



**"We can't wait for the storm to blow over,
We have to learn to work in the rain."**



Health & Human Services Agency
Mental Health
Report to the Board of Supervisors

Stacey Cryer, HHSA Director
November 9, 2010



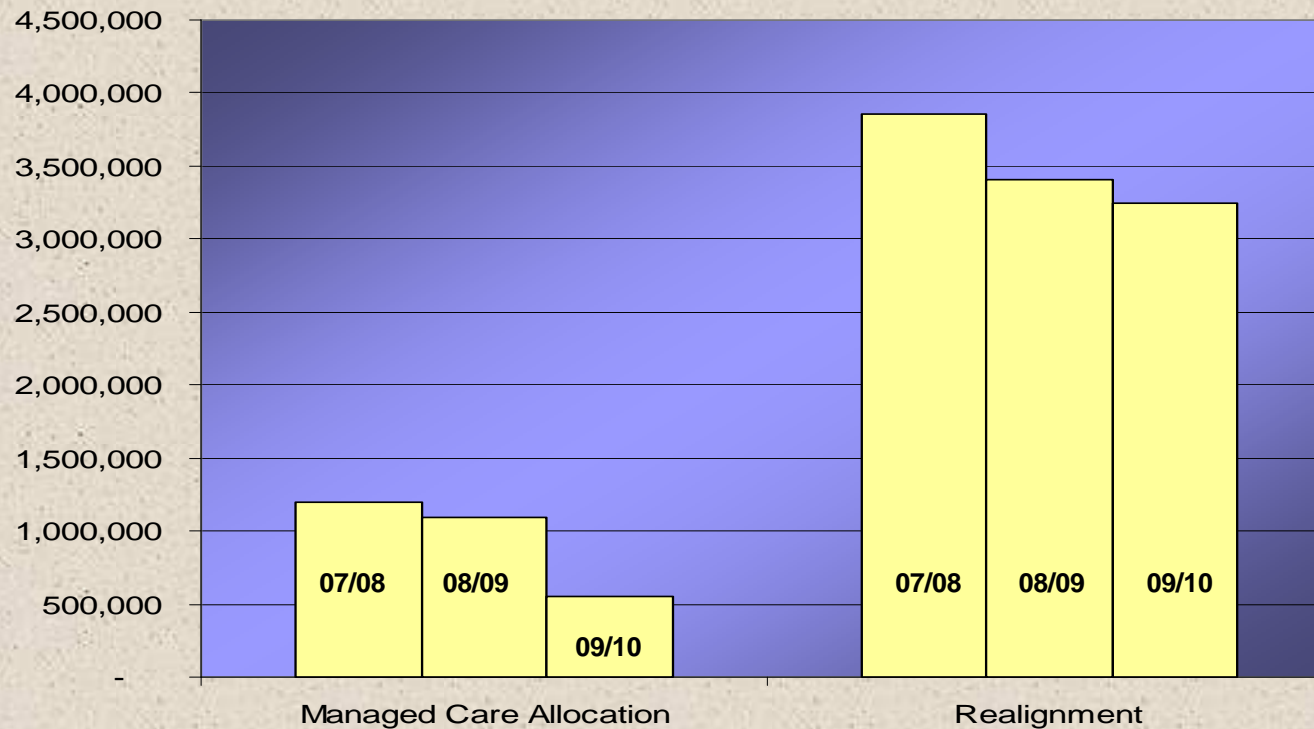
Mandated Services

W&I Code Section 5600.2 & .3

to the extent resources are available

- **Children and Adolescents**
 - Seriously Emotionally Disturbed (SED)
- **Adults and Older Adults**
 - Who are Seriously Mentally Ill (SMI)

