

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Behavioral Health Recovery Services

BOARD AGENDA # 6:45 p.m.

Urgent

Routine

AGENDA DATE May 19, 2009

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to consider and approve:
  - a. The restructuring and reduction of mental health services, and
  - b. The restructuring and reduction of substance abuse services.
2. Approve a reduction of 52 total positions, including a reduction in force of five filled positions and the deletion of 47 vacant positions in Behavioral Health and Recovery Services effective August 2, 2009 as outlined in Attachment A.
3. Approve the reclassification of one position in Behavioral Health and Recovery Services effective August 2, 2009 as outlined in Attachment A.
4. Amend the Salary and Position Allocation Resolution to reflect the recommended changes as outlined in this report effective August 2, 2009. (Continued on Page 2)

FISCAL IMPACT:

In October, Behavioral Health and Recovery Services (BHRS) identified deficits of approximately \$5.5 million in mental health services, and \$1.4 million in alcohol and drug services, for an on-going total structural short-fall of \$6.9 million. The Department has completed a more recent and updated analysis of its fund balance, taking into consideration cost-saving measures implemented early in the Fiscal Year. As a result the Department was able to revise its original structural deficit or shortfall to approximately \$3.1 million in mental health services and \$1.4 million in alcohol and drug services for a total of \$4.5 million. The Department is recommending a restructuring plan to eliminate this exposure, through reductions in staff and (Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-348

On motion of Supervisor Grover, Seconded by Supervisor Monteith and approved by the following vote,  
Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini  
Noes: Supervisors: None  
Excused or Absent: Supervisors: None  
Abstaining: Supervisor: None

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

MOTION: Approved Staff Recommendations Nos. 1-5; and, amended the item to direct the CEO and staff to meet with acute care hospitals in the area regarding the BHRS Restructuring Plan and to return to the Board prior to 08/02/09 if there are new recommendations to be considered.



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS: (Continued)**

5. Authorize the Chief Executive Officer and Behavioral Health Director to fulfill the operational activities associated with implementation of the above recommendations.

**FISCAL IMPACT: (Continued)**

outpatient psychiatric and substance abuse services. While this update results in a lower level of reductions, the program and staffing reduction impacts remain significant. Detailed information on potential impacts have been posted and published for 30 days in accordance with Section 1442.5 of the Health and Safety Code. Additionally, on May 5, 2009, the Board of Supervisors approved the Integrated Behavioral Healthcare Program expansion into the Federally Qualified Health Center Look-Alike Primary Care Clinic System of the Health Services Agency, which mitigates some of the originally expected staffing impact.

In addition, BHRS has identified future exposures as a result of audit findings, reduced discretionary funding as a result of a slumping economy, and potential changes in Medi-Cal billing regulations. The Department is able to set aside funding to mitigate the future impact of these exposures and maintain adequate fund balance going into Fiscal Year 2009-2010.

**DISCUSSION:**

**Background**

On April 21, 2009, Behavioral Health and Recovery Services (BHRS) presented a restructuring plan to the Board of Supervisors to eliminate a structural budget shortfall of approximately \$5.5 million in mental health funding and \$1.4 million in substance abuse funding. Over the past few years, BHRS has experienced increases in the cost of doing business offset by revenue in its "core" mental health programs that has remained flat. Allocation reductions made at the State level to various Health and Human Services programs, along with the impact of the slumping economy on sales tax receipts caused BHRS to enter Fiscal Year 2008-2009 with an anticipated deficit of approximately \$4.5 million. To balance the Fiscal Year 2008-2009 Proposed Budget, and avoid a reduction in force, the Department used an equivalent amount of fund balance. Unfortunately, this was just a one-time fix and was not a sustainable strategy to balance the budget in future years.

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 3

This revenue shortfall provided BHRS with the opportunity to reframe core mental health services using the Mental Health Services Act essential elements of community collaboration, cultural competence, client and family driven services, a wellness focus including the concepts of recovery and resilience, and an integrated services experience for clients and their families. Upon passage of the Fiscal Year 2008-2009 State budget, the Department's Senior Leadership team began an extensive review of its entire budget process and structure. Their goal was to develop a structurally sound budget that is grounded in the Board of Supervisors priority of *a healthy community*, is in alignment with emerging public mental health practices in California, and meets State and Federal requirements for mental health services. This effort brought several issues to light and enabled the Senior Leadership team to determine exactly what revenues the Department could expect for Fiscal Year 2009-2010.

### **What Changed?**

As a result of continued budget analysis, including careful analysis of the Department's fund balance and year to date structural changes related to positions and revenue production, the Department has identified additional fund balance (one-time funds) and has reduced its original estimated structural gap from \$5,500,000 in mental health services to approximately \$3,100,000. This was accomplished through program changes resulting in salary and operating savings during the fiscal year, along with significantly increasing staff productivity for Medi-Cal claiming that yields increased revenue. Unfortunately, the structural gap in substance abuse programs remains at \$1,400,000.

Through fund balance reconciliation, the Department has been able to set aside audit liability funds for both current and future exposures that are known or projected at this time. In addition, funds to mitigate a new State projection of additional decreased Realignment revenue in the amount of \$1.5 million for Fiscal Year 2009-2010 will be included in unreserved fund balance to absorb what is likely to be continued reduction in program and realignment revenues.

Set aside funds include the following:

- An Audit Liability account for known and future exposures in the amount of \$7,662,274, some of which dates back to 2007.
- A designated account for proceeds from the sale of Stanislaus Behavioral Health Center in the amount of \$6,472,935

Unreserved Department fund balance in the amount of \$2,852,062 will be available going into Fiscal Year 2009-2010.

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 4

It is recommended that using fund balance, on a one-time basis, the Department partially restore recommended reductions at Juvenile Hall for fiscal year 2009-2010, providing treatment services for in-custody youth and limiting the negative impact on the General Fund.

Several positions are no longer recommended for reduction. The changes focus on restoring services where financially feasible and sustainable over time. The recommended restructuring plan enables the Department to sustain the restructured programming with anticipated revenue and expenditures into future years. The plan also builds in set-asides for cost of living increases, audit liabilities and contingencies, as future fiscal uncertainties remain.

BHRS will continue to focus on delivering state-mandated services, including Medi-Cal specialty mental health services, and services for people with serious mental illnesses or emotional disturbances, along with other categorically funded programs. While delivering these services and making necessary structural changes, whenever possible, BHRS will leverage available resources to support the community's capacity for emotional health and wellness – a healthy community - for all Stanislaus County residents.

One way to accomplish this is to look at the Department's partners in the community. As the Department has implemented new Mental Health Services Act funded programs, it became evident that BHRS alone cannot deliver emotional health and wellness to Stanislaus County. In 2004, it was estimated that approximately 35,000 individuals in Stanislaus County were living with a serious mental illness or serious emotional disturbance; however, only 12,000 were served by the Department. This number has steadily declined, and in Fiscal Year 2007-2008 BHRS served only 9,500 individuals.

In Stanislaus County, more than two thirds of people who are estimated to need mental health services are not receiving these services from BHRS. While some individuals are getting no service at all, many others are receiving services from the relatively few other mental health providers in the community or are receiving support from a variety of other sources in our communities (schools, neighborhood centers, primary health care providers, families, senior services, faith based communities, and others). It is the Department's hope to both tap into, and assertively support these other resources in our community to assist with the declining revenue and service availability.

Community-based planning and stakeholder input to develop the Department's Mental Health Services Act Prevention and Early Intervention (PEI) plan emphatically underscored the need and willingness to work together as a community to develop our

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 5

shared capacity to support those individuals living with a serious mental illness, and their families. While BHRS is making recommendations to significantly reduce services and staffing in “core” services, the Department will be continuing Mental Health Services Act programs, first implemented in 2005. In addition, the PEI plan is focused on using these new resources to develop, jointly with the community, prevention services and early intervention services that will provide assistance early on to individuals of all ages, and their families, before a need develops for problems related to serious mental illness. It’s extremely unfortunate that these new developments in the field of public mental health are occurring at the same time that other State funding for mental health services is seriously eroding. Mental Health Services Act funding is specifically prohibited, by law, from being used to offset core program budget shortfalls.

