

File No. 250512

Committee Item No. 2

Board Item No. 53

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: July 17, 2025

Board of Supervisors Meeting:

Date: July 29, 2025

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU - FY2022-2024 - Clean                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU - FY2022-2024 - Redline                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract / DRAFT Mills Act Agreement         |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

|                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DRAFT MOU</u>                          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Retroactive Explanation 051225</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Cover Letter 051225</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Cover Ltr 052225</u>               |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Updated Retro Explanation 060325</u>   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>SFDPH Presentation 071725</u>          |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <u> </u>                                  |
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Prepared by: Monique Crayton

Date: July 11, 2025

Prepared by: Monique Crayton

Date: July 25, 2025

Prepared by:  

Date:

1 [Memorandum of Understanding - Retroactive - California Department of State Hospitals and  
2 California Mental Health Services Authority - State Hospital Beds - Not to Exceed  
\$10,000,000]

3  
4 **Resolution retroactively authorizing the Director of Health to sign a California**  
5 **Department of State Hospitals and California Mental Health Services Authority**  
6 **Memorandum of Understanding to facilitate access to mental health treatment and**  
7 **facilitate the transfer of funds to cover San Francisco's obligation to pay for mental**  
8 **health treatment at the California Department of State Hospitals, for a term of one year**  
9 **and nine months, from October 1, 2023, through June 30, 2025, as required by Welfare**  
10 **and Institutions Code Sections 4330 and 4331, and for a total not to exceed amount of**  
11 **\$10,000,000; and to authorize the Director of Public Health to enter into any**  
12 **amendments or modifications to the Memorandum of Understanding that the**  
13 **Department determines, in consultation with the City Attorney, that do not materially**  
14 **increase the obligations or liabilities to the City and are necessary to effectuate the**  
15 **purposes of the agreement or this Resolution.**

16  
17 WHEREAS, The California Department of State Hospitals (DSH) has jurisdiction over  
18 all DSH facilities, as defined in Welfare and Institutions Code, Section 4100, including non-  
19 DSH treatment facilities contracted with DSH pursuant to Welfare and Institutions Code,  
20 Section 4361 (hereafter collectively "Hospitals"), excluding community-based restoration of  
21 competency services that are operated by the County; and

22 WHEREAS, Welfare and Institutions Code, Section 4330 requires counties to  
23 reimburse DSH for the use of DSH Hospital beds and services, provided pursuant to the  
24 Lanterman-Petris-Short Act ("LPS", Welfare and Institutions Code Section 5000 et. seq.) and  
25

1 in accordance with annual MOUs between DSH and each County acting singly or in  
2 combination with other counties, pursuant to Welfare and Institutions Code, Section 4331; and

3 WHEREAS, The California Mental Health Services Authority (CalMHSA) is a joint  
4 powers authority pursuant to Government Code, Section 6500 et seq. (Joint Exercise of  
5 Powers Act) whose members are counties and cities with mental health programs and San  
6 Francisco is a member county and CalMHSA negotiates the MOU with DSH on behalf of  
7 CalMHSA's members and serves as a liaison for matters of compliance with MOU terms and  
8 conditions; and

9 WHEREAS, The parties were unable to reach agreement on the terms and conditions  
10 of the MOU for the time period under the MOU until on or around April 15, 2025; and

11 WHEREAS, The San Francisco Department of Public Health (DPH), instructed DSH to  
12 begin performance of the MOU, even though there was no written agreement between the  
13 parties, with the expectation that the MOU would be formally executed; and

14 WHEREAS, DHS began performing services within the scope and terms of the MOU  
15 despite the MOU not being finalized or executed by the parties; and

16 WHEREAS, DPH desires to retroactively execute the MOU for the DSH Hospital beds  
17 and other related services for a not to exceed amount of \$10,000,000, thereby ensuring that  
18 the expenses incurred by DSH to provide DSH Hospital beds and other related services for  
19 SF residents placed at DSH Hospitals between October 1, 2023, through June 30, 2025, are  
20 reimbursed; and

21 WHEREAS, The Charter requires City departments to enter a written contract or other  
22 instrument including certification by the Controller and approval as to form by the City Attorney  
23 in order to bind the City to expend money; and

1           WHEREAS, The DPH seeks approval of the Board of Supervisors to enter into the  
2   MOU because DSH has satisfactorily performed the services based on an informal written  
3   understanding between the parties for a period of more than 12 months; and

4           WHEREAS, The Memorandum of Understanding includes mutual indemnification  
5   provisions under which the California Department of State Hospitals and the City and County  
6   of San Francisco each agree to defend, indemnify, and hold the other and its agencies, their  
7   respective officers, employees and agents, harmless from and against any and all liability  
8   loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance  
9   of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys'  
10   fees, or claims for injury or damages are caused by or result from the negligent or intentional  
11   acts or omissions; and

12           WHEREAS, The proposed Memorandum of Understanding is on file with the Clerk of  
13   the Board of Supervisors in File No. 250512, which is hereby declared to be a part of this  
14   Resolution as if set forth fully herein; now, therefore, be it

15           RESOLVED, That the Board of Supervisors hereby authorizes the Director of Health to  
16   retroactively enter into a Memorandum of Understanding with the California Department of  
17   State Hospitals and California Mental Health Services Authority to facilitate access to DSH  
18   Hospital beds and mental health treatment and facilitate the transfer of funds from  
19   Realignment Funds due to the City and County of San Francisco to DSH to cover San  
20   Francisco's obligation to pay for DSH Hospital beds and mental health treatment at the  
21   California Department of State Hospitals, for a term of one year and nine months, from  
22   October 1, 2023, through June 30, 2025, as required by Welfare and Institutions Code,  
23   Sections 4330 and 4331, for a total not to exceed amount of \$10,000,000; and

24           FURTHER RESOLVED, That the Board of Supervisors acknowledges that the  
25   Memorandum of Understanding includes mutual indemnification provisions under which each

1 party agrees to defend, indemnify, and hold the other harmless, but only in proportion to and  
2 to the extent such liability arises from that party's own negligent or intentional acts or  
3 omissions; and

4 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
5 of Health to enter into any amendments or modifications to the Memorandum of  
6 Understanding that the Department determines, in consultation with the City Attorney, that do  
7 not materially increase the obligations or liabilities to the City and are necessary to effectuate  
8 the purposes of the agreement or this Resolution; and, be it

9 FURTHER RESOLVED, That within 30 days of the MOU being fully executed by all  
10 parties, the DPH shall provide the final MOU to the Clerk of the Board for inclusion into the  
11 official file.

12  
13 RECOMMENDED

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15 \_\_\_\_\_ /s/

16 Daniel Tsai  
17 Director of Health  
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**ADMINISTRATIVE SERVICES DIVISION**

1215 O Street, Suite 670  
Sacramento, CA 95814



**County Use of State Hospital Beds  
Memorandum of Understanding**

**California Department of State Hospitals  
and  
The California Mental Health Services Authority (CalMHSA) and  
Participating Counties**

**I. RECITALS**

- A. The parties to this Memorandum of Understanding ("MOU") are the California Department of State Hospitals ("DSH"), the California Mental Health Services Authority ("CalMHSA") as administrative agent for participating Counties, and each participating County which has executed this MOU ("County") as indicated in Exhibit 1.
- B. The DSH has jurisdiction over all DSH facilities, as defined in Welfare and Institutions Code, section 4100, including non-DSH treatment facilities contracted with DSH pursuant to Welfare and Institutions Code, section 4361 (hereafter collectively "Hospitals"), excluding community-based restoration of competency services that are operated by the County.
- C. Welfare and Institutions Code section 4330 requires counties to reimburse DSH for the use of DSH Hospital beds and services, provided pursuant to the Lanterman-Petris-Short Act ("LPS", Welfare and Institutions Code section 5000 et. seq.) and in accordance with annual MOUs between DSH and each County acting singly or in combination with other counties, pursuant to Welfare and Institutions Code section 4331.
- D. CalMHSA is a joint powers authority pursuant to Government Code section 6500 et seq. (Joint Exercise of Powers Act) whose members are counties and cities with mental health programs. CalMHSA negotiates the MOU with DSH on behalf of CalMHSA's members and serves as a liaison for matters of compliance with MOU terms and conditions.
- E. The terms and conditions herein remain subject to applicable court orders and statutes.

**II. TERMS AND CONDITIONS**

A. The term of this MOU is October 1, 2023 through June 30, 2025 (“FY 2023-2024, and 2024-2025”). For purposes of any months not directly covered by the previous MOU between DSH and CalMHSA, the terms and conditions, the number of contracted beds pursuant to the MOU for July 1, 2022 to December 31, 2022, and the FY 2022-2023 rates provided by DSH, and subsequently agreed to effective July 1, 2022, shall continue to apply until June 30, 2023, pursuant to the provisions of Welfare and Institutions Code section 4331(d). The ICF, APH and SNF bed rates agreed upon herein for FY 2023-2024 have an effective date of July 1, 2023, as identified in Exhibit 3.

B. Admissions for County Director Referred Patient (“Patient”)

1. For those patients referred directly by a County to a DSH facility, the County Mental Health Director, the County Behavioral Health Director, or their designee (collectively, “County Director”) shall, in conjunction with the Public Guardian, as applicable, screen, determine the appropriateness of, and authorize all referrals for admission of Patients to DSH. The County Director shall, at the time of referral and admission, provide admission authorization and bed type to which a Patient is being referred, and identify the estimated length of stay for each Patient. However, DSH shall make the determination of the appropriateness of a Patient for admission, and if appropriate for admission, assign the Patient to the appropriate hospital, level of care and treatment unit.
2. The County Director shall name a County point-of-contact and provide assistance to the Hospital treatment staff, in conjunction with the conservator and/or Public Guardian, in the screening of Patients to initiate, develop and finalize discharge planning and necessary follow-up services for the Patients. The County and DSH mutually agree that the goal is to transition Patients into their least restrictive setting, as clinically appropriate, and in alignment with Welfare and Institutions Code 5358. Either party may initiate this process by contacting the other party and the conservator and/or Public Guardian and engaging in collaborative discharge planning with the other party to ensure the patient’s treatment needs are met.

C. Description of Provided Hospital Services

1. The DSH defines bed types and uses in accordance with the following California Department of Public Health hospital licensing definitions. These definitions shall apply to the MOU:
2. Acute Psychiatric Hospital (APH) Acute psychiatric hospital means a hospital having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care for mentally disordered, incompetent or other Patients referred to in Division 5 (commencing with section 5000) or Division 6 (commencing with section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy and dietary services. An acute psychiatric hospital shall not include separate buildings which are used exclusively to house personnel or provide activities not related to hospital patients.

