

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
October 17, 2017
Timed Item: 10:30 A.M.

To: Board of Supervisors

From: County Executive Office

Subject: City Of Sacramento Requests For Services Related To Whole Person Care Pilot Program

Supervisory District: All

Contact: Paul Lake, Deputy County Executive, 874-5886

Overview

The Whole Person Care Pilot (WPC) is a Medi-Cal waiver program that tests ways to coordinate physical health, behavioral health, and social services for Medi-Cal beneficiaries who are high users of health care and have poor outcomes. The City of Sacramento did apply for, and was awarded, a pilot, and is now asking the County to assist them with implementation. This report addresses the City's requests.

Recommendation

That County staff continue to work with the City of Sacramento to:

- Provide technical assistance and training to the City's WPC team on accessing county behavioral health services;
- Develop an on-the-ground protocol for outreach and enrollment to prevent duplication of service in the programs;
- Develop criteria and processes for accepting referrals of WPC clients to the County's federally qualified health center, and;
- Explore data sharing, once the City of Sacramento provides specifics on how they will maintain their data, information on design, clarity on their information technology systems, and compliance with Health Insurance Portability and Accountability Act (HIPAA) laws.

Measures/Evaluation

None.

Fiscal Impact

None.

BACKGROUND

Whole Person Care Pilots - The Whole Person Care (WPC) Pilot is a five-year program authorized under California's Medi-Cal 2020 waiver to test initiatives that coordinate physical health, behavioral health, and social services for vulnerable Medi-Cal beneficiaries who are high users of multiple health care systems and who continue to have poor outcomes. A WPC pilot

may target individuals who are experiencing, or are at risk of, homelessness and have a demonstrated Medi-Cal need for housing or supportive services.

The general goals of the WPC pilot are:

- Increasing appropriate access to care for the most vulnerable Medi-Cal beneficiaries;
- Reducing inappropriate hospital emergency department and inpatient utilization;
- Improving their overall health, and;
- Successfully achieving permanent housing for Medi-Cal beneficiaries who are homeless or at risk of becoming homeless.

In the WPC, the lead entity provides the non-federal share of costs to the federal government through the State in advance via an Intergovernmental Transfer (IGT). (Federal funds, such as Medicaid paid to a County or a provider organization, and donations from a healthcare provider that benefits from Medicaid, such as hospitals, are not allowable sources for the IGT.) If the lead agency meets defined metrics approved the State, the entity provides payment for the WPC approved services. Examples of approved uses are care coordination, outreach, information technology infrastructure, housing-finding services, and case management to maintain housing. Lead agencies may not spend WPC funds on services that are otherwise eligible for Federal Medicaid reimbursement, such as housing or health care, including mental health and substance abuse treatment services currently within the Drug/Medi-Cal benefit. Reimbursement of the local match is contingent upon quantitative demonstration of successful outcomes as described above and on reduced overall health care costs to Medicaid.

City of Sacramento Whole Person Care Program - The State of California has granted lead agency status to the City of Sacramento (City) for a local Whole Person Care Pilot. Since the announcement of that award, City staff has requested County Executive and Department of Health and Human Services staff at various levels to assist with design, implementation, and service provision to implement the program.

City and County staff have met to discuss the County's role relative to the City's program, with the guidance of a facilitator. On September 27, 2017, the facilitator presented to the City-County Homeless 2-by-2 Committee recommendations based on these discussions and on interviews with selected elected officials, city and county executive staff, hospital representatives, providers, and the Sierra Health Foundation.

County's Decision Not To Apply For Whole Person Care Pilot - The Department of Health and Human Services reviewed the purpose, goals, and requirements of the Whole Person Care Pilot and, with the concurrence of the County Executive Office, decided to forego applying for the waiver. The two key factors in this decision were as follows:

1. As noted above, WPC funds can pay for navigation and case management, but it cannot pay for critical service needs such as healthcare, behavioral health treatment, and housing. County staff concluded that adding navigators and case managers will increase referrals without actually increasing the availability of treatment services or housing that those who are homeless need the most.

