



County of Santa Barbara BOARD OF SUPERVISORS

Minute Order

August 14, 2018

Present: 5 - Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

BEHAVIORAL WELLNESS

File Reference No. 18-00629

RE: Consider recommendations regarding a California Mental Health Services Authority (CalMHSA) Participation Agreement - Presumptive Transfers between Counties for Fiscal Year (FY) 2018-2019, as follows:

a) Approve and authorize the Director of Behavioral Wellness to sign the Inter-Member Transfer Program Participation Agreement on behalf of the County in the amount of \$59,689.29 including a 5% administrative fee of \$2,984.46 for a total contract amount of \$62,673.75 for the period of July 1, 2018 to June 30, 2019; and

b) Determine that the approval of the recommended action 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.

A motion was made by Supervisor Adam, seconded by Supervisor Lavagnino, that this matter be Acted on as follows:

a) **Approved and Authorized; and**

b) **Approved.**

The motion carried by the following vote:

Ayes: 5 - Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino



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

2018 AUG -2 PM 10:15

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: August 14, 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) Participation Agreement
- 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 Director of Behavioral Wellness to sign the Inter-Member Transfer Program Participation Agreement on behalf of the County in the amount of \$59,689.29 including a 5% administrative fee of \$2984.46 for a total contract amount of \$62,673.75 for the period of July 1, 2018 to June 30, 2019.
- B. 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:

The above referenced item is on the agenda to request approval to allow the Director of Behavioral Wellness to sign the Inter-Member Transfer Program Participation Agreement on behalf of the County.

Approval of the recommended action will allow the County to participate in the banking pool program and allow CalMHSA to be the fiscal and administrative agent to facilitate and transfer funds between Counties for presumptive transfer services.

Background:

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.

On May 8, 2018, the Board executed a resolution authorizing the County’s participation in the program for the amount of \$59,689 for the first quarter (July 1 – September 30, 2018). This action authorized the transfer of County funds to CalMHSA and authorized CalMHSA to send and receive funds on behalf of the County. The Board also directed the Director of Behavioral Wellness to return with an estimate of any additional funding obligations under the FY 18-19 Program Participation Agreement.

Per the attached Participation Agreement sent to the Department by CalMHSA, the initial deposit by the County is \$62, 673.75. The additional \$2,984.75 includes a 5% CalMHSA administrative cost for their services. 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.

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

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: Yes

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	\$ 62,673.75		
Federal			
Fees			
Other:			
Total	\$ 62,673.75	\$ -	\$ -

Narrative: Behavioral Wellness plans to use budgeted funds previously utilized by contractors who provided foster youth specialty mental health services. The referenced amount includes a 5% CalMHSA administrative cost for their services.

Key Contract Risks:

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. Once opting into the program, the County must provide CalMHSA with six months’ notice.

Special Instructions:

Please return one (1) Minute Order to qilopez@co.santa-barbara.ca.us.

Attachments:

Attachment A: CalMHSA Participation Agreement

Authored by:

Q. Lopez

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET**

1. Santa Barbara County ("Participant") desires to participate in the Program identified below.

Name of Services: Inter-Member Transfer(s)

2. California Mental Health Services Authority ("CalMHSA") and Member Participants' acknowledge that the services will be governed by CalMHSA's Joint Powers Agreement and its Bylaws, and by this Participation Agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this Program.

- Exhibit A Program Services Description
- Exhibit B General Terms and Conditions
- Exhibit C Member County-Specific Scope and Funding

3. **Term of Services:** July 1, 2018 through and including June 30, 2019.

4. **Deposit:** The maximum contract amount of this Agreement for FY 18-19 shall not exceed an initial funding amount of \$62,673.75 without a properly executed Amendment. Amount payable on or before July 1, 2018.

5. **Authorized Signatures:**

CalMHSA

Signed: [Signature] Name (Printed): John E. Chaquica, CPA, MBA, ARM
Title: Executive Director/Chief Operating Officer Date: 10/11/18

Participant: Santa Barbara County

Signed: [Signature] Name (Printed): Alice Glegghorn
Title: Director, Behavioral Wellness Date: 8/16/18

EXHIBIT A
PROGRAM SERVICES DESCRIPTION

I. Name of Program –Inter-Member Transfer(s)

II. Program Overview

Under the Welfare and Institution Code § 14717.1, responsibility for providing or arranging for specialty mental health services shall promptly transfer from the county of original jurisdiction to the county in which a foster child resides, subject to any exceptions established pursuant to that section. This is known as “presumptive transfer.” Counties have agreed that the county of original jurisdiction (sending county) remains responsible for reimbursing the receiving county for specialty mental health services provided or arranged by the receiving county. Under this program, CalMHSA acts as a fiscal agent for participating counties to make and receive transfer payments of county match dollars.

