

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

DEPT: Behavioral Health And Recovery Services BOARD AGENDA #: \*B-11

AGENDA DATE: December 20, 2016

**SUBJECT:**

Approval of Amendments to Agreements with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017

**BOARD ACTION AS FOLLOWS:**

No. 2016-655

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

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

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: PAM VILLARREAL, Assistant Clerk

File No.

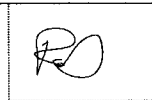
**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Behavioral Health And Recovery Services

BOARD AGENDA #: \*B-11

Urgent

Routine



AGENDA DATE: December 20, 2016

CEO CONCURRENCE: PH

4/5 Vote Required: Yes  No

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**SUBJECT:**

Approval of Amendments to Agreements with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017

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**STAFF RECOMMENDATIONS:**

1. Approve amendments to the agreements with the California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor Home for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017.
2. Authorize the Behavioral Health Director, or his designee, to sign the amendments with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Fiscal Year 2016-2017.
3. Authorize the Auditor-Controller to increase Appropriations per the attached Budget Journal.

**DISCUSSION:**

Stanislaus County Behavioral Health and Recovery Services (BHRS) historically contracts with several providers of care for adults with serious mental illness. BHRS has a legal and ethical responsibility for insuring that individuals are placed in the least restrictive and most appropriate level of care. These services include structured programming, which assists residents in improving functional abilities. The programming includes, but is not limited to, continuous supervision and rehabilitative services designed to improve self-help skills, behavioral adjustments, interpersonal relationships, prevocational preparation and alternative placement planning.

Currently the Department is experiencing an increased demand for clients who are in need of secure placements in Institutions for Mental Disease (IMD). An IMD is a locked facility that provides services at a less intensive level of care than a State Hospital. Additionally, Stanislaus County is experiencing a shortage of Board and Care beds, which are a step-down option for individuals in IMDs. This shortage is something that is impacting all counties on a statewide basis. As a result, individuals are being kept in IMDs longer than anticipated, thus increasing the capacity need in IMDs.

Treatment and housing options for individuals with severe mental illness are very limited and are often not readily available. Individuals who have been placed in an acute psychiatric hospital and are ready to be discharged to a lower level of care have often needed to stay in the hospital due to the shortage of IMD beds, thus resulting in more costly care. These

## Approval of Amendments to Agreements with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017

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individuals often remain in the acute psychiatric hospital 14–60 days awaiting appropriate placement. With limited IMD beds available statewide, the Department continues to compete with other counties for the same lower level of care beds.

Recently, several facilities that have traditionally not accepted clients outside of their respective counties, have had bed openings and have been willing to accept Stanislaus County clients needing this level of care. These openings have enabled the Department to transfer those individuals who were awaiting discharge from the acute psychiatric hospital to level of care they needed. Canyon Manor, Telecare Corporation and California Psychiatric Transitions are facilities with beds available to meet this need.

The Department is requesting approval to amend the following 2016-2017 agreements to ensure continuous availability of critically needed beds at IMD facilities:

- Canyon Manor - The recommended amendment would increase the agreement by \$254,135, from \$218,000 to \$472,135, and would allow BHRS to continue to use Canyon Manor for the placement of BHRS clients with serious mental illness needing a locked facility level of care. The increased contract would allow BHRS to place on average 5 individuals per day per year.
- Telecare Corp - The recommended amendment would increase the agreement by \$386,010 from \$684,164 to \$1,070,174, and would allow BHRS to continue to use Telecare Corp for the placement of BHRS clients with serious mental illness needing a locked facility level of care. The increased contract would allow BHRS to place on average 8 individuals per day per year.
- California Psychiatric Transitions - The recommended amendment would increase the agreement by \$943,395 from \$1,620,500 to \$2,563,895, and would allow BHRS to continue to use California Psychiatric Transitions for the placement of BHRS clients with serious mental illness needing a locked facility level of care. The increased contract would allow BHRS to place on average 11 individuals per day per year.

### **POLICY ISSUE:**

Approval of these agreements are in compliance with the Board of Supervisors' Contract Reporting Policy, approved on January 24, 2006 and later revised on March 22, 2011, which states:

"Departments are required to obtain approval by the Board of Supervisors for any contract or agreement where the total cumulative compensation exceeds \$100,000. For purposes of this policy, cumulative refers to the total compensation paid by an individual department in the report year and the two fiscal years immediately prior thereto, where that has been no break in contractual services over 6 months."