Revenue History FY 2007/08 - 2009/10



Managed Care Allocations **declined 54.2%** from 2007/08

Realignment Revenue **declined 15.7%** from 2007/08

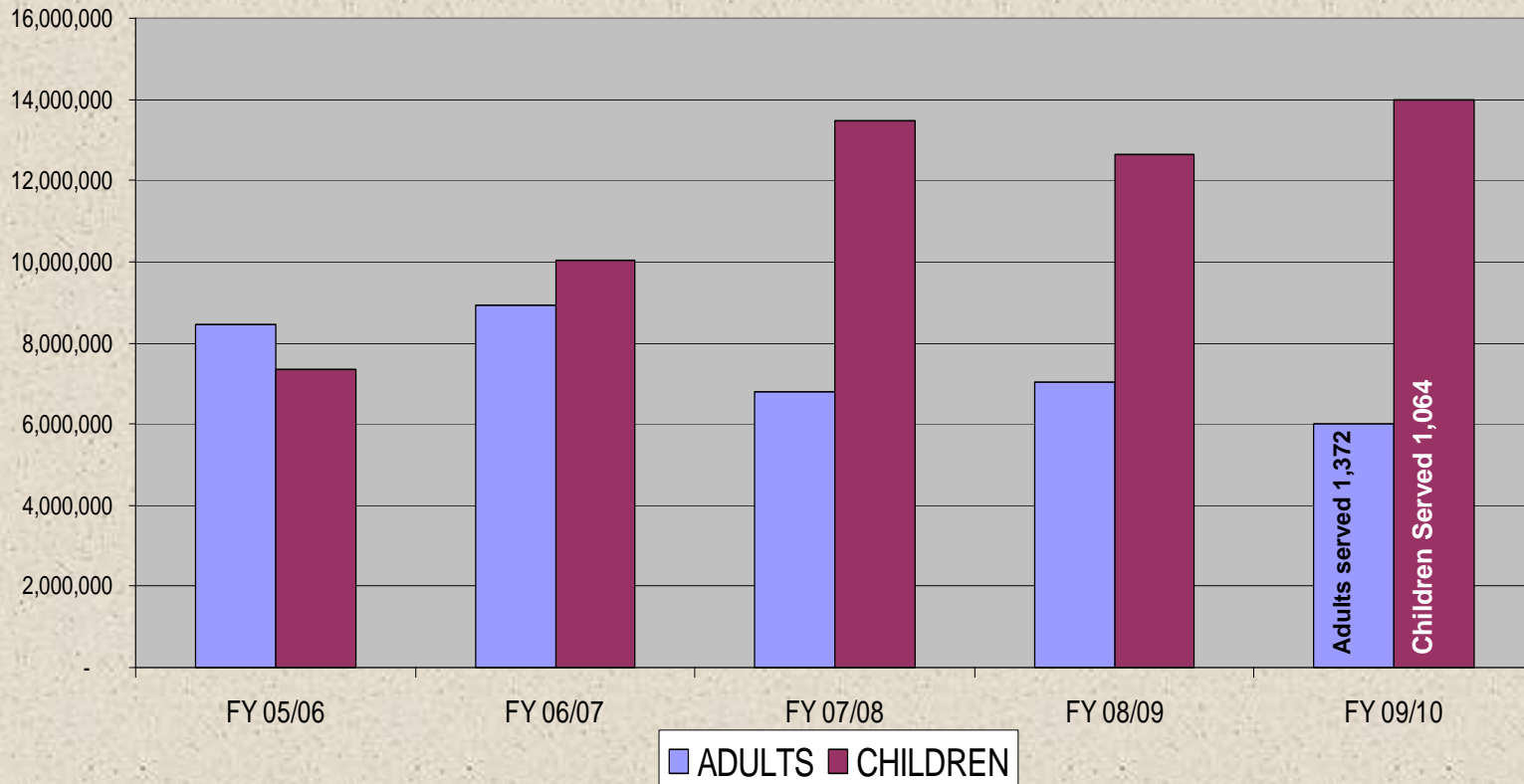
Total Unrestricted Revenue **decline of \$1.256 Million**

Realignment Funds Declining

- **Mental Health has received no sales tax growth since Fiscal Year 2005/06.**
- **In Fiscal Years 2007/08, 2008/09 and 2009/10 Mental Health did not even make the prior year's base.**
- **Vehicle License Fee revenues are approximately the same as Fiscal Year 2003/04 amounts.**

