

Better Health for All



County of Santa Clara Health System

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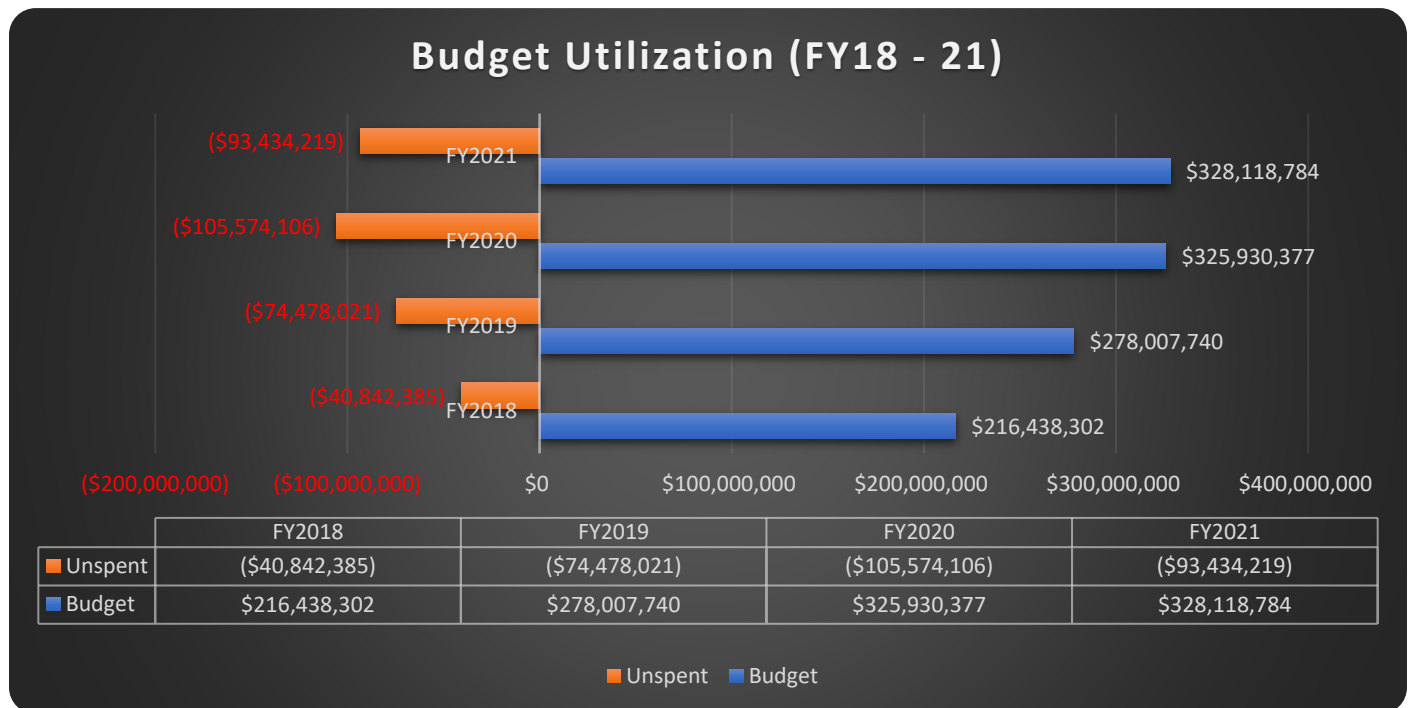
TO: Honorable Members of the Board of Supervisors
 Jeffrey V. Smith, M.D., J.D., County Executive

FROM: René G. Santiago, Deputy County Executive/Director, County of Santa Clara Health System (Health System) 
 Sherri Terao, Director of Behavioral Health Services Department (BHSD) 

SUBJECT: Processes to Address Underspending

During the Board of Supervisors’ Budget Session on June 14, 2021 (Item No. 41), Supervisor Ellenberg requested that the BHSD provide an off-agenda report on recommendations for a process by which BHSD can overcome underspending barriers and a roadmap to address the issues identified, specifically with the goal of ensuring allocated resources translate into services for residents and improved outcomes.