III Program Process

- A. A funding structure shall be developed based on funding by each participant, as well as timing. It is deemed that an annual funding mechanism would be ideal, especially if through the State Controllers Officer. However, it may be such that quarterly transfers from the counties’, would be the initial process.
- B. All members shall have funding on deposit, no matter what the net expected funding level is anticipated. As such a minimum annual amount to be funded by any member shall be defined.
- C. Triggers shall be defined for the initiation of the funding process. With this trigger, processes shall be in place to discern the amount of payment and by such date.
- D. The mechanics of transferring funds shall be the same for each receiving and paying member.

**EXHIBIT B
GENERAL TERMS AND CONDITIONS**

I. Definitions

The following words as used throughout this Participation Agreement shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. **CalMHSA** – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association to jointly develop and fund mental health services and education programs.
- B. **County (Sending)** – A Sending County, is one that is transferring foster youth to facility located outside of its jurisdiction.
- C. **County (Receiving)** – A Receiving County is one in which a foster youth is being placed in a facility located within their county jurisdiction.
- D. **Member** – A County, City or JPA of two or more Counties, that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- E. **Participant** – Any Member participating in the Program and a member of CalMHSA
- F. **Program Services** – The program identified in Exhibit A.
- G. **Vendor** – Vendor or supplier providing specialty mental health services to foster youth.
- H. **Child** – Foster youth receiving specialty mental health services.
- I. **HIPAA** – The Health Insurance Portability and Accountability Act which:
 - Provides the ability to transfer and continue health insurance coverage for millions of American Workers and their families when they change or lose their jobs;
 - Mandates industry-wide standards for health care information on electronic billing and other processes;
 - Requires the protection and confidential handling of protected health information.

II. Responsibilities

A. Responsibilities of CalMHSA:

1. Act solely as the fiscal and administrative agent to facilitate transfer of funds between Participants in compliance with instructions from and authorization by Participants, without any responsibility for validation or control over the funded services or activities.
2. Establish a banking pool that includes an individual interest-bearing account for each county. Any interest accrued will be credited to the county. All transactions in and out of the account will be provided regularly to each county.
3. Establish written internal control procedures to ensure understanding and sound accounting controls, including items such as defining a trigger for a transaction, the rate of payment, timing of payment, depositing of funds and reporting.

4. Management of and accounting for funds received consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
5. Keep all necessary records and provide regular fiscal reports to Participants and/or other public agencies with a right to such reports.
6. Compliance with CalMHSA's Joint Powers Agreement and Bylaws.
7. HIPAA/PHI – To the extent there is privileged information shared between agencies, which is subject to protection under the HIPAA/PHI Act, CalMHSA shall implement all necessary measures in compliance with the Act.

B. Responsibilities of Participant:

1. Transfer of funds for the Program as specified in Exhibit C, County-Specific Scope and Funding, including administrative fee.
2. Participants are required to provide a timely, continuous contribution based on actual usage, in order to comply with the all contractual obligations. Due to the nature of the program and the specialty of services being provided to youth, contributions are due fifteen (15) days from date of notice to replenish.
3. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant with regard to the Program.
4. Cooperate by providing CalMHSA and the other participating counties (and any other parties deemed necessary) with requested information and assistance in order to fulfill the purpose of the Program.
5. Any and all assessments, creation of individual case plans, and providing or arranging services.
6. Compliance with applicable laws, regulations, guidelines, contractual agreements, CalMHSA's JPA Agreement, and Bylaws.
7. Instructions for and authorization of transfers to be made by CalMHSA.
8. Indemnification as described in Section VI.
9. HIPAA/PHI – To the extent there is privileged information shared between agencies, which is subject to protection under the HIPAA/PHI Act, County/Member shall implement all necessary measures in compliance with the Act.

III. Duration, Term and Amendment

- A. The Program is of indefinite duration, and will continue as long as Participants wish to act together to conduct the Program. However, the obligation of any Member to pay funds is limited to the periods and amounts stated in Exhibit C, County-Specific Scope and Funding.

