

**California Mental Health Service Authority
FINANCE COMMITTEE TELECONFERENCE**

AGENDA

**May 9, 2016
3:00 p.m. - 4:00 p.m.**

**Dial-in Number: 916-233-1968
Access Code: 3043**

CalMHSA

3043 Gold Canal Drive, Suite 200
Rancho Cordova, CA 95670

**Fresno County Behavioral Health
Department**

4441 E. Kings Canyon, MS #97
Fresno, CA 93702

Los Angeles County Mental Health

550 S. Vermont Avenue, 10th Floor
Los Angeles, CA 90020

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.

FINANCE COMMITTEE MEETING

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PUBLIC COMMENT INSTRUCTION**

The Committee welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Committee concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to start of item. When it appears there are several members of the public wishing to address the Committee on a specific item, at the outset of the item, the Committee President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

3. CONSENT CALENDAR	3
A. Routine Matters	
a. Minutes from the March 28, 2016 Finance Committee Teleconference	
B. Reports/Correspondence	
a. Treasurers Report as of March 31, 2016	
<i>Recommendation: Approval of the consent calendar.</i>	
4. CASH FLOW MANAGEMENT AS OF APRIL 30, 2016	12
A. Cash Balance as of April 30, 2016	13
<i>Recommendation: For information and discussion.</i>	
5. CALMHTSA FINANCIAL STATEMENT FOR QUARTER ENDING MARCH 31, 2016	15
<i>Recommendation: Approval of the CalMHTSA Financial Statements for Quarter ending March 31, 2016 for presentation at the next scheduled Board of Directors Meeting.</i>	
6. CALMHTSA ANNUAL PROPOSED REVENUE AND EXPENDITURE REPORT – JUNE 30, 2017	16
A. CalMHTSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2017	
B. Letters of Acknowledgement Matrix	
<i>Recommendation: Approval of the CalMHTSA Proposed Revenue and Expenditure Report – June 30, 2017</i>	
7. FINANCE COMMITTEE ELECTIONS	18
<i>Recommendation: Discuss Finance Committee member expiring terms and vacancies for Recommendation to the Board.</i>	
8. FINANCE COMMITTEE TELECONFERENCE MEETING CALENDAR FOR FISCAL YEAR 2016-2017	22
<i>Recommendation: Approval of the Proposed Finance Committee Teleconference Meeting Calendar for Fiscal Year 2016 - 2017</i>	
9. EXECUTIVE DIRECTOR FINANCE REPORT	24
A. Strategic Development of 2016/2017 Revenue	
B. Drug Medi-Cal – Status	
C. Financial Modernization Pilot Program – Status	
D. Private Sector Feasibility Study	
E. Other Financial Matters	
<i>Recommendation: None, information only.</i>	

10. PUBLIC COMMENT

This time is reserved for members of the public to address the Committee relative to matters of CalMHTSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

11. CLOSING COMMENTS

12. ADJOURNMENT

Agenda Item 3

SUBJECT: CONSENT CALENDAR

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Finance Committee would like to discuss any item listed, it may be pulled from the Consent Calendar.

A. Routine Matters

- a. Minutes from the March 28, 2016 Finance Committee Teleconference

B. Reports/Correspondence

- a. Treasurers Report as of March 31, 2016

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- Minutes from the March 28, 2016 Finance Committee Teleconference
- Treasurers Report as of March 31, 2016



CalMHSA Finance Committee

TELECONFERENCE MINUTES FROM MARCH 28, 2016

Finance Committee Members

Present

- Dawan Utecht, CalMHSA Treasurer, Fresno County
- Dennis P. Koch, Madera County
- Dr. William Arroyo, Los Angeles County
- Maureen Bauman, CalMHSA President (Ex-Officio)
- Michael Lucid, Sonoma County

Absent

- Terence M. Rooney, Colusa County

CalMHSA Staff

- Wayne Clark, Executive Director
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Laura Li, JPA Administrative Manager
- Armando Bastida, Executive Assistant

Public

- Kathy Herdman, Lake County
- Elaine Allred, Lake County
- Steve Steinberg, Riverside County

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:02 p.m. on March 28, 2016 by Finance Committee Chair Dawan Utecht, Fresno County.

2. **Roll Call and Public Comment Instructions**

JPA Administrative Manager Laura Li, CalMHSA, called roll and a quorum was established. All participants were asked to introduce themselves. Treasurer, Dawan Utecht, Fresno County, proceeded to review the public comment instructions, noting that items not on the agenda would be reserved for public comment at the end of the meeting.

3. **Consent Calendar**

Treasurer Utecht asked for any changes to the following items:

Routine Matters:

- Minutes from the October 26, 2015 Finance Committee Teleconference
- Minutes from the January 11, 2016 Finance Committee Teleconference

Reports/Correspondence:

- CalMHSA Revenue and Expenditure Report for Fiscal Year Ended June 30, 2015 – Report to California Department of Health Care Services (CDHCS)
- Financial Audit for the year ended June 30, 2015

None were proposed.

Action: Approval of the consent calendar.

Motion: Michael Lucid, Sonoma County

Seconded: Dennis P. Koch, Madera County

Public comment was heard from the following individual(s):

None

4. **Cash Flow Management as of February 2016**

Finance Director, Kim Santin, CalMHSA, gave an overview of the Cash Flow Management as of February, indicating that current contracts were correctly budgeted for Phase II. Carry-over funds will not be awarded next year.

Action: For information and discussion.