Budget Utilization



There were several main factors that contributed to the budget increase in Fiscal Year (FY) 2019:

- A 12% increase to each agency's specialty mental health service rates to help facilitate higher compensation to quality and clinical staffing so that the community-based organization could hire and retain needed staff.
- Rightsized programs by increasing and decreasing the average dosage and service mix for community-based organizations to have the funding needed to meet required levels of care.
- Increased or decreased the active slot capacity to meet the actual needs of the community. Mainly increased active capacity due to meet the current demand for services.

The unspent funds by fiscal year represents numerous programs serving different populations with different needs. Reasons for unspent funds may vary by program. Some programs may need more funding, while others are underspending. The unspent funds in FY 2019 were due to the 12% increase and right sizing of the programs. The unspent funds for FY 2020 were also attributed to the 12% increase and continued right sizing, with the addition of the new Intensive Full Service Partnership (IFSP), Forensic Assertive Community Treatment (FACT), and Assertive Community Treatment (ACT) programs that were impacted by the start of the COVID-19 pandemic and shelter-in-place restrictions. In FY 2021, the unspent funding decreases slightly through the successful completion of right sizing of certain programs. The BHSD continues to monitor and right size programs by shifting funding from underutilized programs to overproducing programs to meet community needs.

Strategic Roadmap

Children, Youth, and Family (CYF) System of Care

The CYF System of Care has completed an analysis of individual program performance and outcomes. In addition to studying program performance and outcomes, the CYF sought to understand where the underspending of funds existed to strategize whether program modifications would be appropriate.

During the COVID-19 pandemic there was a decline in referrals for programs, which can account for underspending. However, as the pandemic progressed, there was a steady increase in the referrals resuming to pre-COVID demand. To address the decreased referrals during the pandemic in the Spring of 2020, CYF System of Care collaborated with the BHSD Call Center and contract providers to strategize distribution of referrals and identify impacted programs ensuring all programs capacity was maximized. This weekly meeting was ongoing and provided an opportunity for discussion and troubleshooting the flow of referrals throughout the systems of care. The CYF System of Care further engaged in collaboration with contract providers (i.e., Asian American Community Involvement, Health Right 360, Gardner Health Services, Uplift Family Services, and Alum Rock Counseling Center) through a workgroup called the Strike Outreach Team for the launch of youth driven social media campaigns with the goals of promotion, continuous outreach, and reducing stigma around mental health and substance use services.



Since 2016, the CYF System of Care has held quarterly meetings with the contract providers to discuss overall performance and utilization of programs to maximize services. These discussions include budgets, underspending, overspending, number of services provided, recruitment, hiring and retention of staff, network adequacy, challenges and successes. The CYF System of Care also holds monthly program specific meetings for more in-depth dialogue about the service delivery and to collaboratively troubleshoot with providers any challenges presented.

The provider meetings offer an opportunity for ongoing discussion around program performance and recommendations to providers on maximizing the services and right size programs. Based on review and discussions with contract providers around maximizing programs, in May and July of 2021, the CYF System of Care presented a set of recommendations to our community stakeholders and providers around reappropriation of unspent funds, which would not reduce capacity to any program but would allow for growth in areas of need by leveraging unspent funds. Below are the recommended reappropriation strategies for the CYF system of care, including midyear adjustments in FY 2022 and modifications for FY 2023:

- Shift funds within the same level of care to maximize services to children, youth, and families (including outpatient, intensive outpatient, and ethnic specific programs).
- Right size budgets (does not impact service delivery or capacity) releasing unspent funds from contracts and making them available in the fiscal year to augment growing programs and address demand as needed.
- Increase capacity in Transitional Age Youth (TAY) program.
- Increase capacity in Full-Service Partnership TAY program.
- Increase capacity in School Based Services program.
- Increase capacity in Prevention and Early Intervention (PEI) Program.
- Increase capacity in School Linked Services (SLS) Family Engagement Program for SLS Coordinators.
- Collaborate with school districts on the delivery of substance use treatment services on campuses.

