

Bi-County Mental Health

Tony Hobson – Director

Program Description (4-102)

Bi-County Mental Health, also referred to as Sutter-Yuba Mental Health Services (SYMHS), is a division of the Sutter County Human Services Department. Under a Joint Powers Agreement entered into between the counties of Sutter and Yuba in 1969, SYMHS provides specialty mental health services to residents of both counties. Subsequently, in the mid-1970s, by resolution of both Boards of Supervisors, it was determined that bi county drug and alcohol services would be provided under the auspices of SYMHS. SYMHS provides the full range of clinical operations for specialty mental health 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 mentally ill, to the extent resources are available.

Major Budget Changes

Salaries & Benefits

\$417,872 General increase due to negotiated Salaries and Benefits

\$172,385 Increase due to one vacant Psychiatrist increasing from part-time (0.5 FTE) to full time (1.0 FTE) during FY 2013-14

\$174,386 Addition of 2 Psychiatric Tech/ Psychiatric LVN positions during FY 2013-14

\$9,998 Net Increase due to the elimination of one vacant Supervising Intervention Counselor and the addition of one Resource Specialist during FY 2013-14

\$75,467 Net increase due to the elimination of one vacant part time (0.4 FTE) Physician and the addition of one part time (0.5 FTE) Psychiatrist

\$63,741 Addition of one Account Clerk III position

\$90,454 Addition of one flexibly staffed Mental Health Therapist I/II/III position

\$75,000 Increases in Extra Help and Overtime based on actual expenditures

Services & Supplies

\$100,000 Increase in Juvenile Dependency Proceeding/Physician account primarily due to the use of locum tenen psychiatrists while recruiting to fill vacancies

Other Charges

(\$161,700) Decrease in Interfund Plant Acquisition

\$60,492 Increase in Interfund Information Technology charges as provided by the General Services Department Capital Assets

(\$87,000) Decrease for purchase of replacement vehicles in FY 2013-14

\$52,000 Increase for the purchase of two additional vehicles

Appropriation for Contingency

\$1,200,000 Increase in Appropriation for Contingency to accommodate the uncertainties associated with estimating Mental Health revenues and expenses during Healthcare Reform implementation

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Revenues

(\$230,000) Decrease in Outpatient Insurance and Medicare based on actual billing and reimbursement experience

(\$129,199) Decrease in Interfund Transfer In – Sales Tax revenues under 1991 Realignment

(\$562,000) Decrease in State Mental Health Medi-Cal. These are Federal funds for reimbursement for certain costs associated with Medi-Cal administration. This decrease results from a federally-driven change in the methodology for determining these costs

\$771,227 Increase in Federal Utilization Review/Quality Assurance revenue due to increased program activity and a requested new Mental Health Therapist I/II/III position eligible for 50% reimbursement in this program

\$200,450 Increase in Federal Mental Health Medi-Cal due to estimates based on actual billing and reimbursement rates

Program Discussion

SYMHS serves on average over 4,400 unique mental health clients each year. Over the years there has been a significant increase in demand for mental health services due in part to expanded children's services supported by Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) funds which became available in 1995. This, together with the Medi-Cal consolidation, that became effective in 1998, and the growth in local population, has resulted in a continuing increase in the number of clients being served.

Under Medi-Cal consolidation, SYMHS has been the Mental Health Plan for more than 40,000 Medi-Cal beneficiaries in Sutter and Yuba Counties. Mental health treatment is an entitlement under Medi-Cal. SYMHS is

responsible for assessing and treating, or referring for treatment, all Medi-Cal eligible individuals who meet medical necessity criteria and seek Specialty Mental Health Services on either an inpatient or outpatient basis. In addition to providing direct services, SYMHS has established contracts with licensed therapists in the local community and statewide to serve area children who have been placed out-of-home.

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

All of these were previously funded by State General Fund monies.

SYMHS has a long-term contract relationship with Victor Community Support Services, Inc. (VCSS). VCSS provides assessment and treatment services to youth on school campuses. These services are funded through a combination of Medi-Cal and EPSDT.

