



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

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Second District

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Third District

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Fourth District

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Fifth District

DATE: September 24, 2024

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TO: Board of Supervisors

SUBJECT

UPDATE ON AND AUTHORIZATION TO EXECUTE AGREEMENTS FOR THE PARTNERSHIP WITH THE UNIVERSITY OF CALIFORNIA, SAN DIEGO HEALTH FOR BEHAVIORAL HEALTH SERVICES WITHIN THE EAST CAMPUS MEDICAL CENTER (DISTRICTS: ALL)

OVERVIEW

In California, counties are responsible for administering specialty mental health and substance use services for residents eligible for Medi-Cal. In this capacity, the County of San Diego (County) Health and Human Services Agency (HHS), Behavioral Health Services (BHS) serves as the Specialty Mental Health Plan. To ensure access to quality care that meets the needs of Medi-Cal beneficiaries in San Diego County, BHS is required to maintain a local network of behavioral health services and providers. To optimize the local behavioral health system of care, the San Diego County Board of Supervisors (Board) has made key investments over the last several years to enhance community-based behavioral health services and develop critical behavioral health infrastructure that is regionally distributed in alignment with population health needs.

On May 21, 2024 (23), the Board advanced this vision by approving actions to enter into negotiations with University of California, San Diego Health (UCSD Health) to establish psychiatric acute inpatient services, a crisis stabilization unit (CSU), and an emergency psychiatric unit (EPU) at the East Campus Medical Center (ECMC) to provide care for Medi-Cal beneficiaries within the specialty care system. Today's item provides an update on this partnership to negotiate toward the establishment of a new inpatient behavioral health facility and CSU at the ECMC. Today's item also requests authorization to execute agreements with UCSD Health, including a letter of intent and an unsecured loan of up to \$32.0 million for necessary facility improvements at ECMC, and to establish appropriations of \$32.0 million to cover costs for the facility improvements.

Today's action supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished through further strengthening the continuum of behavioral health services in San Diego County.

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RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed actions are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines sections 15301 and 15302.
2. Receive the 120-day update on the partnership between the County of San Diego (County) and the University of California, San Diego Health (UCSD Health) for future behavioral health services within the East Campus Medical Center (ECMC) as directed by the San Diego County Board of Supervisors on May 21, 2024 (23).
3. Pursuant to Government Code section 26227, authorize the Chief Administrative Officer, or designee, upon successful negotiations, to execute an agreement or agreements with UCSD Health for a new inpatient behavioral health facility and crisis stabilization unit within the ECMC, to include the attached letter of intent and an unsecured loan agreement of up to \$32.0 million to UCSD Health for necessary facility improvements.
4. Establish appropriations of \$32,000,000 in the County and Human Services Agency, Services & Supplies, from the General Fund Reserve to cover costs for facility improvements related to psychiatric acute inpatient and crisis stabilization services within ECMC to promote the long-term fiscal health and stability of the County. **“(4 VOTES)”**

EQUITY IMPACT STATEMENT

As the Specialty Mental Health Plan, County of San Diego (County) Behavioral Health Services provides mental health and substance use services for residents eligible for Medi-Cal, ensuring resources are allocated equitably and reaching communities most impacted by behavioral health disparities with high quality services.

The partnership between the County and University of California, San Diego Health through the establishment of the East Campus Medical Center will help address health disparities by improving access to behavioral health services, enhancing the quality of care, and providing more effective care coordination aligned with upstream prevention and continuous care. These services will not only reduce unnecessary hospitalizations and divert individuals from hospital emergency departments but also increase connection of individuals discharged from crisis stabilization units and emergency psychiatric units to resources and support systems, enhance care coordination, and increase Medi-Cal enrollment, further advancing the County vision for a just, sustainable, and resilient future for all.

SUSTAINABILITY IMPACT STATEMENT

Today's action supports the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services by establishing an array of acute psychiatric and emergency psychiatric care at the East Campus Medical Center (ECMC) to serve all residents in need of critical behavioral health care, particularly those impacted in the East Region. Additionally, these actions align with Sustainability Goal #4 to protect the health and well-being of everyone in the San Diego County region. By enhancing the quality of care and providing more effective care coordination, the expansion of the ECMC behavioral health infrastructure aims to reduce unnecessary hospitalizations and divert individuals from hospital emergency departments. This not only alleviates the burden on local healthcare facilities but also ensures that residents

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receive timely and appropriate care. The focus on upstream prevention and continuous care will increase connections to resources and support systems for individuals discharged from these acute psychiatric and emergency settings which further contribute to the overall health and well-being of San Diego County residents.

FISCAL IMPACT

Funds for these requests are not included in the Fiscal Year (FY) 2024-26 Operational Plan in the Health and Human Services Agency (HHS). If approved, today’s recommendations will result in one-time costs of \$32,000,000 in FY 2024-25 to cover facility improvements related to psychiatric acute inpatient services and crisis stabilization unit within the East Campus Medical Center. The funding source is the General Fund Reserve. In accordance with the San Diego County Code of Administrative Ordinances (Administrative Code) Section 113.1, related to General Fund Balances and Reserves, all appropriations of the General Fund Reserve will require at least four votes of the San Diego County Board of Supervisors. Up to \$32,000,000 of funding would be provided to University of California, San Diego Health (UCSD Health) as an unsecured loan, which would be repaid by UCSD Health over an anticipated term of 30 years, including interest, through its rate structure that would be factored into the replenishment plan. UCSD Health will also pursue grant funding under the Proposition 1 Behavioral Health Continuum Infrastructure Grant program and, if awarded, the loan amount may be lower.

