



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer
Clinical Operations

Gregory C. Polk, M.P.A.
Chief Deputy Director
Administrative Operations

December 18, 2019

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin M.D., Ph.D.
Director

SUBJECT: **ADDRESSING THE ONGOING BOARD AND CARE CRISIS
(ITEM NO. 2, AGENDA OF NOVEMBER 12, 2019)**

Background

On September 11, 2018, the Board of Supervisors (Board) issued a motion instructing the Department of Mental Health (DMH), Department of Public Health Substance Abuse Prevention and Control (DPH-SAPC) and the Department of Health Services (DHS) to begin a body of work aimed at addressing the crisis of Adult Residential Facilities (ARFs) struggling financially and ultimately closing across Los Angeles County. Since that original Board motion, the Departments have engaged in extensive work which has engaged diverse stakeholders to better understand the nature of this crisis and implemented programs providing Enhanced Service Rates for high acuity clients residing in these facilities. Following the Departments' most recent report back to the Board on October 23, 2019 that included the attached stakeholder report entitled "Sustaining a Vital Permanent Housing Resource: Analysis and Stakeholder Input to Support Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) in Los Angeles County," on November 12, 2019 the Board passed a motion directing DMH, in coordination with DHS and the Chief Executive Office (CEO), to identify funding for ARF and RCFE operations, capital improvements and other activities to preserve and expand the number of beds serving low-income individuals and report back in 30 days with an implementation plan.

Funding and Implementation Plan

DMH is committed to the preservation of ARFs and RCFEs across the County as they provide a critical housing resource for some of the Department's most vulnerable clients who would likely become homeless or need a higher level care without this community based option. As such, the Department has identified \$11.7 million of one-time Mental Health Services Act (MHSA) funding which is available this fiscal year (FY) and is in addition to the \$12.0 million of MHSA and Whole Person Care funding that DMH has already allocated to this effort in FY 2019-20. Since the existing funding is already being utilized for program operations, rent for clients without an income and to provide an Enhanced Service Rate for eligible clients residing in ARFs/RCFEs, this newly identified one-time funding will be used for three of the primary stakeholder recommendations. While there is a need for more funding for Enhanced Service Rates, this is one-time funding and therefore will be used for projects that do not require an ongoing funding commitment. Following is the approximate amount of funding dedicated to each area and the related implementation plan:

- 1) \$11.2 million will be dedicated to a capital improvement grants program that will provide funding to ARFs and RCFEs which serve individuals who have a serious mental illness and other disabilities and that accept the Non-Medical Out-of-Home Care rate. This will allow facilities to address the ongoing issue of deferred maintenance that has resulted from years of underfunding. With this money facilities will be able to make needed repairs, renovate bathrooms and showers, paint, install air conditioning, replace carpets, and invest in newer computers and more efficient appliances. By providing this funding DMH hopes to mitigate deferred maintenance as a factor leading to additional closures. While this funding will support grants for many facilities serving low-income residents with serious mental illness throughout the County, it is not sufficient to support all of the facilities working with DMH and DHS clients. However, with this initial investment from DMH, there has also been strong interest from the philanthropic community to provide additional funding for this purpose. Once the Department is able to explore this interest and solidify commitments, we will provide more information to the Board in a future report. DMH will work with DHS to leverage its Capital Improvement Intermediary Program contract with Brilliant Corners to administer the grants. In early 2020, DMH and DHS will work together to develop and implement the solicitation process.
- 2) \$500,000 of the funding will be used to seed a membership organization for ARF/RCFE operators who serve low-income individuals. This will allow increased opportunities for collaboration between operators around training and best practices, as well as provide a space for the operators to come together to advocate for their collective needs.

- 3) An undetermined amount of funding may also be used for the creation of a bed vacancy management tool that will allow ARF/RCFE operators to post their vacant beds on a public facing centralized system. This will allow DMH and DHS providers, as well as Supplemental Security Income (SSI) recipients in need of this resource, to more easily identify appropriate, available ARF/RCFE beds as well as assist operators in filling facilities to full capacity to ensure no income is lost due to the inability to efficiently fill vacant beds. The amount of funding for this body of work is likely to be negligible as we are exploring the possibility of leveraging the existing SAPC Service Bed Availability Tool (SBAT), which is currently used to identify available substance abuse treatment beds, and adapt the system to fit the needs of this project. We are additionally exploring a DMH bed tracking system that is currently in development to see if it could be easily adaptable for this purpose.

Through these investments the Department will continue to support efforts to preserve this vital housing resource for our most vulnerable clients throughout the County.

Next Steps

DMH continues evaluating the extent to which the plans and funding described above, and any potential additional plans or funding, will fully address the intent of the Board's motion. Additional time is required to evaluate the sufficiency of the plans above, further options and potential funding needs, as well as, to align these plans with a variety of other efforts directed by the Board concerning increasing the Department's overall service capacity.

In addition, CEO, DMH, and DHS intends to collaborate and align future reports back on this matter under DMH letterhead. Accordingly, the 90-day and 180-day reports will provide updates on the status of the plans described above.

If you have additional questions, please contact me or Maria Funk, Ph.D., at (213) 251-6582 or mfunk@dmh.lacounty.gov.

JES:mf

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
Department of Health Services
Department of Public Health