**Revised Mental Health Restructure Plan**

Of the revised total structural shortfall or projected deficit of \$4.5 million, approximately \$3,100,000 is identified in the mental health budgets and not related to substance abuse programs.

The Federal Stimulus package will temporarily increase the Federal Medical Assistance Percentage (FMAP), also known as Federal Financial Participation (FFP) rates for all states. This rate reflects the amount of Federal reimbursement the Department receives for Medi-Cal services. Currently, for every dollar claimed, Behavioral Health and Recovery Services receives \$.50. The \$.50 balance is a County cost, typically funded via the Realignment allocation. With the FMAP increase, each State will receive a minimum 6.2% increase. In addition, adjustments will be made for states based on unemployment rates. The California Legislative Analyst’s Office is anticipating California’s final rate to be 61.59%, or approximately \$.62 per every dollar claimed. This rate may be in effect retroactive to October 1, 2008 through December 31, 2010.

The new FFP rate may increase revenue substantially for Fiscal Year 2009-2010, despite a corresponding decrease proposed by the State in the Department’s Managed Care allocation. However, this would be a temporary fix and would not eliminate the Department’s on-going structural issues. In addition, new information in the past two weeks indicates that California may not be eligible for FMAP funding. With that in mind, reductions are recommended to eliminate further cuts in Fiscal Year 2010-2011. A summary of impacts to client access, and estimated savings is included at the end of the narrative, below.

- ◆ Turlock Regional Services (TRS) are recommended to be refocused from a comprehensive service program to one providing Intensive Community Supports for

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 6

130 consumers, along with providing Wellness/Peer Support services for an additional 185 clients. Initial mental health assessments and referrals previously performed in Turlock will now be done by the Crisis Emergency Response Team in Modesto. In addition, Turlock will assume medication responsibility for 20 clients formerly seen at the Patterson Regional Services clinic. This change will redirect 2.5 full and part time Behavioral Health Specialist II positions to other Adult System of Care programs. 2 Mental Health Clinician II positions will be assigned to the Health Services Agency's Behavioral Health Integration project. The change will also require Turlock to need a smaller amount of leased space, for an additional savings of \$30,000.

- ◆ Oakdale Adult Mental Health Clinic, which is a satellite office of Turlock Regional Services, will be closed. An estimated 58 mental health consumers will need to travel to Turlock or Modesto to receive medication services.
- ◆ Modesto Recovery Services (MRS) are recommending that:
  - All mental health assessments and referrals as required under the Mental Health Plan be assumed by the Crisis Emergency Response Team;
  - A dual diagnosis (mental health and substance abuse) treatment track be developed;
  - Responsibility for a portion of the 58 clients in Riverbank and Oakdale be transferred to Modesto;
  - 30 clients needing less intensive mental health services will be transferred to the Wellness component at the Modesto site;
  - One Mental Health Clinician II position be eliminated from Modesto Recovery Services and transferred to the Health Services Agency's Behavioral Health Integration project;
  - One Behavioral Health Specialist II will be added to the dual diagnosis track.
- ◆ Ceres Medication Services are recommended to be eliminated. 57 clients receiving medication services at the Health Services Agency's Ceres Medical Office will be redirected to Modesto Recovery Services. This change will enable the Department to coordinate care under one Psychiatrist FTE.
- ◆ Wellness Recovery Center is recommended to streamline services and transfer 1 Behavioral Health Specialist II position to another Adult System of Care program. There will be no impact to clients.

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 7

- ◆ Senior Access and Treatment Team is recommended to reduce its caseload by 30 individuals age 60 and older. Additionally, approximately 78 individuals residing in Skilled Nursing Facilities will no longer receive mental health assessments and consultation from Department psychiatrists. This reduction in services will eliminate 1 Mental Health Clinician II position to be transferred to the Health Services Agency's Behavioral Health Integration project.
- ◆ The Employment Services contract with Turning Point Community Programs is recommended to end June 30, 2009. Starting July 1, 2009, the Department will provide job development, employment services and job shadowing on an in-house basis. There will be no impact to clients or services. Existing consumers will be transitioned to the in-house program. Two Behavioral Health Specialist positions will be transferred to the new program.
- ◆ StanWORKs Behavioral Health Services provides services to Temporary Aid to Needy Families (TANF) clients, to assist with job readiness, through a contract with the Community Services Agency. BHRS is recommending shifting the focus of services to provide more treatment services and less case management. The shift in focus will enable clinical staff to enhance revenue through increased Medi-Cal billing opportunities. There will be no impact to client services. However, the change will eliminate 2 Behavioral Health Specialist II positions.

This contract and the Department's Fiscal Year 2009-2010 Proposed Budget submission include approximately \$394,000 in CalWORKs Mental Health and Substance Abuse Treatment funding that was not previously in the Department's budget. Should there be any subsequent reductions in this allocation, the Department will need to return to the Board of Supervisors to request the reduction of a minimum of 3 additional Behavioral Health Specialist positions.

- ◆ Crisis Emergency Response Team (CERT) has moved to 500 N. 9<sup>th</sup> Street to be more fully integrated in the Adult System of Care. A recent review indicated that over 90% of CERT's services are provided in the field. Therefore, the need for a fully staffed, on-site crisis center is significantly reduced. This move still provides residents who are in crisis and seeking assistance with a familiar location for walk-in services, along with the ability to seek assistance from other adult programs located within the complex. As noted above, CERT staff will also provide initial mental health assessments and referral. As the focus of the program has evolved, changes in staffing were made throughout Fiscal Year 2008-2009. This final recommended change will reassign a Mental Health Clinician II to the Health Services Agency's Behavioral Health Integration project and eliminate 1 Manager III position, along with

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 8

cuts to operating and contract expenses, such as security services. The elimination of additional staffing is anticipated to increase the wait time for a mental health assessment at local emergency rooms.

- ◆ Children's System of Care has moved 2 programs, Services to Severely Emotionally Disturbed Children, and Youth and Family Services, formerly occupying leased space into County-owned facilities for a savings of approximately \$99,184 per year. These moves have not impacted access to services.
- ◆ Juvenile Justice/Juvenile Hall/Juvenile Drug Court programs are recommended to reduce services due to elimination of State funding for these programs. Recommended changes to these programs include:
  - Discontinuance of mental health services, including counseling, Psychiatrist and nursing services, to 18-20 youth in the Intensive Treatment Unit at Juvenile Hall.
  - Elimination of 1 Behavioral Health Specialist II from Juvenile Drug Court, 1 Mental Health Clinician and 1 Administrative Clerk III from Juvenile Drug Court.

In addition, BHRS has collaborated with the Probation Department and the Chief Executive Office to restructure services to adolescents in the Juvenile Hall. Through combined funding efforts, BHRS will provide 2 Mental Health Clinician II positions, 1 Behavioral Health Specialist II position and part-time Psychiatrist and Psychiatric Nurse to facilitate services in Juvenile Hall. A collaborative effort to further refine this level of service will be an on-going effort with the two departments and may require some additional adjustments in the future.

- ◆ Leaps & Bounds provides services to children ages 0-5 through a contract with the Stanislaus County Children and Families Commission. For several years, the Department has supplemented the program with other grant funding. The Department initially recommended reducing the program to reflect only the Children and Families Commission funding, thus eliminating services to 65 mothers and children who have no health care insurance. One Mental Health Clinician and 1 Behavioral Health Specialist will be funded through other funding to sustain the program at current levels, pending the outcome of the May 19<sup>th</sup> Special Election. If passed, Proposition 1D could redirect current Children and Families Commission funding to support other State-funded programs.
- ◆ Oakdale Community Care Center for Children is a joint venture with the Center for Human Services and Sierra Vista Children and Family Services, serving children and their families in the eastern area of the County. The Department is no longer



Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 9

recommending that this facility be closed, thus sustaining local counseling services to 26 children and their families, and local medication support services for 20 children.

