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.
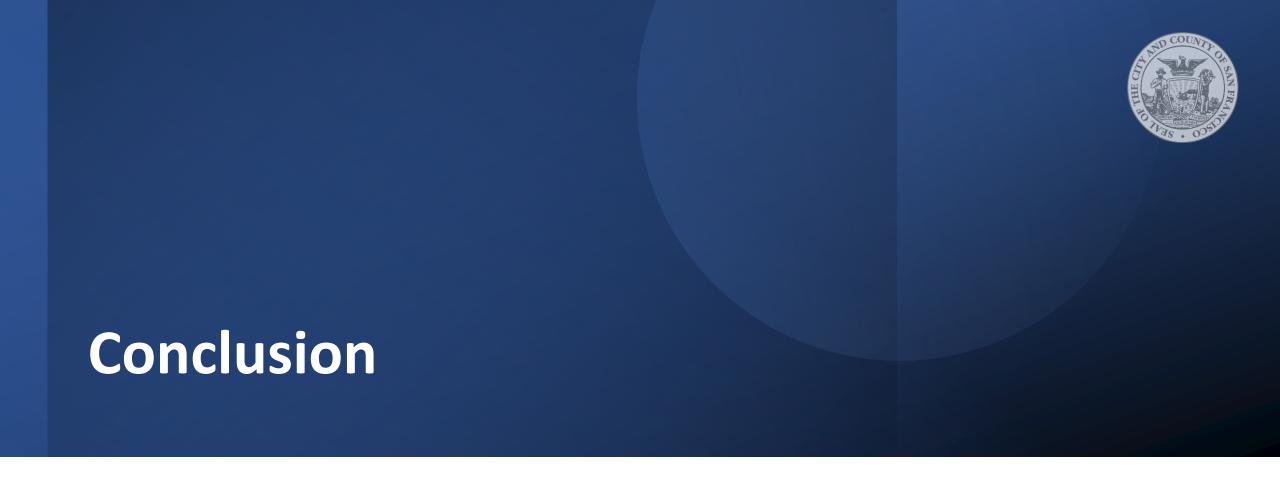
Summary

- 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!