

File No. 140056

Committee Item No. 1

Board Item No. 7

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date March 5, 2014

Board of Supervisors Meeting

Date March 11, 2014

Cmte Board

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Completed by: Linda Wong Date February 28, 2014

Completed by: L.W. Date March 6, 2014

1 [Performance Contract Approval - California Department of Health Care Services - Mental
2 Health Services]

3 **Resolution retroactively approving Performance Contract No. 13-90332, between**
4 **Community Behavioral Health Services and the Department of Health Care Services,**
5 **incorporating the Mental Health Services Act, Projects for Assistance in Transition**
6 **from Homelessness and Community Mental Health Services Grant; for the period of**
7 **July 1, 2013, through June 30, 2014; and authorizing the Department of Public Health -**
8 **Community Behavioral Health Services Director to sign said agreement and any and all**
9 **amendments in the future.**

10
11 WHEREAS, The California Department of Health Care Services (DHCS) administers
12 funding for the Mental Health Services Act (MHSA), Projects for Assistance in Transition from
13 Homelessness (PATH) and Community Mental Health Services Grant (MHBG) programs; and

14 WHEREAS, The Mental Health Services Fund was established pursuant to Welfare
15 and Institutions (W&I) Code, Section 5890, and provides funds to counties for the
16 implementation of its MHSA programs for prevention and early intervention, community
17 services and supports, workforce development and training, innovation, plus capital facilities
18 and technological needs; and

19 WHEREAS, Pursuant to United State Code, Title 42, Sections 290cc-21 through
20 290cc-35, the PATH grant funds community based outreach, mental health and substance
21 abuse referral/treatment, case management and other support services, as well as a limited
22 set of housing services for the homeless mentally ill; and

23 WHEREAS, DHCS awards federal Community Mental Health Block Grant funds
24 (MHBG) to counties in California to provide services to the following target populations:
25

1 children and youth with serious emotional disturbances, adults and older adults with serious
2 mental illnesses; and

3 WHEREAS, The County's performance contract, a copy of which is on file with the
4 Clerk of the Board of Supervisors in File No. 140056, as required by Welfare and Institutions
5 Code, Sections 5650(a), 5847, and Title 9, California Code of Regulations (CCR), Section
6 3310, sets forth conditions and requirements that County must meet in order to receive this
7 funding; and

8 WHEREAS, The Director of Community Behavioral Health Services is designated to
9 sign this Agreement and any and all amendments in the future including increases to add
10 other components on behalf of the Department of Public Health (DPH); now, therefore, be it

11 RESOLVED, That DPH is hereby retroactively authorized to enter into a performance
12 contract agreement with DHCS; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors hereby designates the Director
14 of CBHS to sign said agreement on behalf of DPH; and, be it

15 FURTHER RESOLVED, That the Director of Community Behavioral Health Services is
16 designated to sign any and all amendments to this agreement; and, be it

17 FURTHER RESOLVED, That within thirty (30) days of the performance contract being
18 fully executed by all parties the Director of Community Behavioral Health Services shall
19 provide the performance contract to the Clerk of the Board for inclusion into the official file.
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1 RECOMMENDED:

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4 Barbara A. Garcia, MPA

5 Director of Health

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

February 28, 2014


TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst 
SUBJECT: March 5, 2014 Budget and Finance Committee Meeting

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Item 1 File 14-0056	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
Legislative Objectives	
<ul style="list-style-type: none"> • The proposed resolution would (1) approve a performance contract between the California Department of Health Care Services and the Department of Public Health (DPH) for the DPH Community Behavioral Health Services to provide services funded by State Mental Health Services Act, and Federal PATH and Mental Health Services Block Grant funds to persons with mental illness and / or substance abuse problems, retroactive to July 1, 2013 through June 30, 2014; and (2) designate the Director of Community Behavioral Health Services to enter into the contract, including any amendments to the contract. 	
Key Points	
<ul style="list-style-type: none"> • The California Department of Health Care Services allocates Mental Health Services Act (Proposition 63) funds annually to the DPH Community Behavioral Health Services to provide mental health services. Previously, the California Department of Mental Health (which merged into the California Department of Health Care Services in 2011) required Board of Supervisors' approval by resolution of a performance contract for services provided by DPH and funded by the Mental Health Services Act, but has not required a performance contract with DPH since FY 2007-08. In December 2013, the California Department of Health Care Services requested that DPH obtain Board of Supervisors approval for the FY 2013-14 performance contract through a new resolution. • The proposed performance contract defines the mental health services to be performed by Community Behavioral Health Services and the requirements that Community Behavioral Health Services must meet to receive Mental Health Services Act, PATH, and Mental Health Services Block Grant funds. • The proposed performance contract requires the Board of Supervisors to approve a three-year program and expenditure plan and annual updates to the three-year plan. The resolution approving the FY 2013-14 Annual Update to the Mental Health Services Act Program and Expenditure Plans (File 13-1186) is calendared for the March 5, 2013 Budget and Finance Committee meeting. 	
Fiscal Impact	
<ul style="list-style-type: none"> • The proposed performance contract is a "zero dollar" contract. Mental Health Services Act, PATH, and Mental Health Services Block Grant funds are approved in the State budget each year and incorporated into the annual DPH budget, subject to Board of Supervisors appropriation approval. FY 2013-14 Mental Health Services Act, PATH, and Mental Health Services Block Grant funds are \$33,745,930. 	
Recommendation	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

The California Department of Health Care Services requires Board of Supervisors' approval, by resolution, for the performance contract between the California Department of Health Care Services and the San Francisco Department of Public Health for State Mental Health Services Act, (2) federal Projects for Assistance in Transition from Homelessness (PATH) and (3) federal Community Mental Health Services Block Grant funds. The resolution designates the county official authorized to enter into the contract.