- ◆ Kinship Mental Health Services is no longer recommended to reduce case management services to 30 children and families. This change will retain 1 Behavioral Health Specialist II.
- ◆ Office of Public Guardian is recommended to reduce availability of transportation services to medical and court appointments for 150 vulnerable mental health consumers. This change will eliminate 1 Stock Delivery Clerk II position. The Stock Delivery Clerk position will be transferred to the Adult System of Care to provide transportation for adult clients losing access to services in outlying areas.
- ◆ BHRS Administration/Administrative Services are recommended to eliminate 6 positions in various administrative functions. This includes redistribution of Management functions in the Managed Care division, reassignment of two Managers and the downgrade of an Assistant Director position to Manager IV. To the extent possible, services performed by these staff will be absorbed by other administrative staff.

The Department's plan does not include any reductions to the collaborative Families in Partnership program, administered by the Community Services Agency (CSA). BHRS provides mental health and substance abuse services to this team through a contract with CSA. The Department's Fiscal Year 2009-2010 Proposed Budget submission includes funding for these services. However, if CSA is no longer able to provide full funding, the Department will return to the Board of Supervisors with a request to reduce 1 Mental Health Clinician II position and up to 3 Behavioral Health Specialist II positions in this program.

### **Substance Abuse Services Restructure Plan**

Alcohol and Drug funding has been dwindling for several years. The Department is primarily funded for these services through the Federal Substance Abuse Prevention and Treatment block grant and State General Funds. While the Federal block grant has remained relatively stable, State funding for substance abuse programs has been reduced. Consequently, the Department has used unspent Federal funds to sustain programming levels, especially for the Substance Abuse and Crime Prevention Act (SACPA), also known as Proposition 36. SACPA is a state-mandated program; however funding has not been sufficient to support the level of offenders referred by the

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 10

Courts. As a result, the Federal block grant has been supporting approximately 50% of the cost of service for the last 3-4 years.

Use of these funds for a state-mandated program has depleted all reserves and has caused the Department to recommend reductions in badly needed substance abuse services in the amount of \$1,400,000, due to the structural shortfall between program revenues and program expenses as follows:

- ◆ Stanislaus Recovery Center Adult Residential Services is recommended to reduce 20 beds formerly dedicated solely to substance abuse services. However, the Co-Occurring Treatment program, serving individuals with both mental health and substance abuse issues, will be increased by 10 beds for a net reduction of 10 beds overall. This represents services for approximately 127 consumers. The recommended switch in focus to co-occurring treatment will enable the Department to serve a rapidly growing service population and enable billing to Medi-Cal for the mental health treatment portion of the service. As part of the continued analysis of structural issues at Stanislaus Recovery Center, it was determined that only 2 BHS positions needed to be eliminated instead of 3. One will transfer to the restructured Intensive Outpatient Services track, resulting in the elimination of only one Behavioral Health Specialist position at SRC. Additionally, all substance abuse treatment services will be centralized at Stanislaus Recovery Center, with no increase in staffing, thus significantly increasing the wait time to access treatment.
- ◆ Stanislaus Recovery Center Day Treatment programming is being eliminated.
- ◆ Stanislaus Recovery Center Intensive Outpatient programming is recommended to be increased to partially compensate for the loss of substance abuse services in Stanislaus County. One Behavioral Health Specialist II as noted above will be transferred from the residential program to provide these services. Reductions will be made to other Stanislaus Recovery Center line items to enable the addition of one staff position.
- ◆ Outpatient Alcohol and Drug Services in Oakdale, Turlock and Patterson, consisting of 14 group meetings and 24 alcohol and other drug assessments per week, are recommended to be eliminated. All primary alcohol and drug services will be centralized at the Recovery Center site in Ceres, with no increase in staffing. This change will not completely eliminate access to services, but will require clients living in the eastern and western most parts of the County to travel to Ceres for services and wait longer to access treatment. As noted above, the Modesto Recovery Services site will refocus its substance abuse services on co-occurring treatment for

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 11

dual mental health and substance abuse issues, thus eliminating 15 weekly group meetings. This recommended change eliminates 6 Behavioral Health Specialist II positions assigned to Turlock Regional Services and Modesto Recovery Services sites.

- ◆ Adult Drug Court is recommended to reduce services to 25 individuals referred by the Courts, and eliminate 1 Behavioral Health Specialist II position
- ◆ Residential Perinatal Services to pregnant and post-partum women are recommended to be eliminated. Since opening Stanislaus Recovery Center (SRC) in 2002, the Department, in collaboration with the Community Services Agency, has contracted with the Center for Human Services and Sierra Vista Children and Family Services to provide both residential and outpatient Perinatal Services on-site at SRC. Funding cuts experienced by BHRS and the Community Services Agency necessitate closing the 13-bed residential facility and moving the outpatient services to another, less costly, location. Sierra Vista Children and Family Services are in the process of locating a new site. All staffing cuts will be absorbed by the contract agencies.

The result of this change will be the loss of access to treatment, in a safe and stable environment, for approximately 57 women with young children who are able to reside at the Center with their mothers. Women who do not succeed in outpatient programs and require residential services will need to be treated at Stanislaus Recovery Center, or an out-of-county facility, creating a possible out of home care situation for their children.

- ◆ Substance Abuse and Crime Prevention Act (SACPA), also known as Proposition 36, has used its total treatment allocation by January in each of the last 4 fiscal years. Services under this program are mandated by the proposition; however, the State is not mandated to fully fund them. As a result, the Department has used Federal Substance Abuse Prevention and Treatment Block Grant funding to subsidize these services, to the detriment of other outpatient substance abuse programs. There is no change in the anticipated allocation for Fiscal Year 2009-2010, requiring further cuts of approximately \$12,242 to offset increases in operating expenses. The bulk of these cuts are recommended to be in treatment services, which will be backfilled by the Federal Block Grant. There is no impact anticipated to client services. However, the wait time to access treatment will be increased. The SACPA program is recommended to be eliminated in the Governor's Fiscal Year 2009-2010 May Revision contingency proposal. The potential impact of this cut will reduce services even further and require an

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 12

additional reduction of up to 3 Behavioral Health Specialist II positions and 1 Administrative Clerk III. The reduction will also be devastating to Stanislaus Recovery Center. Of the \$1,000,000 in funding provided by SACPA, approximately \$700,000 is allocated to Stanislaus Recovery Center (SRC) to provide the required services. As noted above, SRC has already reduced substance abuse only beds. The continuing viability of SRC will be severely compromised.

As already noted, the Department has already put structural reductions in place, which have contributed to lowering the structural gap. These include:

- ◆ The Department is continuing its Strategic Hiring Freeze, with all hiring decisions discussed and carefully considered by the Senior Leadership Team in a weekly meeting prior to any action.
- ◆ A Productivity Project has been implemented to increase efficiency and maximize revenue claims. A target has been established by the Director and communicated to all staff. Reports have been developed and are posted on the Department's intranet for all staff to review. The Department has already experienced a 13.5% increase in staff productivity.
- ◆ Identified opportunities to increase revenue not previously included in budget.
- ◆ Through the Mental Health Services Act Prevention and Early Intervention planning process, the Department has made significant strides in its goal of community collaboration and development. This will continue to be a central strategy in all ongoing Department program planning activities, including those related to "core" services.
- ◆ Extra-help in the impacted classifications and those employed through Personal Services Contracts have been reviewed and reduced/eliminated as appropriate.
- ◆ All contracts, purchase orders and on-call pay have been reviewed and reduced where possible.

The impact chart (Attachment B) compares the April 21, 2009 recommendations, which were publicly advertised in compliance with Section 1442.5 of the Health and Safety Code, and the changes recommended in this item.

In order to avoid any further delay in balancing these budgets, this recommended plan is made concurrent with the State's special election on May 19, 2009, which could have

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 13

additional impacts on the Department's budget. Proposition 1E on that ballot proposes diverting Mental Health Services Act funding to be used as match funding for Early Periodic Screening Diagnosis and Treatment services to children. Proposition 1D proposes elimination of some local funds to the Children and Families Commission. Depending on the outcome of the election, the Department may return to the Board of Supervisors with additional recommended reductions.

The original reduction plan was reviewed by the Board of Supervisors' Health Executive Committee on Tuesday, April 14, 2009, and presented for information only to the Mental Health Board and the Advisory Board for Substance Abuse Programs on Monday April 13, 2009.