Public comment was heard from the following individual(s):

None

5. **CalMHSA Fiscal Year 2016/2017 Budget Projection and Timeline**

Finance Director Kim Santin, CalMHSA, provided an overview of the three funding scenarios and opened the subject for discussion amongst the committee; this led the committee to request a fourth alternative scenario be devised. The projected fourth scenario would entail reducing infrastructure to the absolute minimum while still being able to maintain all programs.

Action: None, information only.

Public comment was heard from the following individual(s):

None

6. **CalMHSA Financial Statement for Quarter Ending December 31, 2015**

Finance Director Kim Santin, CalMHSA, gave an overview of the Financial Statement for the quarter. Due to the pervious agenda item, a breakdown of actual costs for program staffing was provided.

Action: Approval of the CalMHSA Financial Statement for the Quarter ending December 31, 2015 for presentation at the next scheduled Board of Directors meeting.

Motioned: William Arroyo, Los Angeles County

Seconded: Dennis P. Koch, Madera County

Public comment was heard from the following individual(s):

None

7. **State Hospital Beds Program Update**

JPA Administrative Manager Laura Li, CalMHSA, reviewed the current status of the State Hospital Beds program. The two-year DSH MOU is in the process of execution, with only a handful of counties remaining to sign. CalMHSA and Correct Care are exploring new sites to visit in various counties in the Southern and Northern regions. Ms. Li provided a cost-savings estimate for the program to date, affirming that participant counties have saved an estimated total of \$20M.

Dr. Arroyo requested the fiscal impact on staff report clarify none for CalMHSA, but significant savings for counties

Action: None, information only.

Public comment was heard from the following individual(s):

None

8. **CalMHSA Financial Audit Engagement**

Finance Director Kim Santin, CalMHSA, introduced the engagement letter and called for discussion as to whether to continue with James Marta and Company or to send out an RFP seeking another auditor. The committee decided to continue with James Marta and Company for another year, an engagement letter will be presented to Board of Directors in June.

Action: Discussion and consideration to continue audit contract with James Marta & Company.

Public comment was heard from the following individual(s):

None

9. **CalMHSA Executive Director Finance Report**

Executive Director Wayne Clark, CalMHSA, gave an overview of the following items.

- Strategic Development of 2016/2017 Revenue: Formal Letter to MHSOAC in regards to the 1% distribution letter.
- Drug Medi-Cal – Status: Contract in place with CiBHS for work on this project.
- Financial Modernization Pilot Program – Status: A presentation was provided at the April 13, 2016 Governing Board.
- Private Sector Feasibility Study: CalMHSA is working with Lester Consulting to get Private Sector funding for 5 years at \$15 million a year.

Action: None, information only.

Public comment was heard from the following individual(s):

None

10. **General Public Comment**

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

Public comment was heard from the following individual(s):

None

11. **Closing Comments**

Treasurer Dawan Utecht, Fresno County, asked for any closing comments.

12. **Adjournment**

With no further comments, the meeting was adjourned at 4:13 p.m.



"A George Hills Company Administered JPA"

Treasurer's Report As of March 31, 2016

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$10,185,692	\$10,187,944	0.51%
Morgan Stanley – Money Trust	1,471	1,471	0.11%
Cash with California Bank & Trust	44,546	44,546	0.00%
Total Cash and Investments	\$10,231,709	\$10,233,961	0.51%

Attached are the Local Agency Investment Fund (LAIF) statements detailing all investment transactions.

The LAIF market value was derived by applying the March 2016 fair value factor of 1.00022106 to the book balance.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

Accepted,



Kim Santin, Finance Director

Dawan Utecht, Treasurer

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
April 29, 2016

CALIFORNIA MENTAL HEALTH SERVICES
AUTHORITY
STAFF
3043 GOLD CANAL DRIVE, SUITE 200
RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

January 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/14/2016	1/13/2016	RW	1488987	KIM SANTIN	-1,200,000.00
1/15/2016	1/14/2016	QRD	1489177	SYSTEM	13,379.65

Account Summary

Total Deposit:	13,379.65	Beginning Balance:	14,122,312.70
Total Withdrawal:	-1,200,000.00	Ending Balance:	12,935,692.35

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

CALIFORNIA MENTAL HEALTH SERVICES
AUTHORITY
STAFF
3043 GOLD CANAL DRIVE, SUITE 200
RANCHO CORDOVA, CA 95670

www.treasurer.ca.gov/pmia-laif/laif.asp
April 29, 2016

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

February 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
2/18/2016	2/17/2016	RW	1493717	KIM SANTIN	-1,700,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,935,692.35
Total Withdrawal:	-1,700,000.00	Ending Balance:	11,235,692.35

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
April 29, 2016

CALIFORNIA MENTAL HEALTH SERVICES
AUTHORITY
STAFF
3043 GOLD CANAL DRIVE, SUITE 200
RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

March 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/21/2016	3/18/2016	RW	1495746	KIM SANTIN	-1,050,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	11,235,692.35
Total Withdrawal:	-1,050,000.00	Ending Balance:	10,185,692.35

Agenda Item 4

SUBJECT: CASH FLOW MANAGEMENT

ACTION FOR CONSIDERATION:

For Information and discussion.

BACKGROUND AND STATUS:

Historically, CalMHSA has held adequate balances of cash and investments. Cash balances are decreasing as we payout on the contract obligations. After the April cash disbursements, our cash balance is \$9.1 million. Our cash flow projection attached projects cash to be \$6.6 million at June 30, 2016. CalMHSA has currently received \$5.4 million for Phase II. Cash Management is now a priority for CalMHSA, therefore becoming a regular item in the agenda.