3. Intermediate Care Facility (ICF) Intermediate care facility is a health facility, or a distinct part of a hospital or skilled nursing facility which provides inpatient care to patients who have need for skilled nursing supervision and need supportive care, but do not require continuous nursing care.
4. Skilled Nursing Facility (SNF) Skilled nursing facility is a health facility or a distinct part of a hospital which provides continuous skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. A skilled nursing facility provides 24-hour inpatient care and, at a minimum, includes physician, skilled nursing, dietary, pharmaceutical services and an activity program.
5. Provided the LPS Patient is admitted to a facility under the jurisdiction of DSH, DSH shall provide inpatient psychiatric health care and treatment, including outside medical health care and treatment, ancillary care and treatment, and/or support services, to those persons admitted to DSH by the County or Public Guardian pursuant to Welfare and Institutions Code Section 5008, subdivision (h)(1)(A) (LPS Conservatorships) and/or subdivision (h)(1)(B) (Murphy Conservatorships). All DSH facilities that admit LPS patients shall comply with the responsibilities noted for DSH in this MOU. A summary of services provided to LPS Patients and the definition of care is detailed in Exhibit 2.
6. Upon receipt of appropriate notice, the DSH and the County shall provide or cause to be provided, witness testimony by appropriate mental health professionals in legal proceedings required for the commitment, admission, or treatment of the Patients.
7. The County is responsible for transportation to and from the Hospitals in the following circumstances: court appearances, County-initiated medical appointments or services, and pre-placement visits and discharge to final placements. The County is also responsible for transportation between Hospitals when the County initiates the transfer. The DSH is responsible for all DSH-initiated transportation between the Hospitals and transportation to and from local medical appointments or services. The reimbursement rates in Exhibit 3, entitled "Statement of Annual Bed Rates and County Estimated Bed Need," include reimbursement for transportation that is the responsibility of DSH.
8. Hospitals shall be culturally-competent (including sign-language) in staff and resources and the overall milieu to meet the needs of Patients treated pursuant to this MOU.
9. Multi-disciplinary treatment team composition will be provided as set forth in Exhibit 2.

#### D. Admission and Discharge Procedures



1. For those patients referred directly by a County to DSH for placement, except as otherwise required by an applicable court order, and in conjunction with the conservator and/or Public Guardian, a County shall submit a complete admission package with the referral, including all assessments available to DSH's Patient Management Unit (PMU). The County shall provide PMU with the complete medical records on file, the Short-Doyle Authorization Form, and all applicable court commitment orders for each Patient. The County shall identify an initial projected length of stay which DSH shall address in Patient's treatment plan and discharge plan. All documentation will be provided to PMU via secure transfer utilizing WorkSpaces or a successor application, as determined by DSH.
2. Hospital admissions, intra-hospital transfers, inter-hospital transfers, and referrals to outside medical care shall be determined by DSH, subject to applicable court order or statute.
3. All denials of admission by DSH shall be in writing with an explanation for the denial. Denial of admission may be based on the lack of the Patient's admission criteria/information identified in Section F of this MOU, DSH's lack of bed capacity, or an inability to provide appropriate treatment based on Patient-specific treatment needs such as if a patient's primary treatment needs are medical. A denial of admission may be appealed as provided in the next paragraph.
4. Appeal Process for Admissions. If the County wishes to appeal a denial of admission, the case may be referred to the DSH Deputy Directors of Clinical Operations and Hospital Strategic Planning and Implementation within five (5) business days. The DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation shall discuss the case and shall obtain additional consultation from the County Director. The DSH shall render a final decision within five (5) business days after receiving the documented basis on which the appeal is based.
5. Discharge planning by the County Director, conservator and/or Public Guardian, and Hospital shall begin at admission, as individuals should be placed and receive services in the least restrictive setting appropriate for treatment. However, the estimated length of stay shall not be used as a basis for discharge.
6. The Parties agree to meet on a monthly basis and to work in good faith to develop the Procedures for Discharge Ready Patients (Discharge Procedures). The Discharge Procedures will include a process for elevating and discussing those LPS Patients that are clinically eligible for discharge but have not discharged in a reasonable amount of time based on the Patient's progression of their treatment plan, as outlined in Welfare and Institutions Code section 5359. It is the parties' intent that the Discharge Procedures will be implemented after the effective date of this MOU, but no later than September 1, 2024.

#### E. Bed Type Transfers

1. If, for any reason, a County Patient is in a bed that is inappropriate to that Patient's needs, the attending clinician shall develop, in consultation with the Hospital's treatment team, the County (except when the urgency of the Patient's situation precludes such consultation) and the conservator and/or Public Guardian, a plan for transfer of the Patient to an appropriate unit in accordance with the treatment plan. This plan shall be developed and communicated to the County Director and the conservator and/or Public Guardian within forty-eight (48) hours of any urgent transfer. The County or conservator and/or Public Guardian may initiate a treatment team discussion with the attending Hospital clinician at any time the County or conservator and/or Public Guardian asserts that a County Patient is in a bed that is inappropriate to the Patient's needs or does not accurately reflect the level of care the Patient requires (APH, ICF, or SNF).
2. The Hospital shall provide the conservator and/or Public Guardian and County's Point-of-Contact notice of transfers between bed types within two (2) business days of any such transfer.
3. Bed Types Appeals. When agreement cannot be reached between the County staff and the Hospital staff regarding the type of bed the Patient needs, the following appeal process shall be followed. When the County staff feels that an impasse has been reached and further discussions would not be productive, the bed type may be appealed, along with all available data and analysis, to the Hospital Medical Director and the County Director, or designee, within two (2) business days. If the County Director and Hospital Medical Director are unable to achieve agreement, the case may be referred to the Hospital Executive Director and the County Director within two (2) business days. Such appeals may be made by telephone and shall be followed up in writing. If the Hospital Executive Director and the County Director are unable to achieve agreement, the case may be referred to the DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation within two (2) business days. The DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation shall discuss the case with the Hospital Medical Director and Executive Director and shall obtain additional consultation from the County Director, designee or the Public Guardian. The DSH shall render a final decision within two (2) business days after receiving the documented basis on which the appeal is based.

