

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, DECEMBER 10, 2024**

MINUTE ORDER NO. 32

SUBJECT: AUTHORIZE AN ASSESSMENT OF THE BEHAVIORAL HEALTH SERVICES DEPARTMENT TO OPTIMIZE ITS ROLE AS A HEALTH PLAN, AN ASSESSMENT OF POTENTIAL IMPACTS ON THE COUNTY HEALTH AND HUMAN SERVICES AGENCY, A COMPETITIVE SOLICITATION FOR CONSULTING SERVICES TO SUPPORT THE ASSESSMENT, AND A REPORT BACK ON FINDINGS AND RECOMMENDATIONS (DISTRICTS: ALL)

OVERVIEW

In the past year, the County of San Diego (County) has undergone tremendous leadership change, beginning with the appointment of our Chief Administrative Officer (CAO) in June. As she and her new leadership team embark on creating culture change and innovate for the future, they must do so facing constrained budget realities, and uncertainty in funding streams at the State and federal levels that are critical to our programs. Change must be managed thoughtfully and thoroughly- we must maintain operations that are essential to the communities we serve while supporting our workforce. To borrow a concept from the Government Finance Officers Association (GFOA), we must approach this response in three distinct phases - **“Bridge, Reform, Transform”** - to create an organization nimble enough to respond to the immediate and evolving needs of those we serve while managing our resources in the most effective and efficient manner while creating opportunity for future innovation.

First, we must **Bridge** the realities of our current situation both fiscally and operationally. This phase began during the adoption of the current budget and will continue to be a key strategy in our budget planning process that is currently underway.

Second, we must begin to **Reform** utilizing the Bridge strategies, ensuring that the County is structured to sustainably provide appropriate levels of services to our communities with available resources in both the short and the long term. This includes aligning our operations and programs with our Strategic Plan that denotes our values, including Equity and the Empowerment of our workforce, and centers Community Engagement in the center of everything we do. The County team is actively developing reform strategies to address budget gaps and plan for the future.

The results of these two phases will position the County to become more resistant to financial distress and adaptable to a changing environment. This will provide us a firm foundation to **Transform** the County, including a review of its organizational structure. Today’s recommendations will position the County to begin planning for and quickly implement transformation. Looking at the entire County is crucial but noting specifically the Health and Human Services Agency (HHSA) with a number of complex and large funding streams to ensure services must be maximized. Within HHSA, beginning with Behavioral Health Services (BHS) will be the most impactful as BHS operates the county’s Behavioral Health Medi-Cal Plan (BHP). In this role, BHS not only oversees many direct client-facing services for our most vulnerable populations but also has unique revenue opportunities and dedicated funding streams. Optimization of our BHP operations is vital as we strive to best serve Medi-Cal beneficiaries throughout San Diego County in the midst of rising demands for behavioral health services and significant policy change regarding behavioral health throughout the State of California.

Outside expertise with a knowledge of California county government finance, as well as California Medi-Cal health plan operations, is needed to assess the complex funding streams, new and impending policy changes, and to provide recommendations to optimize operations and Medi-Cal revenues. First, the report should assess existing funding and the impacts of new initiatives impacting BHS, including but not limited to the Behavioral Health Services Act (BHSA), Proposition 1, the CARE Act, Senate Bill 43, the Incompetent to Stand Trial (IST) process, and Behavioral Health Payment Reform. Following a thorough assessment of these factors, the report should include recommendations for optimizing BHS' role as a health plan. Secondly, based on these recommendations, the report should provide the CAO a comprehensive impact analysis that outlines the impacts on programs and services across HHSA and the County.

RECOMMENDATION(S)

SUPERVISOR MONICA MONTGOMERY STEPPE

1. Direct the Chief Administrative Officer (CAO) to utilize a consultant(s) with specific expertise and knowledge of accounting structure and practices of local governments and Medi-Cal health plan operations in California to produce a report that provides an analysis of the financial and operational structure of the County of San Diego (County) and recommendations to maximize the efficient and effective delivery of County programs and services in two phases:
 - a. Recommendations to optimize Behavioral Health Services' (BHS) statutory role as a specialty health care provider and Medi-Cal health plan. This includes an assessment of the current functions, organizational structure, and departmental resources within BHS: including but not limited to staffing, infrastructure, funding, and other key areas, the impact of large policy changes and initiatives on the provider community, County finances, and the clients served by these programs;
 - b. Outline future steps to evaluate the broader Health and Human Services Agency (HHSA) and the varied complex funding streams and mandates and connecting that to the overall group structure of the County Strategic Plan to leverage efficiencies.
2. In accordance with Board Policy A-87, Competitive Procurement, approve and authorize the Director, Department of Purchasing and Contracting, to issue a competitive solicitation for consulting services that perform the actions outlined in Recommendation #1, and upon successful negotiations and determination of a fair and reasonable price, award contracts for an Initial Term of up to one year, with four 1-year Options, and up to an additional six months, if needed; and to amend the contracts to reflect changes in program, funding or service requirements, subject to the availability of funds and the approval of the Deputy Chief Administrative Officer of HHSA.
3. Direct the CAO to report back to the Board on Recommendation #1a and #1b within 180 days of the execution of the consultant contract.
4. Following the report back included in Recommendation 3, Direct CAO to report back quarterly with status updates on the broader evaluation of HHSA and the varied complex funding streams and mandates and connecting that to the overall group structure of the County Strategic Plan after the completion of the contract(s) with a presentation on the full report including recommendations within 365 days.

EQUITY IMPACT STATEMENT

In the United States, health inequities continue to persist based on an individual’s race, ethnicity, sexual orientation, gender identity, and disability. According to the 2022 San Diego County Health Equity Report Series, Black residents have worse outcomes in terms of behavioral health when compared to other racial groups. Improving access to behavioral health services through the optimization of BHS organizational structure will help address the needs of many vulnerable populations in the County of San Diego.

SUSTAINABILITY IMPACT STATEMENT

With the adoption of these recommendations, the County of San Diego (County) will support Sustainability Goal #2 to provide just and equitable access to services and resources, and Sustainability Goal #4 to protect the health and well-being of everyone in the region. These actions will improve access this array of services will help address the needs of many vulnerable populations in the County, as well as planning for the future of service delivery in these areas.

FISCAL IMPACT

Funds for these requests are included in the Fiscal Years (FY) 2024-26 Operational Plan in the Health and Human Services Agency, Behavioral Health Services. If approved, today’s recommendations will result in approximate costs and revenue of approximately \$0.2 million in FY 2024-25 and \$0.4 million in FY 2025-26. The funding sources are Realignment and Patient Care Revenue. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Lawson-Remer, the Board of Supervisors took action as recommended.

AYES: Vargas, Lawson-Remer, Montgomery Steppe, Desmond
ABSENT: Anderson

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter