

COUNCIL ACTION FORM

SUBJECT: ASSISTANCE FOR THE RICHMOND CENTER MENTAL HEALTH CENTER (RC) THROUGH COMMUNITY AND FAMILY RESOURCES (CFR)

BACKGROUND

As you may recall, the Council recently heard from representatives of the Richmond Center Mental Health Center, Community and Family Resources, Story County, Mary Greeley Medical Center, and United Way of Story County regarding the financial emergency at the Richmond Center. Community and Family Resources (CFR) has been involved in managing the Richmond Center (RC) for over two months, and has been involved in preparation of its 2007/08 audit as well as its ASSET budget request for 2009/10. CFR and RC are exploring the possibility of eventually merging their services. The RC asked that the City, United Way, Mary Greeley and Story County provide emergency funding of approximately \$178,000, available immediately. Without this additional funding, neither RC nor CFR were sure that the Center could be kept open beyond the end of November.

Staff has met with CFR staff and discussed the City's current funding of RC, and service needs for Ames clients. These needs may not currently be met, or may be ones for which the RC is not receiving reimbursement beyond the ability of the client to pay. City staff has also talked with Story County staff about the service areas which the City and County may look at in order to complement, and not duplicate each other.

On September 18, the Story County Board of Supervisors met and approved the following items of assistance for the Richmond Center, effective immediately:

Step 1 – Immediate assistance:

- Provide \$10,000 towards the crisis line including the months in arrears.
- Provide \$10,000 towards stabilizing payroll for staff serving Story County clients.
- Provide an in-kind contribution of computers and IT technical assistance. This is totaled at \$8,000.
- Earmark **up to** \$20,000 from HM/DD Risk Pool allocation towards increased psychiatry services

TOTAL: \$48,000

Step 2 – Planning assistance:

The loss of the Richmond Center psychiatrist nine months ago has placed not only the Center, but clients and others at a real disadvantage. Psychiatry is a critical

component to a mental health center and without it, other services area at risk. When clients have been referred to other agencies outside of Story County to receive psychiatric care, many are transferring all of their outpatient services to their out of county provider which places additional financial strain on the Richmond Center as they lose customers. Story County wants to enter in discussions with CFR/RC and other stakeholders immediately about the opportunities for bringing on a psychiatrist and shaping the other services that CFR is seeking state accreditation to provide.

The County also directed that CFR contact Boone, Greene, and Carroll counties about the assistance.

The United Way Board met on November 20, 2008, and approved an assistance package of \$44,500. United Way also made its assistance contingent upon other funders providing emergency assistance.

Mental health services have a substantial impact in our community. The Police Department reports that officers respond to mental health related calls on a daily basis. The Ames Police Department is an active member of the Story County Mental Health Task Force. This Task Force is a cooperative endeavor of representatives from mental professionals, county service provider agencies, and law enforcement organizations. **By mid-November of 2008, well over 300 mental health-related notifications have been made to the Task Force by the Ames Police (on a calendar year basis). This is a 76% increase over 2007. The need for mental health services appears to be increasing in our community at a time when RC is on very shaky financial footing.**

In meeting with representatives of CFR, City staff indentified two areas of service which the City Council may consider in providing assistance to RC. The first area is nursing services. Nursing staff screens all calls pertaining to psychiatric services. These calls involve appointments, medications questions, crisis interventions, and talking with other members of the community to meet client needs. Nurses work with pharmacies, social workers, case managers and physicians to coordinate client care.

Approximately 51% of the clients served by the RC nurses are Ames residents. This equates to approximately 1,100 hours of service to Ames residents in the year. Should the City Council provide up to \$20,000 for nursing services for Ames residents, this will provide for approximately 252 hours of nursing services to those least able to pay for them.

Additionally, the City Council may make available a loan of up to \$25,000 to assist in paying for information technology equipment and programming for the client information system. This will allow for Ames residents to be more accurately tracked and to also allow for more timely billing to all parties responsible for payment of bills. This technology upgrade will be necessary to facilitate an eventual merger between CR and CFR, should that prove to be feasible in the near term.

The funding for the technology and programming upgrades can be done in the form of a forgivable loan option. This would entail providing the funding for the purchase, and then

the Council may consider forgiving the loan at some point in the future based on certain criteria being met.