The level of detail and changing economic and program conditions demonstrate the volatility of funding for mental health and alcohol and drug programs in the State of California. While this report outlines a level of change from the original reductions planned, it is critical to retain financial resources as set-asides for what is expected to remain a volatile and unsettling time in the future. The state budget remains unbalanced and additional reductions to public services are now proposed in the Governor's May Revise scenarios released publicly on May 14, 2009. The constant seems to be that more change is highly likely to occur.

Regular reports will be made to the Board of Supervisors updating the latest in financial analysis and impacts to these programs.

**POLICY ISSUE:**

Approval of this action supports the Board of Supervisors' priority A *healthy community, Efficient delivery of public services* with continuing emphasis on *efficient delivery of public services*.

**STAFFING IMPACT:**

Currently there are 429 allocated full-time positions dedicated to the Department of Behavioral Health and Recovery Services. This report includes the recommendation to delete 52 of the 429 allocated positions. Of the 52 positions to be deleted, five are filled and require approval of a reduction-in-force action. Forty-seven positions are vacant and unfunded. Additional unfunded vacancies are recommended for deletion in the same classifications affected by the proposed reduction-in-force consistent with the application of the County's Reduction-in-Force Policy.

Public Hearing to Consider the Behavioral Health and Recovery Services Restructuring Plan, Including Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services Pursuant to Section 1442.5 of the Health and Safety Code

Page 14

The number of positions requested for deletion differs from those presented to the Board of Supervisors on April 21, 2009, from a previous total of 73 filled and unfilled positions to a new revised total of 52. The changes in the number of positions recommended for deletion reflect the modified service levels as identified in the discussion section of this agenda item and in Attachment B. Some positions in Alcohol and Drug programs have been restored as a result of a decrease in projected retirement costs for Fiscal Year 2009-2010. The Department has also formed a new partnership with the Health Services Agency to provide Licensed Clinical Social Worker staff for their Behavioral Health Integration project as approved by the Board of Supervisors on May 5, 2009. The Health Services Agency has agreed to contract with the Department to fund four Mental Health Clinician II positions, thus eliminating the need to delete those positions.

Further, it is recommended to downgrade one Assistant Director position to Manager IV to more accurately reflect the duties and needs for this position. Additionally, it is recommended that the current incumbent be demoted as part of a Reduction-in-Force related to this action. The effective date for the recommended position deletions and downgrades noted above will be August 2, 2009.

The current budget proposal and associated staffing impacts do not, at this time, include the use of mandatory employee furloughs in Fiscal Year 2009-2010. Although employee furloughs will reduce overall labor costs, the reduction of client services will also result in a reduction in billable revenue and therefore will not resolve the identified structural budget deficit. Should the upcoming State actions and decisions have an additional adverse effect on the Department budget, the Department will reconsider the potential fiscal savings of implementing employee furloughs in accordance with approved labor agreements.

The staffing attachment (Attachment A) reflects the details of the positions recommended for deletion and reclassification as part of this item. It is recommended the Salary and Position Allocation Resolution be amended to reflect the recommended changes upon the Board of Supervisors approving the effective date of August 2, 2009.

Behavioral Health  
Recovery Services  
Proposed Reduction-in-Force  
Attachment A

| Fund | Position | Allocated Classification        | Vacant/Filled | Filled Classification           | Recommendation     |
|------|----------|---------------------------------|---------------|---------------------------------|--------------------|
| 1503 | 2985     | Account Clerk II                | Vacant        |                                 | Delete             |
| 1501 | 3595     | Account Clerk III               | Vacant        |                                 | Delete             |
| 1501 | 8749     | Account Clerk III               | Vacant        |                                 | Delete             |
| 1501 | 3216     | Administrative Clerk II         | Vacant        |                                 | Delete             |
| 1501 | 9240     | Administrative Clerk III        | Vacant        |                                 | Delete             |
| 1501 | 9468     | Administrative Clerk III        | Vacant        |                                 | Delete             |
| 1501 | 9656     | Administrative Clerk III        | Vacant        |                                 | Delete             |
| 1501 | 10899    | Administrative Clerk III        | Vacant        |                                 | Delete             |
| 1501 | 1584     | Assistant Director              | Filled        | Manager IV                      | Downgrade Position |
| 1501 | 260      | Behavioral Health Specialist II | Vacant        |                                 | Delete             |
| 1501 | 278      | Behavioral Health Specialist II | Filled        | Behavioral Health Specialist II | Delete             |
| 1501 | 9663     | Behavioral Health Specialist II | Vacant        |                                 | Delete             |
| 1501 | 10031    | Behavioral Health Specialist II | Vacant        |                                 | Delete             |
| 1501 | 10032    | Behavioral Health Specialist II | Vacant        |                                 | Delete             |
| 1505 | 11168    | Behavioral Health Specialist II | Filled        | Behavioral Health Specialist II | Delete             |
| 1501 | 11686    | Behavioral Health Specialist II | Vacant        |                                 | Delete             |
| 1502 | 11855    | Behavioral Health Specialist II | Filled        | Behavioral Health Specialist II | Delete             |
| 1501 | 6381     | Confidential Assistant II       | Vacant        |                                 | Delete             |
| 1501 | 10387    | Family Services Specialist II   | Vacant        |                                 | Delete             |
| 1503 | 2238     | Manager II                      | Vacant        |                                 | Delete             |
| 1501 | 6797     | Manager II                      | Vacant        |                                 | Delete             |
| 1501 | 9243     | Manager II                      | Vacant        |                                 | Delete             |
| 1501 | 9739     | Manager II                      | Vacant        |                                 | Delete             |
| 1501 | 10070    | Manager II                      | Vacant        |                                 | Delete             |
| 1501 | 6798     | Manager II                      | Vacant        |                                 | Delete             |
| 1507 | 7035     | Manager III                     | Filled        | Manager III                     | Delete             |
| 1501 | 8256     | Manager III                     | Filled        | Manager III                     | Delete             |
| 1501 | 3742     | Medical Records Clerk           | Vacant        |                                 | Delete             |
| 1501 | 200      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 229      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 314      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1507 | 326      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 360      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 458      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 503      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 595      | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 5525     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 6377     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 6390     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 7041     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1507 | 7042     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 7459     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 8052     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 8255     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1507 | 8259     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 9250     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 9251     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 9486     | Mental Health Clinician II      | Vacant        |                                 | Delete             |
| 1501 | 9811     | Mental Health Clinician II      | Vacant        |                                 | Delete             |

Behavioral Health  
Recovery Services  
Proposed Reduction-in-Force  
Attachment A

|      |       |                            |        |  |        |
|------|-------|----------------------------|--------|--|--------|
| 1501 | 10427 | Mental Health Clinician II | Vacant |  | Delete |
| 1504 | 10997 | Psychiatric Nurse II       | Vacant |  | Delete |
| 1501 | 8989  | Stock Delivery Clerk I     | Vacant |  | Delete |
| 1501 | 3675  | Stock Delivery Clerk II    | Vacant |  | Delete |



**ATTACHMENT B**

**The impacts of the changes to Behavioral Health and Recovery Services client access are:**

| <b>Program</b>                                     | <b>Service Location</b>     | <b>Client Impacts<br/>4/21/09</b>  | <b>Revised<br/>Client<br/>Impacts<br/>5/19/09</b> | <b>Staffing<br/>Impacts<br/>4/21/09</b>                       | <b>Revised<br/>Staffing<br/>Impacts<br/>5/19/09</b>  | <b>Estimated<br/>Savings<br/>4/21/09</b>            | <b>Revised<br/>Savings<br/>5/19/09</b> |
|--|-----------------------------|--|---|---|--|---|--|
| Turlock Regional Services – Mental Health Services | 2101 Geer Rd, Turlock 95380 | 20 clients receiving medication services in Patterson will be redirected to Turlock. Mental Health assessments will only be done in Modesto. | <i>No change</i>                                  | 2.5 Behavioral Health Spec II<br>2 Mental Health Clinician II | <i>2.5 Behavioral Health Spec II positions will be retained and transferred to other Adult System of Care programs. 2 Mental Health Clinician II positions will be assigned to the Health Services Agency's (HSA) Behavioral Health Integration project.</i> | \$295,509 in staffing and \$30,000 in lease savings | \$0                                    |