SYMHS provides drug and alcohol treatment services to local residents under Net Negotiated Amount (NNA) contracts with the State Department of Health Care Services (DHCS), which include significant funding from Federal Substance Abuse Prevention and Treatment (SAPT) block grants; under the California Work Opportunity and Responsibility to Kids

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(CalWORKs) program for Sutter County; and under drug court grant funding.

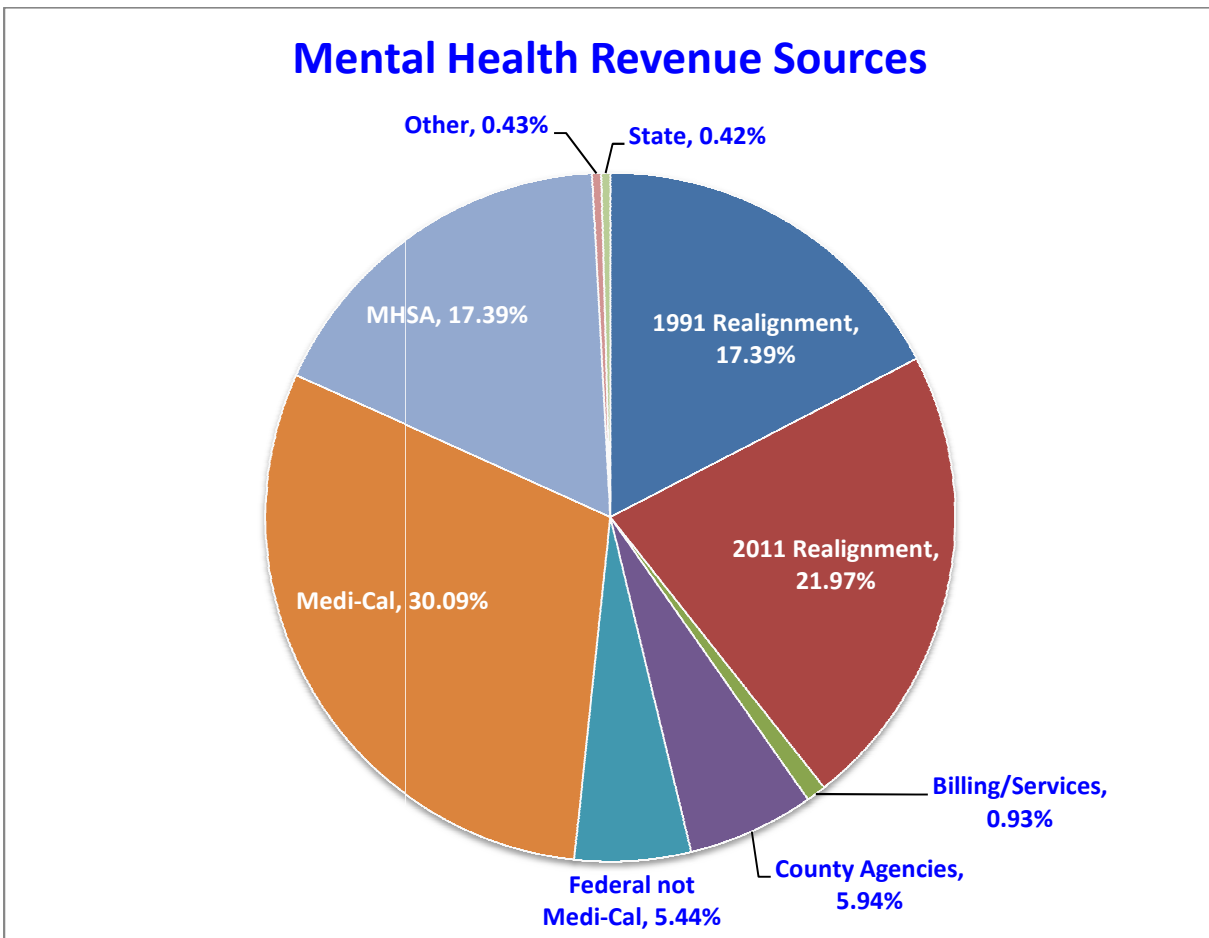
SYMHS provides a number of judicially linked programs. These include drug diversion services authorized under section 1000 of the California Penal Code (commonly referred to as PC 1000); services to individuals referred by the courts in both counties for mental health treatment and substance abuse counseling; psychiatric services to youth in juvenile hall and youth in the Maxine Singer Youth Guidance Center; services to inmates in both counties' jails; and services to individuals involved in drug courts in both counties.

