

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

DEPT: Behavioral Health And Recovery Services

BOARD AGENDA # B-11

Urgent

Routine

*JFK*

AGENDA DATE July 14, 2015

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval of the Second Amendment to the Agreement with Milhous Children's Services for the Provision of Intensive Day Treatment Services for Adolescents with Serious Emotional Disorders for Fiscal Year 2014-2015

STAFF RECOMMENDATIONS:

1. Approve the second amendment to the agreement with Milhous Children's Services for the provision of intensive day treatment services for adolescents with serious emotional disorders through the end of Fiscal Year 2014-2015.
2. Authorize the Behavioral Health Director, or her designee, to sign the amendment with Milhous Children's Services to provide intensive day treatment services for adolescents with serious emotional disorders for the Fiscal Year 2014-15.

(Continued on Page 2)

FISCAL IMPACT:

The recommended amendment will increase the Agreement with Milhous Children's Services \$40,000, from \$240,000 to \$280,000. The sources of the additional revenues will come equally from Mental Health Medi-Cal reimbursement and from a required matching amount through the use of realignment funds.

There is no impact to the County General Fund.

BOARD ACTION AS FOLLOWS:

No. 2015-339

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith, and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

*Christine Ferraro*  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS: (Continued)**

3. Direct the Auditor-Controller to increase appropriations by \$40,000 and to increase revenues by \$20,000 as outlined in the attached budget journal form.

**DISCUSSION:**

Behavioral Health and Recovery Services (BHRS) provides Medi-Cal Specialty Mental Health Services through a residential treatment program that includes intensive day treatment to adolescents with serious emotional disorders. Intensive day treatment programs are an important component of the continuum of care and can effectively minimize the need for more restrictive care in a hospital setting.

BHRS is requesting approval for a second amendment to the 2014-2015 agreement with Milhous Children's Services to increase the Agreement with the contract maximum by \$40,000 from \$240,000 to \$280,000. BHRS staff underestimated the additional demand for adolescent intensive day treatment during the final three months of the fiscal year and as a result recommends the amendment to the Agreement with Milhous Children's Services to fund the services that have been provided, but not yet invoiced, for the months of April thru June.

Developing accurate funding estimates is challenging for three primary reasons. First, placement in these programs is not controlled by our Department, but as the Mental Health Managed Care Plan, we are required to pay for the treatment of these individuals in the placements. Second, these intensive day treatment services, funded partially by federal Medicaid funds, are an entitlement, so eligible patients cannot be turned away no matter how many seek treatment. Third, invoicing and payment for services is always done in arrears. As noted above, we do not control placement and may be unaware of the placement until we receive an invoice for payment. By the time BHRS receives an invoice from the provider, the service has already been provided, and BHRS is obligated to pay the invoice. Other agencies can direct an adolescent to these services which complicates staying ahead of payment obligations. In the future, staff is evaluating options to allow for a real time notification process to avoid the need to amend the agreements just prior to year-end, particularly if service demands continue to exceed projections.

On May 20, 2014, the Board of Supervisors approved the Agreement with Milhous Children's Services for Fiscal Year 2014-2015. BHRS returned to the Board of Supervisors on March 3, 2015 requesting the Amendment No. 1 to this Agreement to increase the contract maximum amount from \$100,000 to \$240,000. The approved increase was based on staff's estimate of funding requirements known at that time.

As required by the Board of Supervisors, the following table includes a cumulative value of prior contracts with this vendor for the period of July 1, 2012 through June 30, 2015.

Approval of the Second Amendment to the Agreement with Milhous Children's Services for the Provision of Intensive Day Treatment Services for Adolescents with Serious Emotional Disorders for Fiscal Year 2014-2015

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Budget Unit	Contractor	Description of Service Provided or Position Held	Previous Contract Amounts for the Period 07/01/12 through 6/30/15	Proposed Additional Amount for FY 07/01/14 through 6/30/15	Cumulative Contract Total
Managed Care	Milhous Children's Services	Residential Treatment Center Level 14 Facility	7/1/12 – 6/30/14 \$275,000	\$40,000	\$555,000
	Nevada City, CA Penn Valley, CA Sacramento, CA		7/1/14 – 6/30/15 \$240,000		

**POLICY ISSUE:**

Approval of this agenda item supports the Board of Supervisors' priorities of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by contracting with community providers to deliver the needed services at an appropriate level of care in a cost effective manner.