Today’s recommended use of the General Fund Reserve will reduce the Reserve to below the minimum required balance, and restoration of the Reserve to the minimum balance will take place over the next one to three years, pursuant to the County of San Diego (County) Administrative Code. A plan and amounts to support the replenishment of the Reserve will be included in the FY 2025-26 Operational Plan, based on available funding sources, which may include anticipated FY 2024-25 budgetary operational results, General Purpose Revenue generated by growth in the County’s assessed value, and loan payments made from UCSD Health. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

Information on this item was shared with the Behavioral Health Advisory Board at their regular meeting on August 1, 2024.

BACKGROUND

In California, counties are responsible for administering specialty mental health and substance use services for residents eligible for Medi-Cal. In this capacity, the County of San Diego (County) Health and Human Services Agency (HHS), Behavioral Health Services (BHS) serves as the Specialty Mental Health Plan. To ensure access to quality care that meets the needs of Medi-Cal beneficiaries in San Diego County, BHS is required to maintain a local network of behavioral health services and providers. To optimize the local behavioral health system of care, the San

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Diego County Board of Supervisors (Board) has made key investments over the last several years to enhance community-based behavioral health services and develop critical behavioral health infrastructure that is regionally distributed in alignment with population health needs.

On May 21, 2024 (23), the Board advanced this vision by approving actions to enter into negotiations with the University of California, San Diego Health (UCSD Health) to establish psychiatric acute inpatient services, a crisis stabilization unit (CSU), and an emergency psychiatric unit (EPU) at the East Campus Medical Center (ECMC). Today's item provides an update on this direction.

Psychiatric acute inpatient services are provided to adults within a secure inpatient setting to adults with severe, acute symptoms of mental illness in need of 24-hour observation and intensive treatment. Services help people regain function and include an aftercare plan before patients are transferred to a lower-acuity level of care. Services are available to residents who are either Medi-Cal enrolled or eligible countywide and includes diagnosis, care, and treatment of acute episodes. EPUs and CSUs provide emergency psychiatric services to stabilize people who are experiencing a psychiatric crisis and connect them to ongoing services that meet their individual needs. Services typically last less than 24 hours and include crisis intervention, ongoing assessment and stabilization, medication administration, consultation with family and outpatient providers, and linkage and/or referral to follow-up community-based services and resources. These services reduce unnecessary hospitalizations by diverting individuals from emergency departments and inpatient care, whenever possible, stabilizing them and connecting them to community-based behavioral health services for ongoing care.

Partnering with UCSD Health will significantly expedite the timeline to launch new emergency psychiatric services dedicated to serving Medi-Cal beneficiaries by reconfiguring space through facility improvements within the existing footprint of the ECMC. Upon completion of the facility improvements, the new behavioral health services will improve access for patients by allowing them to receive treatment in close proximity to where they reside, along with enhancing access to care for people in the adjacent East region of San Diego County, which has a highly dense Medi-Cal population. Additionally, the psychiatric acute inpatient and CSU services offered at ECMC, a General Acute Care Hospital, will be Medi-Cal billable allowing for the drawdown of federal funding.

Letter of Intent

The County and UCSD Health have developed the attached letter of intent that reflects a mutual interest in continuing to negotiate for the establishment of new inpatient behavioral health facility and CSU at ECMC for Medi-Cal eligible individuals. In preliminary conversations UCSD Health leadership has made clear that they do not intend to operate an EPU adjacent to a CSU and therefore treatment services are anticipated to include approximately 30 new psychiatric inpatient beds and a separate CSU. Facility improvements to ensure the safety of patients and staff will be required and are estimated at up to \$32.0 million of one-time costs. To fund these costs, it is anticipated that the County would provide an unsecured loan to UCSD Health for up to \$32.0 million to cover costs for facility improvements, which would be repaid by UCSD Health,

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including interest, through its rate structure. UCSD Health would also pursue grant funding under the Proposition 1 Behavioral Health Continuum Infrastructure Grant (BHCIP) program and, if awarded, the County loan amount could be lower.

In addition to today's update, today's action includes a recommendation to authorize the Chief Administrative Officer to execute agreements necessary for this partnership, including the letter of intent and an unsecured loan of up to \$32.0 million from the County to UCSD Health for necessary facility improvements and establish appropriations of up to \$32.0 million to cover costs for facility improvements from the General Fund Reserve. The partnership between the County and UCSD Health to establish behavioral health care at the ECMC for people who are Medi-Cal eligible will help address health disparities by improving access to behavioral health care, enhancing the quality of care, and providing more effective care coordination, which supports upstream prevention, continuous care, and diversion from justice involvement to promote the long-term fiscal health and stability of the County through cost avoidance and savings tied to health and public safety costs. Additionally, these services will be Medi-Cal billable allowing for the drawdown of federal funding to optimize available resources.

ENVIRONMENTAL STATEMENT

The proposed actions are categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to section 15301 of the CEQA Guidelines because they constitute minor alterations of existing facilities involving negligible or no expansion of existing use and section 15302 because they involve reconstruction of an existing structure. The project will result in the facility remaining the same size, will serve the same purpose but with updated facility features for patient safety, and will add up to approximately 30 new beds that will not result in the expansion of the existing facility. Additionally, the proposed project does not trigger any of the exceptions listed in Section 15300.2.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego's 2024-2029 Strategic Plan Initiatives of Equity (Health) and Community (Quality of Life) as well as the regional *Live Well San Diego* vision, by reducing disparities and disproportionality of individuals with mental illness and substance use disorders and ensuring access to a comprehensive continuum of behavioral health services administered through accessible behavioral health programs and providing programs and services that enhance the community through increasing the well-being of residents and local environments.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

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ATTACHMENT(S)
Letter of Intent