June 14, 2018

To: Supervisor Sheila Kuehl, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
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From: Sachi A. Hamai
Chief Executive Officer

REPORT BACK: ASSESSMENT ON COUNTYWIDE OPPORTUNITIES TO SUPPORT INTEGRATED SERVICES INCLUDING THE RESTORATIVE CARE VILLAGE ON LAC+USC MEDICAL CENTER CAMPUS (ITEM NO. 3, AGENDA OF OCTOBER 31, 2017)

On October 31, 2017, the Board approved a motion that requested a Countywide assessment of establishing facilities that can support integrated direct care services, including, but not limited to physical health, mental health, substance abuse treatment, housing, social, and other wrap-around services. On February 13, 2018, a Board memo was submitted to provide an assessment of the most suitable places to potentially establish facilities that support integrated care and services, as well as an analysis of the siting, planning, and phasing for the Restorative Care Village at the LAC+USC Medical Center campus. At that time, the Board was informed that an update of activities and funding recommendations for the LAC+USC Restorative Village Phase I would be provided in 90 days.

Additionally, the Health Agency’s vision for supportive care services at the remaining campuses required further analysis to confirm the best approach to integrate these services on an enterprise-wide basis. This report will provide a needs assessment for recuperative care and Crisis Residential Treatment Programs (CRTPs) Countywide.

"To Enrich Lives Through Effective And Caring Service"
NEEDS ASSESSMENT

Recuperative Care

Recuperative care is a clinically enriched form of interim housing. In 2011, the Department of Health Services (DHS) had 25 units of recuperative care available through contract. Since that time, Housing for Health has built a portfolio of 433 recuperative care placements across the county, including 98 beds of recuperative care located on the MLK Campus in the old Interns & Residents building. These beds have been used primarily by DHS hospitals, clinics, Housing for Health street-based outreach teams, the Office of Diversion and Re-Entry programs, and other County Homeless Initiative priority programs.

Housing for Health has been working to determine the number of additional recuperative care beds that are needed to serve clients specifically requiring this clinically enriched form of interim housing versus those individuals that could be well-served in other types of interim housing. To this end, Housing for Health has been exploring: 1) what the gap or additional need is for recuperative beds Countywide, and 2) how the Health Agency could build recuperative care on County campuses to both fill this gap and create a more regionalized recuperative care network.

Gap for Recuperative Care Beds Countywide

At any given point in time, DHS is using approximately 120-150 recuperative care beds. Approximately 85 percent of DHS patients who are appropriate for recuperative care are successfully placed today within the existing Housing for Health-operated recuperative care network. The two most common reasons why the patients are not able to be successfully placed in recuperative care are: a) patient refusal due to the distance of an available bed from their preferred place of residence, and b) lack of a recuperative care bed that is available on the day needed. Based on these two data points, DHS estimates its overall demand for recuperative care is currently 140-175 beds. This takes into account that the current length of stay in recuperative care beds is approximately six to nine months. However, for most clients the need for this highly enriched interim housing environment is less than six to nine months. To the extent that patients in recuperative care beds could be transitioned to less-enriched interim housing or permanent housing more rapidly, which should be feasible as the County builds up its supply of interim and permanent housing options, DHS’ need for enriched recuperative care beds would be expected to decline accordingly. Also, to the extent that DHS is able to offer recuperative care beds with a greater level of enriched services (e.g., presence of rehabilitative services such as occupational or physical therapy) or settings that are tailored to particular patient populations, the demand may increase slightly. However, this is not expected to be a major factor as the vast majority of patients awaiting placement in DHS hospitals require services that can only be provided in licensed settings (e.g., Skilled
Nursing, Custodial care) or in board and care facilities; a shortage of recuperative care beds is not a major reason for placement-related discharge challenges from DHS hospitals.

Beyond the need for patients within DHS clinics and hospitals, there are multiple other referral sources for patients into Housing for Health’s recuperative care bed portfolio. Based on the current experience from Housing for Health’s street-based outreach and multi-disciplinary teams, which will be scaled Countywide by the end of next fiscal year, as well as a portion of referrals that originate from the broader Countywide hospital system, the County would need at least 300-400 total recuperative care beds to keep up with demand from these sources. Lastly, based on the current flow of referrals and need from the Office of Diversion and Re-Entry programs, we estimate significant growth in recuperative care needs for the justice involved populations with significant health, behavioral and/or substance use issues and a total of 300 additional beds are needed. This brings the County’s total recuperative care need to approximately 750-850 total beds. The exact number needed at any time is, of course, based on the average length of stay in recuperative care as well as the availability of other, lower level, interim housing slots and/or permanent supportive housing units, which allow movement within the County’s recuperative care network.

