



County of San Diego

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TO: Supervisor Nora Vargas, Chairwoman
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FROM: Nick Macchione, Agency Director
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UPDATE ON ADDRESSING THE BEHAVIORAL HEALTH WORKER SHORTAGE IN SAN DIEGO COUNTY

OVERVIEW

Like other communities across the nation, San Diego County is experiencing a critical shortage of behavioral health workers. On October 11, 2022 (10), the San Diego County Board of Supervisors (Board) approved several recommendations to advance a comprehensive strategy to address the regional behavioral health workforce shortage. These recommendations stemmed from findings included in the August 2022 *Addressing San Diego's Behavioral Health Worker Shortage Report* (Report), a report commissioned by the County of San Diego and produced by the San Diego Workforce Partnership to better understand the local behavioral health workforce shortage and identify specific solutions to address this gap. According to the Report, approximately 18,500 additional behavioral health workers are needed by 2027 to meet the region's growth in demand, with 8,100 of those new workers needed today just to meet current demand.

The Report outlined the following five proposed solutions to address the behavioral health workforce shortage in San Diego County:

- Invest in Competitive Compensation;
- Pursue Administrative Relief Opportunities;
- Establish Regional Training Centers of Excellence;
- Build a Regional Workforce Training Fund; and
- Continue Listening to Workers.

The Report also outlines legislative and administrative policy recommendations to support development and preservation of the local behavioral health workforce. This memorandum provides an update on advancing five key recommendations within the August 2022 *Addressing San Diego's Behavioral Health Worker Shortage Report* and implementing strategies that attract and retain a qualified behavioral health workforce in San Diego County

Update on a Plan to Invest in Competitive Compensation for Behavioral Health Workers by Establishing Competitive Salaries

The local behavioral health workforce was broadly defined for the purpose of the Report to include both County-employed and non-County workforce, and wherever appropriate and feasible, the Report focused on behavioral health workers that serve those eligible for publicly-funded insurance. According to findings in the Report, which drew from focus groups, survey data, and labor market data analyses, local behavioral health professionals across occupations are paid less than their counterparts in most California counties. The Report notes that other strategies related to developing and retaining behavioral health workforce will have limited effect if relative pay gaps for behavioral health jobs continue to increase against other industries, non-behavioral health care settings, and private practice. To address the issue of competitive compensation, per Board direction on October 11, 2022 (10), the County conducted an analysis of the feasibility of further investment in competitive compensation for County direct service behavioral health workforce, and County-contracted behavioral health workforce in alignment with the wage recommendations for ten major categories of behavioral health professionals addressed in the Report (Social and Human Services Assistants; Psychiatrists; Psychiatric Aides; Community Health Workers; Marriage and Family Therapists; Mental Health and Substance Use Disorder [SUD] Social Workers; Clinical, Counseling and School Psychologists; SUD counselors; Registered Nurses; and Psychiatric Technicians).

County Workforce

Adjustments to wages for County workforce, inclusive of classifications that fall into the ten categories described in the Report and listed above, are generally addressed as part of the County's labor management and negotiations processes. On June 28, 2022 (14), the Board approved three-year agreements with behavioral health workforce represented by the Service Employees International Union, Local 221 (SEIU) and the Association of San Diego County Employees (ASDCE), as well as compensation changes for behavioral health workforce unrepresented employees. The agreements and changes included ongoing base and supplemental pay net increases, including various premiums and equity adjustments, ongoing flex credit increases, and one-time monetary payments. To further address County workforce compensation beyond the currently programmed adjustments through Fiscal Year (FY) 2023-24, further Board direction would be needed to initiate any formal dialogue related to compensation in order to align with current labor practices.

In order to determine aggregate projected costs associated with any increases to compensation, a definition of County behavioral health workforce would need to be specified. If all County classifications that could fall into the ten categories of workforce referenced in the Report were to be included in the definition, this would have impacts beyond BHS and its settings, and into other departments within the Health and Human Services Agency (HHSA), as well as other County departments including the Sheriff's, Public Defender, and Probation where behavioral health classifications are utilized. In HHSA alone, there are approximately over 600 FTE in over 80 classifications across 15 bargaining units that could potentially be impacted by any changes focused on behavioral health workforce.

Importantly, the County's current process that informs whether a service, including behavioral health services, is able to be provided by a contractor may be impacted by any adjustments to County staff compensation. A decision whether a service is able to be provided by a contractor includes a determination of Economy and Efficiency. Economy and Efficiency determinations are conducted pursuant to County Charter sections 703.10 and 916 where the County intends to employ a contractor to provide services. Charter sections 703.10 and 916 require a determination that services can be provided more economically and efficiently by an independent contractor than by persons employed in the classified service. Charter Section 916 also states: "Nothing in this Article prevents the County from employing an independent contractor when the Board or

Purchasing Agent determines that services can be provided more economically and efficiently by an independent contractor than by persons employed in the Classified Service."