| <b>Program</b>                                     | <b>Service Location</b>                 | <b>Client Impacts 4/21/09</b>  | <b>Revised Client Impacts 5/19/09</b> | <b>Staffing Impacts 4/21/09</b> | <b>Revised Staffing Impacts 5/19/09</b>  | <b>Estimated Savings 4/21/09</b> | <b>Revised Savings 5/19/09</b>            |
|--|---|--|---------------------------------------|---------------------------------|--|----------------------------------|---|
| Modesto Recovery Services – Mental Health Services | 500 N 9 <sup>th</sup> St, Modesto 95350 | 30 clients to be transferred to the Modesto Wellness component. 58 clients receiving medication services in Oakdale will be redirected to Modesto. Mental Health assessments will be done by the Crisis Emergency Response Team. | <i>No change</i>                      | 1 Mental Health Clinician II    | <i>1 Mental Health Clinician II will be retained and transferred to the HSA Behavioral Health Integration project.</i> | \$97,000                         | <i>No change</i>                          |
| Ceres Medication Services                          | 3109 Whitmore Ave, Ceres 95307          | 57 clients will be redirected to Modesto Recovery Services   | <i>No change</i>                      | N/A                             | <i>No change</i>   | None                             | <i>No change</i>                          |
| Turlock Alcohol and Drug Services                  | 2101 Geer Rd, Turlock 95380             | 275 clients will lose access to alcohol and drug services in Turlock and will experience longer waits to access  | <i>No change</i>                      | 3 Behavioral Health Spec II     | <i>No change</i>   | \$309,000                        | <i>\$309,000 in substance abuse funds</i> |

| <b>Program</b>                    | <b>Service Location</b>                 | <b>Client Impacts 4/21/09</b>   | <b>Revised Client Impacts 5/19/09</b>  | <b>Staffing Impacts 4/21/09</b> | <b>Revised Staffing Impacts 5/19/09</b>  | <b>Estimated Savings 4/21/09</b> | <b>Revised Savings 5/19/09</b>               |
|-----------------------------------|---|---|--|---------------------------------|--|----------------------------------|--|
|                                   |   | services at Stanislaus Recovery Center in Ceres.  |  |                                 |  |                                  |  |
| Oakdale Alcohol and Drug Services | 145 N 2 <sup>nd</sup> St, Oakdale 95361 | 43 clients will lose access to alcohol and drug services in Oakdale and will experience longer waits to access services at Stanislaus Recovery Center in Ceres. | No change  | N/A                             | No change  | \$7,490 in lease savings         | No change                                    |
| Modesto Alcohol and Drug Services | 500 N 9 <sup>th</sup> St, Modesto 95350 | 500 clients will be redirected to Stanislaus Recovery Center and will experience longer waits to access services.   | <i>450 clients will be redirected to Stanislaus Recovery Center and will experience longer waits to access services.</i> | 3 Behavioral Health Spec II     | <i>3 Behavioral Health Specialist positions will be reassigned to the Adult System of Care to provide mental health services</i> | \$309,000                        | <i>\$309,000 in Substance Abuse Services</i> |
| Patterson                         | 118 N 2 <sup>nd</sup>                   | 35 clients will lose  | No change  | N/A                             | No change  | \$5,000 in                       | No change                                    |

| <b>Program</b>            | <b>Service Location</b>                    | <b>Client Impacts 4/21/09</b>  | <b>Revised Client Impacts 5/19/09</b> | <b>Staffing Impacts 4/21/09</b> | <b>Revised Staffing Impacts 5/19/09</b>  | <b>Estimated Savings 4/21/09</b> | <b>Revised Savings 5/19/09</b>                             |
|---------------------------|--|--|---------------------------------------|---------------------------------|--|----------------------------------|--|
| Alcohol and Drug Services | St, Patterson 95363                        | access to alcohol and drug services in Patterson and will experience longer waits to access services at Stanislaus Recovery Center in Ceres. |                                       |                                 |  | lease savings                    |  |
| Wellness Recovery Center  | 500 N 9 <sup>th</sup> St, Modesto 95350    | No impact to access to services  | <i>No change</i>                      | 1 Behavioral Health Spec II     | <i>1 Behavioral Health Spec II will be retained</i>                                      | \$61,000                         | \$0  |
| Senior Access Team        | 707 14 <sup>th</sup> Street, Modesto 95354 | 30 clients will lose access to services; 78 clients in Skilled Nursing Facilities will lose Psychiatric consultation services                | <i>No change</i>                      | 1 Mental Health Clinician II    | <i>1 Mental Health Clinician II will be reassigned to provide Juvenile Hall services</i> | \$92,483                         | \$0  |
| Employment Services       | 800 Scenic Dr, Bldg 4, Modesto 95350       | No impact to access to services  | <i>No change</i>                      | N/A                             | <i>Add 1 Behavioral Health Spec II</i>   | \$75,000                         | <i>\$75,000 Savings to be made up in other line items.</i> |

| <b>Program</b>                       | <b>Service Location</b>                 | <b>Client Impacts<br/>4/21/09</b>  | <b>Revised<br/>Client<br/>Impacts<br/>5/19/09</b> | <b>Staffing<br/>Impacts<br/>4/21/09</b>                            | <b>Revised<br/>Staffing<br/>Impacts<br/>5/19/09</b>  | <b>Estimated<br/>Savings<br/>4/21/09</b>                                     | <b>Revised<br/>Savings<br/>5/19/09</b>           |
|--------------------------------------|---|--|---|--|--|--|--|
|                                      |   |  |   |  |  |  |  |
| StanWORKs Behavioral Health Services | 101 Lander Ave, Turlock 95380           | No impact to access to services  | <i>No change</i>                                  | 2 Behavioral Health Spec II  | <i>No change</i>   | \$166,000 in salary savings with an anticipated increase in Medi-Cal revenue | <i>No change</i>                                 |
| Crisis Emergency Response Team       | 500 N 9 <sup>th</sup> St, Modesto 95350 | No impact to access to services. However wait time for an assessment at local emergency rooms will increase. | <i>No change</i>                                  | 1 Manager III<br>1 Mental Health Clinician II<br>1 Psych. Nurse II | <i>1 Manager III will be eliminated;<br/>1 Mental Health Clinician II will be assigned to the HSA Behavioral Health Integration project.<br/>1 Psych Nurse II will be assigned</i> | \$491,754 in staffing and operating costs                                    | <i>\$291,754 in staffing and operating costs</i> |

| <b>Program</b>                                       | <b>Service Location</b>  | <b>Client Impacts 4/21/09</b>   | <b>Revised Client Impacts 5/19/09</b>                    | <b>Staffing Impacts 4/21/09</b>              | <b>Revised Staffing Impacts 5/19/09</b>             | <b>Estimated Savings 4/21/09</b>                       | <b>Revised Savings 5/19/09</b>   |
|--|--|---|--|--|---|--|--|
|  |  |   |  |  | <i>to the Adult System of Care</i>                  |  |  |
| Services to Severely Emotionally Disturbed Children  | From 1100 Kansas, Ste B, Modesto, 95358 to 1917 Memorial Dr, Ceres 95307                   | No impact to access. Clients formerly seen at the Modesto site will be served in Ceres                | <i>No change</i>   | N/A  | <i>No change</i>                                    | \$41,040   | <i>No change</i>   |
| Youth and Family Services                            | From 1127 13 <sup>th</sup> Street Modesto, 95354 to 800 Scenic Drive, Bldg D Modesto 95350 | No impact to access. Clients formerly seen in downtown Modesto will be served at the 800 Scenic site. | <i>No change</i>   | N/A  | <i>No change</i>                                    | \$58,144   | <i>No change</i>   |
| Juvenile Justice, Juvenile Hall, Juvenile Drug Court | 2215 Blue Gum Ave, Modesto 95358   | 20 youth will no longer receive services in the Juvenile Hall Intensive                               | 20 youth will no longer receive services in the Juvenile | 1 Admin Clerk II 1 Behavioral Health Spec II | <i>1 Admin Clerk II 1 Behavioral Health Spec II</i> | \$313,000 in salary savings plus \$60,000 generated in | <i>\$313,000 in salary savings plus \$60,000 generated in additional</i> |