#### F. Coordination of Treatment/Case Management

1. It is the intent of the Parties to this MOU to be collaborative in all matters and specifically in matters of Patient care. Notwithstanding the independence of the Parties, all Patient services should be integrated and coordinated across levels of care for continuity of care.
2. The County shall maintain a case management process and shall identify a case manager or case management team for each Patient. The case manager shall provide available assessment information on Patients admitted to the Hospital.

3. The Hospitals shall provide at least two weeks notification to the County Director and conservator and/or Public Guardian of treatment plan conferences or 90-day reviews. The Hospitals shall identify a treatment team member to function as the primary contact for the County case manager or the case management team.
4. The County Director, in conjunction with the conservator and/or Public Guardian, may direct the Hospital to discharge the Patient to a facility that the County determines to be more appropriate to the Patient's treatment requirements. The Hospital shall provide to the County Director, within five (5) business-days of request for copies of current medical records, copies of current medical records needed to assist in this process. In such cases, the Hospital shall discharge the Patient within two days of the date an alternative placement option is identified and available except if the discharge is contrary to the medical necessity of hospitalization or would pose an imminent danger to the safety of the Patient or others, or as otherwise required by law.
5. When an agreement cannot be reached between the County, the conservator and/or Public Guardian and the DSH on clinical assessment, treatment or the Patient's acuity, the DSH Hospital Medical Director or designee, the County Director or designee, and the conservator and/or Public Guardian shall confer for a resolution.

#### G. Patient's Rights and Confidentiality

1. The parties to this MOU shall comply with The Health Insurance Portability and Accountability Act (HIPAA) and all applicable state laws, regulations, and policies relating to the Patient's rights and confidentiality.

#### H. Bed Usage and Availability

1. Pursuant to Welfare & Institutions Code section 4331(a), DSH intends to make available a total of 556 beds for LPS patients at any one point in time. The intention of this bed total is to balance DSH's ability to provide services to LPS patients with DSH's obligations to admit patients committed pursuant to Penal Code sections 1026, 1370, and 2960 et. seq.
2. In addition to the monthly meetings to develop the Discharge Procedures, CalMHSA and DSH shall meet monthly to develop a bed management protocol that is intended to address the allocation of DSH beds between the Counties, and reduce, and once reduced, to maintain the total number of beds allocated to LPS patients at 556. The parties agree that a bed usage rate in excess of 556 will not be deemed an automatic violation of this Agreement. This bed management protocol development process shall include, but not be limited to:
  - a. By September 30, 2023, DSH and Counties will provide current data on the patient population for each County, including data for those counties which contract directly with DSH, and the number of Murphy Conservatorship(s);

- b. By January 3, 2024, CalMHSA, DSH and the Counties shall utilize their best efforts to develop a draft allocation formula regarding how the 556 beds will be distributed among the various counties. CalMHSA and DSH will continue to meet to discuss the allocation formula and develop an implementation plan that will go into effect by July 1, 2024;
  - c. By September 30, 2023, DSH will re-identify which LPS Patients are capable of discharge to a less restrictive levels of care in accordance with the LPS Act, the Americans with Disabilities Act, and the *Olmstead* decision and include an agreed upon list of types of clinical data; and
  - d. County and CalMHSA will identify alternative placement options for qualifying LPS Patients, including a placement and/or final discharge target date.
3. If DSH intends to change LPS bed rates at the termination of this MOU's term, the following procedure shall apply:
- a. No later than May 1 of the preceding fiscal year (i.e., May 1, 2024 for new rates intended to go into effect on July 1, 2025), DSH shall provide CalMHSA, or counties not represented by CalMHSA, with preliminary LPS bed rate cost utilization notice applicable to types of LPS beds for the fiscal year beginning fourteen (14) months from May 1 of that year. DSH shall provide CalMHSA, or counties not represented by CalMHSA, with preliminary cost and utilization information based on the best data possible, including the data compiled pursuant to Section J.2. below, to support the preliminary LPS bed rate.
  - b. After DSH's preliminary cost utilization notice, the County shall notify DSH through CalMHSA (if represented by CalMHSA), within two months after receiving the data and information described in the preceding paragraph (i.e. by July 1), of its preliminary estimate of the number and type of LPS beds that the County expects to use, during the fiscal year beginning twelve (12) months from July 1 of that year, for bed planning purposes.
  - c. CalMHSA shall provide DSH with preliminary feedback related to the preliminary cost and utilization information based on the data provided by DSH by July 1 of that year.
  - d. No later than September 1 of that same fiscal year, DSH shall provide CalMHSA, or counties not represented by CalMHSA, with responses to the preliminary feedback provided by CalMHSA. The parties shall thereafter collaborate in good faith to resolve the outstanding questions.
  - e. No later than November 1 of that same fiscal year, DSH shall provide CalMHSA, or counties not represented by CalMHSA, with a proposed final LPS bed rate cost estimate based on the best data possible applicable to the number and types of LPS beds sought for the fiscal year beginning eight (8) months from November 1 of that year.
  - f. By January 1, CalMHSA, or counties not represented by CalMHSA, shall provide DSH with final written notification of the number and type(s) of LPS beds sought for the fiscal year beginning six (6) months from January 1 of that year. These notifications shall not preclude subsequent changes agreed to by both DSH and the county in the contract negotiation process.