Background**Mental Health Services Act**

Proposition 63, approved by California voters in November 2004, created the Mental Health Services Act and Mental Health Services Fund. Proposition 63 imposed a 1 percent tax on incomes greater than \$1,000,000 per year and dedicated that tax revenue to expand access to public mental health programs in California. Under the State Welfare and Institutions Code, tax revenues deposited to the Mental Health Services Fund are expended for the implementation of the Adult and Older Adult Mental Health System of Care Act¹, Innovative Programs², Prevention and Early Intervention Programs³, and the Children's Mental Health Services Act.⁴

The California Department of Health Care Services allocates approximately \$30 million annually to San Francisco, equal to 1.9 percent of available Mental Health Services funds based on a formula determined by the California Department of Health Care Services. Under the Mental Health Services Act, the allocation to San Francisco is based on the Department of Public Health's (DPH) Community Behavioral Health Services' three-year plan or annual update to the three-year plan, which is subject to annual approval by the Board of Supervisors, by resolution. The resolution to approve the FY 2013-14 annual update to the Mental Health Services Act Program and Expenditure Plans is calendared for the March 5, 2014 Budget and Finance Committee meeting (File 13-1186).

¹ The Adult and Older Adult Mental Health System of Care Act (Welfare and Institutions Code 5800-5814.5) establishes a comprehensive and coordinated system of care that includes community-based treatment, outreach services and other early intervention strategies, case management and interagency collaboration.

² Innovative Programs (Welfare and Institutions Code 5830) are established but not specifically defined in the Code. The California Department of Mental Health (which was later merged into the Department of Health Care Services) established guidelines that include (1) introduction of new mental health practices, (2) changes in existing mental health practices, and (3) introduction of a new application to the mental health system of a community-driven approach that has been successful in a non-mental health setting.

³ 20 percent of Mental Health Services Act funding is allocated to prevention and early intervention programs, which include (1) outreach to families, employers, primary health care providers, and others to identify early signs of mental illness, (2) access to medically necessary care, and (3) reductions in the stigma to mental illness diagnosis.

⁴ 51 percent of Mental Health Service Act funding is allocated to children's services.

Substance Abuse and Mental Health Grants

The Substance Abuse and Mental Health Services Administration (SAMHSA) is one of eight federal Public Health Service agencies in the U.S. Department of Health and Human Services. SAMHSA provides (1) Projects for Assistance in Transition from Homelessness (PATH) funds and (2) Community Mental Health Services Block Grant funds. The California Department of Health Care Services administers the SAMHSA funds and allocates these funds to San Francisco. The PATH funds are allocated to housing and case management services to persons with mental health and substance abuse issues. The Mental Health Services Block Grant funds are allocated to counties to target children and youth with serious emotional disturbances and adults and older adults with serious mental illness.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) approve a performance contract between the California Department of Health Care Services and the DPH for the DPH Community Behavioral Health Services to provide services funded by Mental Health Services Act, PATH and Mental Health Services Block Grant funds to persons with mental illness and / or substance abuse problems retroactive to July 1, 2013 through June 30, 2014; and (2) designate the Director of Community Behavioral Health Services to enter into the contract, including any amendments to the contract.

The proposed performance contract defines the mental health services to be performed by Community Behavioral Health Services and the requirements that Community Behavioral Health Services must meet to receive Mental Health Services Act, PATH, and Mental Health Services Block Grant funds.

Annual Update to the Three-Year San Francisco Mental Health Services Act Program and Expenditure Plans

The proposed performance contract requires Board of Supervisors' approval of a three-year program and expenditure plan and annual updates to the three-year plan. The resolution approving the FY 2013-14 Annual Update to the Mental Health Services Act Program and Expenditure Plans (File 13-1186) is calendared for the March 5, 2013 Budget and Finance Committee meeting

Table 1 below shows the services funded by the Mental Health Services Fund and administered by the DPH Community Behavioral Health Services in FY 2013-14.

