



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: May 8, 2018
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Alice Gleghorn, Ph.D., Director
Director(s) Department of Behavioral Wellness, 681-5220
Contact Info: Lindsay Walter, J.D., Deputy Director of Administration and
Operations, Department of Behavioral Wellness 681-5220

SUBJECT: California Mental Health Services Authority (CalMHSA) Banking Pool for
Presumptive Transfers between Counties for FY 18-19

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Chair to execute the attached resolution authorizing the County's participation in the amount of \$59,689 for the first quarter (July 1 – September 30, 2018) in the California Mental Health Services Authority (CalMHSA) Inter-Member Transfer Program, which authorizes the transfer of County funds to CalMHSA and authorizes CalMHSA to send and receive funds on behalf of County, consistent with the provisions of the Inter-Member Transfer Program Participation Agreement and Welfare and Institutions Code §14717.1, with initial funding based on actual out-of-county placement data from FY 15-16 plus an administrative charge to each participating County.
- B. Direct the Director of Behavioral Wellness to return with an estimate of any additional funding obligations under the FY 18-19 Program Participation Agreement, in the amount determined after assessment of actual services as the Receiving and/or Sending County, as soon as this data is available to the Department.
- C. Determine that the approval of the recommended actions is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(4) since the

recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

Counties that provide foster youth specialty mental health services (SMHS) are reimbursed through federal financial participation (FFP) and matching county share Medi-Cal billing. A 2016 bill, AB 1299, added Welfare and Institutions Code Section 14717.1, which changed the responsibility for these services from the county of jurisdiction (sending county) to the county of residence (receiving county) in which the foster youth resides. AB 1299 requires that foster children placed outside of their county of original jurisdiction will now have access to specialty mental health services in a timely manner through “presumptive transfer” where the county of residence assures specialty mental health services are provided.

CalMHSA has been requested to provide a fiscal administrative solution to the implementation of AB1299 by creating a centralized process for exchanging the non-federal funds required for AB 1299 cash flow, namely a banking pool. The law failed to anticipate that the receiving Counties without adequate reserves would be unable to implement the current statute. Medi-Cal programs require uniformity in statewide access. The banking pool will meet this statewide goal through an efficient means of transferring county funds to provide treatment to vulnerable youth.

If Behavioral Wellness opted out of the CalMHSA banking pool program, we would be responsible for the additional administrative costs of contracting, including certification of providers, negotiation with vendors, accounts payable services, and monitoring. This program will make providing these services more cost efficient since CalMHSA, acting as the fiscal agent, will coordinate these activities and provide us with the reporting, thus better leveraging resources at a multi-county, possibly statewide, level.

Background:

CalMHSA will establish a bank account for the banking pool. Each County, including Santa Barbara, will have a separate ledger account with balances maintained. Interest earnings would be allocated to each specific county account based on their balance. CalMHSA will be responsible for tracking and reporting deposits and withdrawals for each county in their bank accounts. Santa Barbara County will validate all claims made by any county to which we send clients prior to funds being withdrawn from the County account.

An initial County deposit amount of \$59,689 will be required to get the system started. This initial deposit is calculated as one quarter of the County’s annual amount of nonfederal financial participation based on the most recent DHCS claiming data. Depending on actual expenditures, counties will be requested to make additional appropriations to this fund, or excess funding will be returned.

The state has provided a flowchart demonstrating how the CalMHSA Transfer Program will operate. A county of residence will notify the county of jurisdiction that a youth is being served. The county of jurisdiction will authorize expenditures. CalMHSA will transfer non-FFP funds from the county of jurisdiction to the county of residence upon proof that the county of residence has billed for the Federal share of FFP.

CalMHSA is requesting that Santa Barbara County approve their participation agreement specific to the transfer of funds between counties.

Counties of residence will contract for or directly provide services to the youth. CalMHSA will not be addressing policy issues in this process but will be managing the financial transfers necessary for this program.

DHCS is preparing a Participation Agreement for each County, but has requested initial deposits to ensure the Transfer Program can successfully begin. There are some cost reporting details that will need to be worked out with DHCS related to the banking pool to assure counties can claim appropriate dollars for services and administration. In addition it must be determined when this process will be terminated as eventually realigned dollars will be adjusted to account for the change in claiming through AB1299. Meanwhile, Behavioral Wellness will return to the Board for continued funding authorizations as needed beyond the first quarter of FY 18-19, based on calculations of actual use by the Department.

Performance Measure:

CalMHSA’s administration of programs or projects will result in more cost-effective rates for services, reduced demands on County administrative services, and increased efficiency in implementing services. CalMHSA will keep all necessary records and provide regular fiscal reports to the Department.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 59,689.00		
Federal			
Fees			
Other:			
Total	\$ 59,689.00	\$ -	\$ -

Narrative: In addition to the presumptive transfer payments already required of the County, there would be an administrative charge by CalMHSA for its services. This is currently estimated at less than 5% of the County’s costs. This administrative charge, expected to be reimbursed as an administrative cost in Medi-Cal, is believed to be less than the cost to the County to maintain its own administrative system for making, receiving, and accounting for presumptive transfer payments. Behavioral Wellness plans to use budgeted funds previously utilized by contractors who provided foster youth specialty mental health services.

Special Instructions:

Please return one (1) Minute Order and one (1) complete copy of the above Resolution to gilopez@co.santa-barbara.ca.us.

Attachments:

Attachment A: Resolution of the Board of Supervisors

Attachment B: AB 1299 – Pathway Flowchart

Attachment C: AB 1299 – Initial Deposit Estimate

Authored by:

Q. Lopez