



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: January 24, 2023

09

TO: Board of Supervisors

SUBJECT

AUTHORIZATION TO ACCEPT COMMUNITY CARE EXPANSION PRESERVATION PROGRAM OPERATING SUBSIDY PAYMENT FUNDS, AND AUTHORIZE NOTICES OF FUNDING AVAILABILITY AND COMPETITIVE PROCUREMENTS (DISTRICTS: ALL)

OVERVIEW

In an effort to support the well-being of those with behavioral health conditions, the San Diego County Board of Supervisors (Board) and the County of San Diego (County) Health and Human Services Agency (HHS) remain committed to investing in services to meet the needs of this vulnerable population. In alignment with this commitment, County HHS, Behavioral Health Services continues to pursue funding opportunities to enhance and expand access to critical mental health and substance use disorder prevention, engagement, and treatment services.

In 2021, State legislation authorized the Department of Health Care Services (DHCS) to establish the Behavioral Health Continuum Infrastructure Program (BHCIP) and award approximately \$2.1 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. Subsequently, the Community Care Expansion (CCE) program was established allocating \$805 million of the BHCIP funding for the acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve Supplemental Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) applicants, including those who are experiencing or at risk of homelessness.

On June 28, 2022 (4) the Board authorized the acceptance of \$12,456,386 of one-time CCE Preservation Program funding to support the preservation of licensed residential adult and senior care facilities. Additionally, the Board authorized the Agency Director, Health and Human Services Agency, or designee to develop and submit the Implementation Plans for the CCE Preservation Program for the Operating Subsidies Payment and Capital Projects funds to California Department of Social Services. The allocation included \$3,346,842 in Operating Subsidy Payment (OSP) funding to subsidize existing licensed residential adult and senior care facilities to avoid closure due to potential or projected operating deficits. It also allocated \$9,109,544 for Capital Projects to make physical repairs or upgrades that support facility

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compliance with licensing standards to avoid closure. A 10 percent local match, equivalent to \$910,954, was required to utilize CP funds.

On December 14, 2022, the DHCS notified counties that an additional one-time funding totaling \$55 million was available through noncompetitive allocations for OSP funding within the CCE Preservation Funds, with an additional \$3,382,447 allocated to San Diego County. If awarded, this will bring the total allocation of CCE OSP funds to \$6,729,289 and the total allocation of CCE Preservation Program funds to \$15,838,833.

Approval of today's recommended actions will authorize the acceptance of additional one-time CCE Preservation Program OSP funding. Additionally, today's actions will also authorize Notices of Funding Availability and competitive procurements for CCE Preservation Program funding for licensed residential adult and senior care facilities facing possible closure, to subsidize operating costs and projected operating deficits, as well as for physical repairs or upgrades that support facility compliance with licensing standards.

This item supports the County's 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 by providing inclusive services that yield better outcomes and opportunities for underrepresented communities. Additionally, CCE Preservation Program funding supports the sustainability component of the County's Framework for Ending Homelessness by maintaining housing stability through financial investments to preserve existing adult and senior care SSI/SSP and CAPI applicants, including those who are experiencing or at risk of homelessness.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Authorize the acceptance of \$3,382,447 of one-time Community Care Expansion (CCE) Preservation Program Operational Subsidy Payment funding and authorize the Agency Director, Health and Human Services Agency, or designee to execute all required documents, upon receipt, including any annual extensions, amendments, or revisions that do not materially impact or alter the services or funding level.
2. Authorize the Agency Director, Health and Human Services Agency (HHS) or designee, to issue Notices of Funding Availability to existing licensed adult and senior care facilities that meet the California Department of Social Services (CDSS) CCE Preservation Program funding criteria and County of San Diego HHS, Behavioral Health Services prioritization criteria, for operating subsidies and projected operating deficits and for physical repairs and upgrades, publish notices, determine eligibility, execute agreements, and amend agreements as needed, to reflect changes to services and funding, execute certification forms, prepare and execute all necessary documents for the submittal, regulatory processing, and implementation, and take any other actions necessary as required by CDSS for CCE Preservation Program funding, as applicable.

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3. In accordance with Section 401, Article XXIII of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue competitive solicitations for licensed adult and senior care facilities that meet the CDSS CCE Preservation Program funding criteria and the County of San Diego Health and Human Services Agency, Behavioral Health Services prioritization criteria, for operating subsidies and projected operating deficits and for physical repairs and upgrades, and upon successful negotiations, and determination of a fair and reasonable price, award contracts, and, if needed, to amend contracts as required to reflect changes to services and funding or services requirements, subject to the availability of funds and the approval of the Agency Director, Health and Human Services Agency.

EQUITY IMPACT STATEMENT

The vision of the County of San Diego Health and Human Services Agency, Behavioral Health Services (BHS) is to build a system in which mental health and substance use services are equitably and regionally distributed, and accessible to all individuals and families within the region who are in need. In pursuit of this goal BHS is committed to pursuing funding sources which will support the provision of services to vulnerable and underserved populations.

Today's actions will allow BHS to accept new funding to support the preservation of existing services and infrastructure, including licensed residential adult and senior care facilities that serve low-income individuals who receive Supplemental Security Income/State Supplementary Payments and Cash Assistance Program for Immigrants, and support individuals who are experiencing or at risk of homelessness. Additionally, today's actions will also authorize Notices of Funding Availability and competitive procurements for Community Care Expansion (CCE) Preservation Program funding.

The CCE Preservation funding will bolster support to address the statewide shortfall of adult and senior care facilities that meet the unique needs of low-income seniors and individuals experiencing homelessness with behavioral health needs, ensuring that an already vulnerable population receives the care and support they need, further contributing to reductions in local health disparities.