We received 98.82% of the Phase I LOA funding from counties by December 31, 2015.

FISCAL IMPACT:

None.

RECOMMENDATION:

For Information and discussion.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL ATTACHED:

- Cash Balance as of April 30, 2016
- Projected Cash Flow for Fiscal Year 2015/2016

**CalMHSA
Cash Balance
As of April 30, 2016**

Cash Balance, 6/30/2015	14,215,412.33
Cash Received 07/01/15 to 04/30/2016	8,267,749.17
Cash Payments 07/01/2015 to 04/30/2016	(13,349,980.06)
Cash Balance, 3/31/2016	<u>9,133,181.44</u>

Cash Balance by Institution	
California Bank & Trust	81,962.93
Morgan Stanley Smith Barney	1,470.55
Local Agency Investment Fund	9,049,747.96
Cash Total 04/30/2016	9,133,181.44

California Mental Health Services Authority
Projected Cash Flow
As of April 30, 2016

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Beginning Cash Balance	14,945,895	14,233,959	14,762,506	14,884,056	14,189,713	13,164,503	11,294,237	10,231,709	9,133,182	7,873,326	14,945,895
Cash Receipts:											
Phase I - Sustainability	128,218	121,605									249,823
Phase II - Sustainability	909,532	1,587,857	802,500		174,663				175,801	175,801	3,826,154
Phase III - Sustainability	120,019					39,185					159,204
Suicide Prevention Hotline	55,000										55,000
State Hospital Beds	7,010	104,449	4,206	11,216		5,608	177,353		201,126	201,126	712,093
SD3 - Feasibility Study									4,427		4,427
Application Fees	500			250							750
Other (LAIF Interest, etc.)		11,659	4,678	9,000	13,380	20,100		14,056			72,872
Total Cash Receipts	1,220,279	1,825,570	811,384	20,466	188,042	64,893	177,353	14,056	381,354	376,927	5,080,322
Cash Expenses:											
PEI/Phase I Obligations 2014/15	1,488,858	956,445	249,585	229,859	509,819	1,151,223	370,403	490,785	321,044	257,275	6,025,295
Phase II Board Approved Funding 2015/16	123,600	56,227	116,423	249,301	389,325	538,947	574,536	224,494	825,007	891,674	3,989,533
Suicide Prevention Hotline	85,948	35,398		37,079	66,230	39,039	48,250	63,149	52,801	52,801	480,695
Plumas Wellness Center			95,000		8,800	142		95,000	41,500	41,500	281,942
Community Response Plan						1,500		1,875			3,375
TTACB Contract	176				6,336				37,829	37,829	82,171
State Hospital Beds					22,067	72		22,067	124,050	131,405	299,661
Short Doyle Fiscal Pilot	20,000	2,975	2,975		1,488		2,380	5,259	36,142	36,142	107,360
PNWE								116			116
Administrative Expenses	213,633	245,978	225,851	198,569	209,188	204,237	244,313	209,837	202,837	202,837	2,157,281
Total Cash Expenses	1,932,215	1,297,023	689,834	714,809	1,213,252	1,935,159	1,239,881	1,112,583	1,641,210	1,651,463	13,427,428
Ending Cash Balance	14,233,959	14,762,506	14,884,056	14,189,713	13,164,503	11,294,237	10,231,709	9,133,182	7,873,326	6,598,789	6,598,789

Agenda Item 5

SUBJECT: CALMHSA FINANCIAL STATEMENT FOR THE QUARTER ENDING MARCH 31, 2016

ACTION FOR CONSIDERATION:

Approval of the CalMHSA Financial Statement for the Quarter ending March 31, 2016 for presentation at the next scheduled Board of Directors Meeting.

BACKGROUND AND STATUS:

The Finance Committee will review and discuss the financial statement for the quarter ending March 31, 2016. Upon committee approval, the financial statement will be presented at the next Board of Directors Meeting.

Some key items are noted in the financial statement cover memo.

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the CalMHSA Financial Statement for the Quarter ending March 31, 2016 for presentation at the next scheduled Board of Directors Meeting.

TYPE OF VOTE REQUIRED:

Majority vote of the Finance Committee.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Financial Statement Quarter Ending March 31, 2016 – To be distributed under separate cover

Agenda Item 6

SUBJECT: CALMHSA ANNUAL PROPOSED REVENUE AND EXPENDITURE REPORT – JUNE 30, 2017

ACTION FOR CONSIDERATION:

For information and discussion.

BACKGROUND AND STATUS:

The CalMHSA Bylaws provide for a fiscal year of July 1 to June 30, and require the Board of Directors to adopt the annual budget by July 1 of the new fiscal year. The draft budget is to be presented to the Board at least 45 days prior. (Bylaws, §§ 4.1.3, 8.1, and 9.1.)

Ms. Kim Santin, CalMHSA Finance Director, will provide an oral overview of the timeline for Compilation of the Annual Revenue and Expenditure Report – Proposed Budget June 30, 2017, distributed as discussed above.

