

1 [Participation Agreement - California Mental Health Services Authority - Presumptive Transfer]

2
3 **Resolution authorizing the Director of Health to sign a California Mental Health**
4 **Services Authority Participation Agreement to facilitate the transfer of funds to cover**
5 **San Francisco's obligation to pay for mental health treatment for San Francisco foster**
6 **children placed out-of-county as required by California Welfare & Institutions Code,**
7 **Section 14717.1.**

8
9 WHEREAS, California Welfare & Institutions Code, Section 14717.1 requires that foster
10 children placed outside their county of original jurisdiction have the ability to access specialty
11 mental health services in the county of placement in a timely; and

12 WHEREAS, The county of original jurisdiction is responsible for reimbursing the county
13 where the child is placed for specialty mental health services provided, arranged by, the
14 county of placement; and

15 WHEREAS, Implementation of Welfare & Institutions Code, Section 14717.1 requires a
16 system for counties to make prompt payments to each other; and

17 WHEREAS, The San Francisco Department of Public Health (DPH) is a member of the
18 California Mental Health Services Authority (CalMHSA), a joint powers authority created to
19 perform administrative and fiscal services on behalf of its members; and

20 WHEREAS, CalMHSA established an Inter-Member Transfer Program to facilitate
21 prompt payments between the counties; and

22 WHEREAS, Each participating member county will have a separate financial ledger
23 account and will receive periodic statements of year to date balance, payments to other
24 counties, payments from other counties, administration costs and interest earned; and
25

1 WHEREAS, The California Department of Health Care Services will determine how
2 much each county must deposit based upon the county's historic use of out-of-county
3 placements; and

4 WHEREAS, Required future funding will be based on the projection of actual expenses
5 in order to make funding continuously available for program, and CalMHSA will transfer
6 surplus funds back to the participating counties; now, therefore, be it

7 RESOLVED, That Board of Supervisors authorizes San Francisco's participation in the
8 California Mental Health Services Authority (CalMHSA) Inter-Member Transfer Program; and,
9 be it

10 FURTHER RESOLVED, That DPH is authorized to transfer of funds to CalMHSA as
11 set forth in the Inter-Member Transfer Program Participation Agreement; and, be it

12 FURTHER RESOLVED, That CalMHSA is authorized to send and receive funds on
13 behalf of San Francisco County, consistent with the provisions of the Participation Agreement
14 and Welfare and Institution Code, Section 14717.1; and, be it

15 FURTHER RESOLVED, That the Director of Health is authorized to sign the
16 Participation Agreement, in consultation with the City Attorney, on behalf of the City and
17 County of San Francisco; and, be it

18 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
19 executed by all parties, the Department of Public Health shall provide the final agreement to
20 the Clerk of the Board for inclusion into the official file.

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET**

1. The City & County of San Francisco ("Participant") desires to participate in the Program identified below.

Name of Services: Inter-Member Transfer(s)

2. California Mental Health Services Authority ("CalMHSA") and Member Participants' acknowledge that the services will be governed by CalMHSA's Joint Powers Agreement and its Bylaws, and by this Participation Agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this Program.

- Exhibit A Program Services Description
- Exhibit B General Terms and Conditions
- Exhibit C Member County-Specific Scope and Funding

3. **Term of Services:** July 1, 2018 until terminated by Participant.

4. **Deposit:** The initial deposit payable by Participant is \$600,000, plus Administration Cost of 5%, \$30,000, for a total deposit amount of \$630,000.00, payable on or before July 1, 2018.

5. **Authorized Signatures:**

CalMHSA

Signed: _____ Name (Printed): John E. Chaquica, CPA, MBA, ARM

Title: Chief Operating Officer Date: _____

Participant: City & County of San Francisco

Signed: _____ Name (Printed): Barbara A. Garcia, MPA

Title: Director of Health Date: _____

Approved as to Form:
Dennis J. Herrera, City Attorney

By: _____
Virginia Dario Elizondo, Deputy City Attorney

**EXHIBIT A
PROGRAM SERVICES DESCRIPTION**

I. Name of Program –Inter-Member Transfer(s)

II. Program Overview

Under the Welfare and Institution Code § 14717.1, responsibility for providing or arranging for specialty mental health services shall promptly transfer from the county of original jurisdiction to the county in which a foster child resides, subject to any exceptions established pursuant to that section. This is known as “presumptive transfer.” Counties have agreed that the county of original jurisdiction (sending county) remains responsible for reimbursing the receiving county for specialty mental health services provided or arranged by the receiving county. Under this program, CalMHSA acts as a fiscal agent for participating counties to make and receive transfer payments of county match dollars.