### **FISCAL IMPACT:**

The services described in these contract amendments are funded with 1991 Realignment funds. An additional \$1,583,540 in appropriations is needed for the three contract amendments for California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for the provision of mental health services in a locked facility. This will increase the total appropriations for these three contracts from \$2,522,664 included in the Behavioral

Approval of Amendments to Agreements with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017

Health and Recovery Services Final Budget for Fiscal Year 2016-2017, to \$4,106,204. Savings in other contracted locked facilities are projected to offset the additional appropriations request. If the contract savings do not materialize, Department fund balance will be used to cover the shortfall. A budget journal is attached in support of these recommendations. There is no impact to County General Fund.

|  |                  |                     |
|--|------------------|---------------------|
| <b>Cost of recommended action:</b>     |                  | \$ 1,583,540        |
| <b>Source(s) of Funding:</b>           |                  |                     |
| 1991 Realignment                       | 1,583,540        |                     |
| <b>Funding Total:</b>                  | <u>1,583,540</u> | <u>\$ 1,583,540</u> |
| <b>Net Cost to County General Fund</b> |                  | <u>\$ -</u>         |

|   |           |
|---|-----------|
| <b>Fiscal Year:</b>                             | 2016/2017 |
| <b>Budget Adjustment/Appropriations needed:</b> | Yes       |

**Fund Balance as of October 31, 2016**

|   |               |
|---|---------------|
| Fund 1501 Behavioral Health & Recovery Services | \$ 15,806,670 |
| Fund 1504 Managed Care                          | N/A           |

The following table includes the cumulative value of prior contracts with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for the provision of mental health services in a locked facility for the fiscal periods beginning July 1, 2014 through June 30, 2017, as required in Contract Reporting Policy Number One, originally approved by the Board on March 22, 2011.

| Budget Unit | Contractor                                | Description of Services                                  | Previous Contract Amounts for the Period 7/1/14 thru 6/30/17 | Proposed Additional Amount for FY 7/1/16 thru 6/30/17 | Cumulative Total Contract |
|-------------|---|--|--|---|---------------------------|
| BHRS-1504   | California Psychiatric Transitions        | Provision of mental health services in a locked facility | \$4,376,500  | \$943,395   | \$5,319,895               |
| BHRS-1501   | Telecare Corporation Treatment Facilities | Provision of mental health services in a locked facility | \$1,917,828  | \$386,010   | \$2,303,838               |
| BHRS-1501   | Canyon Manor                              | Provision of mental health services in a locked facility | \$545,000  | \$254,135   | \$799,135                 |

Approval of Amendments to Agreements with California Psychiatric Transitions, Inc., Telecare Corporation Treatment Facilities, and Canyon Manor for Services to Adults with Serious Mental Illness for Fiscal Year 2016-2017

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**BOARD OF SUPERVISORS' PRIORITY:**

This agenda item supports the Board of Supervisors' priorities of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by contracting with a community provider to deliver the needed services at an appropriate level of service 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:**

Rick DeGette, Behavioral Health & Recovery Services Director (209) 525-6225

**ATTACHMENT(S):**

1. Amendment One to the- Agreement with California Psychiatric Transitions, Inc.
2. Amendment One to the Agreement with Telecare Corporation Treatment Facilities
3. Amendment One to the Agreement with Mental Health Management I, Inc., dba Canyon Manor Home

# Attachment 1

**AMENDMENT  
TO INDEPENDENT CONTRACTOR 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 California Psychiatric Transitions, a California corporation ("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, 2016 to provide care for adults with serious mental illness in need of an institution for mentally diseased clients; and

WHEREAS, County has experienced an increased need and Contractor has agreed to provide additional services due to a rise in hospitalizations and to add Restoration to Competency (RTC) services to the current agreement; and

NOW, THEREFORE, in consideration of mutual promises, covenants, terms, and conditions hereinafter contained, the Agreement, which was entered into on July 1, 2016, is amended to increase the contract maximum amount by \$943,395 from \$1,620,500 to \$2,563,895, of which \$420,000 of this increase shall only be used for RTC services. This amendment is incorporated into the Agreement as follows:

I. Exhibit A, Section A Scope of Work, is deleted in its entirety and replaced with the following:

**A. SCOPE OF WORK**

1. Contractor shall provide long term care for adults with serious mental illness in need of Institution for Mental Disease/Mental Health Rehabilitation Center (IMD/MHRC).

1.1 Admission: County shall complete documentation as requested for each client admitted by Contractor under this Agreement. At a minimum, this documentation shall contain a clear client identification, admission date, legal status, financial information and County approval of the admission. Contractor commits to providing care in accordance with the terms of this Agreement and County commits to reimburse Contractor for care as set forth below.

1.2 Process: County liaisons shall provide Contractor with an authorization prior to each client admission. A client may be admitted on the basis of verbal authorization from the County liaison and by mutual consent of the County and Contractor. Medi-Cal eligibility shall remain with Stanislaus County.

