

# 404950000—Health Care Services Administration

## Health Services

Greg Diederich, Health Care Services Director

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
<b>Expenditures</b>					
Salaries & Benefits	\$3,912,835	\$4,296,667	\$4,406,551	\$4,406,551	\$109,884
Services & Supplies	206,374	342,704	181,690	181,690	(161,014)
Centrally-Budgeted Expenses	10,025	71,753	111,458	111,458	39,705
<b>Total Expenditures</b>	<b>\$4,129,234</b>	<b>\$4,711,124</b>	<b>\$4,699,699</b>	<b>\$4,699,699</b>	<b>(\$11,425)</b>
Expenditure Reimbursements	(3,266,007)	(3,838,859)	(3,827,434)	(3,827,434)	11,425
<b>Total Appropriations</b>	<b>\$863,227</b>	<b>\$872,265</b>	<b>\$872,265</b>	<b>\$872,265</b>	<b>\$0</b>
<b>Earned Revenues By Source</b>					
Aid From Other Governments	\$863,292	\$872,265	\$872,265	\$872,265	\$0
<b>Total Revenues</b>	<b>\$863,292</b>	<b>\$872,265</b>	<b>\$872,265</b>	<b>\$872,265</b>	<b>\$0</b>
<b>Net County Cost</b>	<b>(\$65)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Allocated Positions</b>	<b>26.0</b>	<b>26.0</b>	<b>26.0</b>	<b>26.0</b>	<b>0.0</b>

## Purpose

Health Care Services (HCS) Administration provides administrative, fiscal, and policy oversight for the HCS Agency, which is comprised of:

- Behavioral Health Administration
- California Children’s Services
- Correctional Health Services (CHS)
- Emergency Medical Services (EMS)
- HCS Administration
- Mental Health Pharmacy
- Mental Health Services
- Public Guardian/Conservator
- Public Health Services (PHS)
- Substance Abuse Services
- Veterans Services Office
- Whole Person Care (WPC) Program

Funding for HCS Administration is provided through a combination of discretionary transfers of realignment revenues and reimbursement from HCS departments.

## Major Budget Changes

### Salaries & Employee Benefits

- \$101,384 Salary and benefits adjustments.
- \$8,500 Increase in budgeted overtime.

### Services & Supplies

- \$10,000 Increase in membership costs.
- \$6,500 Increase in travel and training costs.
- \$6,400 Increase in office expenses.
- (\$183,754) Reallocate information technology costs to departmental budgets.

### Centrally-Budgeted Expenses

- (\$33,983) Decrease in data processing charges.
- \$74,687 Addition of Countywide Cost Allocation Plan charges.

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### Expenditure Reimbursements

- \$121,157 Increase in reimbursement from Behavioral Health Services (BHS).
- \$12,568 Increase in reimbursement from WPC.
- (\$141,401) Decrease in reimbursement from San Joaquin General Hospital.

## Program Discussion

### Health Care Services Administration

The 2019-2020 recommended budget for HCS Administration totals \$4,699,699, which is a decrease of \$11,425 from the 2018-2019 adjusted budget. This change mainly reflects the reallocation of information technology costs to departmental budgets, offset by salary and benefits adjustments and the addition of Countywide Cost Allocation Plan charges.

The State's discontinuance of the Coordinated Care Initiative and its impact on the In-Home Supportive Services Maintenance of Effort has resulted in the loss of 1991 Realignment growth funds to both the Health and Mental Health Realignment accounts, neither of which has kept pace with population growth or inflation. This revenue impact, in combination with the continued decrease in Federal funding percentages for the Affordable Care Act's Medicaid expansion population, could lead to fiscal uncertainty in funding for HCS moving forward. Fortunately, the Governor has proposed the discontinuance of the Realignment redirection in the proposed State budget for 2019-2020. However, due to the resolution of a Federal audit of California Medi-Cal-funded specialty mental health services, approximately \$3.2 million in Mental Health Realignment will be withheld over the next four years. HCS utilizes a portion of this revenue stream to offset the cost of the Agency's services and these fiscal events could substantially decrease service capacity at the same time that HCS services are needed to support the health care community, as well as collaboration with law and justice partners.

