

**COUNTY OF SUTTER
EXECUTIVE SUMMARY
Fiscal Year 2019-2020**

Fund: **0007 - BI-COUNTY BEHAVIORAL HEALTH**
Unit Title: **BEHAVIORAL HEALTH**

Dept: **4102**

	Actual Expend 2017-2018	Adopted Budget 2018-2019	Adjusted Budget 3/6/2019	Current Projected 6/30/2019	Dept Requested 2019-2020	\$ Change Over 2018-2019	% Change Over 2018-2019
EXPENDITURES							
SALARIES AND EMPLOYEE BENEFITS	14,632,714	11,404,939	24,487,546	21,148,092	26,827,738	2,340,192	9.6
SERVICES AND SUPPLIES	3,208,421	5,361,080	7,906,984	11,852,386	11,317,315	3,410,331	43.1
OTHER CHARGES	6,456,340	3,810,074	5,273,880	12,583,542	7,136,181	1,862,301	35.3
CAPITAL ASSETS	134,952	3,780	111,450	111,450	207,405	95,955	86.1
OTHER FINANCING USES	112,370	12,906	990,455	990,455	2,933,825	1,943,370	196.2
NET BUDGET	<u>24,544,797</u>	<u>20,592,779</u>	<u>38,770,315</u>	<u>46,685,925</u>	<u>48,422,464</u>	<u>9,652,149</u>	<u>24.9</u>
REVENUE							
REVENUE USE MONEY PROPERTY	-134,809	107,261	0	84,465	155,000	155,000	100.0
INTERGOVERNMENTAL REVENUES	11,388,651	11,883,426	10,690,268	20,138,240	13,454,495	2,764,227	25.9
CHARGES FOR SERVICES	17,907,633	2,817,135	1,450,000	865,612	1,551,614	101,614	7.0
MISCELLANEOUS REVENUES	94,963	83,074	65,504	74,287	86,200	20,696	31.6
OTHER FINANCING SOURCES	2,683,754	5,630,752	26,402,690	24,361,469	28,871,877	2,469,187	9.4
CANCELLATION OF OBLIGATED FB	0	0	161,853	1,161,852	4,303,278	4,141,425	2,558.8
TOTAL OTHER REVENUE	<u>31,940,192</u>	<u>20,521,648</u>	<u>38,770,315</u>	<u>46,685,925</u>	<u>48,422,464</u>	<u>9,652,149</u>	<u>24.9</u>
UNREIMBURSED COSTS	<u>-7,395,395</u>	<u>71,131</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
ALLOCATED POSITIONS	135.57	205.56	0.00	0.00	0.00	0.00	0.00

Purpose

Sutter-Yuba Behavioral Health (SYBH), under a Joint Powers Agreement entered into by the counties of Sutter and Yuba in 1969, provides the full-range of specialty mental health and substance use disorder services to eligible Sutter and Yuba County Medi-Cal beneficiaries, provides crisis and specialty mental health services for all Sutter and Yuba County residents regardless of payer status, administers managed-care contracts for mental health services with private for-profit and non-profit agencies, and provides a comprehensive system of care for the seriously mentally ill to the extent resources are available.

The Mental Health Services Act (MHSA) addresses a broad continuum of prevention, early intervention, and service needs, along with the necessary infrastructure, technology, and training elements that support this system for both counties.

Beginning in Fiscal Year 2018-19 Health and Human Services integrated the operating budgets of the traditional mental health services and the Mental Health Services Act (4-104) budget units. In practice, Sutter-Yuba Behavioral Health has always been an integrated operation.