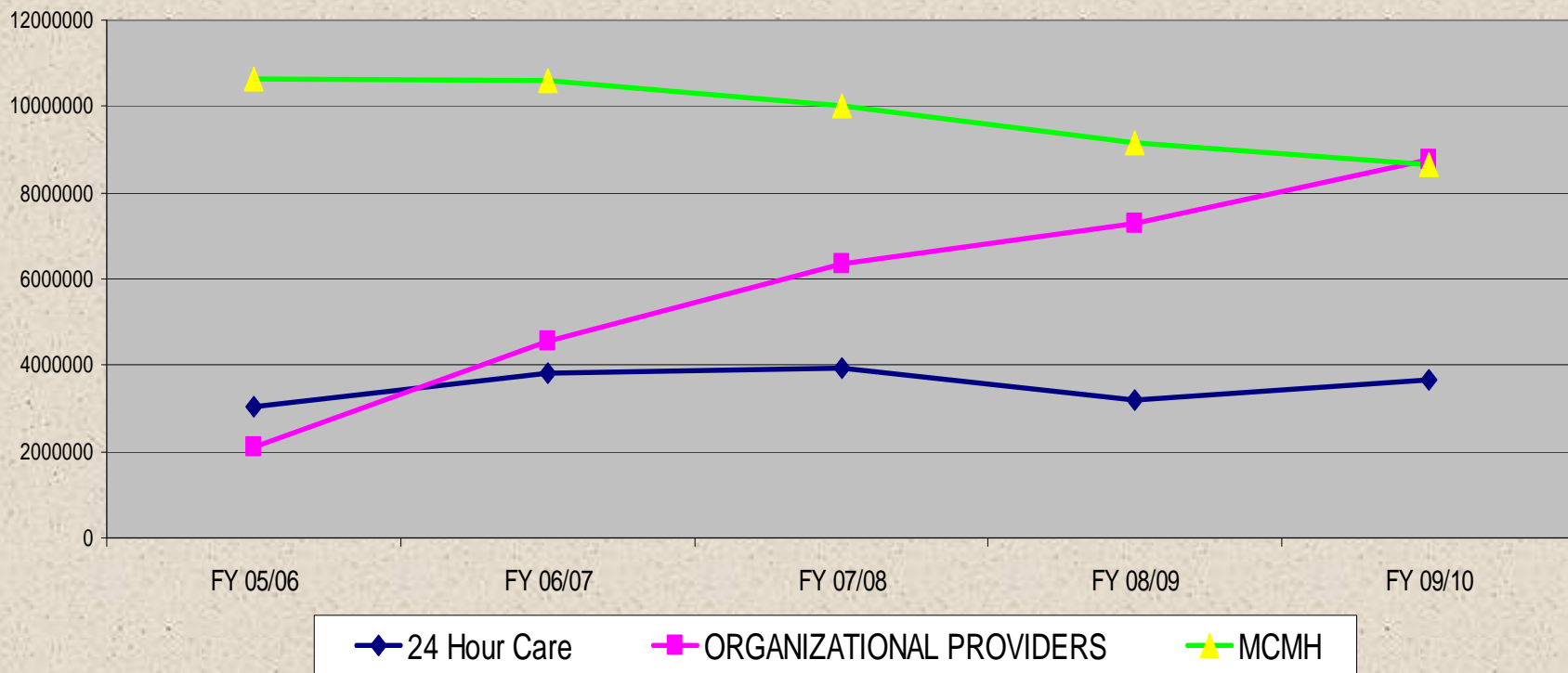
Meanwhile, costs of services and other demands steadily rise.....

Budget Information FY 2005/06 - FY 2009/10



- Out of the total Mental Health budget of \$20 Million, \$14 Million is spent on children.
- Medi-Cal reimbursements for children services are higher.
- The higher level reimbursement helps to fund and support both children and adult systems of care and required administrative overhead.

Budget Information FY 2005/06 - FY 2009/10



- **Organizational providers are Medi-Cal certified, local, non-profit agencies providing a variety of services to children.**
- **These providers are: Redwood Children's Services, Tapestry and Mendocino County Youth Project.**

We must reduce
to **core mandated** services



We can no longer **afford** to provide
the same level of service
as we have in the past.