Regional Recuperative Care Approach

As with many housing efforts, we propose using our County assets to build a Countywide network of recuperative care beds, which allow for the following: a) clients in recuperative care to remain close to or return closer to the communities they most closely identify with as “home” and likely close to the services, both clinical and otherwise, that they depend on, and b) allow DHS hospitals to refer to recuperative care programs on their campuses allowing for greater coordination between inpatient and outpatient services and recuperative care programs.

While DHS currently has fulfilled its need for recuperative care bed capacity to meet the needs of its own patients, this new regional geographic spread of recuperative care beds would better suit its needs and facilitate inpatient to outpatient transitions in care. It also offers the opportunity to build up additional services within the location-specific recuperative care sites that may better meet the clinical needs of DHS patients and other clients who use the recuperative care beds. Examples include enhanced services able to meet the needs of disabled patients referred from Rancho Los Amigos National Rehabilitation Center. This would then free up recuperative care beds in other parts of the regional network to be used for broader County purposes beyond DHS. Because these beds frequently serve individuals who may have experienced homelessness, the current and future need for these beds will fluctuate based on the overall effort to address homelessness.
Crisis Residential Treatment Programs

Crisis Residential Treatment Programs serve as intensive treatment programs for individuals being discharged from County Hospital Psychiatric Emergency Services, inpatient units, jails, and psychiatric urgent care centers. These programs provide an alternative to hospitalization, reduce psychiatric inpatient days, and serve as a resource to divert individuals likely to be incarcerated for low-level offenses that appear to be the result of or associated with their mental illness.

Access to CRTP services are centralized through the Department of Mental Health (DMH), operated within a defined set of services, and integrated into a comprehensive community system of care. Residents participate in the development of recovery-oriented, individualized plans that promote successful reintegration into the community.

There are currently 46 CRTP beds serving the entire County. There were 505 admissions to CRTPs from January 1, 2017 to December 31, 2017. The average length of stay was 24 days. Clients were admitted from County and Fee for Service hospitals; Urgent Care Centers; DMH contracted and directly operated outpatient programs; peer recovery programs; missions and sober living facilities.

The Senate Bill (SB) 82 Investment in Mental Health Wellness Grant Program called for 2,000 CRTP beds to be developed throughout the State in 2013 through the California Health Facilities Financing Authority (CHFFA). Based on the State’s analysis, and with Los Angeles County representing 25 percent of the State’s population, this would equate to a need for approximately 500 CRTP beds in Los Angeles County. DMH initially submitted a proposal to CHFFA in 2014 to add 160 CRTP beds across the County. However, due to the State’s commitment to the 2,000 beds, CHFFA asked DMH to amend the proposal to add another 400 beds for a total of 560, but with the same amount of funding. DMH was awarded the $35 million grant from the CHFFA, went through a competitive solicitation process, and awarded 23 CRTPs to be sited throughout various areas of the County. However, after careful consideration and evaluation, it was determined that the requirements for the County to maintain possessory interest in all projects for the life of the projects per CHFFA guidelines, in addition to real estate costs, competing for property in highly coveted areas of the County and community opposition, it was necessary for DMH to reevaluate its strategy for developing the CRTPs. As a result, DMH decided to terminate the grant in April 2017, as the grant was set to expire on June 30, 2017.

Working towards building the Health Agency model and receiving support from Board offices, DMH embarked on a collaboration with DHS to leverage resources to build Restorative Care Villages to support behavioral health initiatives on the campuses of LAC+USC Medical Center (LAC+USC), Martin Luther King, Jr. (MLK), Olive View-UCLA
Medical Center (OV-UCLA), and Rancho Los Amigos National Rehabilitation Center (Rancho). In October 2017, DMH submitted a revised proposal to CHFFA to be considered for reinstatement of the SB 82 grant funds, which allows for a total of 240 CRTP beds to be built on the four campuses: 64 at LAC+USC, 16 at MLK, and 80 each at OV-UCLA and Rancho. This proposal was more feasible for available funding and siting opportunities. At its February 2018 meeting, the CHFFA Board approved the reinstatement, and the funding period to build the CRTPs has been extended until December 31, 2021. These proposed beds are in addition to the existing 46 beds, and with the 16 beds being considered for the Antelope Valley, would lead to a total of 302 CRTP beds Countywide.

Mental Health and Substance Use Disorder Services

The proposed programs for future phases, presented in our report of February 13, 2018, include: Phase 1B, a Substance Use Treatment Program; Phase 2, acute, sub-acute, and residential facilities; and Phase 3, an outpatient well-being hub.