The Sustainability programs have the following key items for the finance committee's consideration

- CalMHSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2017
- Letters of Acknowledgement Matrix

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the CalMHSA Proposed Revenue and Expenditure Report – June 30, 2017

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2017 – To be distributed under separate cover
- Letters of Acknowledgement Matrix

Letters of Acknowledgement

County	PHASE II FUNDING FY 15-16 LOA Rcvd & Funding Projected		Date Payment Received	PHASE II Funding Received FY 15-16	FY 16-17 LOA Rcvd & Funding Projected (Phase II)		Date Payment Received	PHASE II Funding Received FY 16-17
	\$	%			\$	%		
Alameda County	\$ 342,215.00	3%	8/27/2015	\$ 342,216.00	\$ 290,883.00	3%		\$
Alpine County								
*Amador County								
Butte County	\$ 25,000.00	6%	7/31/2015	\$ 25,000.00				
*Calaveras County								
City of Berkeley								
Colusa County	\$ 11,414.00		8/17/2015	\$ 11,414.00				
Contra Costa County								
Del Norte County								
El Dorado County	\$ 9,471.00	1%			\$ 9,471.00	1%		
Fresno County	\$ 455,864.00	7%	10/20/2015	\$ 455,864.00	\$ 373,607.80	6%		
Glenn County	\$ 12,536.00	3%	5/27/2015	\$ 12,536.00	\$ 18,000.00	3%	5/27/2015	\$ 13,493.00
Humboldt County	\$ 8,198.31				\$ 8,198.31			
Imperial County	\$ 48,915.00	4%	9/10/2015	\$ 48,915.00	\$ 48,915.00	4%		
Inyo County								
Kern County	\$ 120,019.19	2%	9/25/2015	\$ 120,019.19	\$ 120,019.19	2%	9/25/2015	\$ 120,019.19
Kings County	\$ 48,373.00	5%	7/21/2015	\$ 48,373.00	\$ 48,373.00	5%		
Lake County								
Lassen County								
Los Angeles County								
Madera County	\$ 15,200.00	2%	7/23/2015	\$12,200	\$ 15,000.00	2%		
Marin County	\$ 75,000.00	5%	11/10/2015	\$ 75,000.00	\$ 75,000.00	5%		
Mariposa County								
Mendocino County	\$ 7,180.00	1%	9/10/2015	\$ 7,180.00	\$ 8,625.00	1%		
*Merced County								
Modoc County	\$ 6,522.00	4%	9/28/2015	\$ 6,522.00	\$ 6,522.00	4%		
Mono County								
Monterey County	\$ 252,000.00	7%	8/10/2015	\$ 252,000.00	\$ 252,000.00	7%		
Napa County	\$ 9,391.00	1%	9/14/2015	\$ 9,391.00	\$ 10,471.00	1%		
Nevada County	\$ 5,000.00	1%	10/14/2015	\$ 5,000.00	\$ 5,000.00	1%		
Orange County	\$ 900,000.00	4%	10/27/2015	\$ 900,000.00	\$ 900,000.00	4%		
Placer County	\$ 162,000.00	6%	8/20/2015	\$ 162,000.00	\$ 162,000.00	6%		
Plumas County	\$ 25,000.00	6%	10/5/2015	\$ 25,000.00	\$ 25,000.00			
Riverside County	\$ 516,058.00	4%	8/11/2015	\$ 516,058.00	\$ 526,379.00	4%		
Sacramento County	\$ 342,486.00	3%	7/21/2015	\$ 342,486.00				
San Benito County	\$ 25,000.00	5%	11/4/2015	\$ 25,000.00				
San Bernardino County	\$ 561,894.00	4%	9/22/2015	\$ 561,894.00	\$ 561,894.00	4%		
San Diego County	\$ 650,000.00	3%	11/4/2015	\$ 650,000.00				
San Francisco City And County	\$ 100,000.00	2%	7/15/2015	\$ 100,000.00	\$ 100,000.00	2%		
San Joaquin County	\$ 174,662.54	4%	1/14/2016	\$ 174,662.54	\$ 174,662.54	4%		
San Luis Obispo County	\$ 67,308.00	4%			\$ 67,308.00	4%		
San Mateo County	\$ 90,508.00	2%	10/06/2015	\$ 90,508.00	\$ 95,965.00	2%		
Santa Barbara County								
Santa Clara County	\$ 550,000.00	4%						
Santa Cruz County								
Shasta County	\$ 11,485.00	1%	10/12/2015	\$ 11,485.00	\$ 13,000.00	1%		
*Sierra County								
Siskiyou County								
Solano County	\$ 53,930.00	2%	8/11/2015	\$ 53,930.00	\$ 60,611.00	2%		
Sonoma County	\$ 109,000.00	4%	9/1/2015	\$ 109,000.00				
Stanislaus County	\$ 90,000.00	1%	10/27/2015	\$ 90,000.00				
Sutter/Yuba County	\$ 39,185.00	4%	9/28/2015	\$ 39,185.00	\$ 39,185.00	4%	2/9/2016	\$ 39,185.00
*Tehama County								
Tri-City Mental Health Center	\$ 14,852.00	1%	9/23/2015	\$ 7,426.00	\$ 15,181.00	1%		
Trinity County	\$ 10,000.00	4%	10/2/2015	\$ 10,000.00	\$ 10,000.00	4%		
Tulare County	\$ 31,443.17	1%	4/27/2015	\$ 31,443.17	\$ 31,443.17	1%	4/24/2015	\$ 31,443.17
Tuolumne County	\$ 16,715.00	5%	5/20/2015	\$ 16,715.00	\$ 16,715.00	5%	5/20/2015	\$ 16,715.00
Ventura County	\$ 52,500.00	1%	11/9/2015	\$ 52,500.00	\$ 53,500.00	1%		
Yolo County	\$ 35,000.00	2.2%			\$ 35,000.00	2.2%		
TOTAL	\$ 6,081,325.21	3%		\$ 5,400,922.90	\$ 4,177,929.01	3%		\$ 220,855.36
Balance Due				\$ 680,402.31				\$ 3,957,073.65