**STAFFING IMPACT:**

Existing staff is available to monitor the agreements and support the programs contained therein. There is no additional staffing impact associated with the approval of this agenda item.

**CONTACT PERSON:**

Madelyn Schlaepfer, Ph.D. Behavioral Health Director 525-6205

Database  
Balance Type  
Data Access Set

FMSDBPRD.CO.STANISLAUS.CA.US.PROD  
Budget  
County of Stanislaus

DO NOT CHANGE  
DO NOT CHANGE  
DO NOT CHANGE

Ledger  
Budget  
Category  
Source  
Currency  
Period  
Batch Name  
Journal Name  
Journal Description  
Journal Reference  
Organization  
Chart Of Accounts

\* List - Text County of Stanislaus  
List - Text LEGAL BUDGET  
\* List - Text Budget - Upload  
\* List - Text MH TCF  
\* List - Text USD  
List - Text JUN-15  
Text  
Text MH TCF JV# 6/25/13  
Text Increase appropriations and revenues for Milhous Children's Services  
Text Managed Care  
List - Text Stanislaus Budget Org  
Accounting Flexfield

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DO NOT CHANGE  
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Upl	Fund	Org	Account	GL Project	Location	Misc	Other	Debit	Credit	Line Description
(4 char)	(4 char)	(7 char)	(5 char)	(7 char)	(6 char)	(3 char)	(3 char)	for appropriations for all purposes * Number	for appropriations for all purposes * Number	Text
	1504	6427133	63280	5323050	000000	000000	00000	40,000.00		Inc Contracts
	1504	6427133	33950	5323050	000000	000000	00000		20,000.00	Inc Revenues
								40000	20000	

Totals:  
Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

<b>Explanation:</b> Increase appropriations and revenues for Milhous Children's Services Managed Care			
<b>Requesting Department</b>	<b>Supervisor's Approval</b>	<b>Keyed by</b>	<b>Auditors Office Only</b>
Tom Flores	<i>[Signature]</i>		<i>[Signature]</i>
Prepared by	Supervisor's Approval	Keyed by	Prepared By
6/25/2015	6/26/15		6/26/2015
Date	Date	Date	Date

**SECOND AMENDMENT  
TO PROVIDER AGREEMENT**

This Amendment is made and entered into in the City of Modesto, State of California, by and between the County of Stanislaus (hereinafter referred to as "County"), and Milhous Children's Services, a California Corporation (hereinafter referred to as "Contractor"), effective the date of the last signature, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

WHEREAS, County and Contractor entered into an agreement dated July 1, 2014 amended March 9, 2015 to provide Medi-Cal Specialty Mental Health Services through a Level 14 residential treatment program, which includes intensive day treatment services to adolescents with serious emotional disorders; and

WHEREAS, County has experienced an unanticipated increase in clients needing a higher level of care and Contractor has agreed to provide the additional services.

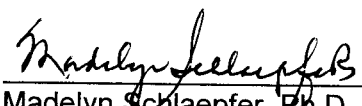
NOW, THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the Agreement is amended to increase the contract maximum amount by \$40,000, from \$240,000 to \$280,000, for the additional services. This amendment is incorporated into the Agreement as follows:

- I. Exhibit A, Section G Compensation, Item 2 is revised as follows:
  2. In consideration of Contractor's provision of services required under the terms of this Agreement, County shall reimburse Contractor an amount not to exceed the Contract Maximum amount of \$280,000.
- II. All other terms and conditions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

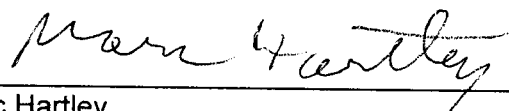
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**MILHOUS CHILDREN'S SERVICES**

 7-14-2015  
Madelyn Schlaepfer, Ph.D., CEAP      Date  
Behavioral Health Director

\_\_\_\_\_  
Richard Milhous      Date  
Chief Executive Director

APPROVED AS TO FORM:  
John P. Doering, County Counsel

  
\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: 2015-339      Date: 7/14/2015

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**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**MILHOUS CHILDREN'S SERVICES**

\_\_\_\_\_  
Madelyn Schlaepfer, Ph.D., CEAP      Date  
Behavioral Health Director

*Teresa Petrie 6-30-15*  
\_\_\_\_\_  
Richard Milhous      Date  
Chief Executive Director  
*Teresa Petrie*  
CEO Asst

APPROVED AS TO FORM:  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

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