DMH and DPH, in collaboration with DHS, will engage a consultant (using CEO delegated authority as required) to conduct a Countywide mental health and substance use needs assessment to help design and right size future phases. This investigation will provide estimates of the prevalence of emotional disturbance among youth, mental illness among adults, and substance use disorders among youth and adults in the County. Analyses will include estimates of these conditions among County residents eligible for Medi-Cal as well as other safety net programs. Further, the consultant will provide a current inventory of the County’s directly operated and contracted treatment service capacity, as well as penetration rates for emotional disturbance, mental illness, and substance use disorders. Comparisons of prevalence with service capacity will determine the need for additional capacity to match demand with supply across the County. The report will assess current and anticipated gaps across levels of care, including urgent care, outpatient, residential (both locked and unlocked), sub-acute and inpatient domains for mental health; and withdrawal management, outpatient services, and residential treatment for substance use. DMH and DPH anticipate selecting a consultant within two months, and plan to have the comprehensive needs assessment delivered by the end of 2018.

FUNDRAISING PLAN

The Health Agency has noted fundraising opportunities for future phases (1B, 2, and 3). Concurrent to the Needs Assessment, the Health Agency working with the CEO and other entities as indicated, will develop and begin cultivating a strategic fundraising plan.
PROGRAM UPDATES

Below is an update of the programs at each of the County’s campuses.

1. LAC+USC Restorative Care Village

Phase 1:

Recuperative Care Center

The scope of the Recuperative Care Center includes a three-story building with 32 beds on each floor, for a total of 96 beds. DHS estimates the capital costs of this building to be $10 million and annual operating cost of $4 million.

Housing for Health retained the architectural firm, KFA, in July 2017 to help plan a modular building approach for the Recuperative Care Center using the Capital Improvement Intermediary (CII). Recently, Housing for Health and KFA determined a leading modular vendor that initially showed strong interest in the project may not be a viable partner. Because of this discovery, other vendors are being engaged to partner with Housing for Health. If a new modular vendor is not identified by July 2018, an alternative building approach will be pursued (i.e., conventional construction). Site planning and environmental reviews have already been completed. CEO, DHS, DMH and County Counsel are working to determine an appropriate legal contracting arrangement for the proposed CII project delivery approach. By July 2018, we will know with greater certainty what actions, if any, are required by the Board and will promptly bring these actions forward for consideration.

Once a project delivery approach is finalized, necessary documents will be submitted to the applicable jurisdictional agencies for review and permitting between September 2018 and February 2019. We anticipate construction to begin in the spring of 2019 and will take approximately 7-10 months. Move-in planning with a facility operator will begin in late summer of 2019, approximately 4-6 months before occupancy. The new Recuperative Care Center is currently scheduled to open late 2019.

While DHS has fulfilled its need for recuperative care beds, DHS is committed to funding the construction of additional beds situated at regional locations more broadly distributed in order to better serve the needs of patients being discharged from its inpatient facilities, as explained above. DHS will continue to support the operating costs for recuperative care beds at a level needed to support its need for such resources.
Prior to beginning construction, Housing for Health will work with various stakeholders and obtain a commitment for operating funds, including possible sources such as the Homeless Initiative, Office of Diversion and Re-Entry, and Whole Person Care.

**Crisis Residential Treatment Programs**

The scope of the CRTPs includes four buildings, each with 16 beds, for a total of 64 beds. DMH estimates the capital cost to be $10 million and will be funded by the reinstated SB 82 CHFFA grant funds. Annual operating costs are estimated at $2.3 million and will be funded by a mix of Federal dollars, State Mental Health Services Act (MHSA), State Aid, and 2011 Realignment. DMH is targeting a construction completion date of October 2019.

**Other Phase 1 Site Preparation**

The demolition of Women's and Children's Hospital is necessary in order to make way for a new building and is proposed to begin as part of Phase 1. The existing Women's and Children's Hospital is structurally non-compliant, does not meet current building codes and would require extensive retrofit to be brought into compliance. In addition, the building has been vandalized and materials, such as copper cables and pipes, have been stolen from the building. The Restorative Care Village plan proposed the demolition to begin as part of Phase 1, to ensure noise and dust from demolition of the building will not impact patients after the Crisis Residential Treatment and Recuperative Care buildings are completed and occupied.

Funding for the estimated demolition cost is $37 million. The Health Agency will identify funding resources to cover the costs.

