

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS

ACTION AGENDA SUMMARY

BEHAVIORAL HEALTH AND RECOVERY SERVICES

DEPT:

BOARD AGENDA# B-19

Urgent Routine

AGENDA DATE November 4, 2003

CEO Concurs with Recommendation YES NO (Information Attached)

4/5 Vote Required YES NO

SUBJECT:

APPROVAL OF RECOMMENDATIONS REGARDING STANISLAUS BEHAVIORAL HEALTH CENTER AND AMENDMENT OF THE SALARY AND POSITION ALLOCATION RESOLUTION - BEHAVIORAL HEALTH AND RECOVERY SERVICES

STAFF RECOMMENDATIONS:

- 1. AUTHORIZE AMENDMENT OF THE SALARY AND POSITION ALLOCATION RESOLUTION IN BUDGET UNIT 4041 TO REFLECT THE CHANGES DETAILED IN THE STAFFING IMPACT SECTION OF THIS ITEM
2. AUTHORIZE THE AUDITOR-CONTROLLER TO INCREASE BUDGET EXPENDITURES AND REVENUES CONSISTENT WITH THE ATTACHED BUDGET JOURNAL FORM

(Staff Recommendations Continued on Page 2)

FISCAL IMPACT:

Approval of this request will increase the Fiscal Year 2003/2004 budget allocation for Stanislaus Behavioral Health Center, Budget Unit 4041, by a total of \$942,716. The expenditures for salaries and benefits will increase by an estimated \$563,716. The expenditures for contracting with "traveling nurse agencies" as well as recruitment and retention activities will increase the services and supply categories by a total of \$379,000.

(Fiscal Impact Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2003-1043

On motion of Supervisor Caruso, Seconded by Supervisor Grover and approved by the following vote,

Ayes: Supervisors: Paul, Mayfield, Grover, Caruso, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1) Approved as recommended
2) Denied
3) X Approved as amended
4) Other:

MOTION: Amended the item adding a staff recommendation which approved and authorized the Interim CEO to extend the additional benefits identified in the staffing impacts at such time as is necessary to ensure that sufficient nursing personnel are recruited to meet statutory requirements of the Inpatient Program at Stanislaus Behavioral Health Center

Christine Ferraro TALLMAN, Clerk

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FISCAL
IMPACT:

(Continued)

Some of the increased expenditures will be offset by increased reimbursement for services provided to Medi-Cal beneficiaries and individuals covered by private insurance. There is sufficient fund balance to cover the remainder. There are no County General Fund dollars in this budget unit and, thus, there is no impact on the County General Fund.

STAFF
RECOM-
MENDATIONS:

(Continued)

4. UPON APPROVAL OF THE CHIEF EXECUTIVE OFFICER, AUTHORIZE THE BEHAVIORAL HEALTH AND RECOVERY SERVICES DIRECTOR TO DEVELOP AND IMPLEMENT A PROGRAM OF ONE-TIME TEAM RETENTION INCENTIVE PAY FOR NURSES OF UP TO \$5,000 PER FULL-TIME PSYCHIATRIC NURSE ASSIGNED TO THE INPATIENT PROGRAM AT STANISLAUS BEHAVIORAL HEALTH CENTER WHO REMAINS EMPLOYED FOR AT LEAST ONE YEAR FROM THE DATE OF INITIAL HIRING
5. AUTHORIZE THE BEHAVIORAL HEALTH AND RECOVERY SERVICES DIRECTOR TO DEVELOP A PROGRAM THAT REWARDS AND RECOGNIZES EMPLOYEES WHO SIGNIFICANTLY CONTRIBUTE TO THE RECRUITMENT OF ADDITIONAL PSYCHIATRIC NURSES ASSIGNED TO THE INPATIENT PROGRAM AT STANISLAUS BEHAVIORAL HEALTH CENTER

DISCUSSION:

In a unique partnership, Stanislaus County operates Stanislaus Behavioral Health Center under the licensure of Doctors Medical Center in order to fulfill regulatory requirements associated with access to behavioral health care for residents of Stanislaus County. The psychiatric inpatient hospital is managed and staffed by Stanislaus County Behavioral Health and Recovery Services. Licensed for 67 beds, the census for the facility averaged 58 in Fiscal Year 200/2003. The facility includes a 15-bed unit for children and adolescents. Stanislaus Behavioral Health Center plays a crucial role in behavioral healthcare not only for residents of Stanislaus County, but also for residents of the entire northern San Joaquin Valley. It is the only acute psychiatric facility in Stanislaus County and one of very few acute psychiatric hospital facilities in the Central Valley. The facility provided care for Medi-Cal beneficiaries from 43 California counties during the previous year. In addition,

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DISCUSSION:
(Continued)

Stanislaus Behavioral Health Center has the only child and adolescent psychiatric treatment program between Sacramento and Bakersfield.

Assembly Bill 394 (Statutes of 1999) requires the State Department of Health Services to establish minimum licensed nurse to patient ratios. The licensed nurse to patient ratios were established in August 2003 and become operational on January 1, 2004. The nurse to patient staffing ratio for psychiatric units of acute hospitals (of which Stanislaus Behavioral Health Center is one) was set at one nurse to six patients. The statute does not provide for any additional State or other funding for this new mandated requirement.

This ratio must be in effect at all times and on all shifts, including during staff breaks and during the night shift when patients are sleeping. The statute indicates that willful or repeated violation of these provisions is a crime.

Current staffing at Stanislaus Behavioral Health Center provides for a staff to patient ratio that exceeds the new requirements; however, staff are not all licensed nursing personnel. The current staffing composition consists of Registered Nurses, Licensed Vocational Nurses, Licensed Psychiatric Technicians, trained mental health aides, Recreational Therapists, master's level mental health clinicians and psychiatrists. The current direct care staff to patient ratios are 1:2 during the day and 1:4 or 1:5 during swing and night shifts. The current licensed nurse to patient ratios are 1:8 or 1:9 during day and swing shifts and up to 1:27 during the night shift.

Compliance with regulations regarding the licensed nurse to patient staffing ratio for psychiatric units of acute hospitals will result in significant increased costs to Stanislaus Behavioral Health Center. Despite the increased costs, it is the intent of Behavioral Health and Recovery Services to meet the new standards, if required. Staff have met and analyzed options for operation of the facility under the new regulations and have concluded that to continue to operate the facility as a 67-bed acute psychiatric unit of an acute hospital is the most viable and advantageous option. Advantages of this option include maintaining the current bed capacity, enhanced cost efficiency and the ability to continue to serve both public and private sectors. However, there is a financial risk if the recruitment and retention of licensed nursing personnel is not successful.

There is currently an acute shortage of nurses in California, which will severely impact the facility's ability to meet the new standards. The new nurse to patient ratio will undoubtedly intensify the already critical

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DISCUSSION:
(Continued)

shortage of nurses in the State. Consequently, increased competition will increase costs due to salary increases and other compensation for nurses. It is proposed that 34 additional full-time and part-time nurses will be needed to comply with the new regulations. The addition of a Nurse Manager position is also proposed. The Nurse Manager would provide orientation and additional training to licensed nursing staff as required by the legislation. Since 50% the required licensed nursing personnel can be Licensed Vocational Nurses or Licensed Psychiatric Technicians, several of the new positions can be underfilled with persons in these classifications. On the other hand, the facility will need fewer staff in other classifications. The specific impact on other full-time or part-time staff is unknown at this time since we are uncertain about how quickly we can recruit new nursing personnel. It is possible that attrition and vacancies in other parts of the organization may absorb any full-time staff affected by these changes.

CLASSIFICATION	CURRENT	REQUIRED	ADDITIONAL STAFF NEEDED
Nurse – Full-time	32	51	19
Nurse – Part-time	9	24	15

Behavioral Health and Recovery Services is recommending increased compensation for nurses in order to enable the organization to remain competitive in the market for licensed nursing staff. The proposal includes the following increases:

- An increase of 15% in the differential paid to Psychiatric Nurses for working on an inpatient unit at Stanislaus Behavioral Health Center
- A salary increase of 20% for Licensed Vocational Nurses
- A differential of \$75 a shift for working weekends
- A differential of 30% for extra-help and part-time Psychiatric Nursing staff
- Maintenance of the current shift differentials
- Maintenance of the current benefit package

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DISCUSSION:
(Continued)

It is estimated that increased costs for staffing, including additional staff and the proposed increases in compensation will be \$1,058,791 annually.

