

**COUNTY OF SACRAMENTO
CALIFORNIA**

5

For the Agenda of:
June 17, 2009

To: Board of Supervisors

From: Department of Behavioral Health Services

Subject: Report Back From The June 15th, 2009 Budget Hearing - If the Sequoia facility closes, can the County lease it and have County staff run the facility to get the Medi-Cal funds

Contact: Ann Edwards-Buckley, Director, 875-2002
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BACKGROUND

At the June 15, 2009 Budget Hearing, the Board requested to know if the Sequoia Psychiatric Center in Yuba City closes, can Sacramento County MHTC reduce its capacity by 16 beds and move those beds to the Yuba City facility under a lease agreement, staffed with Sacramento County staff. The overall result would be a reduction in cost for those 16 beds given the ability to draw down Medi-Cal dollars.

The staff conclusion is that is not cost effective for Sacramento County to lease and run a psychiatric facility in another county 45 miles away.

DISCUSSION

Cost Analysis: A reduction in 16 beds at the Mental Health Treatment Center would save approximately \$3 million annually in variable costs. It would cost a minimum of \$2.5 to \$3 million to run the Sequoia facility plus the additional cost for the lease (cost unknown at this time). Additionally, there would be transportation costs for moving patients and additional costs for travel by county staff. Ancillary costs due to travel and loss of productivity will be incurred by other county departments. The Public Defender, Courts and Public Guardian are integral parts of the system as each of these departments participates in the preparation and actual hearings for patients under Welfare and Institutions (W&I) Code.

Legal Issues: Though Sequoia Psychiatric Health Facility is a private facility, it is certified by the Sutter-Yuba Mental Health Services Department and the State Department of Mental Health. Sutter County would have to agree to another county running a psychiatric facility within their jurisdiction. The W&I Code also requires a transfer agreement with a local hospital for medical clearances and emergencies. This transfer agreement requirement would create significant licensing challenges in that Sutter County and its participating hospitals would need to agree to accept Sacramento County Medi-Cal patients into their facilities.

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Page 2

Respectfully submitted,

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APPROVED:
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County Executive

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Countywide Services Agency