III Program Process

- A. A funding structure shall be developed based on funding by each participant, as well as timing. It is deemed that an annual funding mechanism would be ideal, especially if through the State. However, it may be such that quarterly transfers from the counties', would be the initial process.
- B. All members shall have funding on deposit, no matter what the net expected funding level is anticipated. As such a minimum annual amount to be funded by any member shall be defined.
- C. Triggers shall be defined for the initiation of the funding process. With this trigger, processes shall be in place to discern the amount of payment and by such date.
- D. The mechanics of transferring funds shall be the same for each receiving and paying member.

**EXHIBIT B
GENERAL TERMS AND CONDITIONS**

I. Definitions

The following words as used throughout this Participation Agreement shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. **CalMHSA** – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association to jointly develop and fund mental health services and education programs.
- B. **County (Sending)** – A Sending County, is one that is transferring foster youth to facility located outside of its jurisdiction.
- C. **County (Receiving)** – A Receiving County is one in which a foster youth is being placed in a facility located within their county jurisdiction.
- D. **Member** – A County, City or JPA of two or more Counties, that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- E. **Participant** – Any Member participating in the Program and a member of CalMHSA
- F. **Program Services** – The program identified in Exhibit A.
- G. **Vendor** – Vendor or supplier providing specialty mental health services to foster youth.
- H. **Child** – Foster youth receiving specialty mental health services.
- I. **HIPAA** – The Health Insurance Portability and Accountability Act which:
 - Provides the ability to transfer and continue health insurance coverage for millions of American Workers and their families when they change or lose their jobs;
 - Mandates industry-wide standards for health care information on electronic billing and other processes;
 - Requires the protection and confidential handling of protected health information.

II. Responsibilities

A. Responsibilities of CalMHSA:

1. Act solely as the fiscal and administrative agent to facilitate transfer of funds between Participants in compliance with instructions from and authorization by Participants, without any responsibility for validation or control over the funded services or activities.
2. Establish a banking pool that includes an individual interest-bearing account for each county. Any interest accrued will be credited to the county. All transactions in and out of the account will be provided regularly to each county.
3. Establish written internal control procedures to ensure understanding and sound accounting controls, including items such as defining a trigger for a transaction, the rate of payment, timing of payment, depositing of funds and reporting.

4. Management of and accounting for funds received consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
5. Keep all necessary records and provide regular fiscal reports to Participants and/or other public agencies with a right to such reports.
6. Compliance with CalMHSAs Joint Powers Agreement and Bylaws.
7. HIPAA/PHI – To the extent there is privileged information shared between agencies, which is subject to protection under the HIPAA/PHI Act, California Confidentiality of Medical Information (Cal. Civ. C. §§ 56, et seq.), Cal. Welfare & Institutions Code § 5328, and related medical and juvenile confidentiality laws, CalMHSAs shall implement all necessary measures in compliance with federal and state laws.

B. Responsibilities of Participant:

1. Transfer of funds for the Program as specified in Exhibit C, County-Specific Scope and Funding, including administrative fee.
2. Participants are required to provide a timely, continuous contribution based on actual usage, in order to comply with the all contractual obligations. Due to the nature of the program and the specialty of services being provided to youth, contributions are due fifteen (15) days from date of notice to replenish.
3. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant with regard to the Program.
4. Cooperate by providing CalMHSAs and the other participating counties (and any other parties deemed necessary) with requested information and assistance in order to fulfill the purpose of the Program.
5. Any and all assessments, creation of individual case plans, and providing or arranging services.
6. Compliance with applicable laws, regulations, guidelines, contractual agreements, CalMHSAs JPA Agreement, and Bylaws.
7. Instructions for and authorization of transfers to be made by CalMHSAs.
8. Indemnification as described in Section VI.
9. HIPAA/PHI – To the extent there is privileged information shared between agencies, which is subject to protection under the HIPAA/PHI Act, California Confidentiality of Medical Information (Cal. Civ. C. §§ 56, et seq.), Cal. Welfare & Institutions Code § 5328, and related medical and juvenile confidentiality laws County/Member shall implement all necessary measures in compliance with federal and state laws.