During FY 2011-12, as a result of realignment of responsibility for certain offenders from the State to counties, funding became available to

continue and expand services in collaboration with the Probation Department. SYMHS now has four Intervention Counselor positions and one Mental Health Therapist position that are stationed at Sutter County Probation to provide services related to Public Safety Realignment.

SYMHS 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 abuse 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 still contracted directly with DHCS. There are currently three of these



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agencies in the community. It is anticipated that SYMHS will eventually assume responsibility for oversight of these contractor-provided services.

SYMHS, under funding agreements with Sutter and Yuba Counties' Social Services agencies, provides additional treatment services to Child Protective Services involved families in Sutter County and to the CalWORKs programs of both counties.

The impact of Healthcare Reform on SYMHS is currently unknown. Potential impacts include increases in the number of clients SYMHS will serve, increasing linkages to primary care providers, new requirements for claims submission and cost reporting, etc. SYMHS has not attempted to budget for implementation of new requirements and revenues related to Healthcare Reform. Once additional information has been received, SYMHS may return to the Board with additional budget adjustments to reflect these anticipated changes.

FY 2014-15 Budget Discussion

SYMHS' 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 2014 15, SYMHS will charge \$933.68 per day on the Inpatient Unit. Other services are charged by the minute: \$7.02 per minute for Medication Support, \$2.94 per minute for Case Management/Brokerage, \$3.80 per minute for Mental Health Services, and \$5.65 per minute for Crisis Intervention. These interim rates are based on the FY 2012-13 Cost Report and may be adjusted upon completion of the FY 2013-14 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 abuse treatment services on a sliding fee schedule based on ability to pay.

From a financial perspective, several factors are affecting the FY 2014-15 Mental Health budget.

- Since FY 2003-04, both locally and statewide, Mental Health Realignment allocations have remained flat or have declined. Mental Health Realignment (1991) revenue was originally based on portions of sales taxes and motor vehicle license fees but, due to 2011 Realignment, beginning in FY 2011-12 it is based only on an increased portion of sales tax revenue. Even in more robust economic times, statewide growth in Realignment funding has gone to pay for increasing caseloads in Child Welfare Services, Foster Care, and/or In Home Supportive Services; programs which, by statute, have first draw on Realignment growth dollars. The Mental Health Division uses Realignment funding as match to draw down the Federal contributions to Medi-Cal.

- The State Budget Act in 2011 enacted Public Safety Realignment transferring approximately \$5.6 billion in State fiscal responsibilities for public safety programs from the State to the counties. Funding for the programs is provided largely through a dedicated portion (1.0625 percent) of State sales and use taxes, and a small portion of redirected Vehicle License Fee revenues. Proposition 30, approved by the voters in November 2012, provided constitutional protections for this revenue source. While nearly all 2011-realigned programs were transferred to counties in FY 2011-12, Medi-Cal Specialty Mental Health Services, which includes EPSDT services for children and youth, was not realigned until FY 2012-13 because the Legislature diverted Mental Health Services Act (MHSA) funds to support those programs in FY 2011-12. For FY