- g. DSH and CalMHSA shall negotiate in good faith to memorialize a formal agreement between CalMHSA, or counties not represented by CalMHSA, no later than May 15, or forty-six (46) days before the start of the fiscal year, with the new LPS bed rates and number of LPS beds contracted for.
  - h. Counties contracting directly with the DSH may submit the Statement of Annual Bed Rates and County Bed Need directly to the DSH. However, the County is only obligated to pay for beds it uses. The DSH will update Exhibit 3 with the County's bed need estimate and submit it to the County.
- 4. A County shall complete Exhibit 1 and provide a signed "Purchase Agreement of State Hospital Beds" (Exhibit 4) to DSH.
  - 5. Patients under the care of the DSH, referred to outside medical facilities, will remain admitted to DSH unless the County, in conjunction with the conservator and/or Public Guardian, initiates discharge. Upon the completion of a County-initiated discharge, the Patient and all costs become the responsibility of the County.
  - 6. During all offsite leaves, Counties will continue to be charged at the daily bed rate. For all offsite leaves of greater than 30 days, the DSH and the County may, at the request of either party, and in conjunction with the conservator and/or Public Guardian discuss appropriate care options for Patients.

#### I. Bed Payment

- 1. The current bed rates and current estimated bed usage are reflected in Exhibit 3.

This MOU involves a minimum commitment of zero beds for any particular County. The amount that the Controller is authorized to reimburse DSH from the mental health account of the County's Health and Welfare Trust Fund, pursuant to Welfare and Institutions Code section 17601, subdivision (b), is based on the amounts provided to the Controller per the County Actual Use statement reflecting actual bed usage by the County for the prior month.

- 2. The bed rates in this MOU represent the total amount due from the County for services provided in Section II, Terms and Conditions (C) (1-6, 7 (except for transportation for which a county is responsible), 8-9) by the DSH.

#### J. Records

##### 1. Patient Records

- a. Hospitals shall maintain adequate medical records on each Patient. These medical records shall include legal status, diagnosis, psychiatric evaluation, medical history, individual treatment plan, records of Patient interviews, progress notes, recommended continuing care plan, discharge summary, and records of services. These records shall be provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

- b. Subject to applicable federal and California privacy laws and regulations, including DSH policies, the DSH will provide access to Patient medical records to Counties and CalMHSA through the use of a secure file sharing technology determined by the DSH. Access to the information described in this section shall only be made available to CalMHSA upon execution of a data sharing agreement. To facilitate such access, the DSH will work with CalMHSA and the Counties to make sure that each County has an authorized person with sufficient training and credentials (i.e., user name and password) that the person will be able to access DSH Patient records on behalf of the County.
- c. Subject to applicable federal and California privacy laws and regulations, including DSH policies, upon request by the County for medical records of County's Patient, the DSH will ordinarily upload and make available to the County through a secure file sharing technology all current records of Patient within seven (7) business days, provided, however, that if records of a Patient are unusually voluminous the DSH may give notice that more than seven (7) business days will be needed.
- d. Subject to applicable federal and California privacy laws and regulations, including DSH policies, upon request by the County for physical access to medical records of County's Patient, the DSH will make available all current records of Patient for inspection at the facility where Patient resides, within a timeframe agreed upon by the DSH Hospital representative and the County.

## 2. Financial Records

- a. The DSH shall prepare and maintain accurate and complete financial records of the Hospitals' operating expenses and revenue. Such records shall reflect the actual cost of the type of service for which payment is claimed, on an accrual basis. Additionally, such records shall identify costs attributable to County LPS Patients, versus other types of patients to whom the Hospitals provide services. Any apportionment of, or distribution of costs, including indirect costs, to or between programs or cost centers of the Hospitals shall be documented, and shall be made in accordance with generally accepted accounting principles and applicable laws, regulations, and state policies. The Patient eligibility determination, and any fee charged to and collected from Patients, together with a record of all billings rendered and revenues received from any source, on behalf of Patients treated pursuant to this MOU, shall be reflected in the Hospital's financial records.

## 3. Retention of Records

- a. The Hospitals shall retain all financial and Patient records pursuant to federal, State and DSH record retention requirements.

## K. Inspections and Audits

1. Consistent with confidentiality provisions of Welfare and Institutions Code section 5328, any authorized representative of the County shall have access to the medical and financial records of the DSH for the purpose of conducting any fiscal review or audit during the Hospital's record retention period. The Hospital shall provide the County adequate space to conduct such review or audit. The County may, at reasonable times, inspect or otherwise evaluate services provided in the Hospitals; however, the County shall not disrupt the regular operations of the Hospitals.
2. The County shall not duplicate reviews conducted by other agencies (e.g., State Department of Public Health, County Coroner's Office, and District Attorney's Office), if the detailed review results, methods, and work papers of any such review are made available to the County and the County determines the review was sufficient for County purposes. Practitioner-specific peer review information and information relating to staff discipline is confidential and shall not be made available.