County-contracted Workforce

BHS alone manages over 340 contracts for over \$750 million in services across the behavioral health continuum of care, which is delivered by a workforce comprised of individuals across many professions, including and not limited to peer support specialists, licensed clinicians, psychiatrists, nurses, substance use counselors, case managers, community health workers, and administrative staff. Contractors are expected to manage their own workforce as employers, within established contract budgets negotiated as part of the procurement process. Budgets for staffing as well as other costs are generally proposed by offerors during the procurement process.

To support competitive compensation for contracted workforce, BHS utilizes a market cost analysis as a required component of planning for new procurements and re-procured services. Market cost analyses support the development of contract service budgets through a combination of adjusted local compensation data from the Bureau of Labor Statistics, estimated operating costs, and indirect costs, while also taking into account other key adjustment factors including the acuity of the service, service settings, housing needs, and service specialties, when applicable. The market cost analysis also factors in anticipated year-over-year increases in the cost of doing business; and importantly, do not rely on current contract budgets as a basis. Contracted service budgets are established as part of the procurement process and reflected in the County's annual operational plans and established budgets. Depending on program needs and changes, County departments have the ability to administratively adjust budget line items within contract awarded and appropriated limits.

The State's California Advancing and Innovating Medi-Cal (CalAIM) initiative is positioned to impact the manner in which behavioral health services are both delivered and paid for. For County workforce, this may include new opportunities to draw down Medi-Cal revenues to support costs associated with behavioral health worker compensation. For contracted workforce, this may include moving from cost-reimbursement contracting models, which provide payment for allowable costs, to a focus on value-based models, where payment is more closely tied to measures of the quality of care. These new payment structures may offer opportunities for contractors to, within a rate structure, approach productivity and compensation for their employees in new and different ways to maximize quality, while optimizing available revenue.

Update on a Plan to Pursue Administrative Relief by Implementing the "Opportunities" Found in the Report with an Update on Progress Every 120 Days on Implementation Status

As behavioral healthcare as a discipline becomes more integrated and aligned with physical healthcare, the challenges of mainstream healthcare service provision are also increasingly experienced by behavioral health providers. Documentation requirements in particular are cited in the Report as drivers of behavioral health provider dissatisfaction and intent to leave the field; this aligns with broader healthcare industry trends regarding health care provider satisfaction and retention.

In order to streamline administrative requirements for County-contracted and operated services, with the aim of increasing retention and reducing intent to leave the field, BHS with the assistance of the Department of Purchasing and Contracting has issued a procurement for a consultant to provide technical implementation guidance of the Report's administrative relief recommendations. This implementation guidance will ensure administrative relief is achieved in conformance with all applicable laws and regulations, while upholding healthcare best practices and quality standards. Additionally, as the manner in which services are funded by various State and federal funding streams often drives documentation requirements the consultant will be providing guidance regarding opportunities to leverage CalAIM payment reform—which seeks to incentivize value-based care—to achieve administrative efficiencies. Stakeholders across the continuum of care will be engaged by the

consultant as part of this effort, and staff will provide updates on progress every 120 days on the status of implementation.

Update on a Plan to Establish Regional Behavioral Health Training Centers of Excellence

Regional behavioral health training centers of excellence (COEs) are described by the Report as multi-purpose sites that serve the public and develop core competencies in training and supervision programs that create a pipeline for in-demand behavioral health jobs. COEs would also provide technical assistance and operational support to other community-based organizations to establish their own training programs and provide applied research opportunities for innovations in service delivery, training efficacy, and workforce optimization. In alignment with Board direction on December 13, 2022 (31), the County is in the process of executing a grant agreement with Interfaith Community Services to establish the first, pilot regional COE. This pilot will serve as a means to test the COE concept, determine its scalability, and inform future plans for other potential COEs.

Update on a Plan to Build a Regional Behavioral Health Workforce Training Fund and Identify Private Sector, County, State, and Federal Resources that Could Be Invested

According to the Report, investments of over \$425 million are needed to expand the region's behavioral health worker talent recruitment, training, and education systems in order to develop the additional 18,500 workers needed over the next five years. Steps to build a Regional Behavioral Health Workforce Training Fund are outlined below:

- As an initial step, procurement for technical implementation guidance is recommended based upon staff review. Technical advice is a critical success factor for design of a revolving training fund that: appropriately balances inflows and outflows of capital to ensure sustainability; has sound governance structures to ensure accountability and appropriate use of public and private funding; has the administrative capacity for functions such as outcomes-based loan origination; and has eligibility criteria, payment terms, and participants that ultimately support fund goals.
- With the technical implementation support noted above, a governance structure should be established, and participating partners identified. A determination must be made whether the County will be the backbone organization of a Regional Behavioral Health Workforce Training Fund and either directly or through a contracted entity administer the fund. If the County is to be the backbone organization, staff recommends that a Request for Information be issued to identify community partners interested in participating in the fund; to inform operational models; to support equitable access to this opportunity; and help define the field of potential investors.
- Additionally, if the County's role in such a training fund is to include direct administration of the fund, Board authority would need to be established to authorize the formation of the fund itself, as well as appropriate budgeted staffing and other resources. Consideration should also be given to whether the County would participate in the fund as an employer, providing funding to subsidize the education and training of County employees.