Major Budget Changes

Salaries & Benefits

- \$953,558 General increase due to negotiated salaries and benefits
- (\$86,464) Decrease related to the transfer of one (1.0 FTE) Executive Secretary position to the Health and Human Services Administration (4-120) budget unit, effective July 1, 2019
- \$67,643 Increase related to the addition of one (1.0 FTE) flexibly-staffed Medical Clerk I/II position, effective July 1, 2019
- \$86,298 Increase related to the addition of one (1.0 FTE) flexibly-staffed Intervention Counselor I/II position, effective July 1, 2019
- \$123,278 Increase related to the addition of one (1.0 FTE) Staff Nurse position, effective July 1, 2019
- \$210,370 Increase related to the addition of two (2.0 FTE) flexibly-staffed Mental Health Therapist I/II/III positions, effective July 1, 2019
- \$208,520 Increase related to the addition of two (2.0 FTE) flexibly-staffed Psychiatric Technician/LVN positions, effective July 1, 2019
- \$291,669 Increase related to the addition of three (3.0 FTE) Crisis Counselor positions, effective July 1, 2019
- \$764,720 Increase related to the addition of ten (10.0 FTE) flexibly-staffed Mental Health Worker I/II positions, effective July 1, 2019
- (\$250,000) Decrease in Extra Help related to the increase in permanent staffing
- (\$29,400) Decrease in Overtime related to the increase in permanent staffing

Services & Supplies

- \$14,649 Net Increase to several Service and Supply accounts
- \$60,000 Increase in Maintenance Structure & Improvements due to deferred facility maintenance and space needs
- \$902,525 Increase in Software License & Maintenance related to a more accurate accounting of the Electronic Health Record System
- \$2,058,134 Net Increase in Professional and Specialized Services based on actual contract costs
- \$292,000 Increase in Employment Training related to a more accurate accounting of Relias Training

- \$20,000 Increase in Other Equipment due to Psychiatric Health Facility Small Equipment needs
- \$22,290 Increase in ISF Liability Premium charges as provided by the Human Resources Department
- \$40,733 Increase in ISF Worker's Comp Premium charges as provided by the Human Resources Department

Other Charges

- \$1,396,500 Increase in Support and Care of Persons based on actuals and historic costs
- (\$450,000) Decrease in Contribution to IMD Facilities based on increased PHF bed census
- \$138,500 Increase in Residential Care costs based on actuals
- \$464,629 Increase in Interfund Human Services Admin related to additional staffing and organizational changes
- \$105,292 Increase in Interfund Conservator Services related to Public Guardian costs and allocation of LPS cases
- (\$51,700) Decrease in Interfund Maintenance/Improvements related to Improvements at 1965 Live Oak Blvd – Psychiatric Health Facility as provided by the General Services Department
- \$279,066 Increase in Interfund Overhead Cost Plan charges as provided by the Auditor-Controller's Office

Capital Assets

- \$31,500 Replacement vehicle, Passenger Van
- \$68,000 Replacement two vehicles, Caged Cars
- \$41,500 New 4x4 ¾ Ton Crew Cab Pickup with grant funding
- \$51,380 Phone System Upgrade
- \$15,000 All-Terrain, Off Road Vehicle and Trailer with grant funding

Other Financing Uses

- \$2,433,956 Increase in Operating Transfer Out to reimburse an advance from MHSA

Revenues

- \$155,000 Increase in Interest Revenue based on actuals
- \$99,142 Increase in several Federal Programs

- \$1,000,000 Increase in Federal Drug Medi-Cal based on implementation of program
- \$2,415,851 Increase in Federal Mental Health Medi-Cal based on increased billing rate
- (\$886,000) Decrease in Federal Drug and Alcohol Program based on implementation of Drug Medi-Cal
- \$257,544 Increase in Yuba County Blended Funding based on contract increases
- \$2,469,187 Increase in Operating Transfer-In related to Realignment increases and the integration of MHSA to the Behavioral Health operating budget

Program Discussion

Sutter-Yuba Behavioral Health (SYBH) served between 5,500 and 6,000 unique mental health clients each year for numerous years. Over the past decade, there has been an increase in demand for behavioral health services for a variety of reasons in both counties, including, but not limited to, Medi-Cal consolidation, expanded children's services, growth in population, and 1991 and 2011 Realignment.

In 1991, responsibility for providing Specialty Mental Health Services was realigned from the state to counties. Revenue to fund these services came from dedicated shares of Vehicle License Fees (VLF) and sales taxes. During FY 2011-12, the State realigned responsibility for additional mental health and Substance Use Disorder (SUD) services to counties along with an additional dedicated portion of sales taxes to fund them.