System Transformation

Action	Action Steps/Goal	Estimated Savings
Revise MHSA Plan	<ul style="list-style-type: none"> • Bring MHSA funds into Mental Health Services to support system transformation. • Create one system of care and expand ability to draw down additional Medi-Cal match dollars. 	\$600,000
Decrease Mental Health Services in the Jail	<ul style="list-style-type: none"> • Maximize use of resources and increase Medi-Cal reimbursements. • Increase ability to meet needs of clients in community. 	\$200,000
Analyze Day Rehab Services	<ul style="list-style-type: none"> • Restructure existing services to maximize outcomes. • Create enriched outpatient programs. • Offer outpatient mental health services in the schools while increasing Medi-Cal revenue. 	\$130,000
Co-locate Adult AOD Treatment and Mental Health	<ul style="list-style-type: none"> • Decrease administration costs by combining reception and medical records functions resulting in more dollars to spend on direct client services. 	\$220,000
Review All Contracts	<ul style="list-style-type: none"> • Maximize dollars spent on contracts by ensuring contractors are subject to accountability and quality control review and meet contract expectations 	\$400,000

System Transformation

Action	Action Steps/Goal	Estimated Savings
Restructure 24-Hr. Care Contracts and Service Flow	<ul style="list-style-type: none"> • Eliminate contracts with designated beds. • Manage flow of clients to least costly placement for appropriate level of care. • Decrease use of realignment dollars. 	\$1,500,000
Restructure QA/Compliance	<ul style="list-style-type: none"> • Decrease overall staff costs and utilize licensed staff who are 75% reimbursable. • Ensure clients are in appropriate level of care and manage length of stay. 	\$110,000
Manage Access	<ul style="list-style-type: none"> • Ensure all clients enter the system through Mental Health for standardized triage and assessment. • Screen for medical necessity and match clients to services. • Enroll clients in appropriate level of care. 	\$150,000
Add Eligibility Screening Component	<ul style="list-style-type: none"> • Develop systematic process to enroll clients into benefit programs. • Cross check eligibility with other programs to increase reimbursement. 	\$250,000
Reduce Transportation Costs	<ul style="list-style-type: none"> • Manage flow of clients to utilize less realignment dollars 	\$40,000

System Transformation

Action	Action Steps/Goal
Review Organizational Structure	<ul style="list-style-type: none">• Gain efficiencies, maximize Medi-Cal reimbursements.• Reassign staff, develop “team” approach to delivery of care.
Restructure Crisis Services	<ul style="list-style-type: none">• Change current model of services to “crisis worker of the day” to maximize Medi-Cal reimbursements.• Review existing contracts for crisis services for off hours.
Eliminate Shadow Systems and Streamline Data	<ul style="list-style-type: none">• Decrease administrative costs caused by inefficiencies.• Increase ability to efficiently manage system.
Develop Staff Training Plan	<ul style="list-style-type: none">• Increase Medi-Cal reimbursements.• Ensure all reimbursable activities are captured.• Provide Medi-Cal reimbursable services, maximize dollars, decrease audit exceptions.

System Transformation Staff Impacts.

We are requesting the Board of Supervisors approval for up to 22 layoffs between now and June 30, 2011 in the following classifications.

Staff Assistant II – 5

Staff Assistant Supervisor – 1

Human Services Worker – 1

Community Health Worker II – 1

Senior Program Manager – 1

Social Worker Assistant I – 1

Client Services Specialist – 6

Social Worker III – 1

Social Worker V – 1

Social Worker Supervisor – 1

Clinician I – 2

Clinician II - 1

The Future

- Healthcare Reform
- Medi-Cal Managed Care
- Parity Act
- Healthcare Coverage Initiative
- Changes to Re-alignment

With Change Comes Opportunity

- Create a service delivery system that provides a health care home that treats the entire person.
- Integrate primary care with behavioral health.
- Participate in pilot projects with Federally Qualified and Rural Health Centers.
- Reduce stigma associated with mental health treatment.

With Change Comes Opportunity

- Continue to work with organizational providers to transform service delivery.
- Develop relationships with new partners.
- Position ourselves to be eligible for new funding opportunities.
- Explore regional opportunities for service delivery.