L. Notices

1. Except as otherwise provided herein, all communication concerning this MOU shall be as follows:

**Department of State Hospitals**

[trustoffice@dsh.ca.gov](mailto:trustoffice@dsh.ca.gov)  
(916) 654-2201

**CalMHSA**

Karleen Jakowski, LMFT  
Senior Director, Government Contracts  
[karleen.jakowski@calmhsa.org](mailto:karleen.jakowski@calmhsa.org)  
(279) 977-2752

The County has designated the following as its MOU coordinator:

Name: Amy Rankin-Williams

E-mail: amy.rankin-williams@sfdph.org

Phone: 628-271-6603

2. The Hospitals shall notify the County and the conservator and/or Public Guardian by telephone (with subsequent written confirmation), encrypted email or FAX, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature which involves a Patient. Such occurrences shall include, but are not limited to, homicide, suicide, accident, injury, battery, Patient abuse, rape, significant loss or damage to Patient property, and absence without leave.
3. The Hospital shall notify the County of the conversion of a Patient on LPS status to a PC commitment status that results in the DSH becoming financially responsible for the placement of the Patient. The Hospital shall notify the County, by telephone at the earliest possible time, but not later than five (5) business days after such conversion. Such telephone notification shall be followed by a written notification to the County, which shall be submitted no later than ten (10) business days after the Patient's conversion.

### **III. SPECIAL PROVISIONS**

- A. This MOU is subject to and is superseded by, any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act, or any statute or regulations enacted by the Legislature which may affect the provisions, terms, or funding of this MOU. The parties do not intend to amend or waive any statutory provision applicable to the use of state hospital beds by counties pursuant to Part 1 of Division 5 of the Welfare and Institutions Code, unless the subsection to be amended or waived is specifically identified in this MOU with a statement indicating the parties' intent to amend or waive the provision as thereafter described. If statutory, regulatory, bed rate, or billing process changes occur during the term of this MOU, the parties may renegotiate the terms of this MOU affected by the statutory, regulatory, bed rate or billing process changes.
- B. Should the DSH's ability to meet its obligations under the terms of this MOU be substantially impaired due to loss of a Hospital license, damage or malfunction of the Hospital, labor union strikes, or other cause beyond the control of the DSH, the parties may negotiate modifications to the terms of this MOU.
- C. Mutual Indemnification
  1. The County shall defend, indemnify, and hold the DSH and its agencies, their respective officers, employees and agents, harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the County, its officers, agents, or employees.



2. The DSH shall defend, indemnify, and hold the County, its officers, employees, and agents, harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damage arising out of the performance of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the DSH and/or its agencies, their officers, agents, or employees.
- D. The signatories below represent that they have the authority to sign this MOU on behalf of their respective agencies. Execution by a participating County of Exhibit 1 confirms the participating County agrees to the terms of this MOU and Exhibits 1-4. This MOU and its Exhibit 1 may be executed in counterparts.
- E. This MOU, which includes Exhibits 1-4, comprises the entire agreement and understanding of the parties and supersedes any prior agreement or understanding.
- F. This MOU which includes Exhibits 1-4 may be amended or modified only by a written amendment signed by the parties.
- G. The parties are independent agents. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the parties or any of their agents or employees.

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Dr. Amie Miller, Executive Director  
CalMHSA

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Date

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Dominique Williams, Chief  
Business Management Branch Section  
Department of State Hospitals

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Date

## EXHIBIT 1

Execution acknowledges the signatory possesses actual or apparent authority to declare the applicable County is a participating County under this MOU.

\_\_\_\_\_  
Signature Date \_\_\_\_\_

Name Daniel Tsai Title Director of Health

County of San Francisco

### Approved as to form:

By:  
Signed \_\_\_\_\_

Name (Printed): Arnulfo Medina

Title: **Deputy City Attorney, Health and Human Services Team, County of San Francisco**

Date: \_\_\_\_\_

## EXHIBIT 2

### LPS SERVICES SUMMARY

#### **Licensure**

The Hospitals comply with all applicable federal and state laws, licensing regulations and provide services in accordance with generally accepted practices and standards prevailing in the professional community at the time of treatment. The Hospitals, which are accredited, shall make a good-faith effort to remain accredited by the Joint Commission throughout the term of the MOU.

The DSH provides the services to its LPS patients as follows:

#### **Core Treatment Team and Nursing Care**

The Hospitals provide Treatment Team services that are the core to a Patient's stabilization and recovery. The Treatment Team groups consist of the following individuals: Psychiatrist, Psychologists, Social Workers, Rehabilitation Therapists, and Nurses. These teams provide a highly-structured treatment for mental rehabilitation and re-socialization in preparation for an open treatment setting or community placement.

| Treatment Team Ratios    |                     |                            |
|--------------------------|---------------------|----------------------------|
| Treatment Team Member:   | ICF Staffing Ratio: | Acute Care Staffing Ratio: |
| Psychiatrist             | 1:35                | 1:15                       |
| Psychologist             | 1:35                | 1:15                       |
| Social Worker            | 1:35                | 1:15                       |
| Rehabilitation Therapist | 1:35                | 1:15                       |
| Registered Nurse         | 1:35                | 1:15                       |

The Hospitals provide nursing care according to nursing licensing ratio requirements for state hospitals as follows:

| Licensing Compliance Nursing Staff Ratios (Non-Treatment Team) |                     |                            |
|--|---------------------|----------------------------|
| Nursing Shift:   | ICF Staffing Ratio: | Acute Care Staffing Ratio: |
| A.M. Shift   | 1:8                 | 1:6                        |
| P.M. Shift   | 1:8                 | 1:6                        |
| NOC Shift  | 1:16                | 1:12                       |

The ratios provided above are the current staffing standards employed by the DSH. Each facility may adjust unit ratios as necessary for the continued treatment and safety of Patients and staff.