The areas realigned are:

- EPSDT
- Mental Health Managed Care
- Drug Courts
- Drug Medi-Cal
- Non-Drug Medi-Cal Treatment Services

These services, previously funded by State General Fund monies, are now funded through VLF and sales tax.

SYBH has a contract with Youth for Change to provide community-based services to youth.

SYBH provides substance use disorder treatment services to residents of Sutter and Yuba Counties under contracts with the California Department of Health Care Services (DHCS), which include significant funding from federal Substance Abuse Prevention and Treatment (SAPT) block grants.

SYBH provides several judicially-linked programs. These include drug diversion services authorized under §1000 of the California Penal Code, services to individuals referred by the courts in both counties for mental health treatment and substance use disorder counseling, psychiatric services to youth in juvenile hall and the Maxine Singer Youth Guidance Center, and services to individuals involved in drug courts in both counties.

During FY 2011-12, Public Safety Realignment shifted responsibility for certain offenders from the state to counties and funding became available to continue and expand services in collaboration with the Probation Department. SYBH has staff that are integrated with Yuba and Sutter County Probation to provide services related to Public Safety Realignment.

SYBH also provides an intensive day treatment program to pregnant women and women with small children under its First Steps program. First Steps is widely recognized to be a very effective substance use disorder treatment program with many successful graduates in our communities.

Although responsibility for Drug Medi-Cal (DMC) services has been realigned to counties, local DMC providers are currently contracted directly with DHCS. There are presently two of these agencies in our community. It is anticipated that SYBH will assume responsibility for oversight of these contractor-provided services in the near future.

SYBH, under funding agreements with Sutter and Yuba Counties' Social Services agencies, provides additional treatment services in the Child Protective Services and the California Work Opportunity and Responsibility to Kids (CalWORKs) programs of both counties.

Currently extra help personnel are essential to the operation of Behavioral Health's Psychiatric Health Facility (PHF), which provides inpatient treatment, and Psychiatric Emergency Services (PES), which provides crisis services, both of which operate on a 24 hour per day, 7 days per week basis. This budget recommends a significant increase in permanent staffing and a decrease in extra help and overtime staffing to assist with scheduling and help reduce the risk associated with extra help and overtime.

During FY 2016-17, SYBH entered into a relationship with Rideout Memorial Hospital. Psychiatric Emergency Services (PES) Crisis Counselors are embedded 24/7 at Adventist Health-Rideout Emergency Department (ED). Individuals placed on an involuntary hold under Welfare and Institutions Code §5150 are now taken directly to the Adventist Health-Rideout ED for assessment. This arrangement has proven to be beneficial for SYBH, Adventist Health-Rideout, and the community. Crisis services are still available for voluntary clients at the main SYBH facility on Live Oak Boulevard.

Work has continued on the 850 Gray Ave project which will eventually move many of the Health and Human Services staff to one facility. This will empty the modular building at the Live Oak Boulevard site, which has exceeded its useful life span. Following the move, the modular building will be removed and returned to its owner.

Mental Health Services Act

The Mental Health Services Act (MHSA), also known as Proposition 63, was passed by the voters in November 2004. The passage of Proposition 63 provided the first opportunity in many years for Sutter-Yuba Behavioral Health (SYBH) to provide increased funding, personnel, and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults, and families. MHSA funds for counties are used to expand and transform mental health services.

The MHSA has five components:

- Community Services and Support
- Prevention & Early Intervention
- Innovation

- Capital Facilities & Technology Needs
- Workforce Education and Training

SYBH has had approved programs in all five MHSA components. These components and programs can be found in Sutter Yuba Behavioral Health MHSA Plan.

FY 2019-20 Budget Discussion

Sutter Yuba Behavioral Health's rates are required by federal law to be based on actual costs. Medi-Cal is billed using interim rates, estimated based on costs from a prior year, and these rates are then reconciled to actual costs at the end of each fiscal year through a mandated cost report process. For FY 2019-20, SYBH will charge \$1,212.35 per day on the Inpatient Unit. Other services are charged by the minute: \$9.38 per minute for Medication Support, \$3.90 per minute for Case Management/Brokerage, \$5.04 per minute for Mental Health Services, and \$7.50 per minute for Crisis Intervention. These interim rates are based on the FY 2016-17 Cost Report.