Table 1: Services in the FY 2013-14 Annual Update to the Mental Health Services Act Program and Expenditure Plans

Services	Description
Recovery-Oriented Treatment Services	Includes services traditionally provided in the mental health system (individual or group therapy, medication management, treatment), with a focus on recovery
Mental Health Promotion & Early Intervention (PEI) Services	Aims to reduce risk factors Promotes a holistic view of wellness Delivers programs in community settings
Peer-to-Peer Support Services	Offers recovery and other support services that are provided by and family members
Vocational Services	Helps consumers secure employment (e.g., training, job search and retention services)
Housing	Helps individuals with serious mental illness who are homeless or at-risk of homelessness secure or retain permanent housing Facilitates access to short-term stabilization housing
Behavioral Health Workforce Development	Recruits members from unrepresented and under-represented communities Develops skills to work effectively in the mental health field
Capital Facilities/ Information Technology	Improves facilities Increase client access to personal health information

Source: FY 2013-14 Annual Update to the Mental Health Services Act Program and Expenditure Plans

Board of Supervisors Approval

The Board of Supervisors previously approved a resolution in February 2008 (File 08-0122) that retroactively authorized (1) a performance contract between DPH and the California Department of Mental Health, and (2) \$18,922,386 in Mental Health Services Fund allocations to DPH for the three-year period from FY 2004-05 through FY 2007-08. According to Ms. Marlo Simmons, DPH Mental Health Services Act Director, the California Department of Health Care Services, which merged with the California Department of Mental Health in 2011, did not require an updated performance contract with DPH after FY 2007-08.

According to Ms. Simmons, in December 2013, the California Department of Health Care Services requested that DPH obtain Board of Supervisors approval for the FY 2013-14 performance contract through a new resolution. The performance contract between the California Department of Health Care Services and the DPH is valid only through the end of FY 2013-14. Therefore, the California Department of Health Care Services and DPH will need to enter into a new performance contract agreement in FY 2014-15, which requires Board of Supervisors approval.

Prior to 2012, the DPH drafted a separate three-year plan for each of the service categories listed in Table 1 above. The Board of Supervisors approved each three-year plan by resolution with the most recent plan (capital facilities/information technology) being approved in 2010. In

2012, the State enacted AB 1467, which requires the DPH to develop a single, three-year plan that includes all of the service categories. Ms. Simmons advises that the DPH intends to submit the comprehensive three-year plan for FY 2014-15 through FY 2016-17 to the Board of Supervisors in May or June 2014.

Additionally, the Board of Supervisors approves, by a single resolution, all of the annual updates to all of the separate three-year plans. The resolution approving the 2013-14 Annual Update to the Mental Health Services Act Program and Expenditure Plans (File 13-1186) is calendared for the March 5, 2013 Budget and Finance Committee meeting, as noted above.

FISCAL IMPACT

The proposed resolution approves the performance contract between California Department of Health Care Services and the DPH Community Behavioral Health Services for DPH to provide State- and Federally-funded services to persons with mental illness and / or substance abuse issues. Approval of the proposed resolution retroactively authorizes the DPH to accept Mental Health Services Act, PATH and Mental Health Services Block Grant funds that were included in the FY 2013-14 DPH budget.

The proposed performance contract is a “zero dollar” contract. Mental Health Services Act, PATH, and Mental Health Services Block Grant funds are approved in the State budget each year and incorporated into the annual DPH budget, subject to Board of Supervisors appropriation approval. The Board of Supervisors previously appropriated Mental Health Services Act, PATH and Mental Health Services Block Grant funds in the DPH FY 2013-14 budget, as shown in Table 2 below.

Table 2: Budgeted Expenditures

	FY 2013-14 Approved	FY 2014-15 Estimated
Mental Health Services Act (State)	\$30,108,238	\$30,717,432
Mental Health Block Grant (Federal)	3,017,227	2,828,228
PATH (Federal)	620,465	576,749
Total	\$33,745,930	\$34,122,409

Services funded by the Mental Health Services Act and Mental Health Block Grant funds are provided by DPH staff and non-profit and for-profit contractors. According to Ms. Simmons, Mental Health Services Act funds are allocated to 49 different non-profit and for-profit contractors and approximately 100 full-time equivalent (FTE) DPH positions to provide mental health services.

Federal PATH funds are passed through from the State by DPH to four non-profit providers for housing and case management services, including (1) South of Market Mental Health Services, (2) the Curry Senior Center, (3) Hyde Street Community Services and (4) Swords to Plowshares.

RECOMMENDATION

Approve the proposed resolution.



Edwin M. Lee
Mayor

Barbara A. Garcia, MPA
Director of Health

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Jo Robinson, MFT
Director of Community Behavioral Health Services

THROUGH: Barbara A. Garcia, MPA
Director of Health

DATE: January 9, 2014

SUBJECT: San Francisco Community Behavioral Health Services (CBHS) Performance Contract with the California Department of Health Care Services (DHCS), requiring approval by the Board of Supervisors and designation of the Community Behavioral Health Director as the signatory of the agreement.

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Purpose of Memorandum

This memorandum provides an explanation of the CBHS Performance Contract with the California DHCS and provides a description of the requirement that CBHS receive approval from your Board as well as designating the Community Behavioral Health Director as the signatory of this agreement.

Background

The Department of Health Care Services (DHCS) administers funding for the Mental Health Services Act (MHSA), Projects for Assistance in Transition from Homelessness (PATH) and Community Mental Health Services Grant (MHBG) programs.

- **The Mental Health Services Fund (MHSA)** was established pursuant to W&I section 5890 and provides funds to counties for the implementation of its MHSA programs for prevention and early intervention, community services and supports, workforce development and training, innovation, plus capital facilities and technological needs.
- **The Projects for Assistance in Transition from Homelessness (PATH)**, established pursuant to Title 42, United State Code, sections 290cc-21 through 290cc-35, funds community based outreach, mental health and substance abuse referral/treatment, case management and other support services, as well as a limited set of housing services for the homeless mentally ill.
- **Federal Community Mental Health Block Grant funds (MHBG)** are awarded by DHCS to counties in California to provide services to the following target

populations: children and youth with serious emotional disturbances (SED), adults and older adults with serious mental illnesses (SMI).