- B. This Agreement may be supplemented, amended or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.
- C. Any Participant may withdraw from the Program upon six (6) months' written notice. Notice shall be deemed served on the date of mailing.

IV. Withdrawal, Cancellation and Termination

- A. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expenses and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation
- B. Upon cancellation, termination or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the operation of the Program shall be distributed back to the participating counties proportionally based on the amount by which deposits made to the account of the Participant exceed the payments disbursed from the account of the Participant.

V. Fiscal Provisions

- A. Participants will share in the costs of planning, administration and evaluation in the same proportions as their overall contributions, which are included in the amount stated on first page of this Agreement.
- B. Fees for the cost of performing these services will be based on the time extended to perform the core services that are applicable to all Participants, no matter how frequent or the amount of transfers. These services include, reporting, reconciling, investing, banking, communication, and overall program management. The cost for the transactional services—processing and recording of payments—will be based on frequency. The same transactional cost is applicable to both the paying and receiving participants.
- C. The total fees will be based on the above and the number of participants. An allocation formula will be developed to incorporate the two types of costs—core and transactional.
- D. Participants are required to provide a timely, continuous contribution based on actual usage, in order to comply with the all contractual obligations. Due to the nature of the program and the specialty of services being provided to youth, contributions are due fifteen (15) days from date of notice to replenish.

VI. Limitation of Liability and Indemnification

- A. CalMHSA is responsible only for transfer of funds between county accounts as instructed and authorized by Participants. CalMHSA is not liable for damages beyond the amount of any funds which it transfers without authorization or contrary to Participant's instructions.

- B. CalMHSA is not undertaking responsibility for assessments, creation of case or treatment plans, providing or arranging services, and/or selecting, contracting with, or supervising providers (collectively, "mental health services"). To the fullest extent permitted by law, each party shall hold harmless, defend and indemnify the other party, including its governing board, employees and agents from and against any and all claims, losses, damages, liabilities, disallowances, recoupments, and expenses, including but not limited to reasonable attorney's fees, arising out of or resulting from other's negligence in the performance of its obligations under this Agreement, including the performance of the other's subcontractors, except that each party shall have no obligation to indemnify the other for damages to the extent resulting from the negligence or willful misconduct of any indemnitee. Each party may participate in the defense of any such claim without relieving the other of any obligation hereunder.

This Participation Agreement does not anticipate CalMHSA performing any validation or verification of the accuracy of the data supplied. Those services may be appended if deemed necessary.

EXHIBIT C
SCOPE AND FUNDING

CalMHSA will be contracted to perform fund transfers on behalf of counties in order to allow foster children who are placed outside of their county of original jurisdiction to access specialty mental health services in a timely manner. The defined process is "presumptive transfer," which means a prompt transfer of the responsibility for the provision of, or arranging and payment for SMHS from the county of original jurisdiction (sending county) to the county in which the foster child resides (receiving county), as provided for by Welfare and Institution Code § 14717.1.

PROGRAM ACTIVITIES AND PROCESS:

To fulfill the Participant's obligations under Welfare and Institution Code § 14717.1, the Parties will undertake the following responsibilities.

- A. CalMHSA will create a banking pool that includes a ledger for each participating county that identifies and tracks all transactions.
- B. Counties provide an estimated annual (or quarterly) payment (which includes an administrative fee) to CalMHSA, of the non-Federal Financial Participation (FFP) portion of cost of services anticipated for SMHS, for their youth in foster care outside of their county. (Administrative Fee to be determined by CalMHSA)
- C. County with the youth placement and SMHS organizations (Receiving County):
 - 1. Receives a presumptive transfer and is required by statute to provide or arrange appropriate treatment services;
 - 2. Receives an assessment from the sending county and/or assesses the youth itself;
 - 3. Provides or contracts with organizations to provide SMHS to foster youth in their county
- D. Receiving county receives provider statement for services rendered, or prepares statement for services provided directly.
- E. Receiving county bills Medi-Cal.
- F. Receiving county obtains approval from Sending county for payment, upon receipt of approval this triggers invoice to CalMHSA with proof of services billed (Form 835), from sending county account, for the services provided by contract or by the receiving county.
- G. Receiving county reimburses the provider timely for services provided.
- H. CalMHSA reimburses receiving county with non-FFP match from sending county funds for services rendered.

INITIAL FUNDING AMOUNT

\$59,689.29, plus \$2,984.46 (5% administrative fee).