Fiscal Leadership Institute

June 2019

Graphics by

Beth Conley
I am Marcus

What is the Value of our work?

I used drugs Crack Weed
Funding facilitates change in people's lives

I was a homeless toothless crackhead
I know lots of people with years of sobriety & committed suicide
I have PTSD from growing up in my neighborhood
What about the numbers? How many people are getting the results...

Now I know I have PTSD
Police officer was my angel... treated me with respect...
I got sober at 40y0
People go back to what they know & what is comfortable
We have to look at what is NORMAL. Societal PTSD?

Higher Power keeps me sober
We need COMPASSION in our funding

I have done over 35 programs
What is the Value of our work?

Aftercare is important
Seeing a therapist with wife... identified PTSD & got treatment

Homeless on streets of San Francisco
I used drugs Crack Weed

I got sober at 40y0
We need COMPASSION in our funding

In and out of jail
Jail

My family had mental health issues

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HOT Info Notices

- IN 19-002 Co-Practitioner Claim Submission
- IN 19-003 Presumptive Transfers & EPSDT POS
  - CalMHSA banking pool could make tracking a challenge
  - There is legislation proposed to address STRIP & Presumptive Transfers
  - What happens in cost reports
  - MHSA Reversion
  - Excess reserves only to CSS is too restrictive?
  - What are the processes for calculating

- IN 18-002 Implementation issues. DHCS intends to release a new info notice. Not currently applied to SUD

- IN 19-015 Short Doyle county/contract rates

- IN 19-016 Revisions to DMC-ODS interim rates

- IN 19-025 FY 17/18 B.H Services Growth

- IN 19-024 Final Rule Out-of-Network & Continuity of Care

- IN 19-005 DMC NTP cost reporting

- IN 18-049 What happens in cost reports

- IN 19-023 Reporting Negotiated rates for Psychiatric Inpatient Hospitals

- IN 19-026 Authorization of specialty RH

- IN 19-026 Certification of Document & Data DMC-ODS

- IN 19-027 DMC-ODS cost

- IN 19-028 Administrative Day Rate for fee for service Medi-Cal hospitals

- IN 19-013 2019 ICD10 codes
Point in Time counts are being reported
~ problem not improving

**New Resources in State Budget (proposed)**
- Homeless Emergency Aid Plan (HEAP)  
  ~ $1.650 million
- Low-income tax credit for affordable housing production

**State Budget Whole Person Care (proposed)**
- 100 million SGF for WPC counties
- 20 million to non-WPC to launch efforts

**Process for accessing NPLH funding**
- Summarized in Tyler's handout

**No Place Like Home**
- A competitive process & noncompetitive allocation
  ~ Noncompetitive application available
  ~ Must accept allocation by Aug. 2019
  ~ Multiple funding rounds for competitive

**CBHDA advocating for flexibility in how funds can be used**

**Look at Tyler's slide with process into**
~ you can use competitive & noncompetitive funds on one project

**HCD has a NPLH website**
See Paula's resource pages from handout

**SUD**

- DMC realigned to counties
  IN 18-009
- Substance Abuse Block Grants most discretionary with a few set asides
  IN 16-063
- Payor of last resort
- Invoice for actual cost

**SABG**

- Manual should be reviewed
- Must have SABG budget

**SUDPLANT**

- With SABG

**FINANCING ISSUES**

**UPDATES**

- Governor's proposal 19/20 budget eliminates VLF redirection
  Should see increased sales tax revenue
- Cash transfers of MHSA largest in months with quarterly tax payments
- No Place Like Home debt service from MHSA
  \$130 million x your % x 30 years
- There are proposals that may impact estimates for MHSA,
  (i.e. WET 5 year plan)

**1991 Realignment**

- MHSA Estimates
- May revise revenue estimates

- Look at Mike's presentation for funding details

Federal Audit

..... Coming soon
M.H. and S.U.D. Financing

**Path Grant**
- Transitioning from homelessness

**SAPT Block Grant**
- Substance Abuse Prevention Treatment
- Use tobacco tax allocations

**2011 Realignment**
- Funds transferred to backfill to MH subaccount
- Sales & Use/VLF
- B/H Services subaccount
- County Intervention Support Services subaccount
- If a county unable to provide services
- Have established an allocation schedule