Skilled Nursing Facility services provide continuous skilled nursing care and supportive

care to patients whose primary need is for availability of skilled nursing care on an extended basis. A skilled nursing facility provides 24-hours inpatient care and, as a minimum, includes physician, skilled nursing, dietary, pharmaceutical services and an activity program.

### **Additional Treatment Services**

Medical Services: Medical Clinics include Neurology, GYN, Ophthalmology, Optometry, Endocrinology, Cardiology, Podiatry, Dental and X-Ray services as well as referral services for Gastro-Intestinal care, Hematology, Nephrology, Surgery and related care for diseases of the liver (e.g., Hepatitis C). Full Acute Medical Care services are provided via contracts with community hospitals and/or a County Hospital.

Physical, Occupational and Speech Therapy (POST): Department provides physical rehabilitation services to all the patients at Napa State Hospital with the goal of assisting Patients to reach or maintain their highest level of functioning. The POST Team provides assessment services, treatment services and training to staff and Patients on the use and care of adaptive equipment that has been evaluated as appropriate for the Patient.

Individualized Active Recovery Services: Active Recovery Services focus on maximizing the functioning of persons with psychiatric disabilities and are provided both within the residential units and in the Treatment Mall. Treatment is geared to identify, support and build upon each person's strengths to achieve their maximum potential in meeting the person's hopes, dreams, treatment needs and life goals.

Active Recovery Services at the Hospitals:

- Are based on the specific needs of each Patient.
- Are developed and delivered based on a philosophy of recovery.
- Provide a wide range of courses and activities designed to help patients develop the knowledge and skills that support recovery, and transition toward community living.
- Are organized to fully utilize staff resources and expertise.
- Provide a range of services that lead to a more normalized environment outside of the residential areas.
- Are facilitated by psychiatrists, psychologists, social workers, rehabilitation therapy staff, and nursing staff.

Industrial Therapy: Opportunities include dining room cleaning services, grounds maintenance, as well as other therapeutic services. Participants must demonstrate an appropriate level of behavior to ensure safety and security.

**EXHIBIT 3**

**COUNTY**  
**STATEMENT OF ANNUAL BED RATES**  
**July 1, 2022 through June 30, 2025**

**1. STATE HOSPITAL BED RATE FOR FYs 2022-25**

|                                  | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|----------------------------------|------------|------------|------------|
| Intermediate Care Facility (ICF) | \$728      | \$736      | \$736      |
| Acute Psychiatric Hospital (APH) | \$753      | \$760      | \$760      |
| Skilled Nursing Facility (SNF)   | \$806      | \$814      | \$814      |

- A. For all services offered by the State listed in exhibit 3 and subsequently used by the City, the total amount paid by the City shall not exceed \$10,000,000 without prior authorization by the Board of Supervisors as required by Charter Section 9.118

## EXHIBIT 4

### Purchase Agreement of State Hospital Beds

Fiscal Year 2023-24-2024-25

### California Department of State Hospitals

By signing this Purchase Agreement, the County agrees to all recitals, terms and conditions, and special provisions between the County below and the Department of State Hospitals, (DSH) contained within the Fiscal Years (FY) 2023-2025/Memorandum of Understanding (MOU) for the purchase of state hospital beds from the DSH. The DSH shall be reimbursed for use of state hospital beds by counties pursuant to Welfare and Institutions Code section 4330 et seq. Any County signing this form will be entitled to the same services contained in the MOU. The County will also abide by the same remunerative and legal policies contained within the MOU. The County agrees to sign Exhibit 1 of the MOU within the next 120 days. The DSH reserves the right to not accept patients from any County without a signed Exhibit 1.

San Francisco

County

Daniel Tsai, Director of Health

County Director or Director designee – print

County Director or Director designee – sign/date

#### Approved as to form:

By: \_\_\_\_\_  
Signed  
Name (Printed): Arnulfo Medina

Title: **Deputy City Attorney, Health and Human Services Team, County of San Francisco**

Date: \_\_\_\_\_

Chief, Business Management Branch Section – print

Chief, Business Management Branch Section – sign/date



# San Francisco Department of Public Health

Daniel Tsai  
Director of Health

City and County of San Francisco  
Daniel Lurie  
Mayor

## Memorandum

**To:** Honorable Members of the Board of Supervisors

**From:** San Francisco Department of Public Health

**Date:** May 12, 2025

**Re:** Memorandum of Understanding - Retroactive - California Department of State Hospitals and California Mental Health Services Authority - State Hospital Beds

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This Resolution seeks retroactive authorization for the Board of Supervisors to retroactively approve the Memorandum of Understanding with the California Department of State Hospitals, the California Mental Health Services Authority and San Francisco Department of Public Health (DPH).

This Memorandum of Understanding (MOU) is retroactive due to delays in finalizing agreements between the California Department of State Hospitals and the City Attorney's Office (CAT). The California Mental Health Services Authority (CalMHSA) is the liaison for the California Department of State Hospitals (DSH) for negotiating the terms of the MOU. Communications were lengthy because CalMHSA conveyed information between parties rather than establish direct negotiations. DSH, CalMHSA and DPH came to an agreement on the MOU terms on 2/27/24. Once the participation agreement was finalized. DPH completed administrative processes and submitted the packet to the BOS for introduction on 5/12/2025.

We respectfully request retroactive approval for this item.