1.3 Patient Rights: Patient rights shall be observed by Contractor as provided in Welfare and Institutions Code, Section 5325 and Title 9 of the California Code of Regulations. County Patients' Rights Advocates will be given access to clients, clients' records and facility personnel to monitor the Contractor's compliance with said statutes and regulations.

2. Contractor shall provide observation, treatment, and restoration also known as Restoration to Competency (RTC) services for defendants who have been found incompetent to stand trial related to misdemeanor offenses and ordered inpatient for RTC services.

2.1 Contractor will defer to County on matters of length of treatment, when a defendant should be evaluated for competency, or when competency restoration is unlikely, court appearances of the defendant, and when the defendant should be returned to custody.

2.2 Contractor understands that the defendants remain technically in the custody of Stanislaus County Sheriff's Office and will not be allowed to leave the grounds for any reason. Should an emergency occur, medical or otherwise, Contractor will immediately notify Stanislaus County Sheriff's Office and County.

2.3 Defendant's progress shall be monitored by County via regular consultation and weekly visits, attend court, and advocate and link the defendants to appropriate ongoing care in an effort to make the most of Contractor's services and potentially prevent further RTC involvement.

II. Exhibit A, Section D Compensation, Item 4 is deleted in its entirety and replaced with the following

4. The parties hereto acknowledge the maximum amount to be paid by the County for services provided shall not exceed \$2,563,895 for the term of this Agreement. \$420,000 of the contract maximum amount shall only be utilized for RTC services. RTC services shall be clearly identified separately on the invoice.

III. All other terms and conditions of said Agreement shall remain in full force and effect


**(SIGNATURES SET FORTH ON FOLLOWING PAGE)**



IN WITNESS WHEREOF, the parties have executed this Amendment on the date indicated.

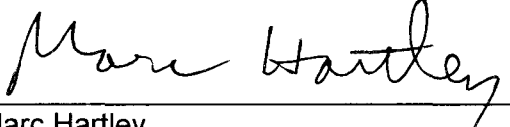
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**CALIFORNIA PSYCHIATRIC  
TRANSITIONS, INC**

  
\_\_\_\_\_  
Rick Degette MA, MFT                      Date  
Director

\_\_\_\_\_  
Donna McGowan    Date  
Director

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

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

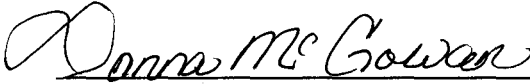
BOS Action Item: 2016-655, December 20th, 2016

IN WITNESS WHEREOF, the parties have executed this Amendment on the date indicated.

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

**CALIFORNIA PSYCHIATRIC  
TRANSITIONS, INC**

\_\_\_\_\_  
Rick Degette MA, MFT                      Date  
Director

  
\_\_\_\_\_  
Donna McGowan                                      Date  
Director

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

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

BOS Action Item: 2016-655, December 20, 2016

# Attachment 2

**AMENDMENT  
TO INDEPENDENT CONTRACTOR 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 Telecare Corporation, 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, 2016 to provide mental health services at treatment facilities for adults who have a serious mental illness; and

WHEREAS, County has experienced an increased need and Contractor has agreed to provide additional services due to a rise in hospitalizations.

NOW, THEREFORE, in consideration of mutual promises, covenants, terms, and conditions hereinafter contained, the Agreement, which was entered into on July 1, 2016, is amended to increase the contract maximum amount by \$386,010, from \$684,164 to \$1,070,174. This amendment is incorporated into the Agreement as follows:

- I. Exhibit A, Section C, Item 2 of the agreement is deleted in its entirety and replaced with the following:
  2. In consideration of Contractor's provision of services required under this Agreement, County shall reimburse Contractor an amount not to exceed the Contract Maximum of \$1,070,174. Contractor shall invoice County monthly for the services delivered in the previous month, under the terms of this Agreement. County shall reimburse Contractor for any undisputed invoices, which County and Contractor agree represent the costs of delivering the services required under the terms of this Agreement for the period covered by the invoice, within 30 days of invoice receipt. The contractor shall provide a monthly expenditure report to accompany the invoice in support of the program cost on the invoice.
- 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.