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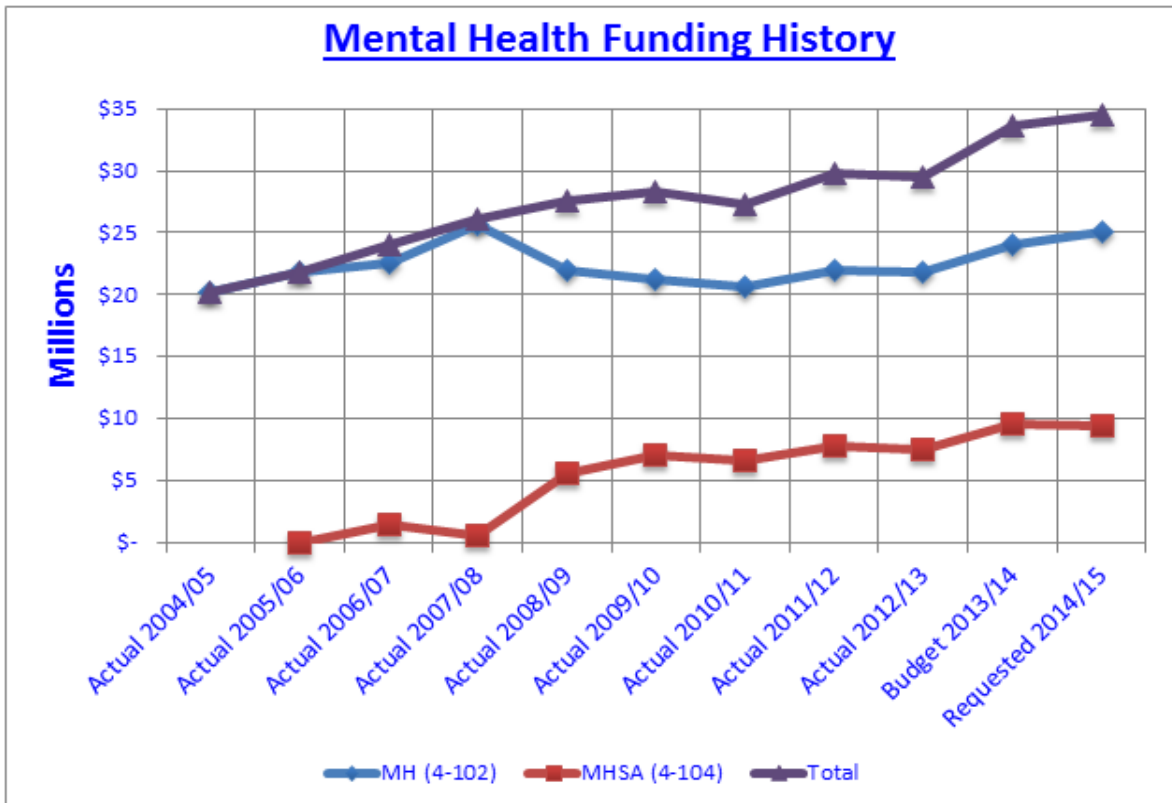
2011-12, the State enacted legislation (AB 100) that “redirected” a state wide total of \$861 million in MHSA funds to fund three traditional mental health programs previously funded by the State General Fund (SGF): EPSDT, mental health managed care, and mental health services for special education students (formerly the AB 3632 mandate).

- For FY 2012-13 and subsequent fiscal years, the Legislature enacted SB 1020 of 2012, which establishes a permanent financial structure for 2011 Realignment. This bill together with SB 1009 of 2012 includes changes to state laws governing Medi-Cal Specialty Mental Health to effectuate its 2012-13 realignment to counties. SGF monies that previously funded EPSDT and mental health managed care have been replaced by 2011 Realignment sales tax revenue. The mental health services previously mandated by AB 3632 for special education students are now the responsibility of the schools.

- Funding for Substance Use Disorder (SUD) prevention and treatment has remained flat or declined slightly for the last several years. New funding under Criminal Justice Realignment has allowed the addition of SUD programs at Probation.

The complexity of mental health and SUD funding and programs has increased for a variety of reasons, including 2011 Realignment and major changes to MHSA’s payment methodology. This added complexity will require added administrative staff. During the economic recession, use of extra help employees was increased to contain costs and provide needed flexibility. This practice has become problematic due to provisions included in the Patient Protection and Affordable Care Act (PPACA) and use of extra hire personnel in support functions has been greatly curtailed.

Extra hire personnel are still essential to the business model for operation of Mental



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Health's Psychiatric Health Facility (PHF), which provides inpatient treatment, and Psychiatric Emergency Services (PES), which provides crisis services, which operate on a 24/7 basis. Extra hire personnel provide essential flexibility in meeting staffing requirements for the PHF that vary based on patient census and acuity. They also provide standby services for both the PHF and PES. Mental Health has worked closely with the Human Resources Department and the County Administrator's Office to ensure use of extra hire personnel in compliance with the PPACA.