### *Public Health Facility Replacement Project*

On February 12, 2019, the Board of Supervisors approved the establishment of a capital project for architectural and engineering services for the San Joaquin County PHS Replacement Project (B-19-109) to replace the 55-year old Public Health building and laboratory. Design documents and project budget materials are being developed for a base project (\$18.0 million) and an additive alternative to replace the laboratory (\$7.0 million); however, at this time, funding has only been identified for the base project. Inclusion of

the replacement laboratory component would require a funding augmentation of approximately \$3.0 million.

The Public Health Laboratory plays a vital role within the County's health care system, but it is also an important regional resource, providing testing services for other jurisdictions. The recent approval of an agreement with Stanislaus County to institute shared public health laboratory services (A-19-14) will help to further realize cost efficiencies through larger testing volumes and the ability to distribute operating and overhead costs. In addition to continuing efforts to achieve operational efficiencies, PHS will also focus on expanding revenue generation from third-party insurance carriers in order to reduce net costs.

Staff has performed an initial review of the laboratory business model to assist in evaluating the feasibility of continued and/or expanded laboratory operations. The laboratory is currently operating at an annual Net County Cost (NCC) of approximately \$1.4 million in 2018-2019, and is expected to decrease the NCC to \$1.2 million in 2019-2020. Based on testing currently being performed in-house by the laboratory for the County's population only, the annual NCC to outsource the laboratory work is estimated at \$1.4 to \$3.0 million.

It is anticipated that HCS, in partnership with PHS and the General Services Department (GSD), will bring a recommendation to the County Facilities Review Committee in early 2020 seeking Board consideration to proceed with a San Joaquin County PHS Replacement project. Cost estimates for the additive laboratory component of the project will be evaluated, along with the operational business model to determine the recommended project scope.

It should be noted that the anticipated PHS Replacement project will not address other HCS Agency space planning needs such as PHS staff and operations currently located in adjacent County-owned buildings or in leased space, parking issues for visitors and staff at the BHS campus, or co-location of other HCS functions (e.g., administration, finance, human resources, and information technology). HCS will continue to work with GSD and the County Administrator's Office on potential opportunities to address these issues.

### *Medical Examiner's Office*

On May 15, 2018, pursuant to Government Code Section 24010, the Board adopted San Joaquin County Ordinance 4507 establishing the Office of Medical Examiner (B-18-292). For organizational purposes, the Office of the Medical Examiner was established as a separate division within the HCS Agency. Upon hiring of a Medical Examiner, that individual will be responsible for executing the duties of the Coroner with regard to determining the cause and manner of

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death, as well as the duty to identify the decedent. All other administrative and investigative functions will continue to be executed by the staff of the Coroner's Office, until the Office of the Medical Examiner is fully staffed and ready to assume those duties. Unless the Board, by resolution, acts sooner, the Office of the Coroner will be abolished effective June 30, 2020.

### *Stepping Up Initiative*

HCS continues to engage internal and external partners for the development of processes and practices to safely reduce the prevalence of individuals with mental illness in jails and divert them into expanding community-based treatment options. This effort is in alignment with the national "Stepping Up" Initiative, for which the Board adopted a resolution of support on May 24, 2016 (R-16-80).

Universal screening and assessment for behavioral health conditions is a needed component of the County's Stepping Up Initiative efforts. Considerable progress has been made on implementing evidenced-based programs within the Jail and by other system partners, but the need for appropriate identification of mental health illness at the point of law enforcement contact and during the booking process is very evident. These initial points of contact are critical for successful intervention and possible diversion to the proper treatment facility, thereby reducing the number of mentally-ill individuals who are booked into the Jail.