**(SIGNATURES SET FORTH ON FOLLOWING PAGE)**

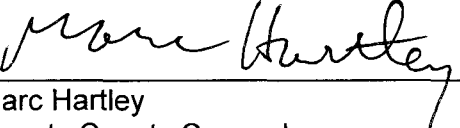
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

  
\_\_\_\_\_  
Rick DeGette MA, MFT                                  Date  
Director

\_\_\_\_\_  
Faith Richie    Date  
Senior Vice President and CFO

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

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

BOS Action Item: 2010-055, 12/20/10

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

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette MA, MFT  
Director

\_\_\_\_\_  
Date

*Faith Richie*  
\_\_\_\_\_  
Faith Richie  
Senior Vice President and CFO

*11/30/16*  
\_\_\_\_\_  
Date

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

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

BOS Action Item: \_\_\_\_\_, *December 20, 2016*

# Attachment 3

**AMENDMENT  
TO INDEPENDENT CONTRACTOR 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 Mental Health Management I, Inc., dba Canyon Manor, a California corporation ("Contractor"), 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, 2016 to provide services involving care for adults with serious mental illness and in need of an institution for mentally diseased clients; and

WHEREAS, County has experienced an increased need and Contractor has agreed to provide additional services due to a rise in hospitalizations.

NOW, THEREFORE, in consideration of mutual promises, covenants, terms, and conditions hereinafter contained, the Agreement, which was entered into on July 1, 2016, is amended to increase the contract maximum amount by \$254,135, from \$218,000 to \$472,135. This amendment is incorporated into the Agreement as follows:

- I. Exhibit A, Section D, Item 4 of the agreement is deleted in its entirety and replaced with the following:
  4. The parties hereto acknowledge the maximum amount to be paid by the County for services provided shall not exceed \$472,135 for the term of this Agreement.
- II. All other terms and conditions of said Agreement shall remain in full force and effect.

**(SIGNATURES SET FORTH ON FOLLOWING PAGE)**



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

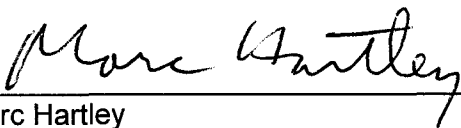
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**MENTAL HEALTH MANAGEMENT I, INC  
dba CANYON MANOR**

 1-6-17  
\_\_\_\_\_  
Rick DeGette MA, MFT                      Date  
Director

\_\_\_\_\_  
Richard Evatz                                      Date  
Executive Director

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

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

BOS Action Item: 2016-655, December 20th, 2016


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

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

**MENTAL HEALTH MANAGEMENT I, INC  
dba CANYON MANOR**

\_\_\_\_\_  
Rick DeGette MA, MFT  
Director

Date

  
\_\_\_\_\_  
Richard Evatz  
Executive Director

11/30/16  
Date

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

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

BOS Action Item: 2016-655, December 20, 2016

Database  
Balance Type  
Data Access Set

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Budget  
County of Stanislaus

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Budget  
Category  
Source  
Currency  
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Journal Reference  
Organization  
Chart Of Accounts

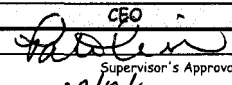
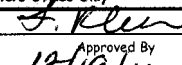
\* List - Text County of Stanislaus  
List - Text LEGAL BUDGET  
\* List - Text Budget - Upload  
\* List - Text MH TMJ  
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Text  
Text MH TMJ JV37394  
Text Increase appropriations for IMD contracts  
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Accounting Flexfield

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|----------------|------------------|-----------------|---------------------|------------------------|----------------------|-------------------|-------------------|--|---|---------------------------|--|
| R              | 1501             | 6121160         | 63280               | 5311050                | 000000               | 000000            | 00000             | 254,135  |   | Incr Contracts-Canyon M   |  |
| R              | 1501             | 6121160         | 63280               | 5189070                | 000000               | 000000            | 00000             | 386,010  |   | Incr Contracts-Telecare   |  |
| R              | 1501             | 6121160         | 63280               | 5278055                | 000000               | 000000            | 00000             | 523,395  |   | Incr Contracts-Calif Psyc |  |
| R              | 1504             | 6427122         | 63280               | 5278055                | 000000               | 000000            | 00000             | 420,000  |   | Incr Contracts-Calif Psyc |  |
| <b>Totals:</b> |                  |                 |                     |                        |                      |                   |                   |  | 1,583,540   | 0                         |  |

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

Explanation: Budget adjustment to increase appropriations for IMD facilities.

|                              |  |                   |  |                             |      |
|------------------------------|--|-------------------|--|-----------------------------|------|
| <b>Requesting Department</b> |  | <b>Data Entry</b> |  | <b>Auditors Office Only</b> |      |
| Tina Jamison                 | <br>Supervisor's Approval<br>12/19/16<br>Date | Keyed by          | <br>Approved By<br>12/19/16<br>Date | Prepared By                 |      |
| Prepared by                  |  | Date              |  | Date                        | Date |
| 11/28/2016                   |  |                   |  |                             |      |