The State's practice of deferring payments to counties as a means of addressing its fiscal shortcomings continues to cause cash flow problems for SYMHS. The Board of Supervisors has assisted SYMHS in meeting this difficult challenge by authorizing borrowing from other funds of the Human Services Department. SYMHS pays interest on these cash flow loans, but the State does not pay interest on the payments it defers, so an added cost is imposed on SYMHS as a result.

An additional area of concern is the effect of prior year audits. Before its dissolution, the State Department of Mental Health Audit Division became much more aggressive in their audit reviews. Generally these audits occur between four and five years after the year the services were provided. This means that any error that is discovered may have continued to be made in subsequent years. In effect, a relatively minor error made in one year could have a significant impact over time if that error continued to be made in subsequent years. Responsibility for these audits has now transitioned to the Department of Health Care Services and it is unknown what impact this may have on the state's auditing practices.

Recommended Budget

This budget is recommended at \$26,672,230, which is an increase of \$2,313,181 (9.5%) compared to FY 2013 14.

This budget unit receives no financing from the County General Fund. The sources of funding for Sutter-Yuba Mental Health Services are shown in Figure 1. Mental Health's funding history is shown graphically in Figure 2.

The increase in, total cost, is largely due to increased personnel costs and an increased Appropriation for Contingency.

It is recommended to add one flexibly-staffed Mental Health Therapist I/II/III position and one Account Clerk III position.

Additionally, it is recommended to eliminate one vacant part-time contract employee physician position with funding split between Mental Health's two budget units (0.4 FTE in 4-102 and 0.1 FTE in 4-104) and add one 0.5 FTE contract employee psychiatrist position funded entirely in budget unit 4-102.

Mental Health requests that all of these actions be effective July 1, 2014. It should also be noted that two limited-term positions, a flexibly-staffed Psychiatric Technician/ Psychiatric LVN and an Intervention Counselor I, approved by the Board during FY 2012-13, were deleted from the position allocation schedule in FY 2013-14 mid-year because the conditions for ending the limited terms of the positions had been met.

It remains SYMHS' objective to keep the Mental Health budget and the Mental Health Services Act budget in balance and to fully utilize all available funding in a fashion most advantageous to our counties.

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Use of Fund Balance

The Mental Health fund contained a Restricted Fund Balance in the amount of \$606,137 as of July 1, 2013. It is estimated that the Restricted Fund Balance will equal \$3,248,544 at July 1, 2014. It is recommended that the full amount, of the Restricted Fund Balance account (#31170) be cancelled in FY 2014-15 for use in the Mental Health budget.

The Mental Health fund also contains a Restricted Fund Balance for Sutter County use in the amount of \$51,419. There are no planned uses for this fund balance.

Program Description (4-104)

The passage of Proposition 63, known as the Mental Health Services Act (MHSA), in November 2004, provided the first opportunity in many years for Sutter-Yuba Mental Health Services (SYMHS) 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. The MHSA addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system.

The MHSA budget unit (4-104) was created in FY 2005 06, beginning with the Community Services and Supports component. The Mental Health Services Act requires counties to place MHSA funds in a local Mental Health Services Fund, invest the funds consistent with County practice for other funds, and transfer any interest earned back into the Fund. The MHSA prohibits using MHSA funds to supplant funding that was previously provided for Mental Health Services by other sources.

Major Budget Changes

Salaries & Benefits

\$42,710 General increase due to negotiated Salaries and Benefits

\$84,839 Addition of one Resource Specialist funded by Prevention and Early Intervention funds

(\$25,587) Elimination of one part-time (0.1 FTE) Physician

\$247,566 Addition of two Mental Health Therapist I/II/III positions and one Intervention Counselor I/II position funded with Innovation funds during FY 2013-14

\$66,642 Addition of one Mental Health Worker I position to the Wellness and Recovery Program during FY 2013-14

Services & Supplies

(\$624,727) Decrease in Professional and Specialized Services due to implementation of the Electronic Health Record (EHR) project in FY 2013-14

Capital Assets

\$26,000 Increase for the purchase of one additional vehicle

Revenues

(\$193,761) Decrease in budgeted State MHSA revenue

(\$65,750) Decrease in State Mental Health Medi-Cal

(\$55,000) Decrease in Interest Apportioned based on estimated interest earned on MHSA funds

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Program Discussion

The Mental Health Services Act, also known as Proposition 63, was passed by the voters in November 2004. MSHA funds for counties are used to expand and transform mental health services. The MSHA has five components:

- Community Services and Support
- Prevention & Early Intervention
- Innovation
- Capital Facilities and Technological Needs
- Workforce Education and Training

SYMHS has approved programs in all five MSHA components. These components and programs are listed below. It should be recognized that the capacity to accept clients into these programs is directly related to available staffing.