Staff is suggesting that the following criteria be met before the Council would consider forgiving the loan, at some point after July 1 of 2009:

1. The system provide information for use in tracking the service provided to, and outcomes of treatment for, Ames residents;
2. Mental health services be provided to Ames residents by either RC, RC and CFR together, or by CFR with its own accreditation at July 1, 2009;
3. Mental health services be financially viable and able to continue beyond July 1, 2009.

ASSET discussed the RC requests made to the funders and Mary Greeley Medical Center at its November 13, 2008 meeting. Concerns were raised regarding whether other agencies may also approach the funders for "emergency" funds outside the ASSET process, should funds be granted in this instance. Volunteers were also concerned about what will happen if the building is not sold in February. There was discussion about how/whether the ASSET requests from one or both agencies would change as a result of this emergency funding. ASSET took no action during the meeting.

City staff has also had conversations with several of the City's ASSET volunteers. Our volunteers recognize the importance of these services to the community, and the limited options which people have in accessing them. They support the Council doing something to try to keep the services available.

This is a difficult situation for the City Council. **While funding is available to provide the \$45,000 requested in assistance (from Local Option Sales Tax dollars), there is no assurance at this time that these funds alone will result in a long-term solution to the problems in funding mental health services. The low rate of Medicaid reimbursement for mental health services in Iowa will continue to make it difficult to attract and retain qualified mental health professionals. Even an eventual merger will not resolve that concern.**

There is also a possibility that once the City begins to provide funding to assist in paying for nursing services, there may be an expectation that this support continue beyond the emergency period. Therefore, any action to provide additional funding for nursing services should be viewed as a one-time emergency action with no commitment to continue the support at this time.

ALTERNATIVES:

1. The City Council may approve an emergency allocation from the Local Option Sales Tax Fund balance to make available to Richmond Center/Community and Family Resources, up to \$45,000 with the following contingencies:
 - a. \$20,000 for reimbursement for nursing services, on an hourly rate basis of \$79.28 per hour. This will be available for Ames residents.
 - b. A forgivable loan of up to \$25,000 for the purchase of equipment and software to upgrade the Richmond Center's client tracking and billing system. Criteria for the forgiveness of the loan are stated above.
 - c. This action should be contingent upon the United Way, Mary Greeley Medical Center, and Story County providing a similar level of emergency support of Richmond Center.

Should this alternative be chosen, the appropriate contract amendments will be prepared for the 2008/09 ASSET contract.

2. The City Council may approve either option A or B above.
3. The City Council may take no action on the request.

MANAGER'S RECOMMENDED ACTION:

This is a very difficult decision for the City Council. The Council is being asked to provide emergency funding for mental health services for our community, in partnership with Story County, United Way of Story County, and Mary Greeley Medical Center. **These are very necessary services for many members of our community.**

Even with the provision of the emergency funding, **there is no guarantee that RC and CFR can continue to provide services without some resolution to the Medicaid reimbursement rate.** This is beyond local control.

Particularly, the funders risk a possible increased future request to fund mental health services, and the loss of the forgivable loan. Much depends on the sale of the Richmond Center building as discussed on November 6, and this sale is not complete at this time.

However, the provision of mental health services is critical to our community and its residents and this emergency funding will provide time for Community and Family Resources to gain accreditation. Therefore, the City Manager recommends that the City Council adopt Alternative No. 1, and approve an emergency allocation from the Local Option Sales Tax Fund balance to make available to Richmond Center/Community and Family Resources, up to \$45,000, with the following contingencies:

- a. \$20,000 for reimbursement for nursing services, on an hourly rate basis of \$79.28 per hour. This will be available for Ames residents.
- b. A forgivable loan of up to \$25,000 for the purchase of equipment and software to upgrade the Richmond Center's client tracking and billing system. Criteria for the forgiveness of the loan are stated above.
- c. This action should be contingent upon the United Way, Mary Greeley Medical Center, and Story County providing a similar level of emergency support of Richmond Center.

This recommendation to provide additional funding for nursing services should be viewed as a one-time emergency action with no commitment to continue the support at this time.