KEYS
BLUE = PHASE I FY 14-15
GREEN = PHASE II FY 15-16
PURPLE = PHASE II FY 16-17
ORANGE = HAS IDENTIFIED FUNDING FOR SPECIFIC PROGRAM
RED = VERBAL COMMITMENT

Agenda Item 7

SUBJECT: FINANCE COMMITTEE ELECTIONS

ACTION FOR CONSIDERATION:

Discuss Finance Committee positions regarding expiring terms and current vacancies for Recommendation to the Board.

BACKGROUND AND STATUS:

On July 14, 2011, the CalMHSA Board of Directors approved the standing Finance Committee. The Board adopted the charter at the October 13, 2011 Board Meeting. Key items in the Charter include:

- Chaired by the Treasurer of the CalMHSA Board of Directors, the Committee shall be composed of six (6) voting members, the CalMHSA Treasurer and a representative from each of the five (5) CMHDA regions. At least three (3) of the Committee members shall be CalMHSA Board Members, who shall be determined and appointed by the President and approved by the Board of Directors. Two (2) of the Committee members may be Chief Financial Officers of a County member of CalMHSA.
- The committee shall also include the President of the Board of Directors, who shall serve as a non-voting Ex Officio Member.
- Each committee member shall serve a two-year staggered term with renewal option upon recommendation of the Committee Chair and approval by the Board of Directors. New members (to fill vacancies or at the expiration of an existing member’s term) shall be appointed by the Board President and approved by the Board of Directors.

The existing Committee and terms are below for discussion. Recommendations from this meeting to be presented to the Board at the June 9, 2016 board meeting.

Position/Region	Nominee	Term
Chair	Dawan Utecht, Fresno County	May 1, 2015 – June 30, 2016**
Bay Area	Michael Lucid, Sonoma County	July 1, 2015 – June 30, 2017
*Central	Dennis Koch, Madera County	July 1, 2015 – June 30, 2017
*Los Angeles	William Arroyo, Los Angeles County	February 29, 2012 – June 30, 2017
*Superior	Terence Rooney, Colusa County	July 1, 2015 – June 30, 2017
Southern	VACANT	NA
Ex Officio	Maureen Bauman, Placer County	NA

*Central, Los Angeles, Superior regions to be staggered per CalMHSA Bylaws: Section 6.3.4.

**CalMHSA Bylaws: Section 5.3 - Terms of Office

5.3.1 The terms of office for the President, Vice President, Treasurer, and Secretary shall be for two years, commencing with the start of the fiscal years in each of the odd calendar years or until their successors are elected.

5.3.2 In accordance with Government Code § 53607 and CalMHSA Investment Policy, the Treasurer (an elected position) shall be appointed every year as the investment delegate by the President of the Board.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

Discuss Finance Committee member expiring terms and vacancies for Recommendation to the Board.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Charter for the CalMHSA Finance Committee – Adopted October 13, 2011



Charter for the CalMHSA Finance Committee

Adopted October 13, 2011

I. Purpose

The Finance Committee (the Committee) is a standing committee of the Board of Directors of the California Mental Health Services Authority (CalMHSA). The purpose of the Committee shall be to oversee, review, and provide direction to the CalMHSA Board of Directors regarding CalMHSA financial matters and investment programs.

II. Composition

The Committee shall be composed of six (6) voting members, the CalMHSA Treasurer and a representative from each of the five (5) CMHDA regions. At least three (3) of the Committee members shall be CalMHSA Board Members, who shall be determined and appointed by the President and approved by the Board of Directors. Two (2) of the Committee members may be Chief Financial Officers of a County member of CalMHSA.

The committee shall also include the President of the Board of Directors, who shall serve as a non-voting Ex Officio Member.

III. Chair of Committee

The Treasurer of the Board of Directors shall serve as the Committee Chair.

IV. Chair Term of Office

Term is designated in the CalMHSA Bylaws for the Treasurer of the Board of Directors.

V. Member Term of Office

Each committee member shall serve a two-year term with renewal option upon recommendation of the Committee Chair and approval by the Board of Directors. New members (to fill vacancies or at the expiration of an existing member's term) shall be appointed by the Board President and approved by the Board of Directors.

VI. Duties

1. Review CalMHSA's financial policies and make recommendations for the Board's approval.

2. Review the proposed annual operating budget presented by the Executive Director. After any appropriate revisions, the committee will accept the budget. Then the committee chair will present the budget to the Board of Directors for approval.
3. Interview and recommend selection of the external auditor when directed by the Board of Directors.
4. Review audited financial statements and accept and file report.
5. Recommend guidelines and goals for the investment of CalMHSA's funds to the Board of Directors.
6. Review the status of CalMHSA's investments.
7. Review bids and select the investment manager/consultant when directed by the Board of Directors.
8. Other duties as authorized by the CalMHSA Board of Directors.

Agenda Item 8

SUBJECT: FINANCE COMMITTEE TELECONFERENCE MEETING CALENDAR FOR FISCAL YEAR 2016-2017

ACTION FOR CONSIDERATION:

None, Information only.