In order to receive this funding, CBHS (a.k.a. the county Mental Health Plan (MHP)) is required to enter into a Performance Contract with the DHCS. The contract sets forth conditions and requirements the County must meet in order to receive this funding (reporting, compliance, target populations, etc.). As a result of the state recently transferring mental health oversight from the Department of Mental Health (DMH) to the Department of Health Care Services (DHCS), the performance contract has not been updated for a number of years.

The State recently informed CBHS that a new "minute order or resolution by the Board of Supervisors indicating contract approval and delegating signature authority to the signor" must be submitted. The most recent approval and designation of the Community Behavioral Health Director as the signatory of this agreement is on file with the Clerk of the Board of Supervisors in File No. 080122.

Exhibit A
Scope of Work

1. Service Overview

The California Department of Health Care Services (hereafter referred to as DHCS or Department) administers the Mental Health Services Act, Projects for Assistance in Transition from Homelessness (PATH) and Community Mental Health Services Grant (MHBG) programs and oversees county provision of community mental health services provided with realignment funds. Contractor (hereafter referred to as County in this Exhibit) must meet certain conditions and requirements to receive funding for these programs and community mental health services. This Agreement, which is County's performance contract, as required by Welfare and Institutions Code (W&I) sections 5650(a), 5847, and Title 9, California Code of Regulations (CCR), section 3310, sets forth conditions and requirements that County must meet in order to receive this funding. This Agreement does not cover federal financial participation or State general funds as they relate to Medi-Cal services provided through the Mental Health Plan Contracts. County agrees to comply with all of the conditions and requirements described herein.

DHCS shall monitor this Agreement to ensure compliance with applicable federal and State law and applicable regulations (W&I §§ 5610 and 5651.)

2. Service Location

The services shall be performed at appropriate sites as described in this contract.

3. Service Hours

The services shall be provided during times required by this contract.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services	Contractor's Name
Dina Kokkos-Gonzales Telephone: (916) 552-9055 Fax: (916) 440-7620 Email: Dina.Kokkos@dhcs.ca.gov	Jo Robinson, MFT, Director Telephone: (415) 255-3440 Fax: (415) 252-3015 Email: jo.robinson@sfdph.org

B. Direct all inquiries to:

Exhibit A
Scope of Work

Department of Health Care Services	Contractor's Name
Mental Health Services Division/Program Policy Unit Attention: Dee Taylor 1500 Capitol Avenue, MS 2702 P.O. Box Number 997413 Sacramento, CA, 95899-7413 Telephone: (916) 552-9536 Fax: (916) 440-7620 Email: Dee.Taylor@dhcs.ca.gov	Attention: Jo Robinson 1380 Howard Street, Fifth Floor San Francisco, CA 94103 Telephone: (415) 255-3440 Fax: (415) 252-3015 Email: jo.robinson@sfdph.org

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

5. Services to be Performed

County shall adhere to the program principles and, to the extent funds are available, County shall provide the array of treatment options in accordance with Welfare and Institutions Code sections 5600.2 through 5600.9, inclusive.

A. GENERAL REQUIREMENTS FOR AGREEMENT

County shall comply with all of the requirements Section A.1 of this Provision for all County mental health programs, including those specified in Sections B, C and D. County shall provide all of the data and information specified in Section A.2 to the extent that the data and information is required for each of the County mental health programs, including those specified in Sections B, C and D of this Provision, for which it receives federal or State funds.

- 1) W&I section 5651 provides specific assurances, listed below, that must be included in this Agreement. County shall:
 - a. Comply with the expenditure requirements of Section 17608.05,
 - b. Provide services to persons receiving involuntary treatment as required by Part 1 (commencing with Section 5000) and Part 1.5 (commencing with Section 5585) of Division 5 of the Welfare and Institution Code,
 - c. Comply with all of the requirements necessary for Medi-Cal reimbursement for mental health treatment services and case management programs provided to Medi-Cal eligible individuals, including, but not limited to, the provisions set forth in Chapter 3 (commencing with Section 5700) of the Welfare and Institutions Code, and submit cost reports and other data to DHCS in the form and manner determined by the DHCS,
 - d. Ensure that the Local Mental Health Advisory Board has reviewed and approved procedures ensuring citizen and professional involvement at all stages of the planning process pursuant to W&I section 5604.2,
 - e. Comply with all provisions and requirements in law pertaining to patient rights,