III. Duration, Term and Amendment

- A. The Program is of indefinite duration, and will continue as long as Participants wish to act together to conduct the Program. However, the obligation of any Member to pay funds

is limited to the periods and amounts stated in Exhibit C, County-Specific Scope and Funding.

- B. This Agreement may be supplemented, amended or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.
- C. Any Participant may withdraw from the Program upon six (6) months' written notice. Notice shall be deemed served on the date of mailing.

IV. Withdrawal, Cancellation and Termination

- A. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expenses and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation
- B. Upon cancellation, termination or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the operation of the Program shall be distributed back to the participating counties proportionally based on the amount by which deposits made to the account of the Participant exceed the payments disbursed from the account of the Participant.

V. Fiscal Provisions

- A. Participants will share in the costs of administration and fiscal services to be determined based on member participation and transactions. The actual costs will be based on criteria in B. below with final participation known. Until actual costs are determined, an estimate of 5% of deposit amount is expected.
- B. Fees for the cost of performing these services will be based on the time extended to perform the core services that are applicable to all Participants, no matter how frequent or the amount of transfers. These services include, reporting, reconciling, investing, banking, communication, and overall program management. The cost for the transactional services—processing and recording of payments—will be based on frequency. The same transactional cost is applicable to both the paying and receiving participants.
- C. The total fees will be based on the above and the number of participants. An allocation formula will be developed to incorporate the two types of costs—core and transactional.
- D. Participants are required to provide a timely, continuous contribution based on actual usage, in order to comply with the all contractual obligations. Due to the nature of the program and the specialty of services being provided to youth, contributions are due fifteen (15) days from date of notice to replenish.

VI. Limitation of Liability and Indemnification

- A. CalMHSA is responsible only for transfer of funds between county accounts as instructed and authorized by Participants. CalMHSA is not liable for damages beyond the amount of

any funds which it transfers without authorization or contrary to Participant's instructions.

- B. CalMHSA is not undertaking responsibility for assessments, creation of case or treatment plans, providing or arranging services, and/or selecting, contracting with, or supervising providers (collectively, "mental health services"). Participant will defend and indemnify CalMHSA for any claim, demand, disallowance, suit, or damages arising from Participant's acts or omissions in connection with the provision of mental health services.

This Participation Agreement does not anticipate CalMHSA performing any validation or verification of the accuracy of the data supplied. Those services may be appended if deemed necessary.

**EXHIBIT C
SCOPE AND FUNDING**

CalMHSA will be contracted to perform fund transfers on behalf of counties in order to allow foster children who are placed outside of their county of original jurisdiction to access specialty mental health services in a timely manner. The defined process is "presumptive transfer," which means a prompt transfer of the responsibility for the provision of, or arranging and payment for SMHS from the county of original jurisdiction (sending county) to the county in which the foster child resides (receiving county), as provided for by Welfare and Institution Code § 14717.1.

PROGRAM ACTIVITIES AND PROCESS:

To fulfill the Participant's obligations under Welfare and Institution Code § 14717.1, the Parties will undertake the following responsibilities.

- A. CalMHSA will create a banking pool that includes a ledger for each participating county that identifies and tracks all transactions.
- B. Counties provide an estimated annual (or quarterly) payment (which includes an administrative fee) to CalMHSA, of the non-Federal Financial Participation (FFP) portion of cost of services anticipated for SMHS, for their youth in foster care outside of their county. (Administrative Fee to be determined by CalMHSA)
- C. County with the youth placement and SMHS organizations (Receiving County):
 - 1. Receives a presumptive transfer and is required by statute to provide or arrange appropriate treatment services;
 - 2. Receives an assessment from the sending county and/or assesses the youth itself;
 - 3. Provides or contracts with organizations to provide SMHS to foster youth in their county
- D. Receiving County receives provider statement for services rendered, or prepares statement for services provided directly and sends a copy to Sending County.
- E. Receiving county bills Medi-Cal.
- F. Receiving County obtains approval from Sending County for payment. Receipt of such approval triggers invoice to CalMHSA with proof of services billed (Form 835), from Sending County account, for the services provided by contract or by the Receiving County.
- G. Receiving county reimburses the provider timely for services provided.
- H. CalMHSA reimburses Receiving County with non-FFP match from Sending County funds for services rendered.