Below are two programs the CYF System of a Care has identified as having more significant underspending and for which, as appropriate, program specific strategies have been applied:

- **IFSP** – The IFSP program, a program serving high need children and youth, was a robustly funded new program implemented in 2019. Since its inception, the program experienced a low level of referrals which continued through the pandemic. Specific strategies were employed to ensure full utilization of the program, including outreach and presentations, call center training on the criteria for the program, and collaboration with the service providers on the processes for stepping clients up in services as needed.
- **allcove** – The allcove integrated centers providing a one “stop shop” for youth in need of physical and behavioral health, peer support, and educational and employment supports, did



not open until June 25th of 2021. All the costs associated with operating the centers i.e., rent, utilities, security, etc. began after the opening in June 2021. The program is ramping up and fully operational. The unspent budget will be tapped into as needed to address modifications to the program.

Adult and Older Adult (AOA) System of Care

Prior to the COVID-19 pandemic, the AOA System of Care was engaged in a large expansion of its continuum of services for individuals with severe behavioral health needs. This expansion of the AOA continuum of care was based on the Mental Health Services Act (MHSA) Needs Assessment initiated by BHSD in 2017 to identify gaps and opportunities in prevention efforts and direct services. Although BHSD initiated an aggressive ramp-up period for the adult and older adult system redesign and the expansion of the new intensive programs (e.g., In- Home Outreach Program [IHOT], ACT, FACT, and IFSP), the implementation of programs was delayed from starting in July 2019 to December 2019 due to challenges in recruiting staff, securing a location for the operation of the program, and Department of Health Care Services (DHCS) Medi-Cal certification requirements. As a result, this impacted the ability to maximize program spend in FY 2019 and 2020. In addition, there was also the inability to maximize funding in these programs during the COVID-19 pandemic and the shelter-in-place restrictions which began in March 2020, only three months after the implementation of these programs.

The pandemic and restrictions meant staff could not discharge clients from the Institutions of Mental Disease (IMD) and utilize the programs as designed due to the vulnerability of the population and inability to adhere to the shelter-in-place restrictions. The BHSD developed other strategies to utilize the program and increase capacity, including developing a diversion process where clients discharging from acute inpatient settings and Emergency Psychiatric Services (EPS) were referred to the intensive programs for aftercare and outpatient services. This strategy helped increase the number of clients served in the intensive programs. The BHSD continues to trouble shoot and diligently manage referrals to the intensive programs as week as meet with the contract providers bi-weekly.

The BHSD is also hosting multi-disciplinary meetings comprised of contract providers, the Finance Unit, Contract Monitors, Quality Improvement, and Decision Support staff to forecast and project expenditures and revenue twice a year. The goal is to determine programs that are anticipated to underspend or not maximize their financial obligation and make contract adjustments as soon as possible. On the other hand, if the programs reviewed are over producing, the multi-disciplinary team will increase funding as appropriate. The BHSD continues to meet with providers monthly to review services, funding, access to services, and challenges. The BHSD is also using these meetings to modify programs that appear to be under or overspending. In FY 2020, the BHSD amended the contracts of two providers who appeared to be receiving more referrals due to their geographical location. Through the quarterly contract amendment processes, the BHSD obtained funding to address this barrier. Through this analysis, the BHSD increased capacity in some contracted programs and reduced capacity in programs that were underspending and moved that funding to other over producing programs within the same agency.



The BHSD Substance Use Treatment Division's contractors expended all the allocated funds within their contracts for FY 2017-2021. These contractors met all the contracted treatment capacity in the fiscal years prior to the COVID-19 restrictions. During the height of the COVID-19 pandemic, the residential and social-detoxification programs were required to reduce their capacity by 50%, and the outpatient programs continued to operate at 100% capacity. Since July 2021, the residential and detoxification programs have gradually returned to 100% treatment capacity.

On August 8, 2021 and August 23, 2021, the BHSD (both the CYF and AOA Systems of Care) also held collaborative meetings with the impacted contract providers (i.e., Abode Services, Community Solutions, Momentum for Health, HomeFirst Services of Santa Clara County, LifeMoves, and Gardner Family Health Network) to study the need for flexibility in contracts related to outreach and reengagement activities. The goal was to understand the challenges and develop a strategy to ensure that contract providers have the flexibility in their contracts to conduct and bill outreach and reengagement activities for individuals for whom traditional methods of engagement are not sufficient.

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