Community Services and Supports (CSS) Component

The Urgent Services Program has been developed to serve all ages with distinct, age-appropriate services for youth and for adults who have acute mental health issues and are at greatest risk of harming themselves, or others, are at risk of hospitalization, or are at risk of incarceration in jails or juvenile justice institutions. SYMHS also works with school-based counselors and other school personnel to identify children at greatest risk.

The Older Adult Services Program has been developed to serve older adults aged 60 and over who are physically or geographically isolated and who have psychiatric disabilities. Further priority is given to those whose cultural identity places them in underserved populations within our community. The program enables participants to obtain and maintain positive social connections; experience respect from their providers of mental health services; feel empowered and listened to in the process of planning and obtaining their services; and have continuity in their providers. The program incorporates

peer-delivered services; uses a family-friendly approach to service planning and delivery; and provides housing services and treatment, leading to recovery, to promote the program's goals of reducing disparities in services and decreasing homelessness for mentally ill clients.

The Ethnic Outreach Program targets our major underserved populations: Latino, Hmong, and Punjabi speaking Asian Indians. Each program is intergenerational, serving children, youth, transition-aged youth, adults and older adults within each cultural group. Within these broader categories, females are specifically targeted as they are more likely to be underserved in our system, and specifically within these cultures. The program enables participants to obtain and maintain positive social connections; live in safety and in a setting which is of their choosing; and have access to integrated mental health and drug and alcohol treatment for those with co-occurring disorders. Participants can also obtain assistance to engage in meaningful activity such as employment or education/training; receive services which recognize their developmental process as "normal" and do not marginalize issues of wellness; and experience respect from their providers of mental health services. As a result, clients feel empowered and listened to in the process of planning and obtaining their services; have continuity in their providers; and have individualized service plans which recognize the uniqueness of each person within the context of their ethnic/-racial/cultural identity.

The Integrated Full Service Partnership Program serves individuals from all age groups with serious mental illnesses or serious emotional disturbances. This population is significantly more at risk for victimization, addiction disorders, overuse of emergency rooms, psychiatric hospitalizations, and incarceration in jails/juvenile justice institutions. Transition age youth are especially at risk to enter into the

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cycle of homelessness, unemployment, and substance abuse.

Within the Integrated Full Service Partnership, specific services are available to serve children ages 0-5 and youth aged 6-15 who have severe emotional disturbances or severe mental illnesses that result in significant social, emotional, or educational impairments and/or who are at risk of homelessness or going into out-of-home care. Children ages 0-5 are the most underserved population and have the most potential to need extensive resources over the longest time should they go untreated. SYMHS works with the Ethnic Outreach programs to find children whose cultural identity places them in underserved populations within our community (Hispanic, Asian Indian or Hmong).

Services are available for Transition Age Youth (TAY) aged 16-25 who have severe emotional disturbances or mental illnesses that result in significant social, emotional, educational and/or occupational impairments or who are at risk of homelessness. TAY within our community who are underserved, underserved, or inappropriately served include young women with self-harming, high-risk behaviors; youth aging out of foster care; and youth transitioning from children's mental health/probation systems to adult systems. Priority for services is given to those with co-occurring substance abuse and mental health disorders, those at significant risk of gang involvement, the uninsured, and those whose cultural identity places them in underserved populations within our community.

Services are available for adults and older adults who have co-occurring mental health and substance abuse disorders and who are homeless, or at risk of homelessness. Priority will be given to those whose cultural identity places them in underserved populations within our community (Latino, Asian Indian or Hmong).

The Wellness and Recovery Center serves adults and older adults with serious and persistent mental illness who meet the target population criteria established by Sutter-Yuba Mental Health Services.