BACKGROUND AND STATUS:

Staff has created a committee calendar for fiscal year 2016-2017. Dates have been selected based upon the board of directors meeting schedule and items needing the committee's attention. Please review your calendars for participation in the meetings

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Proposed Finance Committee Teleconference Calendar for Fiscal Year 2016 - 2017

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- Finance Committee Teleconference Calendar for Fiscal Year 2016-2017



**FINANCE COMMITTEE CALENDAR of MEETINGS
FISCAL YEAR 2016-2017**

<u>Date:</u>	<u>Time:</u>	<u>Location:</u>
July 25, 2016	3:00 pm – 4:00 pm	Teleconference <i>Financial Audit Engagement Letter State Hospital Beds</i>
September 12, 2016	3:00 pm – 4:00 pm	Teleconference Cash Flow Management
October 24, 2016	3:00 pm – 4:00 pm	Teleconference Cash Flow Management
December 5, 2016	3:00 pm – 4:00 pm	Teleconference <i>Review of Draft Financial Audit, June 30, 2016 Review of the first quarter financial statements for the period ending September 30, 2016</i>
January 23, 2017	3:00 pm – 4:00 pm	Teleconference Cash Flow Management
March 20, 2017	3:00 pm – 4:00 pm	Teleconference <i>Review of the second quarter financial statements for the period ending December 31, 2016</i>
May 8, 2017	3:00 pm – 4:00 pm	Teleconference <i>Review of the third quarter financial statements for the period ending March 31, 2017 Review of Annual Revenue and Expense Report – Proposed Budget, June 30, 2018 for presentation at next Board of Directors Meeting</i>

Agenda Item 9

SUBJECT: EXECUTIVE DIRECTOR FINANCE REPORT

ACTION FOR CONSIDERATION:

None, Information only.

BACKGROUND AND STATUS:

CalMHSA Executive Director, Wayne Clark, will report on CalMHSA finance topics. The following topics may be discussed:

- Strategic Development of 2016/2017 Revenue
- Drug Medi-Cal – Status
- Financial Modernization Pilot Program – Status
- Private Sector Feasibility Study
- Other Financial Matters

FISCAL IMPACT:

None.

RECOMMENDATION:

None, Information only.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Financial Modernization Pilot Program

SUBJECT: Short Doyle Modernization (SDM) Project

BACKGROUND AND STATUS:

The Department of Health Care Services (DHCS) has indicated the need to explore options to transition from Short-Doyle 2 to a new billing system. In response, the County Behavioral Health Directors Association of California (CBHDA) Financial Services and Information Technology (IT) Committee members and staff proposed a migration from the state-operated Short-Doyle 2 system to HIPAA-compliant, county-based encounter data systems that use certified vendors/systems to collect and store encounter information locally. This solution is intended to simplify the federal reimbursement process for the state and counties, and allow counties and their vendors to fully implement the federal information coding and exchange requirements. Since the Short Doyle Modernization (SDM) project began in 2013, the scope has changed from solely an information technology project to a project that is inclusive of fiscal and delivery system considerations.

PROJECT UPDATES:

1. Short Doyle 2 Enhancement Project

Survey responses from county behavioral health staff will inform any potential county-funded enhancements to Short Doyle 2, with a goal of maximizing available state and county resources. CalMHSA, CBHDA and DHCS staff completed an extensive review process of each potential area for enhancement to understand DHCS priorities and mandates in these priority areas. Attached is a document summarizing this process and staff recommendations for cost neutral enhancements.

2. Fiscal and Delivery System Pilot Study

CBHDA, CalMHSA and DHCS staff have worked together to define and operationalize the Fiscal and Delivery System Pilot Study that was approved as part of the Short Doyle Modernization Project Charter. DHCS representatives have indicated an interest in reviewing a proposal from the counties related to improving the timeliness and accuracy of federal reimbursement to the Mental Health Plans. DHCS leadership has also historically indicated that the Medi-Cal Specialty Mental Health system could benefit from moving from the current non-risk fee for service system to an at risk federal payment structure under the 1915(b) waiver.

The goal of the pilot study is to provide counties with the background and structure necessary to consider the risks and benefits associated with proposing changes to California's current specialty mental health delivery system and financial risk structure. CalMHSA has entered into a contract with Harbage Consulting in order to implement Phase 1a of the Pilot Study. This phase of the pilot study identified and analyzed the intersection of Medi-Cal beneficiary characteristics, treatment design, and charge and cost variables consistent with the goals of improved care and cost effectiveness. These results were

presented to the CBHDA Governing Board in April 2016. CBHDA members directed CBHDA and CalMHSA staff to propose next steps and this work is underway.

3. Long Range Medicaid Information Technology Architecture (MITA) Planning.

State MITA planning efforts are currently focused on modernization of the state's Medi-Cal eligibility determination system (MEDs). DHCS staff provide regular updates to the CBHDA Information Technology Committee. If the draft MITA plan is approved by CMS, there will be opportunities for counties to participate in the stakeholder process.

NEXT STEPS:

1. Continue to work with members to collect contributions to support implementation of the project. Update and analyze project budget to determine funds available for any possible Short Doyle 2 system improvements and for additional work related to the Fiscal and Delivery System Pilot Study.
2. Obtain feedback from participating counties regarding staff recommendations for cost neutral Short Doyle 2 system improvements.
3. Continue to participate in MITA planning efforts.