INITIAL DEPOSIT AMOUNT

Initial Deposit Amount: \$630,000.00

Administration Cost: \$30,000.00

Total Deposit on July 1, 2018: \$630,000.00

7

OFFICE OF THE MAYOR
SAN FRANCISCO



MARK FARRELL
MAYOR

RECEIVED
OFFICE OF SUPERVISOR
SAN FRANCISCO
2018 JUN -1 AM 11:35

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Kelly Kirkpatrick, Acting Mayor's Budget Director
Date: June 1, 2018
Re: Mayor's FY 2018-19 and FY 2019-20 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1st, corresponding legislation, and related materials for Fiscal Year 2018-19 and Fiscal Year 2019-20.

In addition to the Annual Appropriation Ordinance, Annual Salary Ordinance, and Mayor's Proposed FY 2018-19 and FY 2019-20 Budget Book, the following items are included in the Mayor's submission:

- The budget for the Treasure Island Development Authority for FY 2018-19 and FY 2019-20
- The budget for the Office of Community Investment and Infrastructure for FY 2018-19
- 15 separate pieces of legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another. See letter for more details.
- An Interim Exception letter
- A memo highlighting technical adjustments to the Mayor's Proposed May 1st Budget
- A letter addressing funding levels for consumer price index increases for nonprofit corporations or public entities for the coming two fiscal years

If you have any questions, please contact me at (415) 554-6125.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Kirkpatrick".

Kelly Kirkpatrick
Acting Mayor's Budget Director

cc: Members of the Board of Supervisors
Harvey Rose
Controller

DEPT	Budget & Finance Committee Calendar Date	Description or Title of Legislation	Type of Legislation
ADM	14-Jun	Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling	Ordinance
CON	14-Jun	Resolution Adjusting the Access Line Tax with the Consumer Price Index of 2018	Resolution
CON	14-Jun	Proposition J Contract Certification Specified Contracted-Out Services Previously Approved	Resolution
REC	14-Jun	Park Code - Tennis Center Fees	Ordinance
REC	14-Jun	Park Code - Golf Course Fees	Ordinance
CPC	15-Jun	Administrative Code – Planning Code Enforcement Fund	Ordinance
CPC	15-Jun	Planning Code - Fees for Certain Permits and Transportation Analysis	Ordinance
DAT	15-Jun	Administrative Code - Cash Revolving Fund for District Attorney's Office	Ordinance
DAT	15-Jun	Accept and Expend Grant - California Victim Compensation Board – Compensation for Crime Victims - \$2,164,014	Resolution
DPH	15-Jun	Health Code - Patient Rates 2017-2020	Ordinance
DPH	15-Jun	California Mental Health Services Authority – Participation Agreement – Presumptive Transfer	Resolution
DPH	15-Jun	Accept and Expend Grants- Recurring State Grant Funds - Department of Public Health- FY2018-2019	Resolution
HOM	15-Jun	Administrative Code - Mayor's Fund for the Homeless and Navigation Partnerships Fund	Ordinance
HOM	15-Jun	Homelessness and Supportive Housing Fund- FYs 2018-2019 and 2019-2020 Expenditure Plans	Resolution
POL	12-Jul	De-Appropriation and Re-Appropriation – Expenditures of \$6,174,381 Supporting Increased Workers' Compensation Expenditures – Police Department – FY 2017-2018	Ordinance

OFFICE OF THE MAYOR
SAN FRANCISCO



MARK J. FARRELL
MAYOR
RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 JUN -1 AM 11:41

BY _____

TO:  Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Farrell
RE: California Mental Health Services Authority – Participation Agreement –
Presumptive Transfer
DATE: June 1, 2018

Attached for introduction to the Board of Supervisors is a resolution authorizing the Director of Health to sign a California Mental Health Services Authority Participation Agreement to facilitate the transfer of funds to cover San Francisco's obligation to pay for mental health treatment for San Francisco foster children placed out-of-county as required by California Welfare & Institutions Code § 14717.1

Should you have any questions, please contact Andres Power (415) 554-5168.