**1991 Realignment**
- Community services Local Account
- Sales Tax Account
- Sales & use
- Mental Health subaccount
- CalWorks Maintenance of effort after amount reach then funds go to MH subaccount
- Vehicle Licence Fee Account
- Mental Health subaccount - same as sales tax
- VLF Collection Account
- $14 Million - doesn't change

**MHSA**
- Funds from Prop 63
- 1.76% of all income tax revenue monthly deposited to MH Service Account
- Annual adjustments with actuals
- Allocation based on:
  - Need for MH services
  - Cost of Living
  - Other financial resources

**M.H. Block Grant**
- State Administration
- Children System of Care
- Integrated Services Agency
- Dual Diagnosis Set Aside
- First Episode Psychosis Set Aside
- Base Funding

See presentation handout for details

Annually publish an info notice with the calculations
INTERIM PAYMENTS & COST SETTLEMENT

COST ELIGIBLE

Medical Assistance
- providing covered specialty mental health services
- electronic claims to State (837)
- limits on reimbursements for county providers not limited for contract providers

Utilization Review & Quality Assurance
- claim actual costs only
- use MH 1982 C manual form

Other Administration
- use MH 1982 B manual claim form
- not just a percentage - actual costs

INTERIM COST SETTLEMENT

Steps in process
- Initial Submission - Dec 31
- Reconciliation - clear all errors by Oct 31
- Interim Settlement - Jan 31

Cost Determination Policies
- Eligible direct costs
- assigned to a cost objective
- MH Services
- Med Support
- Crisis Intervention
- Therapeutic Behavior Services
- Targeted Case Management
- Crisis Stabilization
- Day Treatment
- Day Rehab

Allocations when Medi-Cal & non Medi-Cal programs
- Mountain work papers to show how you figure the allocation
- Gross cost
- Program limitations
- Relative value

ADMIN COST

Review handout for policy references & procedure details

ur/qa
- MHP contract provisions
- Other admin cost
- If you don't have work who do work for this function, a time study could be beneficial for audits

NOT REQUIRED you can wait for cost settlement
MHSA

**WHY?**
- Identify expenditures & unexpended funds
- Determine reversion

**5%**
- for planning
- Innovation planning approved by MHOAC
  - Can now be approved by Executive Director & MHOAC Chair

**Admin**
- Allocate to components
- Separate MHSA from non-MHSA
- Seek approval from MHOAC for Innovation admin costs

**Program Costs**
- CSS - direct cost
- PEI - each program type
- INN - Admin, Eval, Program

- Working on a new template to submit an Innovation Plan to MHOAC for feedback

**Evaluation**
- Costs of PEI & Innovation allocated to the component
- Outcome reports required
  - Due June 30, 2019
- Working to develop guidelines
- What are you learning?

**S-JPA**
- Report transfers on RER
- Not spent when transferred: only when expended by JPA

**Look @ handout for Reversion info**

**Other**
- You can transfer to CFTN, WET or Prudent Reserve - must be expended by reversion dates
- Prudent reserves > 33% must be transferred to CSS
**DHCS Updates: Policy & Funding**

**2020 Waiver Renewal**
- Plan to engage counties in proposals in summer
- Broader stakeholders in Fall

**Reorganization of DHCS**
- BH Financing Division
  - Part of Medi-Cal financing
  - Mental health & SUD goal to align policies
- Community Mental Health
  - Non-Medi-Cal MHSA, Block Grants
- Medi-Cal Program

**Electronic Funds Transfer (EFT)**
- Please consider enrolling
- Find information on DHCS website

**Timeline**
- Middle of August

**Psychiatric Services in IMDs**
- IN 18008 - Counties to pay for services in IMD - not from info notice
- No standard rates per day
- No differences in administration days

**New info notice coming soon**

**MHSA Fiscal Regulations**
- Posted in March
- May 7 - Public Hearing
- Currently reviewing comments & preparing responses
- 23% prudent reserve min
  - Creating a plan if a county is not there
  - 33% max

**Sanctions, Fines, Penalties**
- Cost reports not submitted
- 30 day letter
- Currently putting together processes to monitor & penalize as necessary
- 90 days for reconciliation
- Working to clean up claims process
- Participate in template testing

**DUE: Dec 31**