Mental Health Financial Issues

California Institute for Behavioral Health Solutions (CIBHS)
Small County Fiscal Technical Assistance

April 26, 2018
Mental Health Financial Issues

- Office of Inspector General Audit
- Drug/Medi-Cal Update
- DHCS Information Notices
- State and Federal Budget Update
- Mental Health Cost Report
- MHSA Update
- Other Fiscal Issues
Office of Inspector General Audit

- The Federal Office of Inspector General (OIG) conducted an audit of FFY 2014 Medi-Cal Specialty Mental Health program
  - Disallowed claims
  - Extrapolated findings to entire system
- DHCS shared report and methodology with CBHDA and CSAC
- DHCS submitted response to OIG
- Final OIG report to be issued in the next 3 to 4 months
- DHCS looking at how to allocate recoupment among counties
- CSAC wants to discuss how the State should share in repayment
Drug/Medi-Cal Update

- D/MC ODS Waiver status
  - 11 counties live
  - 16 counties approved to go live
  - 5 county fiscal plans under review
  - $101 million in total approved claims (FFP and match) since February 2017
- Should be able to use any non-Federal funding source as match
  - AB109 funding, County General Funds
DHCS Information Notices

• 18-017 MHP Claiming for Child and Family Teams and Assessments
  • Two new activities and service function codes
  • Claim for new CFT participation and assessments
  • Does not include Intensive Care Coordination and/or Intensive Home Base Services

• 18-016 Administrative Day Rate
  • Decreased from $611.60 to $565.58 effective August 1, 2017
  • Skilled Nursing Facility rate increased by estimate of ancillary costs

• 18-015 Establishing a County Contract Rate in SD/MC System
• 18-014 Revised MHSA Allocation Schedule for FY17/18
  • Resources were not correct in original calculation
State and Federal Budget Update

- 2011 Behavioral Health Subaccount
  - Information Notice 18-018 describes distribution methodology for FY15/16 growth
    - 50% based on FY15/16 D/MC and EPSDT claims
    - 50% based on weighted Medi-Cal beneficiaries
  - Anticipate FY16/17 growth will be released in May
    - $98.36 million
  - DHCS has ideas for rolling base
  - DHCS will present to CBHDA and CSAC

- SAPT
  - DHCS working on new reporting and payment process
    - DHCS to release Information Notice in May
    - Effective next fiscal year
  - Still expending Federal Fiscal Year 2017 grant award
  - DHCS waiting for FFY 2018 funds
Mental Health Cost Report

- DHCS intends to settle all outstanding Medi-Cal Specialty Mental Health Cost Reports by end of 2020
  - Anticipate normal process for FY17/18 cost report
    - Initial settlement 20 months following close of fiscal year
  - Will submit to audit even if errors
  - Audits will increase speed at which they conduct audits
  - DHCS drafting Information Notice for release in April
- FY16/17 Cost Report
  - Summary Template posted
- DHCS working on FY17/18 template
  - Clean up Summary template based on policy changes
  - Anticipate sending to test counties in May and posting by July 1, 2018
MHSA Update

• 31 counties submitted FY16/17 RER
  • DHCS posted list on website
• Almost all prior year RERs submitted
• AB114 Reversion Letters have been sent to counties
  • Some appeals
• DHCS cannot finalize reversion calculation under AB114 until county submits FY16/17 RER
• DHCS developing Information Notice for release in May
• DHCS may withhold 25% of future MHSA distributions if county does not submit plan under AB114 (see Information Notice 17-059)
• Strategies around use of AB114 reverted funds versus new revenues
• DHCS intends to submit MHSA regulation package at the end of FY18/19
## MHSA Revenue Update

<table>
<thead>
<tr>
<th>MHSA Estimated Revenues</th>
<th>(Cash Basis-Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>15/16</td>
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<tr>
<td>Cash Transfers</td>
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<tr>
<td>Annual Adjustment</td>
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<td>Interest</td>
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<tr>
<td>Total</td>
<td>$1,517.8</td>
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</table>
## MHSA Estimated Component Funding
*(Cash Basis-Millions of Dollars)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual</th>
<th>Estimated</th>
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<tbody>
<tr>
<td></td>
<td>15/16</td>
<td>16/17</td>
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<tr>
<td>CSS</td>
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<td>PEI</td>
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<td>Innovation(^a/)</td>
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<tr>
<td>Total</td>
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<td>$1,827.0</td>
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\(^a/\) 5% of the total funding must be utilized for innovative programs (W&I Code Section 5892(a)(6)).
Other Fiscal Issues

• Federal grant funds under Title 2 CFR 200
  • Not applicable to Medicaid program
• CIBHS Fiscal Leadership Institute
  • June 4th and 5th
• County Hospital Cost Report
• AB1299 Presumptive Transfer through CalMHSA
• CANS and PSC-35 Implementation
• CBHDA survey on County General Fund