2. **MLK Behavioral Health Center**

A separate report, dated May 16, 2018, was issued to the Board that provides the status of the project.

3. **Olive View-UCLA (OV-UCLA)**

   **Recuperative Care Center**

   The scope of work at OV-UCLA proposes 48 recuperative care beds to be built in an area just north of the parking lot on the eastern side of the campus. DHS estimates the capital cost construction of the recuperative care beds to be $5 million; the estimated annual operating cost is $2 million.
Similar to that described above, DHS has committed to funding the capital costs of the recuperative care beds in an effort to expand its geographic portfolio and better meet the needs of its inpatient facilities. DHS will fund the ongoing operating costs for those beds it requires for its patients.

For the County’s broader set of recuperative care beds, Housing for Health will work with various stakeholders and obtain a commitment for operating funds, including possible sources such as the Homeless Initiative, Office of Diversion and Re-Entry, and Whole Person Care, prior to beginning construction.

Crisis Residential Treatment Programs

The scope of the CRTPs is proposed to be 80 beds to be housed in five buildings, with 16 beds each, in the area just south of Wilson Canyon, adjacent to the location of the new psychiatric urgent care center, which is planned to be built in the parking lot to the north of the psychiatric emergency department. DMH estimates the capital cost to be $14 million and will be funded by the reinstated SB 82 CHFFA grant funds. Annual operating costs are estimated at $2.3 million and will be funded by a mix of Federal dollars, State MHSA, State Aid, and 2011 Realignment. DMH is targeting a completion date of May 2020.

4. Rancho Los Amigos National Rehabilitation Center

Recuperative Care Center

DHS is exploring a phased approach for renovation of the 900 Building on the Rancho campus; Phase I would include 50 recuperative care beds. If additional recuperative care beds are pursued, later phases would bring the total bed count in the 900 Building to as high as 150-165 beds. The Department of Public Works is completing an evaluation and building assessment to provide a detailed construction scope, cost estimate, and timeline for the 900 Building.

DHS estimates the capital cost for construction in the 900 Building to be $10 million; and Phase I annual operating costs are estimated to be $2 million.

Similar to that described above, DHS has committed to funding the capital costs associated with construction of recuperative care beds in an effort to expand its geographic portfolio and better meet the needs of its inpatient facilities. DHS will fund the ongoing operating costs for those beds it requires for its patients.
For the County’s broader set of recuperative care beds, Housing for Health will work with various stakeholders and obtain a commitment for operating funds, including possible sources such as the Homeless Initiative, Office of Diversion and Re-Entry, and Whole Person Care, prior to beginning construction.

*Crisis Residential Treatment Programs*

The scope of the CRTPs includes five buildings, for a total of 80 beds. DMH estimates capital cost to be $15.5 million and will be funded by the reinstated SB 82 CHFFA grant funds. Annual operating costs are estimated at $2.3 million and will be funded by a mix of Federal dollars, State MHSA, State Aid, and 2011 Realignment. DMH is targeting a completion date of March 2021.

5. **North County**

The site of the former High Desert Hospital is being evaluated as a possible location for recuperative care and crisis residential treatment services.

The scope of the proposed Recuperative Care Center in the Antelope Valley includes 25-50 recuperative care beds. DHS estimates the capital cost of this project to be $3-5 million and estimates annual operating costs of $1.25-2 million. Similar to that described above, DHS has committed to funding the capital costs associated with construction of recuperative care beds in an effort to expand its geographic portfolio and better meet the needs of its facilities. DHS will fund the ongoing operating costs for those beds it requires for its patients. For the County’s broader set of recuperative care beds, Housing for Health will work with various stakeholders and obtain a commitment for operating funds, including possible sources such as the Homeless Initiative, Office of Diversion and Re-Entry, and Whole Person Care, prior to beginning construction.

DMH is currently working with a provider to develop 16 CRTP beds in the Antelope Valley using realignment funds. The Health Agency will continue to develop potential options to locate additional services for individuals with mental health, substance abuse, and co-occurring problems in the Antelope Valley.

6. **Harbor-UCLA**

The Health Agency will continue to explore the feasibility of providing additional health, mental health, and social services to the surrounding community on the Harbor campus and will return to the Board with program recommendations as they develop.
NEXT STEPS

The Health Agency is proposing to use CII to deliver the Recuperative Care Centers and CRTPs, and we will return to the Board to establish capital projects, provide a project delivery plan, and seek approval of project budgets and schedule in Summer 2018.

If you have any questions, please contact David P. Howard, Assistant Chief Executive Officer, at (213) 893-2477, or Fred Leaf at (213) 288-8174.

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