Rather than using local dollars to invest in navigation and care coordination through a WPC Pilot, the County has focused its resources on programs that build service capacity for homeless and vulnerable individuals of all ages who are experiencing a serious mental

illness. These treatment services are essential to housing stability for persons experiencing homelessness and are a prerequisite to improve health and strategies to exit homelessness to permanent housing or to maintain current housing.

- **Mental health crisis residential programs (CRP)** - The County has invested nearly \$6 million to open four CRPs that will reduce reliance on hospitalization and emergency room use. One of those opened last year and two more are in construction phase and should open by the early next year.
 - **Mental health urgent care clinic** – With a capacity to serve 300-400 people, this new program will offer a new intermediate service level that bridges outpatient services and inpatient settings. This program serves as a better alternative to psychiatric hospitalization and unnecessary or inappropriate emergency room use.
 - **Substance use disorders treatment**– The County is pursuing the Drug Medi-Cal-Organized Delivery System waiver to increase services for substance use disorders. These services include new reimbursable services such as recovery services and case management along with federal reimbursement for residential and detox treatment. With more services, individuals who are homeless or at risk for homelessness and have substance abuse issues will be more likely to stabilize so they can achieve and maintain successful housing and manage their recovery.
 - **Increasing capacity at the Mental Health Treatment Center and Other Inpatient and Residential Settings** – The County is implementing increased options such as sub-acute residential treatment beds and an off-site criminal justice trial competency restoration program. These options release inpatient mental health treatment beds for individuals in the community who are homeless or who become homeless due to mental illness or who present at hospital emergency rooms.
 - **Mental health services to children** – The County is working to expand short-term residential treatment for foster children to implement the statewide Child Welfare Continuum of Care Reform initiative. A variety of treatment options focused on this foster care population will enable the County to place foster children in foster homes as expeditiously and safely as possible and increase their likelihood for long-term success, preventing future homelessness.
 - **Full-service re-housing shelter** – This will provide 24-hour dormitory-style shelter for up to 75 people at a time (up to 300 annually), with accommodations for partners, possessions, and pets, mental health and substance abuse services, and re-housing assistance.
 - **Redesigned family shelter system** – The County is changing its investment plan to provide up to 33 high risk, unsheltered families each night (270 annually) a safe place to stay and receive services toward stable permanent housing.
 - **Transitional housing** – This will provide short-term housing for individuals and families with employment, life skills, and recovery services as they transition to stable permanent housing.
2. The WPC would risk County dollars that could be better spent on service programs rather than navigation and care coordination. Federal law authorizing WPC requires local contributions be public funds that qualify for Federal Financial Participation under Medicaid

law. Using unallowable funds provided by organizations related to healthcare providers, such as hospitals, creates federal audit risk; the County could be required to substitute County dollars.

Additionally, the County would have to demonstrate improvements in certain health outcomes, such as emergency department utilization, reduced psychiatric symptoms, and controlled diabetes. If we could not provide data to show improved health care outcomes and/or Medicaid savings, the federal government could force the County to cover the costs of the waiver-funded programming.

The ability to demonstrate improved outcomes would be very difficult, for two reasons. First, realizing improved outcomes will be difficult without actually increasing service capacity. Second, collecting the necessary data from Sacramento's complex health care systems will be difficult. Unlike most counties with a public hospital or one or two health systems, Sacramento County has four hospital systems, five Medi-Cal managed care plans (with one more coming), and numerous physician provider associations and Federally Qualified Health Centers. The County would have to track healthcare service utilization by homeless individuals across all of these systems, which would require substantial coordination of data systems and sharing of patient records. No technology infrastructure currently exists to support all service providers and systems.

County Behavioral Health Programs - Sacramento County implements its mental health and substance abuse treatment programs using a variety of federal, state, and local funding sources. The funding sources dictate the County's level of discretion for targeting and prioritizing distinct categories of participants for services. Programs with blended funding must meet the requirements and satisfy the restrictions for all sources.