| <b>Program</b>   | <b>Service Location</b>                 | <b>Client Impacts 4/21/09</b>  | <b>Revised Client Impacts 5/19/09</b>       | <b>Staffing Impacts 4/21/09</b>  | <b>Revised Staffing Impacts 5/19/09</b>  | <b>Estimated Savings 4/21/09</b>          | <b>Revised Savings 5/19/09</b>                   |
|--|---|--|---|--|--|---|--|
|  |   |  |   |  | <i>Specialist will be retained.</i>  |   |  |
| Oakdale Community Care Center for Children                     | 145 N 2 <sup>nd</sup> St, Oakdale 95361 | 46 children/families in the Oakdale & Riverbank areas will only receive services in Modesto. | <i>This program will be not be reduced.</i> | 1 Behavioral Health Spec II  | <i>1 Behavioral Health Spec II will be retained</i>  | \$113,000                                 | \$0  |
| Kinship Mental Health  | 421 E. Morris, Modesto 95354            | 30 children/families will lose case management services                                      | <i>This program will be not be reduced.</i> | 1 Behavioral Health Spec II  | <i>1 Behavioral Health Spec II will be retained</i>  | \$84,071                                  | \$0  |
| Public Guardian  | 800 Scenic Dr, Bldg F, Modesto 95350    | 150 mental health consumers will lose access to transportation services                      | <i>No change</i>                            | 1 Stock Delivery Clerk II  | <i>1 Stock Delivery Clerk II will be transferred to the Adult System of Care</i>   | \$55,000                                  | \$0.   |
| Administration, Administrative Services, Managed Care Services | 800 Scenic Dr., Modesto 95350           | No impact to access to services  | <i>No change</i>                            | 1 Account Clerk III<br>2 Admin Clerk III<br>1 Confidential Asst II<br>1 Manager II | <i>1 Account Clerk III<br/>1 Admin Clerk III<br/>1 Confidential Asst II<br/>1 Manager II<br/>1 Manager III<br/>1 Stock</i> | \$583,717 in staffing and operating costs | <i>\$533,717 in staffing and operating costs</i> |



| <b>Program</b>                                 | <b>Service Location</b>       | <b>Client Impacts 4/21/09</b>   | <b>Revised Client Impacts 5/19/09</b> | <b>Staffing Impacts 4/21/09</b>   | <b>Revised Staffing Impacts 5/19/09</b>  | <b>Estimated Savings 4/21/09</b> | <b>Revised Savings 5/19/09</b> |
|--|-------------------------------|---|---------------------------------------|---|--|----------------------------------|--------------------------------|
|  |                               |   |                                       | 1 Manager III<br>1 Stock Delivery Clerk II<br>1 Assistant Director will be downgraded to Manager IV | <i>Delivery Clerk II<br/>1 Assistant Director will be downgraded to Manager IV<br/>1 Mental Health Clinician II will be assigned to the HSA Behavioral Health Integration project.</i> |                                  |                                |
| Stanislaus Recovery Center Residential Program | 1904 Richland Dr, Ceres 95307 | Access to 10 residential substance abuse treatment beds, approximately 127 consumers, will no longer be available | <i>No change</i>                      | 3 Behavioral Health Spec II   | <i>1 Behavioral Health Spec II will be eliminated. Two will be reassigned at Stanislaus Recovery Center.</i>   | \$829,000                        | <i>No change</i>               |
| <i>Stanislaus Recovery</i>                     | <i>1904 Richland Dr,</i>      | <i>N/A</i>  | <i>Intensive Outpatient</i>           | <i>N/A</i>  | <i>Addition of 1 Behavioral</i>  | <i>N/A</i>                       | <i>\$0. Savings to be</i>      |

| <b>Program</b>                              | <b>Service Location</b>                             | <b>Client Impacts 4/21/09</b>   | <b>Revised Client Impacts 5/19/09</b>                               | <b>Staffing Impacts 4/21/09</b> | <b>Revised Staffing Impacts 5/19/09</b> | <b>Estimated Savings 4/21/09</b>   | <b>Revised Savings 5/19/09</b>      |
|---|---|---|---|---------------------------------|---|--|-------------------------------------|
| <i>Center Intensive Outpatient Program</i>  | <i>Ceres 95307</i>                                  |   | <i>services will be restructured to accommodate more consumers.</i> |                                 | <i>Health Spec II</i>                   |  | <i>made up in other line items.</i> |
| Residential Perinatal Services – First Step | 1904 Richland Dr, Ceres 95307                       | Access to 13 residential treatment beds, approximately 57 women with young children, will no longer be available. | No change   | N/A                             | No change                               | \$1,003,000 for both Behavioral Health and Recovery Services & Community Services Agency | No change                           |
| Adult Drug Court                            | 801 11 <sup>th</sup> Street, Ste B100 Modesto 95354 | 25 Court referred clients will lose access to Drug Court Services   | No change   | 1 Behavioral Health Spec II     | No change                               | \$65,000   | No change                           |

| <b>Program</b>                           | <b>Service Location</b>                             | <b>Client Impacts<br/>4/21/09</b>   | <b><i>Revised<br/>Client<br/>Impacts<br/>5/19/09</i></b> | <b>Staffing<br/>Impacts<br/>4/21/09</b> | <b><i>Revised<br/>Staffing<br/>Impacts<br/>5/19/09</i></b> | <b>Estimated<br/>Savings<br/>4/21/09</b> | <b><i>Revised<br/>Savings<br/>5/19/09</i></b> |
|--|---|-------------------------------------|--|---|--|--|---|
| Substance Abuse and Crime Prevention Act | 801 11 <sup>th</sup> Street, Ste B100 Modesto 95354 | Longer waits for treatment services | <i>No change</i>   | N/A                                     | <i>No Change</i>   | \$12,242                                 | <i>No Change</i>                              |

Rec'd at  
BOS meeting  
9:15pm

6:45 pm  
~~received at meeting~~



**Hospital Council**  
of Northern & Central California

*Excellence Through Leadership & Collaboration*

May 19, 2009

Jim DiMartini, Chairman  
Stanislaus County Board of Supervisors  
1010 – 10<sup>th</sup> Street  
Modesto, CA 95354

**RE: PUBLIC HEARING TO CONSIDER THE BEHAVIORAL HEALTH AND RECOVERY SERVICES RESTRUCTURING PLAN**

Dear Chairman DiMartini:

The Stanislaus County Board of Supervisors Public Hearing today is considering the Behavioral Health and Recovery Services Restructuring Plan, including reductions-in-force, and potential service level changes for Outpatient Psychiatric and Substance Abuse Services pursuant to Section 1442.5 of the Health and Safety Code.

The program, staff reductions and eliminations being recommended impact a broad array of mental health and substance abuse services which are currently provided as required by various State statutes or determined community need. The rationale for the reductions is based upon actual funding cuts by Governor Arnold Schwarzenegger, along with potential future cuts by the Governor.

**The acute care hospitals of the Stanislaus County Section of the Northern and Central California Hospital Council clearly understand the impact of State budget cuts. The hospitals are, after all, the final safety net of the Community's Healthcare Delivery System, and as such we respectfully request a voice in such a dramatic change to the system of healthcare delivery in our community. The breadth and depth of changes being proposed are of such significant public health concern to the county's acute care hospitals and Doctor's Behavioral Health Center (DBHC) that we ask the Stanislaus County Board of Supervisors to delay action on the proposed service cuts and program eliminations in order to allow a meeting with the county acute care hospitals and DBHC to discuss our concerns.**

The healthcare delivery system of Stanislaus County includes all healthcare providers such as hospitals, nursing homes, home care, hospice, outpatient clinics, non-profit specialty providers and physicians. It is the recommendation of the Hospital Council that when major health policy change is contemplated in Federal, State, and County health policy that the hospitals be informed early on of the proposed changes and be allowed to participate with other providers in the debate of change. This allows for the best possible outcome of patient care which may be affected by changes proposed in the Community's Health Care Delivery System.

