 MHSA

Annual Plan Update to support any potential purchases of residential facilities to ensure that future capacity aligns with future needs.

cc: Miguel Marquez, Chief Operating Officer  
James R. Williams, County Counsel  
Megan Doyle, Clerk of the Board  
Chief Board Aides  
Debbie Dills Thompson, OBA  
Agenda Review Administrator