Resources that could be leveraged to invest in a Regional Behavioral Health Workforce Training fund were researched and will continue to be explored. Key updates are outlined below.

Mental Health Services Act (MHSA) Innovation Proposal

The MHSA Innovation component of California's MHSA funding stream offers counties the opportunity to try new approaches that can inform current and future mental health practices and approaches. BHS has developed a MHSA Innovation project proposal comprised of three new distinct components that would be a part of the training fund:

- a) Outcomes-Based Renewable Training and Tuition Fund;
- b) Upskilling to Meet Professional Needs program; and
- c) Tiered Loan Forgiveness and Home Ownership Incentive program.

More detailed information about the Innovation proposal, including program details, proposed funding, and evaluation factors are available on the County's MHSA website where we also invite community members to provide input as part of the 30-day public review and comment period. Following the conclusion of the 30-day public comment period on May 4, 2023, BHS will incorporate community feedback and submit the final proposal to the Mental Health Services Oversight and Accountability Commission for approval. HHSA will seek Board approval of the proposal via Board Letter on May 2, 2023.

American Rescue Plan Act (ARPA) Funding

Pursuant to Board direction given on August 30, 2022 (20) to reallocate a portion of the ARPA funding framework for behavioral health renewable funds, staff is reviewing the Board's ARPA funding framework and its alignment with implementation of a Regional Workforce Training Fund. Additional updates will be provided in a separate staff report focused on ARPA.

Update on Strategies to Continue Listening to Workers during Implementation of the Aforementioned Recommendations, Planning, and Progress Reporting

In September 2022, the County Department of Human Resources hired a consultant to conduct a comprehensive employee engagement survey of over 12,000 County workers which included County behavioral health workforce. Out of the 436 behavioral health workforce respondents, the data indicated that the 40% of the workforce was fully engaged. The highest key driver and organizational trend of employee engagement was the category of Diversity and Inclusion. Employees overwhelmingly indicated that, "I feel like I belong working here" and that the County "values diversity, equity, and inclusion." Enterprise-level data from the survey were shared with all County staff in a forum on March 29, 2023. The County will continue to solicit feedback for an inclusive engagement process and will re-survey biennially to measure improvement.

In order to continue listening to workers in the broader regional behavioral health workforce, authorization of a procurement and allocation of associated funding would be needed to engage a consultant to conduct third party surveys of regional workforce. In alignment with the Report's recommendations, this consultant would also provide updates to the community and convene a Behavioral Health Workforce Steering Committee to ensure continued momentum and progress.

Update on a plan to Implement a Regional Master Training Agreement with San Diego Area Community Colleges, Colleges, and Universities that Provide Practicum Placements for Future Behavioral Health Professionals

Under its current training model, BHS offers practicum placements for future behavioral health professionals in both County-operated settings as well as County-contracted settings. Service-learning agreements occur between County contractors and colleges/universities. Each student is required to complete the respective organizations' training and background screening process before placement. Colleges/universities often have established relationships with contracted providers and seek out continued interest for student placement. Interested students also reach out to BHS directly for student placement opportunities. These requests are disbursed to County-operated programs for consideration, with memoranda of agreement (MOAs) established between the college/university and the County prior to student placements.

Implementation of a regional master training agreement would include establishing baseline training and screening processes for contracted providers who provide supervised clinical experiences, which would need to align with County risk management and subcontracting practices. Individual colleges and universities and individual legal entities would need to agree to all provisions in such an agreement.

In alignment with this effort and as a pilot for potential broader application, in October 2022 HHSA established a Memorandum of Agreement with San Diego State University to launch the *Live Well Center for Innovation and Leadership*. The Live Well Center for Innovation and Leadership adapts the national Academic Health Department model, a formal affiliation of a local public health department and an academic institution, to enhance such things as training, research, service, and workforce development. A key goal of this partnership is to establish systems and processes to increase the workforce pipeline of critical positions needed by HHSA and other regional employers in the fields of public health and human/social services, particularly behavioral health. This would include effort such as enhanced supervised internships and paid student worker opportunities within County programs, expanded placement opportunities for students and new professionals with contractor and *Live Well San Diego* partner organizations, increased research and evaluation efforts to improve service delivery, and joint training arrangements that leverage County and SDSU subject matter expertise in preparing the health and human service workforce of the future.

In addition to the next steps outlined above, updates on progress in addressing the behavioral health workforce shortage will be provided to the Board, in alignment with Board direction. For questions on this report please contact Aurora Kiviat via phone at (619) 559-8117 or via email Aurora.Kiviat@sdcounty.ca.gov.

Respectfully, -



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c: Helen Robbins-Meyer, Interim Chief Administrative Officer