We are concerned that some of the proposed eliminations and cuts from the Behavioral Health and Recovery Services will severely impact the County's acute care hospital emergency room delivery system by further overwhelming the emergency rooms with mental health and substance abuse patients requiring assessments by the County's Crisis Emergency Response Team (CERT). The current system of CERT in the field has been problematic to hospital emergency rooms and DBHC's intake area, as these patients often wait three to eight hours until a field CERT member arrives to assess the patient. This has cost the County acute care hospitals and DBHC hundreds of thousands of dollars to hold patients waiting for the team from the field to show up and complete the assessment.

The proposal to close the County's current Crisis Center and integrate the service into the Adult System of Care will further exacerbate an already problematic system of crisis patient assessment. The current assessment model and proposed changes will only serve to further cost shift the responsibility for crisis intervention from the County, which is legally responsible for this service, to the Acute Hospitals and DBHC.

An additional concern for hospital emergency rooms will be reduction in the Senior Access and Treatment Team. The nursing home patients who no longer receive assessment and consultation will end up in the County's acute hospital emergency rooms with no access to psychiatric care. The County has never developed a psychiatric consultation and liaison service to the acute hospital community. To shift this additional burden to the acute hospitals without a psychiatric consultation and liaison service creates fragmented health care for nursing home patients brought to our hospitals.

Another major area of public health concern is the recommended elimination of residential perinatal services to pregnant and post partum women. This poses a major threat to the health and well-being of these patients, as well as raising the potential for newborns of these pregnant mothers to end up in the hospital's neonatal intensive care unit due to the lack of appropriate pre-natal care. This also creates significant unnecessary hospital costs which may have been prevented if the program had not been cut.

There are many more proposed cuts and eliminations which we could touch upon, but hopefully the ones presented are representative of the significant concerns of the acute care hospital community and Doctors Behavioral Health Center regarding the reductions presented to you today by the Stanislaus County Department of Behavioral Health Services. Many of these cuts have resulted in significant volume increases in our hospital emergency departments. Much of this volume is for primary care services.

Over the past 2 years of budget cuts and primary care service reductions to the residents in the surrounding counties, primary care services have shifted to local hospitals. Large portions of medically indigent patients have come to our local emergency departments for primary care services previously given at County clinics and other networks. ED visits at hospitals in these counties over the past 2 years have grown over 12%. Normal growth

trends in previous years have ranged between +/-3-5%. We believe that this utilization and growth pattern is a primary reason that some of our ED wait times have increased. Although every patient must be seen in our ED's when they arrive, those who need primary care generally wait longer than other more urgent EMERGENCY patients. A review of the utilization trends at our local hospitals reveal that increases in ED visits by this population have increased a staggering 140% since August of last year when the counties implemented their service reductions!

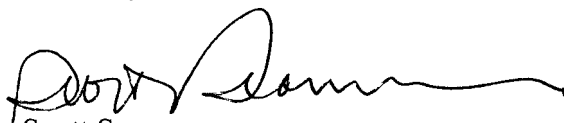
When we look at the ICU admissions from the ED, another trend is escalating out of control. Normally, we have seen a variation between 3-4% admission rates. Over the past 2 years, that rate has been over 10%, and from 2002 to 2008, that trend has escalated to nearly 19%! The analysis of these two areas raises specific elements of concern:

1. Our EDs are seeing more patients whose primary care needs are not being met at a local physician's office or County/Community Clinics.
2. Wait times at hospitals where these volumes spike are unfortunately longer than desired.
3. ED admissions to ICUs have been growing rapidly, indicating that many patients are much sicker upon arrival. This trend may suggest that their primary care network has not been utilized or they have limited access to these services.
4. Significant growth in local ED utilization by undocumented residents is also pointing to a fragmented primary care network, and may be a principal factor in the generation of the ICU admissions.


ED utilization and cost factors are now driving both hospitals and counties into negative margins. As a point of reference, a primary care visit in a primary care clinic is around \$100. Primary care visits at a physician's office average \$150. Primary care visits performed in an Emergency Department averages \$700 per visit.

We ask the Board of Supervisors to delay voting on these important issues and to allow the healthcare community of hospitals to become a part of the solution regarding the challenges of funding cuts by the State and requirement to redesign the Mental Health Delivery System.

Sincerely,

  
Scott Seamons  
Regional Vice President  
Hospital Council of Northern & Central  
CA

Sincerely,

  
Dennis M. Litos  
Chairman, Stanislaus-Merced Section  
Hospital Council of Northern & Central  
CA  
Chief Executive Officer  
Doctors Medical Center of Modesto

Cc: Hospital CEO's:  
James Conforti – Memorial  
Medical Center - Modesto  
John Friel – Oak Valley  
Hospital District  
Corwin Harper – Kaiser  
Permanente Modesto Medical  
Center  
John Sigsbury – Emanuel  
Medical Center  
David Benn, President  
Sutter Central Valley Region  
Tony Vartan - Doctors Behavioral  
Health Center

Board of Supervisors:  
William O'Brien, District 1  
Vito Chiesa, District 2  
Jeff Grover, District 3  
Dick Monteith, District 4  
Rick Robinson, CEO, Stanislaus Co.  
Denise Hunt, Director of Behavioral  
Health and Recovery Services

# Public Hearing

(Pursuant to Section 1442.5 of the Health and Safety Code)

## Behavioral Health & Recovery Services Restructuring Plan, Reductions-in-Force, and Potential Service Level Changes for Outpatient Psychiatric and Substance Abuse Services

May 19, 2009



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



# BACKGROUND

**On April 21, 2009, BHRS presented a plan to the Board of Supervisors to eliminate a structural budget shortfall of approximately \$5.5M in mental health funding and \$1.4M in substance abuse funding (\$6.9M total), and requested this hearing.**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# THE ISSUE

**BHRS has faced progressively larger revenue shortfalls during recent years.**

- **2004-2005 – 2006-2007: \$14.6M total reductions (17%), 40 positions**
- **2006-2007: Closed 3 Outpatient MH clinics, reduced services to 365 people without insurance – decrease of \$4.8M in services in that year**
- **2007-2008: Lost Homeless Mentally III (“2034”) funding of \$3.4M, transitioned hospital to DMC**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# THE PROBLEMS

- **Increasing Costs**
- **Flat or declining revenues (Realignment & MediCal)**
- **Audit Exceptions**
- **Use of Fund Balance**
- **While new MH Services Act funding is available, it cannot be used to supplant “core” services**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# THE DEFICIT AS OF 4-21-09

Going into FY 2008-2009, BHRS had a deficit of \$4.5M, covered by fund balance

- Department's MH deficit going forward into 2009-2010 originally estimated at \$4.5M; AOD deficit estimated to be \$1.4M
- In 3/09, Realignment revenue was projected to be \$1M less than anticipated for 2009-2010 (not included above)
- County Match reduction of \$341,501 (12%)



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# THE DEFICIT TODAY

- **2009-2010 Deficit for Mental Health & Public Guardian: \$3.1M; Alcohol & Drug budget remains at \$1.4M deficit = Total \$4.5M**
- **Includes \$1M Realignment shortfall 3/09, County General Fund reduction**
- **Still a “structural” deficit: expenses and structure have outpaced anticipated revenue, but this is \$2.4M better**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT CHANGED?

- **Continued analysis – expenditures, revenues, fund balance**
- **Additional fund balance identified (one-time funds)**
- **Reduced the structural gap in MH funds from \$4.5M to \$3.1M**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT CHANGED?

**MH fiscal picture is improved because:**

- **Significant salary savings, services and supplies savings**
- **Increased staff productivity: up 13.5%**
- **During the past year we both improved our entire picture and didn't use as much fund balance as had been predicted at the beginning of FY 2008-09**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT CHANGED?

**Fund Balance is in much better shape; reconciliation showed smaller use to balance 2008-09 operating budget from the available unreserved account in addition to identifying a transaction that had been incorrectly posted between accounts.**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



# WHAT ARE WE NOW RECOMMENDING FOR FUND BALANCE USE?

- **Set aside audit liability funds for current and future exposures (known or projected), SBHC proceeds**
- **Mitigate a projected shortfall of an additional \$1.5M in Realignment revenue for 2009-2010 projected 5-09**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT ARE WE NOW RECOMMENDING FOR FUND BALANCE USE?

- **Use Fund Balance on a one-time basis to partially restore recommended reductions at Juvenile Hall for in-custody treatment of youth**
- **Go into FY 2009-2010 with unreserved Fund Balance of \$2,852,062**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT ARE WE NOW RECOMMENDING FOR BHRS STRUCTURE?