Based on our survey of other local hospitals, increased compensation alone may not achieve the desired results of increased hiring and retention of licensed nursing personnel. Other incentives to relocate or change jobs are necessary to attract nurses and to retain them once they have been hired. Additional activities to attract and retain nurses are recommended.

- Increased intensive Marketing (advertising, career fairs, etc.)
- Implementation of primary nursing care to improve job satisfaction of nursing personnel
- Reimbursement of relocation expenses for newly hired nursing staff
- Increased utilization of existing provisions for educational stipends for employees who wish to promote to Registered Nurse, Licensed Vocational Nurse or Licensed Psychiatric Technician
- The development of a one-time team retention incentive of \$5,000 per new nurse after the first full year of employment. The retention of nurses is often dependent on the working environment created by peers and others. Some facilities offer retention bonuses to employees who stay for a period of time. Based on review and recommendations from staff, it is recommended that the new employee not only be rewarded, but that the entire team to which the nurse is assigned also receive an incentive.
- An increase in Registered Nurse tuition reimbursement from the current level of \$325 to \$1,500 per year with the understanding that the nurse continue to work for Stanislaus County for at least another year.
- Increased use of flexible scheduling
- A streamlined hiring process
- Short-term hiring of traveling nurses to meet immediate needs while new staff are recruited and possibly as potential recruits.

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DISCUSSION:
(Continued)

Projected costs of these additional recommendations are another \$413,320 for the first year; \$543,240 for the second year; and \$143,370 in ongoing costs if fully implemented.

Given that there is no statutory allowance for flexibility in the licensed nurse to patient ratio legislation, Behavioral Health and Recovery Services will request flexible implementation from the State Department of Health Services pursuant to the regulations. This will allow for a period of time to recruit and develop the nursing staff required under the regulations. The organization will also request possible exemption from the regulations due to the fact that Stanislaus Behavioral Health Center primarily serves patients who are evaluated to be a danger to themselves or others. It is unlikely that Stanislaus Behavioral Health Center can recruit the number of nurses necessary by January 2004. Without this flexibility, the facility may be forced to close beds depending on the level of enforcement and sanctions taken for non-compliance. Since this action will not only negatively affect Stanislaus County, but other counties throughout Northern California as well, Behavioral Health and Recovery Services has requested letters of support from other counties regarding the request for implementation flexibility or possible exemption.

The County's legislative consultants were also briefed regarding possible actions to delay implementation or to exempt Stanislaus Behavioral Health Center from the regulations. Since the results of these actions are not known at this time, it is requested that the Chief Executive Officer and the Behavioral Health and Recovery Services Director be authorized to implement the recommendations only if necessary to avoid reducing bed capacity at Stanislaus Behavioral Health Center.

POLICY
ISSUES:

Approval of recommendations with regard to licensed nursing staff to patient ratios meets the Board priority of ensuring a safe and healthy community.

STAFFING
IMPACT:

It is recommended that the Salary and position allocation Resolution be amended for Budget Unit 4041 as follows:

- Add 19 Psychiatric Nurse I/II's
- Add one Nurse Manager

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STAFFING IMPACT:

(Continued)

- Approval of a 20% increase in compensation for Licensed Vocational Nurse I/II and III

