

DATE: 10/18/2019

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,
County of Santa Clara Health System

DocuSigned by:

René G. Santiago

A968A3B7E216400...

DocuSigned by:

Toni Tullys

AB2AABE6ED30409...

Toni Tullys, Director of Behavioral Health Services

SUBJECT: Mental Health Pay for Success Project Update and Outcomes

At the August 22, 2019 Health and Hospital Committee, Board of Supervisor Ellenberg requested the Behavioral Health Services Department (BHSD) to provide an off-agenda report on the evaluation of the County's Pay for Success "Partners in Wellness" program. Here is the requested information.

The Office of the County Executive ("County") recognized that the Behavioral Health Services Department (BHSD) cares for many high-need individuals who make extensive use of 24-hour psychiatric services (e.g., Emergency Psychiatric Services, Barbara Aarons Pavilion, Institutes of Mental Disease and contract inpatient psychiatric hospitals) without ultimately finding stable recovery in the community. This was obviously hard on those service users and posed significant fiscal and logistical challenges for the county. To serve such individuals more effectively, while also being a good steward of public funds, the County launched a highly innovative "pay for success" mental health initiative in 2016.

The BHSD contracted with Telecare Corporation, the selected vendor in a procurement process, to provide a package of Assertive Community Treatment (ACT) and Supported Housing to individuals who both experience serious mental illness and have a history of extensive, repeated, 24-hour psychiatric service utilization. Of note, the BHSD is currently implementing ACT services across the Adult/Older System of Care to address the needs of this population.

The Telecare agreement was no ordinary contract, for two reasons. First, individuals were randomly assigned to Telecare versus standard services, which will allow a rigorous assessment at the project's conclusion about its clinical impact on patients. Second, under a novel financial agreement, Telecare would receive financial bonuses if it were unusually successful at reducing unnecessary 24-hour psychiatric service utilization and would face financial penalties if they were not successful in this task.

At the conclusion of the planned six (6)-year study, the overall effect of Telecare services on enrolled patients' mental health and well-being outcomes (target enrollment 230 Telecare recipients and 230 usual care recipients) will be assessed by a Stanford University team.

Throughout this 6-year period, the same Stanford University team is regularly comparing the service utilization patterns of Telecare patients with those of similar patients cared for by the County prior to the project's launch. That historical sample of similar patients was used to set targets for reducing utilization against which Telecare's performance is judged, receiving financial rewards or penalties accordingly.

During the first evaluation period (January 1, 2017-June 30, 2017) and the second evaluation period (July 1, 2017-June 30, 2018), Telecare patients required substantially lower than expected 24-hour psychiatric care services. This included Telecare exceeding targets for reduced use of acute BAP services by 50% and use of IMDs by over 60%. For both periods, Telecare received the maximum pay for success bonus because they had overperformed so significantly. Analysis of the third evaluation period (July 1, 2018-June 30, 2019) is nearly complete and while not finalized, again indicates very strong performance by Telecare at reducing psychiatric care utilization.

A final assessment of the clinical and well-being impact services awaits full enrollment of the Telecare sample as well as those individuals randomized to receive other services. What can be said definitively at this moment is that Telecare has thus far more than exceeded the County's expectations for reducing unnecessary 24-hour psychiatric service utilization. Indeed, in the most recent completed evaluation period, the cost offset of the care avoided (\$870,000) exceeded the performance bonus paid to Telecare (\$140,000) by a factor of six.

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