City and County of San Francisco  
Daniel Lurie, Mayor

## San Francisco Department of Public Health

Daniel Tsai  
Director of Health

May 12, 2025

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Please find attached a proposed resolution for Board of Supervisors retroactive approval of a Memorandum of Understanding between the Department of Public Health, the California Department of State Hospitals and the California Mental Health Authority Services, for State Hospital Beds.

The following is a list of accompanying documents:

- Proposed Resolution
- Memo-Retroactive Explanation
- Memorandum of Understanding

For questions on this matter, please contact me at (628) 271-6178, [reanna.albert@sfdph.org](mailto:reanna.albert@sfdph.org).

Thank you for your time and consideration.

Sincerely,

*Reanna Albert*

Reanna Albert  
Senior Contracts Analyst  
Office of Contracts Management and Compliance  
DPH Business Office

cc: Daniel Tsai, Director of Health  
Michelle Ruggels, Director, DPH Business Office

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**The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.**

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

[reanna.albert@SFDPH.org](mailto:reanna.albert@SFDPH.org) – office 621-271-6178 – fax 415 252-3088

1380 Howard Street, Room 419D, San Francisco, CA 94103

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City and County of San Francisco  
Daniel Lurie, Mayor

## San Francisco Department of Public Health

Daniel Tsai  
Director of Health

May 22, 2025

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Please find attached the proposed substitute resolution (File No. 250512) for Board of Supervisors retroactive approval of a Memorandum of Understanding between the Department of Public Health, the California Department of State Hospitals and the California Mental Health Authority Services, for State Hospital Beds.

The following is a list of accompanying documents previously sent and still valid:

- Proposed Substitute Resolution
- Memo-Retroactive Explanation
- Memorandum of Understanding

For questions on this matter, please contact me at (628) 271-6178, [reanna.albert@sfdph.org](mailto:reanna.albert@sfdph.org).

Thank you for your time and consideration.

Sincerely,

*Reanna Albert*

Reanna Albert  
Senior Contracts Analyst  
Office of Contracts Management and Compliance  
DPH Business Office

cc: Daniel Tsai, Director of Health  
Michelle Ruggels, Director, DPH Business Office

---

**The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.**

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

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[reanna.albert@SFDPH.org](mailto:reanna.albert@SFDPH.org) – office 621-271-6178 – fax 415 252-3088

1380 Howard Street, Room 419D, San Francisco, CA 94103

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## San Francisco Department of Public Health

Daniel Tsai  
Director of Health

City and County of San Francisco  
Daniel Lurie  
Mayor

### Memorandum

**To:** Honorable Members of the Board of Supervisors

**From:** San Francisco Department of Public Health

**Date:** June 3, 2025

**Re:** Memorandum of Understanding - Retroactive - California Department of State Hospitals and California Mental Health Services Authority - State Hospital Beds

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This Resolution seeks retroactive authorization for the Board of Supervisors to retroactively approve the Memorandum of Understanding with the California Department of State Hospitals, the California Mental Health Services Authority and San Francisco Department of Public Health (DPH).

This Memorandum of Understanding (MOU) is retroactive due to delays in finalizing agreements between the California Department of State Hospitals and the City Attorney's Office (CAT). The California Mental Health Services Authority (CalMHSA) is the liaison for the California Department of State Hospitals (DSH) for negotiating the terms of the MOU. Communications were lengthy because CalMHSA conveyed information between parties rather than establish direct negotiations. DSH, CalMHSA and DPH came to an agreement on the MOU terms on 2/27/24. Once the participation agreement was finalized, DPH completed administrative processes and submitted the packet to the BOS for introduction on 6/3/2025.

We respectfully request retroactive approval for this item.



# **Memorandum of Understanding - Retroactive - California Department of State Hospitals and California Mental Health Services Authority - State Hospital Beds**

## **BOS Government Audit & Oversight Committee**

Drew Murrell, Chief Financial Officer, SFDPH

July 17, 2025

**SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH**

# Overview of Item



## Memorandum of Understanding - Retroactive - California Department of State Hospitals and California Mental Health Services Authority - State Hospital Beds:

- **Not-to-Exceed-Amount:** \$10,000,000
- **Timeline:** October 1, 2023 – June 30, 2025

This item is an MOU between DPH, the California Department of State Hospitals (DSH), and the California Mental Health Services Authority (CalMHSA) that **formalizes admission policy and rates process** for access to state hospital beds.

# Summary



- The Department of State Hospitals (**DSH**) has **jurisdiction over State Hospitals**
  - State Hospitals are locked facilities that provide mental health treatment to individuals who are mandated for treatment by a criminal or civil court judge.
- §4330 of CA WIC **requires counties to reimburse DSH** for the use of DSH Hospital beds and services.
  - CalMHSA is a joint powers authority, representing CA counties with mental health programs (SF is a member county)
  - **CalMHSA negotiates the MOU with DSH on behalf of counties** to ensure continuity and standard of practice pertaining to rates and procedures.
- The State processes monthly deductions for the costs of bed utilization from **State Realignment disbursements** due to the County.

# Retroactivity



We are seeking **retroactive approval** of this MOU.

- This MOU is retroactive due to delays in finalizing the terms and conditions of the MOU between DSH and the City Attorney's Office, with CalMHSA acting as the liaison for DHS for negotiating the terms of the MOU.
- Once the MOU was finalized, DPH completed administrative processes and submitted the packet to the BOS for introduction on 6/3/25.



# Conclusion

**DPH respectfully requests retroactive approval of this item. Thank you!**