Prevention and Early Intervention (PEI) Component

The PEI component of MHSA was approved by the state and implemented by SYMHS during FY 2009-10. PEI approaches are intended to be transformational by restructuring the mental health system to a "help-first" approach. Prevention programs bring mental health awareness into the lives of all members of the community through public education initiatives and dialogue. PEI builds capacity for providing mental health early intervention services at sites where people go for other routine activities (e.g., health providers, education facilities, community organizations). A goal of PEI is to help mental health become part of wellness for individuals and the community, reducing the potential for stigma and discrimination against individuals with mental illness.

The SYMHS implementation of PEI has two major components:

(1) The Community Prevention Team is intended to serve individuals experiencing onset of serious psychiatric illness; children and youth in stressed families; children and youth at risk for school failure; children and youth at risk of, or experiencing juvenile justice involvement; and underserved cultural populations. It works with agencies in the community to enhance overall community capacity for prevention and early intervention. They will expand mentoring programs for youth, expand use of the Strengthening Families model throughout the community, and support recreational

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opportunities for youth that fight stigma and build self-esteem.

(2) The First Onset component is directed toward individuals experiencing the first onset of serious psychiatric illness. It includes mental health consultation with pediatricians or other primary care providers to improve individuals' access to quality mental health interventions by increasing providers' capacity to offer effective mental health guidance and early intervention service; implementation of Teen Screen, a program of voluntary school screening to identify youth at risk for suicide and potentially suffering from mental illness; provide Aggression Replacement Training® to aid in early identification of mental illness and address stigma issues with the goal of improving social skill competence, anger control, and moral reasoning; and provide education and training at sites in the local community.

In addition to the above PEI programs, MHSA includes, within PEI, funding for the following statewide projects: Suicide Prevention, Student Mental Health Initiative, and Stigma and Discrimination Reduction. Funding for these projects is allocated to each county, but the projects will be executed on a regional or statewide basis. SYMHS has joined with mental health agencies in 48 other counties to form the California Mental Health Services Authority (CalMHSA) under a Joint Exercise of Powers Agreement (JPA) to implement these projects. SYMHS has reassigned its FY 2008-09 and FY 2009-10 allocations totaling \$300,400 to CalMHSA. Allocations for two additional years have not yet been assigned. Counties formed CalMHSA to ensure the priorities of counties were truly reflected in the execution of these important projects. The alternative was to assign this funding to the former Department of Mental Health.

Capital Facilities and Technology Needs Component

During FY 2010-11, SYMHS received approval for its Wellness & Recovery Center (WeRC) Project. This provides \$197,550 to remodel the former nurses' quarters of the old county hospital, also known as the "little white house," to serve as the main activity space and offices for the Wellness and Recovery Program. The WeRC will also have "smart classrooms" that will incorporate computer equipment funded in the technology needs portion of this component.

In late FY 2010-11, SYMHS received approval of its Electronic Health Record (EHR) System Project. This provided \$1,567,750 to implement EHR infrastructure, practice management, clinical data management, and computerized provider order entry. The Anasazi system was selected to replace SYMHS's 1980s-vintage, COBOL-based information system with a modern EHR and billing system. This is a critical step toward compliance with upcoming federal mandates for implementation of EHRs and Health Information Exchange. EHR implementation began in FY 2011-12 and is proceeding in phases that will continue into FY 2014-15.

Workforce Education and Training (WET) Component

During FY 2011-12, SYMHS received approval for its Workforce Education and Training Component. This provides \$180,000 annually for five years for training and higher education scholarships. This program has been coordinated by a consultant who assisted SYMHS in developing and implementing the training and scholarship programs. The trainings will focus on cultural competencies, service delivery, and workforce preparedness.

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Innovation

A plan to implement certain innovative practices has been approved by the State Mental Health Services Oversight and Accountability Commission. One project is to assign a Mental Health Therapist to each County's Probation Department to provide treatment services; one within the jail setting and the other at the day reporting center. The second project provides additional support to Transition Age Youth (TAY) after they age out of the program with the objective of reducing addiction disorders, overuse of emergency rooms, psychiatric hospitalizations, and incarceration in jails and justice institutions. The third project is to increase cooperation between traditional Hmong Healers and Mental Health professionals in order to improve mental health outcomes among Hmong clients.