FISCAL IMPACT:

At the onset of the project in 2013, the required resources were estimated at \$300,000. This budget was based on the cost of a feasibility study for a Short Doyle 3 data system. Since then, the project has changed scope to include three program areas that require staffing over multiple years: Short Doyle 2 Enhancements, Fiscal and Delivery System Pilot Study and county participation in Medicaid Information Technology Architecture (MITA) planning.

Counties were first billed for their share of cost in August 2013. To date, 50 counties have opted to contribute a total of \$284,000 to support this project. Two counties have indicated plans to contribute to the project (Alameda and Humboldt), four have opted out (El Dorado, Lassen, Mariposa, Santa Cruz) and three have not indicated their plans (Mendocino, Plumas, Sierra). If all counties were to support the project, available funds would increase by about \$16,000.

Expenses associated with the Short Doyle Modernization Project:

1. Short Doyle 2 Enhancements are being explored and cost estimates are not available at this time.
2. Fiscal and Delivery System Pilot: Phase 1a expenses are budgeted for \$100,000 in the Harbage Consulting contract. Depending on the results from Phase 1a and how counties opt to proceed, a Phase 1b may be needed. The scope and cost of Phase 1b is unknown at this time.
3. County Participation in MITA Planning is considered to be cost neutral at this time.

4. CalMHSA Administrative and Fiscal Role: CalMHSA has been asked to assume a substantial administrative and fiscal role in staffing the project, contracting with counties, procuring and contracting for services. From 2013 to 12/31/2015, CalMHSA expenses to conduct these activities were about \$60,000. It is anticipated that CalMHSA would continue to provide administrative and fiscal support from January to June 2016. The total estimated CalMHSA expenses for FY 13-14, 14-15 and 15-16 are \$68,000.

RECOMMENDATION(S):

None.

TYPE OF VOTE REQUIRED:

None.

REFERENCE MATERIAL(S) ATTACHED:

- Short Doyle Modernization (SDM) Project Charter
- Priority Enhancements to Short-Doyle 2: Summary of Process & Staff Recommendations

Project Charter

Short Doyle Modernization (SDM) Project Charter

Project Start Date: April, 2013
Project Steering Committee

Project End Date: June, 2015
Team Members

Member	Role	Email Address
Deepa Pochiraju	DHCS/OHC	deepa.pochiraju@dhcs.ca.gov
Don Kingdon	CBHDA	dkingdon@cbhda.org
Karen Eckel	DHCS/PMO	karen.eckel@dhcs.ca.gov
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Mary Hale	CBHDA/FIN	mhale@ochca.com
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Mike Geiss	CBHDA/Co	
Robert Morison	DHCS/IT	robert.morison@dhcs.ca.gov
Sarah Brichler	CalMHSA	Sarah.brichler@calmhsa.org
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Susan King	DHCS/SUD	Susan.King@dhcs.ca.gov
Thad Dickson	CBHDA/Co	
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Toquyen Collier	DHCS/IT	toquyen.collier@dhcs.ca.gov
Vic Singh	CBHDA/IT	vsingh@sjcbhs.org

Member	Role	Telephone
Karen Eckel	Project Manager/Author	(916) 323-1726
Toquyen Collier	DHCS	(916) 440-7279
Robert Morison	DHCS	(916) 322-8044
Kathie Tyler	DHCS	(916) 440-7776
Chuck Anders	DHCS	(916) 319-8199
Sarah Brichler	CalMHSA	(916) 859-4827
Kim Santin	CalMHSA	(916) 859-4820
Don Kingdon	CBHDA	(916)
Dan Walters	CBHDA/County	(661) 868-6710

In Scope

1. Federal Reimbursement Pilot Study
 - a. Develop a Federal Reimbursement Pilot Study methodology which includes identification and testing of the variables necessary to develop a risk adjusted specialty mental health capitation formula that could be used by each county MHP to develop a proposed annual per member/per month (PM/PM) payment.
 - b. Conduct Pilot Study (with 3-6 counties)
 - c. Create a concept and proposed methodology document to present to DHCS for review by CMS
 - d. Implement SPA and/or waiver changes along with key stakeholders.
2. Short Doyle 2 Enhancement Project
 - a. Design and implement short term adjustments to the SD 2 system with the goal of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing.
 - b. The top two areas for system improvement were identified as:
 1. Improve reconciliation between 837's (claims) and 835's (remittance advice):
 2. Fix current, outstanding bugs in system:
3. Long Range MITA Planning
 - a. County behavioral health representatives will participate in the federally required MITA process; and provide perspective regarding the behavioral health component as part of the planning process.

Out of Scope

1. Anything outside of Efforts 1-3.
2. Changes, enhancements, or modifications to SD2 that are not included in the SOW.
3. System build resulting from CMS approval to implement new Reimbursement methodology derived from the Pilot Study.

Project Objective Statement

The objective of the SDM project is to explore an alternative payment or reimbursement system starting with a pilot study while concurrently providing direction and resources for enhancing the current system with the goal of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing. During the life of the project, focus will also be given to Medicaid Information Technology Architecture (MITA) long range planning to ensure that the ongoing solution will align with MITA Standards and Conditions and promote a more mature system that meets the needs of all Stakeholders.

Project goals

1. Improve reconciliation of 837's and 835's.
2. Decrease the incidence of inappropriately adjudicated claims by enhancing the current SD2 system.
3. Develop a federal reimbursement methodology to be tested by a small group of counties.
4. Produce a white paper for CMS that supports an alternative payment methodology for reimbursement of Behavioral Health Claims.
5. Provide the opportunity for DHCS, CBDHA, and CalMHSA to form a partnership to proactively collaborate in joint ventures which result in improved Behavioral Health Services and reimbursement of the same.
6. Position the department to advance our MITA maturity.