Exhibit A
Scope of Work

- f. Comply with all requirements in federal law and regulation pertaining to federally funded mental health programs,
 - g. Provide all data and information set forth in Sections 5610, 5664 and 5845(d)(6) of the Welfare and Institutions Code,
 - h. If the County elects to provide the services described in Chapter 2.5 (commencing with Section 5670) of Division 5 of the Welfare and Institution Code, comply with guidelines established for program initiatives outlined in this chapter, and
 - i. Comply with all applicable laws and regulations for all services delivered, including all laws, regulations, and guidelines of the Mental Health Services Act.
- 2) County shall comply with all data and information submission requirements specified in this Agreement.
- a. County shall provide all applicable data and information required by federal and/or State law in order to receive any funds to pay for its mental health programs and services, including but not limited to its MHSA programs, PATH grant (if the County receives funds from this grant) or MHBG grant. These federal and State laws include, Title 42, United States Code, sections 290cc-21 through 290cc-35 and 300x through 300x-9, inclusive, W&I sections 5610 and 5664 and the regulations that implement, interpret or make specific, these federal and State laws and any DHCS-issued guidelines that relate to the programs or services.
 - b. County shall comply with the reporting requirements set forth in Division 1 of Title 9 of the California Code of Regulations (CCR) and any other reporting requirements for which County receives federal or State funding source for mental health programs. County shall submit complete and accurate information to DHCS including, but not limited, to the following:
 - i. Client and Service Information (CSI) System Data (See Subparagraph c of this Paragraph)
 - ii. MHSA Quarterly Progress Reports, as specified in Title 9, CCR, section 3530.20. MHSA Quarterly Progress Reports provide the actual number of clients served by MHSA-funded program. Reports are submitted on a quarterly basis.
 - iii. Full Service Partnership Performance Outcome data, as specified in Title 9, CCR, section 3530.30.
 - vi. Consumer Perception Survey data, as specified in Title 9, CCR, section 3530.40.
 - v. County shall submit the Annual Mental Health Services Act Revenue and Expenditure Report to DHCS and the Mental Health Services Oversight and Accountability Commission (MHSOAC), pursuant to W&I section 5899(a) and Title 9, CCR, section 3510 and DHCS-issued guidelines.
 - c. County shall submit CSI data to DHCS, in accordance with the requirements set forth in the DHCS' CSI Data Dictionary. County shall:

Exhibit A
Scope of Work

- i. Report monthly CSI data to DHCS within 60 calendar days after the end of the month in which services were provided.
 - ii. Report within 60 calendar days or be in compliance with an approved plan of correction with the DHCS's CSI Unit.
 - iii. Make diligent efforts to minimize errors on the CSI error file.
 - iv. Notify DHCS 90 calendar days prior to any change in reporting system and/or change of automated system vendor.
- d. In the event that DHCS or County determines that changes requiring a change in County's or DHCS' obligation must be made relating to either the DHCS' or County's information needs due to federal or state law changes or business requirements, both the DHCS and County agree to provide notice to the other party as soon as practicable prior to implementation. This notice shall include information and comments regarding the anticipated requirements and impacts of the projected changes. DHCS and County agree to meet and discuss the design, development, and costs of the anticipated changes prior to implementation.
- e. If applicable to a specific federal or State funding source covered by this Agreement, County shall require each of its subcontractors to submit a fiscal year-end cost report, due to DHCS no later than December 31 following the close of the fiscal year, in accordance with applicable federal and State laws regulations and DHCS-issued guidelines.
- f. If applicable to a specific federal or State funding source covered by this Agreement, County shall comply with W&I section 5751.7 and ensure that minors are not admitted into inpatient psychiatric treatment with adults. If the health facility does not have a specific separate housing arrangements, treatment staff, and treatment programs designed to serve children or adolescents it must request a waiver of this requirement from DHCS as follows:
- i. If this requirement creates an undue hardship on County, County may request a waiver of this requirement. County shall submit the waiver request on Form I, Attachment B of this Agreement, to DHCS.
 - ii. DHCS shall review County's waiver request and provide a written notice of approval or denial of the waiver. If County's waiver request is denied, it shall comply with the provision of W&I section 5751.7.
 - iii. County shall submit, and DHCS shall accept, the waiver request only at the time County submits this Agreement, signed by County, is submitted to DHCS for execution. County shall complete Form I, including its responses to items 1 and 2 and attach it to this Agreement. See Attachment B entitled "Form I" of this Agreement for additional submission information.
- g. If County chooses to participate in the Assisted Outpatient Treatment program (AOT) Demonstration Project Act of 2002 it shall be required to comply with all applicable statutes including, but not limited to, W&I sections 5345 through 5349.5, inclusive. In addition, County shall submit to DHCS any documents that DHCS requests as part of its

Exhibit A
Scope of Work

statutory responsibilities in accordance with DHCS Letter No.: 03-01 dated March 20, 2003.

- h. For all mental health funding sources received by County that require submission of a cost report, County shall submit a fiscal year-end cost report by December 31st following the close of the fiscal year in accordance with County's existing or future mental health programs applicable federal and State law. State law includes at least W&I section 5705, applicable regulations and DHCS-issued guidelines. The cost report shall be certified by the mental health director and one of the following: the County mental health departments chief financial officer (or equivalent), and individual who has delegated authority to sign for, and reports directly to the county mental health department's chief financial officer (or equivalent), or the county's auditor-controller (or equivalent). Data submitted shall be full and complete. The County shall also submit a reconciled cost report certified by the mental health director and the county's auditor-controller as being true and correct, no later than 18 months after the close of the following fiscal year.