SUSTAINABILITY IMPACT STATEMENT

The Community Care Expansion (CCE) Preservation Program funding supports the County of San Diego's (County) Sustainability Goal #2 to provide just and equitable access to County services with investments focused on chronically underserved communities, by supporting programs including licensed residential adult and senior care facilities that serve low-income individuals who receive Supplemental Security Income/State Supplementary Payments and Cash Assistance Program for Immigrants, and supporting individuals who are experiencing or at risk of homelessness.

Additionally, this item supports Sustainability Goal #4 to protect the health and well-being of everyone in the San Diego County region. The CCE Preservation Program funding will address the shortfall of adult and senior care facilities that meet the unique health needs of low-income

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seniors and individuals experiencing homelessness with behavioral health needs, contributing to the overall health and well-being of San Diego County residents.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2022-24 Operational Plan in the Health and Human Services Agency. If approved, this request will have no change in costs and revenues in FY 2022-23 and will result in estimated total costs and revenues of approximately \$16.7 million in FY 2023-24 through FY 2026-27, which includes funding for Operational Subsidy Payments and Capital Projects. The new estimated total of \$16.7 million includes \$3.4 million based on Recommendation 1, \$12.5 million previously authorized in June 28, 2022 (4), and \$0.9 million required for the 10 percent local match for the \$9.1 million CCE Capital Project funding. Today's recommendations address the new total project cost as detailed above and the related contractual actions necessary to fully implement. The funding sources are State General Fund and State Fiscal Recovery Funds established by the American Rescue Plan Act, which have since been replaced, in full, by State General Funds (\$15.8 million) and Realignment (\$0.9 million). Funding for this request will be included in future Operational Plans upon approval by the California Department of Social Services of the Community Care Expansion Preservation Implementation plan, and the receipt of the final award. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

Due to a lack of quorum, the Behavioral Health Advisory Board (BHAB) meeting on January 5, 2023, was canceled and this item was unable to be presented. The item will be presented as an informational item at the February 2, 2023, BHAB meeting.

BACKGROUND

To support the well-being of those with behavioral health conditions, the County of San Diego (County) remains committed to investing in services to meet the needs of underserved and vulnerable populations, in alignment with the San Diego County Board of Supervisors (Board) priorities to provide inclusive services that yield better outcomes and opportunities for underrepresented communities. The County Health and Human Services Agency (HHSA), Behavioral Health Services (BHS) continues to pursue new funding opportunities to enhance and expand access to critical mental health and substance use disorder prevention, engagement, and treatment services, including infrastructure, that address social determinants of health, improve outcomes, and reduce health disparities.

Currently, California has a shortage of adult and senior care facilities, including Adult Residential Facilities, also known as Board and Cares, and Residential Care Facilities for the Elderly that accept individuals receiving or applying for Supplemental Security Income/State Supplementary Payments (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) applicants.

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Additionally, there is a declining number of SSI/SSP recipients residing in adult and senior care facilities.

In 2021, State legislation authorized the Department of Health Care Services (DHCS) to establish the Behavioral Health Continuum Infrastructure Program (BHCIP) and award approximately \$2.1 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. Subsequently, the Community Care Expansion (CCE) program was established allocating \$805 million of the BHCIP funding for the acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve SSI/SSP and CAPI applicants, including those who are experiencing or at risk of homelessness.

Approximately \$570 million of CCE funding is available statewide for capital expansion projects, including acquisition, construction, and rehabilitation of residential care settings through the CCE Capital Program, and approximately \$195 million will be allocated through the CCE Preservation Program to qualified grantees through a direct-to-county allocation process to immediately preserve and avoid the closure of licensed residential adult and senior care facilities serving the intended population. The CCE Preservation Program funds are overseen by the California Department of Social Services (CDSS) and comprised of \$55 million in State General Funds for Operating Subsidy Payments (OSP) and \$140 million in State Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 for Capital Projects (CP), which have since been replaced by State General Funds. The timeline, eligible uses, program guidelines, and eligibility for the CCE Capital Expansion Program are separate and distinct from the CCE Preservation Program.

CCE funding opportunities are designed to address the following state priorities:

- Invest in behavioral health and community care options that advance racial equity;
- Seek geographic equity of behavioral health and community care options;
- Address urgent gaps in the care continuum for people with behavioral health conditions, including seniors, adults with disabilities, and children and youth;
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization;
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing homelessness and justice involvement;
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy; and
- Leverage county and Medi-Cal investments to support ongoing sustainability
- Leverage the historic State investments in housing and homelessness

On June 10, 2022, the CDSS released the CCE Preservation Program Notice of Funding Availability (NOFA) allocating non-competitive funding for counties with licensed residential adult and senior care facilities, including nearly \$12.5 million for the County to be administered across two areas:

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- 1) Operating Subsidy Payments: Of the \$55 million set aside statewide, the County has been allocated \$3,346,842 to subsidize existing licensed residential adult and senior care facilities that serve at least one qualified resident to avoid the closure of these essential facilities due to potential or projected operating deficits, and to increase the acceptance of new qualified residents.
- 2) Capital Projects: Of the \$140 million set aside statewide, the County has been allocated \$9,109,544 to preserve residential adult and senior care facilities through the rehabilitation of property to allow facilities to make essential physical repairs or necessary upgrades to avoid closure or make the facility compliant with licensing standards. A 10 percent local match, equivalent to \$910,954, is required to utilize CP funds.

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On December 14, 2022, the DHCS notified counties that additional one-time funding totaling \$55 million was available through noncompetitive allocations for OSP funding within the CCE Preservation Funds with an additional \$3,382,447 allocated to San Diego County. If awarded, this will bring the total allocation of CCE OSP funds to \$6,729,289 and the total allocation of CCE Preservation Program funds to \$15,838,833.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego's (County) 2023-2028 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

N/A