- If necessary, implement the following recommendations to recruit and retain Psychiatric Nurses:
 1. Up to 15% additional in the differential paid for Psychiatric Nurses assigned to the inpatient units at Stanislaus Behavioral Health Center
 2. Additional compensation of 30% in lieu of benefits for Psychiatric Nurses employed as extra-help and assigned to the inpatient units at Stanislaus Behavioral Health Center
 3. Additional compensation of \$75.00 per shift for Psychiatric Nurses assigned to the inpatient units at Stanislaus Behavioral Health Center during shifts beginning between the hours of 6:00 a.m. on Saturdays and 12:00 p.m. on Sundays
 4. Increased tuition reimbursement for Psychiatric Nurses assigned to the inpatient units at Stanislaus Behavioral Health Center from \$325 per year to \$1,500 per year with the understanding that the individual receiving tuition reimbursement agrees to continue working for Stanislaus County for an additional one year after the reimbursement is received
 5. Reimbursement of relocation expenses of up to \$1,500 for Psychiatric Nurses with the understanding that the individual agrees to work for Stanislaus County for a minimum of two years.

<u>Acct</u>	<u>1st yr</u>
50000 CST to LPT stipend	\$14,560 *
50000 LPT/LPT to RN Stipend	19,760 *
50000 Increase in S&B	529,396 *
Total (A/C 50000) S&B	563,716
 63257 Travel Nurses	 249,600
 63591 Local Ad	 45,000
63591 Out of Area - nursing jrnl	6,500
63591 Out of Area - direct mail	20,000
63591 Out of Area - Internet	400
63591 Recruitment brochures	10,000
Subtotal Marketing	81,900
 63591 Recruitment incentive	 0
63591 Relocation Benefit	22,500 *
63591 Relocation Bonus	10,000 *
Total (A/C 63591) Recruitment Costs	114,400
 65780 Tuition Reimbursement	 15,000 *
Total Services & Supplies	379,000
TOTAL	\$942,716

* 50% of annual; prorated

Increase in S&B = 1,058,791 annual *.5 is 529,396

AUDITOR-CONTROLLER BUDGET JOURNAL

BUDGET JOURNAL SCREEN

Budget Organization: **Stanislaus Budget Org**
 Budget: **LEGAL BUDGET**
 Accounting Period From: **Jul-03**
 To: **Jun-04**



BATCH SCREEN

Journal Batch: **BHRS KKG 10/27/03** BO: **--**
 Category: **Budget**

Line	Coding Structure							Period	Description
	Fund	Org	Account	G/L Proj	Loc	Misc	Jun-04		
	4	7	5	7	6	6	AMOUNT		
1	4041	6611150	50000				.0	176,465.00	SBHC - C1 Salaries
2	4041	6611160	50000				.0	176,465.00	SBHC - C2 Salaries
3	4041	6611170	50000				.0	176,466.00	SBHC - D Salaries
4	4041	6611150	50000				.0	11,440.00	SBHC - C1 Salaries (Stipends)
5	4041	6611160	50000				.0	11,440.00	SBHC - C2 Salaries (Stipends)
6	4041	6611170	50000				.0	11,440.00	SBHC - D Salaries (Stipends)
7	4041	6611150	65780				.0	5,000.00	SBHC - C1 Education & Trng
8	4041	6611160	65780				.0	5,000.00	SBHC - C2 Education & Trng
9	4041	6611170	65780				.0	5,000.00	SBHC - D Education & Trng
10	4041	6611150	63257				.0	83,200.00	SBHC Admin - Contracts Agency Nursing
11	4041	6611160	63257				.0	83,200.00	SBHC Admin - Contracts Agency Nursing
12	4041	6611170	63257				.0	83,200.00	SBHC Admin - Contracts Agency Nursing
13	4041	6611150	63591				.0	38,133.33	SBHC - C1 Recruitment Costs
14	4041	6611160	63591				.0	38,133.33	SBHC - C2 Recruitment Costs
15	4041	6611170	63591				.0	38,133.33	SBHC - D Recruitment Costs
16							.0		
17							.0		
18							.0		
19							.0		
20							.0		
21							.0		
22							.0		
23							.0		
24							.0		
Totals								942,716.00	

To budget for FY03/04 costs related to the inpatient nursing compensation and recruitment.

Requesting Department	CEO	Auditors Office Only	
K.Gill Signature 10/27/03 Date	 Signature 10/31/03 Date	 Prepared By Date	Admin Approval (\$75K+) 10/31/03 Date