AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE		BOARD MEETING DATE	AGENDA NUMBER
Approve an increase from $2 million to $3.8 million in the amount of Solano County's annual Intergovernmental Fund Transfer to the State of California for mental health services, increasing from $3 million to $5.7 million the Federal Medicaid match received for FY2009/10 and FY2010/11; Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California and any related documents; and Approve an Appropriation Transfer Request to recognize $4.08 million in unanticipated Federal Other revenue and corresponding appropriations of $3.8 million in Support and Care of Persons and $280,000 in Buildings and Improvements in the FY2010/11 Budget (4/5 vote required)		**November 23, 2010**	**9**
Dept:	**Health and Social Services**	**Supervisorial District Number**	
Contact:	**Patrick O. Duterte, Director**		
Phone:	**784-8414**	**ALL**	
	Published Notice Required?	**Yes_____**	**No___X___**
	Public Hearing Required?	**Yes_____**	**No___X___**

DEPARTMENTAL RECOMMENDATION:

The Health and Social Services Department (H&SS) recommends the Board approve an increase from $2 million to $3.8 million in the amount of Solano County's annual Intergovernmental Fund Transfer (IGT) to the State of California for mental health services, increasing from $3 million to $5.7 million the Federal Medicaid match received for FY2009/10 and FY2010/11; Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California (PHC) and any related documents; and Approve an Appropriation Transfer Request (ATR) to recognize $4.08 million in unanticipated Federal Other revenue and corresponding appropriations of $3.8 million in Support and Care of Persons and $280,000 in Buildings and Improvements in the FY2010/11 Budget. (4/5 vote required)

SUMMARY/DISCUSSION:

On July 27, 2010, your Board approved an IGT in the amount of $2 million in County General Funds (CGF), already included in the FY2010/11 H&SS Budget, as a match to leverage an additional $3 million in Federal Medicaid funding. The Agenda Item now before the Board moves that process forward by requesting approval of an Appropriation Transfer Request to allow the funds to be transferred from the County to the State, and to increase the amount of the IGT to $3.8 million annually.

Since July, H&SS has worked with the California Department of Health Services (CDHS) and Partnership HealthPlan of California to develop the necessary agreements. H&SS has been notified by CDHS that the County may also utilize unmatched Mental Health Services Act (MHSA) funds to the IGT, drawing down additional Federal Medicaid funds.

H&SS has identified $1.8 million in MHSA funds to add to the IGT, increasing the County's participation from $2 million to $3.8 million and increasing the Federal drawdown from $3 million to $5.7 million. CDHS will increase its contracted rates with PHC in the amount of the IGT, along with the matching Federal Medicaid funds. PHC will amend the existing agreement with H&SS for mental health services for Medi-Cal clients, and pass through to the County both the $3.8 million in IGT funds and the Federal drawdown of $5.7 million.

The State will approve the IGT effective retroactively from July 2009 through June 2011 and submit it to the Center for Medicaid and Medicare Services (CMS) for federal approval. All of the funds associated with the IGT must be used for the provision of mental health services to Medi-Cal beneficiaries.

The additional Federal matching funds will be used, as detailed in the July 27, 2010 Board report, to improve access to mental health services and to mitigate the impact on clients and the community of service reductions resulting from Realignment fund losses and County General Fund (CGF) reductions experienced over the last two years.

The Department recommends that up to $280,000 of the additional Federal funds be allocated for the purpose of renovating space at 2101 Courage Drive previously occupied by Family Health Services. This space will become the new Fairfield Behavioral Health Clinic, integrating primary care, mental health, and substance abuse services. Approval of the ATR will allow General Services to proceed with building renovations and 2101 Courage Drive necessary to open the Clinic.

FINANCING:

The Department currently utilizes a combination of local funds, including CGF, Realignment, and MHSA funds to match approximately $14 million in Federal Medicaid funds for mental health services. The increase to the approved IGT amount would allow the Department to apply $1.8 million in otherwise unmatched MHSA funds toward the receipt of an additional $2.7 million in Federal Medicaid funds. Solano County receives approximately $8.5 million in MHSA funds annually as a result of Proposition 63, which increased taxes on incomes exceeding $1 million.

Approval of the Appropriation Transfer Request will allow the Department to transfer the $3.8 million in CGF and MHSA funds to the CDHS and to recognize a portion of the additional Federal funding in FY 2010/11. The IGT funds may be utilized over a period of several years, which will allow the Department to maintain service levels and mitigate the impact of the decreased in CGF and Realignment funding for the next 2-3 year period. In order to track and monitor the use of funds over a two-to-three year timeframe, H&SS in cooperation with the Auditor-Controller, will establish a reserve account for the IGT funds. There is no additional impact on the CGF.

ALTERNATIVES:

The Board may choose to not authorize the increase in the IGT amount. This is not recommended because doing so would have no impact on County General Fund expenditures, while foregoing $2.7 million in additional Federal funding. Declining to pursue this Federal funding would hamper the Department's efforts to better meet the County's near-term mental health and related public safety needs.

OTHER AGENCY INVOLVEMENT:

The CDHS has included the IGT funding for Solano County in the State's FY2010/11 budget. The PHC's Board of Directors has approved participation in the IGT. The ACO has reviewed the ATR.

CAO RECOMMENDATION:

APPROVE DEPARTMENT RECOMMENDATION

DEPARTMENT HEAD SIGNATURE:

Patrick O. Duterte, Director Health and Social Services

18 Nov 10
Date