In addition to the above, the rate for the First Steps perinatal substance abuse treatment program is \$118.94 per day. Clients are charged for these and for other substance use disorder treatment services on a sliding fee schedule based on ability to pay.

From a financial perspective, several factors are affecting the FY 2019-20 Behavioral Health budget.

- Mental Health Realignment (1991) revenue originally based on portions of sales taxes and motor vehicle license fees is now based only on an increased portion of sales tax revenue due to 2011 Realignment.
- Statewide growth in Realignment funding paid for increasing caseloads in Child Welfare Services, Foster Care, and/or In Home Supportive Services (IHSS) programs, by statute, have first draw on Realignment growth dollars. Realignment funding is used as a match to draw down the Federal share of Medi-Cal revenue.
- Untimely and inconsistent audits conducted by the Department of Health Care Services - audits can be four to five years in arrears.
- No Place Like Home Initiative (NPLHI), passed in 2016, will divert a portion of MHSA funds to provide bond funds for affordable housing to a target population of individuals, who are living with serious mental illness and who are homeless or at risk of homelessness. Some of the funding will be in the form of grants for which counties, or groups of counties, will have to compete for.

The complexity of mental health and SUDS funding and programs has increased for a variety of reasons, including 2011 Realignment and major changes to MHSA's payment methodology. This increased complexity along with other state regulations has required additional administrative staffing hours in Administration and Finance and in Quality Assurance.

Recommended Budget

This budget is recommended at \$48,422,464 which is an increase of \$9,652,149 (24.9%) over FY 2018-19.

The following changed positions are recommended to be effective July 1, 2019:

- Addition of one (1.0 FTE) flexibly-staffed Medical Clerk I/II position
- Addition of one (1.0 FTE) flexibly-staffed Intervention Counselor I/II position
- Addition of one (1.0 FTE) Staff Nurse position
- Addition of two (2.0 FTE) flexibly-staffed Mental Health Therapist I/II/III positions
- Addition of two (2.0 FTE) flexibly-staffed Psychiatric Technician/LVN positions
- Addition of three (3.0 FTE) Crisis Counselor positions
- Addition of ten (10.0 FTE) flexibly-staffed Mental Health Worker I/II positions
- Transfer of one (1.0 FTE) Executive Secretary position to the Health and Human Services Administration (4-120) budget unit

Capital Assets are recommended at \$207,405 for the purchase of the following, effective July 1, 2019:

- \$31,500 Replacement vehicle, Passenger Van
- \$68,000 Replacement two vehicles, Caged Cars
- \$41,500 New 4x4 ¾ Ton Crew Cab Pickup with grant funding
- \$51,380 Phone System Upgrade
- \$15,000 All-Terrain, Off Road Vehicle and Trailer with grant funding

Capital improvement projects related 1965 Live Oak Blvd have been budgeted in the Capital Improvement Projects (1-800) budget unit:

- \$226,326 for fire sprinkler and window replacement in the Psychiatric Health Facility
- \$273,543 for proportional share of cost for construction and paving of parking lot

Interior and exterior maintenance and improvements for the facility at 1965 Live Oak Blvd have been budgeted in the Building Maintenance (1-700) budget unit. The General Services Department is responsible for these maintenance projects.

It remains SYBH's objective to keep Behavioral Health programs in balance and to fully utilize all available funding most advantageous to our counties. By creating Bi-county Behavioral Health through a Joint Powers Agreement, our two counties have provided more resources and a greater array of services for those with serious mental illness or substance use disorders than our two counties would be able to provide separately. The staff of Sutter-Yuba Behavioral Health is proud of the services provided for the citizens of Sutter and Yuba Counties for almost 50 years.

Use of Fund Balance

The Behavioral Health fund contained a Restricted Fund Balance in the amount of \$2,279,406 as of July 1, 2018. It is estimated that the Restricted Fund Balance will equal \$6,330,825 at July 1, 2019. It is recommended to cancel \$4,303,278 of Restricted Fund Balance in FY 2019-20.

The Behavioral Health fund also contains a Restricted Fund Balance for Sutter County use in the amount of \$51,419. These funds will be used for the facility improvements in the SYBH Psychiatric Health Facility.