



M E M O R A N D U M
HEALTH AND HUMAN SERVICES
CHILDREN'S SYSTEM OF CARE
County of Placer

TO: Board of Supervisors

DATE: June 22, 2021

FROM: Robert Oldham, MD, MHSA, Director of Health and Human Services

SUBJECT: Approve an amendment to an agreement with the California Mental Health Services Authority

ACTION REQUESTED

Approve an amendment for participation in the Inter-Member Transfer Program with California Mental Health Services Authority (CalMHSA) to increase the agreement by \$3,980.19 and extend the term through June 30, 2022, for a maximum amount not to exceed \$371,940.57 for the entire period of July 1, 2018 through June 30, 2022 and authorize the Director of Health and Human Services to sign the amendment with Risk Management and County Counsel concurrence, and to sign subsequent amendments up to \$37,194 consistent with subject matter and scope of work with Risk Management and County Counsel concurrence.

BACKGROUND

Placer County Children's System of Care is mandated by the State Department of Health Care Services to provide specialty mental health services (SMHS) to foster youth. The County is reimbursed through federal financial participation (FFP) and county match through Medi-Cal billing. Amendments to the Welfare and Institutions Code changed the responsibility of these services from the county of jurisdiction to the county of residence in which the foster youth resides. Approval of this item will allow foster children who are placed outside of Placer County to access SMHS in a timely manner, and it will also allow Placer County to be reimbursed timely for specialty mental health services provided to foster children placed in this county. Under the Welfare and Institutions Code § 14717.1, which was prompted by Assembly Bill 1299, changes how SMHS are provided and billed for. The responsibility for providing or arranging for SMHS has changed from the jurisdiction county contracting with a variety of providers all over the state to a new method. It requires that the responsibility for SMHS promptly transfers 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. Implementation of this statute requires a system for counties to make prompt payments to each other. Under this program, CalMHSA acts as a fiscal agent for participating counties to make and receive transfer payments.

Placer County is already a member of the California Mental Health Services Authority (CalMHSA), a joint powers authority created to perform administrative and fiscal services on behalf of its members. Approval of this item will allow the Placer County to participate in CalMHSA's Inter-Member Transfer Program to facilitate prompt payments between counties as required by Welfare and Institutions Code section 14717.1. This agreement is a model to be used for future requirements necessitating intercounty transfer of funds.

CalMHSA operates a banking pool. Each participating member county has separate financial ledger account and receives periodic statements of year-to-date balance, payments to other counties, payments from other counties, administration costs and interest earned. Required current and future funding is based on the projection of actual expenses in order to make funding continuously available for program. CalMHSA also transfers funds back to the participating counties that have more funding than deemed necessary for the program. In addition to the presumptive transfer payments already required of Placer County under section 14717.1, there is an administrative charge by CalMHSA for its services, currently estimated at less than 5%. This amount, 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.

FISCAL IMPACT

Funding in the amount of \$3,980.19 has been included in the Department's FY 2021-22 Budget to cover the additional Administrative fee related to the increased term of one year, this includes \$3,582.17 (90%) in Federal and State funding and \$398.02 (10%) in County General Fund match.

The amendment is on file with Clerk of the Board.