Project Charter

Short Doyle Modernization (SDM) Project Charter

Benefits

1. Measured improvement towards MITA principles and maturity levels that will align with MITA Standards and Conditions and promote a more mature system that meets the needs of all Stakeholders.

Assumptions

1. The short term support for SD 2 claims adjudication will be a priority project component and will require consulting and financial resources contributed by federal, state and county partners.
2. The design and implementation of the federal reimbursement pilot study will require the participation of DHCS policy and fiscal staff in all phases of the project. County selection will be an early priority as will county development of the data sources, information technology, and fiscal changes needed for the participating counties to implement the desired changes to simulate the proposed reimbursement methodology.

Dependencies/Constraints

1. A key initial component of the enhancement effort will be the identification and prioritization of the needed SD 2 enhancements.
2. County Selection will be an early priority
3. Selected Counties will be able to develop data sources and perform IT and Fiscal changes timely.
4. Sufficient access to appropriate levels of SMEs from County and State program areas
5. Timely review and approval of draft and final deliverables
6. Scope – Claiming Process

Risks

1. Scope Creep
2. Stakeholder Expectations

Trade-offs

Dimension	Schedule	Cost	Resources
Constrained (Least Flexible)		X	
Accepted (Somewhat Flexible)			X
Improved (Most Flexible)	X		

Critical Success Factors

1. Continuity in services.
2. More timely and accurate estimate of federal payment to the county for cash flow purposes.
3. County participation in the long term approach to alignment with MITA Maturity Improvement Initiatives DHCS behavioral health enterprise concept of operations.

Roles and Responsibilities

Steering Committee

1. Champion the project at the executive level
2. Provide prompt decisions to keep the project on track

Team Members

1. Execute project tasks
2. Manage project risks and issues
3. Maintain appropriate communication

Governance Team Committee

Member	Role	Email Address
Barney Gomez	DHCS/IT	Barney.Gomez@dhcs.ca.gov
Brenda Grealish	DHCS/SUD	Brenda.Grealish@dhcs.ca.gov
Chris Cruz	DHCS/IT	Chris.Cruz@dhcs.ca.gov
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Vic Singh	CBHDA/IT	vsingh@sjcbhs.org

Charter Approval

Member	Signature	Date
Karen Johnson		
Karen Baylor		
Chris Cruz		
Barney Gomez		
Philip Heinrich		
Robert Oakes		
Maureen Bauman		

Priority Enhancements to Short-Doyle 2: Summary of Process & Staff Recommendations

In May 2014, county staff from Behavioral and Mental Health Departments were asked to indicate their priorities for improving the Short-Doyle 2 claims processing system by responding to a survey. The survey was designed with input from the counties through CBHDA committees, the SWAT team, and CBHDA, CalMHSA and DHCS staff. Survey results were collected from 71 individuals representing 41 counties and are being utilized to drive the direction of Short Doyle 2 Enhancement planning. The top two areas for system improvement were identified as: **1. Improve reconciliation between 837's (claims) and 835's (remittance advice)** and **2. Fix current, outstanding bugs in system**. Respectively, 72% and 56% of respondents ranked these areas as important to change.

A workgroup of CalMHSA, CBHDA, DHCS and county staff was formed to respond to the requests from counties that were expressed through the survey process. DHCS staff time dedicated to this effort is appreciated. One goal of the workgroup is to understand DHCS priorities and mandates and maximize available state and county resources. Work is underway in some of these priority areas and it will be important to capitalize on any existing opportunities. Over the past year, this workgroup has worked to clarify and identify the actions necessary to respond to county requests. The county requests were grouped by the types of approaches necessary to resolve them (e.g. requiring an information technology solution, policy change, etc.) Among the items that require an information technology solution, several were selected by the project team for consideration:

1. Fixes/enhancements to the 276/277 transaction in response to county requests for a query function and batch claims submission. **As a result**, DHCS staff are exploring how the 276/277 transaction has been implemented in CA and how it could be utilized. Specifically, they will be exploring the requested option of submitting batch queries. Documentation of this utility and training will certainly be strongly considered.
2. Improve reconciliation between 837's (claims) and 835's (remittance advice): Allow Counties to submit electronic Over-1-year 837 Claims and receive 835 RA; create a separate processing environment, if needed. **As a result:**
 - o MedCCC and the Enterprise Innovation Technology Section are working collaboratively to address both paper and electronic submission of over-one-year claims. This effort will probably require a new system with updated business requirements and updated internal controls.

The following changes are proposed to be made as part of the Short Doyle 2 migration to the BHIS system. This migration is anticipated to occur within about one year.

3. Fix current, outstanding bugs in system: Automated audit checking of 837/835 files to identify and reject duplicate files.
4. Improve reconciliation between 837's (claims) and 835's (remittance advice): For chronological sorting, change the Date segment of the naming convention for posted files to "YYYYMMDD" instead of "MMDDYYYY".

Another priority expressed in the survey is to improve communications between DHCS and the counties. Some of the notable improvements are:

- Reinstatement of the monthly Trading Partners Forum,
- Revived Action Item List,
- California Outcomes Measurement Systems and Client and Services Information System participation in the monthly forums,
- DHCS' County Customer Services' (MedCCC) participation at CBHDA monthly meetings.