If the County does not submit the cost reports by the reporting deadlines or does not meet the other requirements, DHCS shall request a plan of correction with specific timelines (W&I § 5897 (d)). If County does not submit cost reports by the reporting deadlines or the County does not meet the other requirements, DHCS may, after a hearing held with no less than 20 days- notice to the county mental health director (W&I § 5655) withhold payments from the MHS Fund until the County is in compliance with W&I section 5664.

B. THE MENTAL HEALTH SERVICES ACT PROGRAM

1) Program Description

Proposition 63, which created the Mental Health Services Act (MHSA), was approved by the voters of California on November 2, 2004. The Mental Health Services (MHS) Fund, which provides funds to counties for the implementation of its MHSA programs, was established pursuant to W&I section 5890. The MHSA was designed to expand California's public mental health programs and services through funding received by a one percent tax on incomes in excess of \$1 million. Counties use this funding for projects and programs for prevention and early intervention, community services and supports, workforce development and training, innovation, plus capital facilities and technological needs through mental health projects and programs. The State Controller distributes MHS Funds to the counties to plan for and provide mental health programs and other related activities outlined in a county's three-year program and expenditure plan or annual update. MHS Funds are distributed by the State Controller's Office to the counties on a monthly basis.

DHCS shall monitor County's use of MHS Funds to ensure that the county meets the MHSA and MHS Fund requirements. (W&I section 5651(c).)

2) Issue Resolution Process

County shall have an Issue Resolution Process (Process) to handle client disputes related to the provision of their mental health services. The Process shall be completed in an expedient and appropriate manner. County shall develop a log to record issues submitted as part of the Process. The log shall contain the date of the issue was received; a brief synopsis of the issue; the final issue resolution outcome; and the date the final issue resolution was reached.

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3) Revenue and Expenditure Report

County shall submit its Revenue and Expenditure Report (RER) by December 31st following the close of the fiscal year in accordance with W&I sections 5705 and 5899, regulations and DHCS-issued guidelines. The RER shall be certified by the mental health director and one of the following: County mental health department's chief financial officer (or equivalent), and individual who has delegated authority to sign for, and reports directly to the County mental health department's chief financial officer (or equivalent), or the County's auditor-controller (or equivalent), using the DHCS-issued certification form. Data submitted shall be full and complete. County shall also submit a reconciled RER certified by the mental health director and the county's auditor-controller as being true and correct, using the DHCS-issued certification form, no later than 18 months after the close of the following fiscal year.

If County does not submit the RER by the reporting deadlines or the RER does not meet the requirements, DHCS shall request a plan of correction with specific timelines (W&I § 5897(d)). If the RER is not timely submitted, or does not meet the requirements, DHCS may, after a hearing held with no less than 20 days- notice to the county mental health director (W&I § 5655), withhold payments from the MHS Fund until the County is in compliance with Title 9, CCR, sections 3505(d) and 3510(c).

4) Distribution and Use of Local Mental Health Services Funds:

- a. W&I section 5891 provides that, commencing July 1, 2012, on or before the 15th day of each month, pursuant to a methodology provided by DHCS, the State Controller shall distribute to County's Local Mental Health Service Fund, established by County pursuant to W&I section 5892(f), all unexpended and unreserved funds on deposit as of the last day of the prior month in the Mental Health Services Fund for the provision of specified programs and other related activities.
- b. County shall allocate the monthly Local MHS Fund in accordance with W&I section 5892 as follows :
 - i. Twenty percent of the funds shall be used for prevention and early intervention (PEI) programs in accordance with Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840). The expenditure for PEI may be increased by County if DHCS determines that the increase will decrease the need and cost for additional services to severely mentally ill persons in County by an amount at least commensurate with the proposed increase.
 - ii. The balance of funds shall be distributed to County's mental health programs for services to persons with severe mental illnesses pursuant to Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850), for the children's system of care and Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), for the adult and older adult system of care.
 - iii. Five percent of the total funding for the County's mental health programs established pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840), and Part 4 of Division 5 of the Welfare and

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Institutions Code (commencing with Section 5850) shall be utilized for innovative programs in accordance with W&I sections 5830, 5847 and 5848.

- iv. Programs for services pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), and Part 4 of Division 5 of the Welfare & Institutions Code (commencing with Section 5850) may include funds for technological needs and capital facilities, human resource needs, and a prudent reserve to ensure services do not have to be significantly reduced in years in which revenues are below the average of previous years. The total allocation for these purposes shall not exceed 20 percent of the average amount of funds allocated to County for the previous five years.
 - v. Allocations in Subparagraphs i. through iii. above, include funding for annual planning costs pursuant to W&I section 5848. The total of these costs shall not exceed five percent of the total annual revenues received for the Local MHS Fund. The planning costs shall include moneys for County's mental health programs to pay for the costs of having consumers, family members, and other stakeholders participate in the planning process and for the planning and implementation required for private provider contracts to be significantly expanded to provide additional services.
 - c. County shall use Local MHS Fund monies to pay for those portions of the mental health programs/services for children and adults for which there is no other source of funds available. (W&I §§ 5813.5(b), 5878.3(a) and 9 CCR 3610(d))
 - d. County shall only use Local MHS Funds to expand mental health services. These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. These funds shall only be used to pay for the programs authorized in W&I section 5892. These funds may not be used to pay for any other program and may not be loaned to County's general fund or any other County fund for any purpose. (W&I § 5891.)
 - e. All expenditures for County mental health programs shall be consistent with a currently approved three-year program and expenditure plan or annual update pursuant to W&I section 5847. (W&I § 5892(g).)
- 5) Three-Year Program and Expenditure Plan and Annual Updates:
- a. County shall prepare and submit a three-year program and expenditure plan, and annual updates, adopted by County's Board of Supervisors, to the Mental Health Services Oversight and Accountability Commission (MHSOAC) and the Department of Health Care Services (DHCS) within 30 calendar days after adoption. The three-year program and expenditure plan and annual updates shall include all of the following:
 - i. A program for Prevention and Early Intervention (PEI) in accordance with Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840).
 - ii. A program for services to children in accordance with Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850), to include a wraparound program pursuant to Chapter 4 of Part 6 of Division 9 of the Welfare and Institutions Code (commencing with Section 18250), or provide substantial evidence that it is not feasible to establish a wraparound program in the County.