**The Department looked at restructuring all services – MH, AOD, and Public Guardian – to consider how to shift priorities toward current public behavioral health practice while working within structural limitations**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# WHAT ARE WE NOW RECOMMENDING FOR BHRS STRUCTURE?

**We are continuing to recommend significant structural changes but are revising requests for reductions-in-force from 24 positions to 5, at a cost of approximately \$1M: fewer MH service reductions**

**No longer recommending Department-wide furloughs**

**Planning for Retirement cost increase 2010-2011**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# THE OVERALL GOAL

Development of a structurally sound budget, with BHRS aligned with BOS priority of *a Healthy Community*, consistent with advancing public MH practice, and a Department that meets State and Federal requirements



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **BHRS RECOVERY & RESTRUCTURE PLAN**

- 1. Closes continuing structural budget gap**
- 2. Builds in annual set-asides for cost of living increases, audit liabilities and contingencies**
- 3. Mandated and MediCal services continue, as well as many categorically funded programs**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# BHRS RECOVERY & RESTRUCTURE PLAN

4. **BHRS alone cannot deliver emotional health and wellness to Stanislaus County – the Department never has...**
- **More than 2/3 of people in the County living with a mental illness are not served by BHRS**
  - **Many receive support from other providers and *other community resources***



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **BHRS RECOVERY & RESTRUCTURE PLAN**

**5. Leverages our funding resources to assertively support other community-based resources while revenues and services decline**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



# **BHRS RECOVERY & RESTRUCTURE PLAN**

- 6. MHSA Prevention & Early Intervention (PEI) Plan was submitted to the State in April. Its focus is on the development, jointly with the community, of prevention and early intervention services that will provide help early on before a need for help with problems related to serious mental illness**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# GOING FORWARD: BHRS BUDGET STRATEGY

1. Separate “core” budget from categorical
2. Identify Realignment (discretionary) funding
3. What are mandates and what do they cost?
4. What categorical funding do we have and can continue?
5. What does everything cost to run?
6. Where are the gaps?



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **GOING FORWARD: ACCOUNTS THAT ALLOW US TO MANAGE TO ANTICIPATED CHANGE**

- **Audit Liability Account (\$600K annually)**
- **CPI/COLA Account (4% of Salaries and Benefits annually – may be low)**
- **Contingency Account (\$1M total for Department annually – includes MHSA Operating Reserve)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

## OTHER ISSUES

### FEDERAL STIMULUS PACKAGE:

Increased Medi-Cal FFP will bring in roughly \$1.5M over two years; a one-time increase, however, accompanied by a corresponding decrease in Department's State Managed Care allocation – *may not materialize*

### ELECTION ON MAY 19, 2009:

Proposition 1E, Proposition 1D – uncertain future of MH funding based on either possible ballot outcome – *risks either way*



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

## OTHER ISSUES

**CONTINUED STATE BUDGET SHORTFALLS:**  
Now estimated to be \$15B, future revenues projected to be lower as well

**Budget contraction is occurring at the same time BHRS is expected to ramp up MHSA program development; our strategy is to embrace community-based focus of MHSA requirements and leverage what new funding we have toward building the community's capacity to support emotional health and wellness; the County isn't in this alone...**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **RECOMMENDED: SIGNIFICANT PROGRAMMING CHANGES AND REDUCTIONS**

- **Reduced services to customers, especially those who are not MediCal beneficiaries**
- **Fewer customers served**
- **Some outstations eliminated and services centralized**
- **Reduction in leased space**
- **Reduction in contracted services**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **NEW HSA PARTNERSHIP**

**Behavioral Health/Primary Care  
Integration project in Clinics, to increase  
services for mild to moderate mental  
health needs**

**Accelerated planning will result in some  
BHRS employee placement (4 MH  
Clinicians) prior to July 1, 2009, avoiding  
the need for as many employee  
Reductions-in-Force**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# UPDATED BHRS STAFFING IMPACTS

**429 allocated full-time positions in BHRS**

**Recommendation is to delete 52 positions:**

- **47 positions are vacant, unfunded – most have been held open for much of FY 2008-2009**
- **5 positions are filled, requiring reductions-in-force**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- **Access to MH services for adults taking medication will be significantly reduced in outlying communities: offices in Ceres and Patterson will be eliminated and clients asked to come to Modesto or Turlock; adult services in Oakdale will be pulled in to Modesto. (135 people affected)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- **Seniors: Reduce ongoing services to 30 individuals, eliminate consultation in nursing homes for 78 individuals**
- **Juvenile Hall: 18-20 fewer youth in custody will receive treatment**
- **Some adults will receive a lower level of service (at least 30 individuals)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- **Office of Public Guardian: 150 clients will not receive in-house transportation**
- **CERT: Routine MediCal assessment services will be centralized in Modesto, longer waits in ER's for emergency assessments**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- **Alcohol & Other Drug (AOD) outpatient services will be reduced and centralized to Stanislaus Recovery Center – longer waits, fewer services (803 individuals affected)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- AOD Residential beds will be reduced while co-occurring treatment will be increased (loss of AOD residential for 127 individuals, increase of same number for individuals with both AOD and MH problems)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS: THIS ACTION WILL NOT BE UNNOTICED IN THE COMMUNITY: SPECIFICS**

- **Perinatal Residential program will be changed to outpatient, relocated (57 young mothers and their children)**
- **Adult Drug Court will be decreased by 25 court-referred slots annually**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS – A BIT IMPROVED FROM 4-21-09**

- **While AOD services are the most severely affected, co-occurring treatment groups will be increased for adults in MH sites**
- **MH case management services will be retained as a result of decreased reductions**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **SERVICE IMPACTS – A BIT IMPROVED FROM 4-21-09**

- **Services to children 0-5 and their families will be retained (65 families)**
- **Case management services for Kinship families will be retained (30 families)**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



# SERVICE IMPACTS – A BIT IMPROVED FROM

4-21-09

- **Medication and case management services for children and families in Oakdale will be continued (46 families)**
- **Employment services will be slightly increased for people with serious mental illness**
- **PG Stock-Delivery Clerk will be reassigned to Adult System of Care to provide transportation for people in Patterson, Ceres, and Oakdale**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# MANAGEMENT AND ADMINISTRATIVE RESTRUCTURE

- **Reduce 2 Manager III positions**
- **Downgrade an Assistant Director to Manager IV**
- **Reassigned a number of management duties and rebalanced assignments**
- **Eliminated other administrative positions, largely through attrition in 2008-2009**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# FUTURE CONCERNS

- **Election and State budget gap**  
**Proposition 36 and Offender Treatment Program (OTP) Funds threatens Stanislaus Recovery Center viability**
- **Our partners' funding is uncertain**
- **Slumping economy: continued revenue shortfalls**
- **Retirement, health insurance costs in 2010-2011**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# **MHSA PREVENTION AND EARLY INTERVENTION PLAN**

**Community-based planning and stakeholder input for this plan underscored the need and willingness to work together as a community to develop our shared capacity to support those individuals living with a serious mental illness, and their families.**

**Move to a “help first” system from a “fail first” system**

**While it is recommended that “core” services be reduced, our real work has just begun.**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

# STAFF RECOMMENDATIONS

1. **Conduct a public hearing to consider and approve:**
  - a. **The restructuring and reduction of mental health services, and**
  - b. **The restructuring and reduction of substance abuse services.**
  
2. **Approve a reduction of 52 total positions, including a reduction in force of 5 filled positions and the deletion of 47 vacant positions in BHRS effective August 2, 2009 as outlined in Attachment A.**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization

## **STAFF RECOMMENDATIONS**

- 3. Approve the reclassification of one management position in BHRS effective August 2, 2009 as outlined in Attachment A.**
- 4. Amend the Salary and Position Allocation Resolution to reflect the recommended changes as outlined in this report effective August 2, 2009.**
- 5. Authorize the Chief Executive Officer and Behavioral Health Director to fulfill the operational activities associated with implementation of the above recommendations.**



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization



**Behavioral Health and Recovery Services**  
A Mental Health, Alcohol and Drug Service Organization