In April 2018, CHS was successful in obtaining sustainable program enhancement funding in the amount of \$792,140 from the Community Corrections Partnership to fund 24 hours a day, 7 days per week mental health staff coverage to support universal screening and assessment during the Jail booking process. This coverage will increase early detection and identification of individuals who potentially have an undiagnosed mental illness, a substance use disorder, or who are active mental health consumers. Early identification of individuals in need of mental health services will help reduce recidivism rates for individuals at risk of reincarceration. Individuals will be referred for target-specific case management while still in custody, as well as provided with linkages to WPC coordinated re-entry services upon being released. Staff will also assist individuals through the court process, prepare them for release back to the community, and follow through on the discharge plan for up to 30 days post-release.

The program enhancement funding provides additional staff who will participate as members of the treatment team in developing and implementing individual and group treatment programs for mentally-ill inmates. The treatment team will setup telemedicine clinics for individuals needing psychotropic medications and will also be responsible for monitoring and administering medications to these

individuals. Staff will continue to work closely with BHS and other community-based organizations on efforts to provide mentally-ill inmates with supportive services and housing assistance once released. Efforts will be coordinated with WPC and other aligned HCS, BHS, PHS, and EMS initiatives.

CHS, in partnership with the Sheriff's Office, will be implementing a Jail-Based Competency Treatment Program. This Program is intended to address wait times for State hospital bed space for inmates facing felony charges who were found incompetent to stand trial during their preliminary court hearings. The Program will be fully funded through a contract with the Department of State Hospitals (DSH).

HCS and BHS, in partnership with both the District Attorney's and Public Defender's Offices, will be developing a local Felony Incompetent to Stand Trial Diversion program proposal with DSH to receive grant funding from Assembly Bill 1810. These local planning efforts will be partially informed by a recently completed Sequential Intercept Mapping report that identifies other potential opportunities for diversion in furtherance of the principles of the Stepping Up Initiative. Additionally, EMS continues to advocate for regulatory flexibility and funding to allow an expansion of community paramedicine pilots and alternative destinations for ambulance transports.

### *Whole Person Care (WPC) Program*

HCS is the lead County entity and single point of contact with the State Department of Health Care Services (DHCS) for the WPC Program. The Program is intended to coordinate physical health, behavioral health, and social services for vulnerable Medi-Cal beneficiaries who are high users of multiple health care systems and continue to have poor outcomes. The Program specifically targets Medi-Cal beneficiaries that are homeless, or at-risk of homelessness upon release from the Jail, psychiatric health facility, or hospital, as well as high utilizers of emergency department services and individuals with a mental health and/or substance use disorder. An administrative support position was transferred from PHS to HCS Administration midyear 2017-2018 to help facilitate implementation and operation of the Program.

DHCS has allowed counties to roll over unspent Program budget funds into future demonstration years and propose new Program activities that HCS will be implementing in 2019 and 2020. The WPC Program achieved its DHCS target of 800 concurrent enrollees as of December 31, 2018. WPC Program is working with the San Joaquin Community Health Information Exchange to allow information to be available to participating WPC Program partners.

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On September 11, 2018, the Board authorized participation in the Senate Bill 840 Homeless Mentally Ill Outreach and Treatment Program (R-18-125) to support the direct housing needs of individuals with serious mental illness and who are homeless, or at-risk of becoming homeless. The County's one-time allocation is \$715,000 and funds will be used to implement a flexible housing pool and begin to provide direct housing supports for homeless specialty mental health consumers who are WPC Program enrollees. WPC Program and CHS have also partnered with the County's San Joaquin Community Clinics on a planning grant to implement the

evidence-based Transitions Clinic Network model of care. This strategy is designed to reduce emergency department visits, hospitalizations, and parole and probation violations for patients impacted by the criminal justice system.

HCS continues to explore the potential to eventually transition the County into the State-optional Affordable Care Act Section 2703 Health Homes model that will allow Medi-Cal reimbursement for services provided to individuals with certain chronic conditions that may benefit from enhanced care management and coordination.