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- iii. A program for services to adults and seniors in accordance with Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800).
 - iv. A program for innovations in accordance with Part 3.2 of Division 5 of the Welfare and Institutions Code (commencing with Section 5830). Counties shall expend funds for their innovation programs upon approval by the Mental Health Services Oversight and Accountability Commission.
 - v. A program for technological needs and capital facilities needed to provide services pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840), and Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850). All plans for proposed facilities with restrictive settings shall demonstrate that the needs of the people to be served cannot be met in a less restrictive or more integrated setting.
 - vi. Identification of shortages in personnel to provide services pursuant to the above programs and the additional assistance needed from the education and training programs established pursuant to Part 3.1 of Division 5 of the Welfare and Institutions Code (commencing with Section 5820) and Title 9, CCR, section 3830(b).
 - vii. Establishment and maintenance of a prudent reserve to ensure the County program will continue to be able to serve children, adults, and seniors that it is currently serving pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840), and Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850), during years in which revenues for the MHS Fund are below recent averages adjusted by changes in the state population and the California Consumer Price Index.
 - viii. Certification by County's mental health director, which ensures that County has complied with all pertinent regulations, laws, and statutes of the MHSA, including stakeholder participation and non-supplantation requirements.
 - ix. Certification by County's Mental Health Director and County's Auditor-Controller that the County has complied with any fiscal accountability requirements as directed by DHCS, and that all expenditures are consistent with the requirements of the MHSA.
- b. County shall include services in the programs described in Subparagraphs 5.a.i. through 5.a.v., inclusive, to address the needs of transition age youth between the ages of 16 years old to 25 years old, including the needs of transition age foster youth pursuant to W&I section 5847(c).
 - c. County shall prepare expenditure plans for the programs described in Subparagraphs 5.a.i. through 5.a.v., inclusive, and annual expenditure updates. Each expenditure plan update shall indicate the number of children, adults, and seniors to be served, and the cost per person. (W&I § 5847(e)).
 - d. County's three-year program and expenditure plan and annual updates shall include reports on the achievement of performance outcomes for services pursuant to the Adult and Older Adult Mental Health System of Care Act, Prevention and Early Intervention,

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and the Children's Mental Health Services Act funded by the MHS Fund and established jointly by DHCS and the MHSOAC, in collaboration with the California Mental Health Director's Association. (W&I § 5848(c)). County contracts with providers shall include the performance goals from the County's three-year program and expenditure plan and annual updates that apply to each provider's programs and services.

- e. County's three-year program and expenditure plan and annual update shall consider ways to provide services that are similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program. Funds shall not be used to pay for persons incarcerated in state prison or parolees from state prisons. (W&I § 5813.5(f))

6) Planning Requirements and Stakeholder Involvement:

- a. County shall develop its three-year program and expenditure plan and annual update with local stakeholders, including adults and seniors with severe mental illness, families of children, adults, and seniors with severe mental illness, providers of services, law enforcement agencies, education, social services agencies, veterans, representatives from veterans organizations, providers of alcohol and drug services, health care organizations, and other important interest. Counties shall demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning, and implementation, monitoring, quality improvement, evaluation, and budget allocations. County shall prepare and circulate a draft plan and update for review and comment for at least 30 calendar days to representatives of stakeholders interest and any interested party who has requested a copy of the draft plans. (W&I § 5848(a))
- b. County's mental health board, established pursuant to W&I section 5604, shall conduct a public hearing on the County's draft three-year program and expenditure plan and annual updates at the close of the 30 calendar day comment period. Each adopted three-year program and expenditure plan or annual update shall summarize and analyze substantive recommendations and describe substantive changes to the three-year program and expenditure plan and annual updates. The County's mental health board shall review the adopted three-year program and expenditure plan and annual updates and make recommendations to County's mental health department for amendments. (W&I § 5848(b) and Title 9, CCR, § 3315.)