Budget Discussion FY 2014-2015

MHSA is a volatile and economically sensitive funding source. This funding decreased during the recent economic downturn, but is now recovering. SYMHS intends to direct MHSA funding that exceeds the amounts in their approved plans into the Prudent Reserve called for in the MHSA.

The process by which counties receive their MHSA funding changed in FY 2011-12. Counties previously received funds 18 to 24 months after the state received the related tax revenue. However, funds are now being transferred to counties monthly based on their allocations and approved MHSA plans, as tax revenue is received. This process is managed by the State Department of Finance.

It remains SYMHS' objective to keep the Mental Health budget and the Mental Health Services Act budget in balance and to fully utilize all available funding in a fashion most

advantageous to our counties. Accordingly, a thorough review was conducted of positions associated with MHSA-funded Prevention and Early Intervention (PEI) programs. As a result, positions are regularly reviewed and reallocated between the two budget units.

During the economic recession, use of Extra Help employees was increased to contain costs and provide needed flexibility. This practice has become problematic due to provisions included in the Patient Protection and Affordable Care Act (PPACA) and use of Extra Hire personnel in support functions has been greatly curtailed.

Extra hire personnel are still essential to the business model for operation of Psychiatric Emergency Services (PES), which provides crisis services, which operate on a 24/7 basis and which is partially funded in the MHSA Budget. Extra Hire personnel provide standby services for PES. Mental Health has worked closely with the Human Resources Department and the County Administrator's Office to ensure use of extra hire personnel complies with the PPACA.

MHSA revenue is projected to increase in FY 2014-15, but revenue above the requirements of the approved MHSA Plan will be retained in the Mental Health Services Fund for future use or for inclusion in the Prudent Reserve consistent with the Mental Health Services Act.

Recommended Budget

This budget is recommended at \$9,423,732, a decrease of \$212,239 (2.2%) compared to FY 2013-14. This decrease is primarily due to completion of the initial phases of the EHR project. MHSA program expenses are funded by revenue from the State and from the Federal share of reimbursement for services claimed to Medi-Cal. This budget unit receives no financing from the General Fund. See Figures 1 and 2 in the Mental Health (4 102) budget narrative for

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information on Mental Health funding sources and history.

It is recommended to add one Resource Specialist position for the Prevention and Early Intervention Program. PEI program has been difficult to manage because the workload has been divided among 19 people, with 18 of these positions funded only in small part by PEI. Most of their time is spent performing other clinical functions within mental health. This position would replace 8 of these fractional positions within PEI. If approved, this position would be recruited as bi-lingual (Spanish), in order to improve our ability to reach out to this underserved community. SYMHS requests that this position be effective July 1, 2014.

Additionally, it is recommended to eliminate one vacant part-time contract employee physician position with funding split between Mental Health's two budget units (0.4 FTE in 4-102 and 0.1 FTE in 4-104).

It should also be noted that one limited-term position, a flexibly-staffed Psychiatric Technician/ Psychiatric LVN, approved by the Board during FY 2012-13, was deleted from the position allocation schedule in FY 2013-14 because the conditions for ending the limited term of the position had been met. Additionally during FY2013-14, there was the addition of two Mental Health Therapist I/II/III positions, one Intervention Counselor I/II position funded with Innovation funds, and one Mental Health Worker I position to the Wellness and Recovery Program.

There is a budgeted decrease in State Mental Health Medi-Cal of \$65,750. These are Federal funds for reimbursement for certain costs associated with Medi-Cal administration. This decrease results from a federally-driven change in the methodology for determining these costs.

Use of Fund Balance

The MHSA fund contained a Restricted Fund Balance in the amount of \$3,228,332 as of July 1, 2013. It is estimated the Restricted Fund Balance will equal \$1,593,994 at July 1, 2014. It is recommended that the full amount, \$1,593,994, of the Restricted Fund Balance (account 31170) be cancelled in FY 2014-15 for use in the MHSA budget.

The MHSA fund also includes Non-Spendable Fund Balance amounts of \$328,563 (account 31014) for housing and \$2,145,205 (account 31031) recognizing the cash advance to the Mental Health Fund (0-007). There are currently no planned uses for this fund balance.