7) County Requirements for Handling MSHA Funds

- a. County shall place all funds received from the State MHS Fund into a Local MHS Fund. The Local MHS Fund balance shall be invested consistent with other County funds and the interest earned on the investments shall be transferred into the Local MHS Fund. (W&I § 5892(f).)
- b. The earnings on investment of these funds shall be available for distribution from the fund in future years. (W&I § 5892 (f).)
- c. Other than funds placed in a reserve in accordance with an approved plan, any funds allocated to County which it has not spent for the authorized purpose within the three years shall revert to the State. County may retain MSHA Funds for capital facilities, technological needs, or education and training for up to 10 years before reverting to the State. (W&I § 5892(h).)

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8) Department Compliance Investigations:

DHCS may investigate County's performance of the Mental Health Services Act related provisions of this Agreement and compliance with the provisions of the Mental Health Services Act, and relevant regulations. In conducting such an investigation DHCS may inspect and copy books, records, papers, accounts, documents and any writing as defined by Evidence Code Section 250 that is pertinent or material to the investigation of the County. For purposes of this Paragraph "provider" means any person or entity that provides services, goods, supplies or merchandise, which are directly or indirectly funded pursuant to MHSA. (Gov. Code §§ 1180, 1181, 1182 and W&I Code § 14124.2.)

9) County Breach, Plan of Correction and Withholding of State Mental Health Funds:

- a. If DHCS determines that County is out-of-compliance with the Mental Health Services Act related provisions of this Agreement, DHCS may request that County submit a plan of correction, including a specific timeline to correct the deficiencies, to DHCS. (W&I § 5897(d).)
- b. If DHCS determines that County is substantially out-of-compliance with any provision of the Mental Health Services Act or relevant regulations, including all reporting requirements, and that administrative action is necessary, DHCS may after a hearing held with no less than 20 days- notice to the county mental health director (W&I § 5655):
 - i. Withhold part or all state mental health funds from County; and/or
 - ii. Require County to enter into negotiations with DHCS to agree on a plan for County to address County's non-compliance. (W&I § 5655.)

C. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) PROGRAM (Title 42, United States Code, sections 290cc-21 through 290cc-35, inclusive)

Pursuant to Title 42, United State Code, sections 290cc-21 through 290cc-35, inclusive, the State of California has been awarded federal homeless funds through the federal McKinney Projects for Assistance in Transition from Homelessness (PATH) formula grant. The PATH grant funds community based outreach, mental health and substance abuse referral/treatment, case management and other support services, as well as a limited set of housing services for the homeless mentally ill.

While county mental health programs serve thousands of homeless persons with realignment funds and other local revenues, the PATH grant augments these programs by providing services to approximately 8,300 additional persons annually. The county determines its use of PATH funds based on county priorities and needs.

If County wants to receive PATH funds, it shall submit its RFA responses and required documentation specified in DHCS' Request for Application (RFA). County shall complete its RFA responses in accordance with the instructions, enclosures and attachments available on the DHCS website at:

<http://www.dhcs.ca.gov/services/MH/Pages/PATH.aspx>.



Gavin Newsom
Mayor

Mitchell H. Katz, MD
Director of Health

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Barbara Garcia, MPA
Director of Health

DATE: January 24, 2014

SUBJECT: New Proposed Resolution from Department of Health

GRANT TITLE: Approval of Mental Health Services Act Performance Contract and authorization to designate the Director of Community Behavioral Health Services to sign said agreement

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2014 JAN 24 PM 3:59

Attached please find the original and 2 copies of each of the following:

- Proposed grant resolution
- Exhibit A – Performance Contract
- Other (Explain)

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted resolution:

Name: Marlo Simmons Phone: 255-3915

Interoffice Mail Address: CBHS, 1380 Howard Street, 2nd Floor # 210 b

Certified copy required Yes No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

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If County applied for and DHCS approved its request to receive PATH grant funds, the RFA, County's RFA responses and required documentation, and DHCS' approval constitute provisions of this Agreement and are incorporated by reference herein. County shall comply with all provisions of the RFA and the County's RFA responses in order to receive its PATH grant funds.

D. COMMUNITY MENTAL HEALTH SERVICES GRANT (MHBG) PROGRAM (Title 42, United States Code section 300x-1 et seq.)

DHCS awards federal Community Mental Health Services Block Grant funds (known as Mental Health Block Grant (MHBG)) to counties in California. The county mental health agencies provide a broad array of mental health services within their mental health system of care (SOC) programs. These programs provide services to the following target populations: children and youth with serious emotional disturbances (SED), adults and older adults with serious mental illnesses (SMI).

The MHBG funds provide the counties with a stable, flexible, and non-categorical funding base that the counties can use to develop innovative programs or augment existing programs within their SOC. The MHBG funds also assist the counties in providing an appropriate level of community mental health services to the most needy individuals in the target populations who have a mental health diagnosis, and/or individuals who have a mental health diagnosis with a co-occurring substance abuse disorder.

If County wants to receive MHBG funds, it shall submit its RFA responses and required documentation specified in DHCS' RFA. County shall complete its RFA responses in accordance with the instructions, enclosures and attachments available on the DHCS website at:

<http://www.dhcs.ca.gov/services/MH/Pages/MHBG.aspx>.

If County applied for and DHCS approved its request to receive MHBG grant funds, the RFA, County's RFA responses and required documentation, and DHCS' approval constitute provisions of this Agreement and are incorporated by reference herein. County shall comply with all provisions of the RFA and the County's RFA responses in order to receive its MHBG grant funds.