- Medi-Cal accounts for the funding of a large percentage of County programs. Medi-Cal is an entitlement program, which means that federal and state laws and regulations prohibit favoring or providing more timely service access to any subgroups of eligible participants.
- The Mental Health Services Act (MHSA), approved in 2004 by the California electorate, provides funding to counties based on a comprehensive plan approved by the Board of Supervisors. The plan prioritizes programs and identifies target populations with specific required parameters and within certain categories identified by the MHSA program. Those categories include: Prevention and Early Intervention; Community Services and Support; Capital Facilities and Technology and Workforce Education and Training, and; Innovation.

Each of these components have different requirements for targeting and prioritizing populations. Some components also have requirement regarding the duration of the projects. Any changes to an MHSA program requires a re-analysis of the impact to the component requirement as well as the change to the agreed upon project, developed and recommended by a stakeholder process and approved by the Board of Supervisors. (For example, Prevention and Early Intervention (PEI) regulations require the County to dedicate more than 50 percent of PEI funds to programs that serve people under the age of 26. If any program is reduced, County staff must assess whether total spending would go below the 50 percent requirement and ensure that the component requirement is met as well as the redesigned

proposed changes are reviewed and re-recommended by the stakeholder process and reapproved by the Board of Supervisors in Plan annual amendments or updates.)

Additionally, MHSA mandates a thorough community and stakeholder process to target participants groups and prioritize programs before the Board of Supervisors adopts or amends its three-year plans. Any proposals to change previously approved programs and their target populations or reprioritization of services for specific groups must go through this community process and Board approval.

- Behavioral Health Realignment funding has several intended uses: to meet federal maintenance of effort requirements for mental health; to provide match for eligible Medicaid services; to expand or establish mental health services for children with serious emotional disturbance, adults with serious mental illness and individuals seeking substance use disorder treatment; to meet state requirements such as timely access to care following hospital discharge or to those seeking an outpatient service, and; to otherwise serve persons who need behavioral health services.
- CalWORKs Behavioral Health funding supports counseling services to adults with children receiving CalWORKs who require these services to address issues that are a barrier to obtaining or maintain employment.

DISCUSSION

County Commitments To Whole Person Care Implementation - Department of Health and Human Services executives and the Director of Homeless Initiatives participated in facilitated discussions about how the County can assist the City with implementation of its WPC pilot. The City-County Homeless Two-by-Two Committee and executive management from the County Executive Office and City Manager's Office then met with Hermocillo-Azevedo Strategic Communications, who facilitated the discussion, to discuss the result of the sessions (see Attachment 1).

From these discussions, the County has committed to the tasks described below.

- Participate in facilitated "City-County Leadership" meetings to discuss areas of interface between Whole Person Care and County services. Designated County staff will include the DHHS Deputy Director of Behavioral Health, the DHHS Deputy Director of Primary Health Services, and the Director of Homeless Initiatives. The City will designate its staff for these meetings. The Leadership Work Group will communicate regularly with the 2-by-2 Committee.
- Provide technical assistance and training to the City's WPC team on how to access county behavioral health services and the County's Health Center.
- Develop protocols for outreach and enrollment to prevent duplication of City and County services in their respective homeless programs. This will ensure that programs such as the County's flexible supportive re-housing program does not duplicate or interfere with Whole Person Care referrals for housing of the same person.
- Explore data sharing, once the City of Sacramento provides information on how they will maintain the data, information on design, clarity on their information technology systems, and compliance with Health Insurance Portability and Accountability Act (HIPAA) laws.

City of Sacramento Requests to Modify Mental Health Plan and Budget - In meetings with City of Sacramento staff, the City requested that the County amend its mental health plan and mental health budget to prioritize County behavioral health programs for Whole Person Care participants.

Behavioral Health and medical programs funded with Medi-Cal dollars cannot prioritize any eligible Medi-Cal recipient over any other, including those participating in Whole Person Care. Most mental health programs operated by Sacramento County fall within this category.

Many other programs serve entirely different groups of people than those that the City's WPC program will serve. Examples include caregiver respite, in-home prevention, suicide prevention programs for seniors and youth, and services to probationers and CalWORKs parents.

Either MHSA or State Department of Health Care Services (DHCS) funding for substance abuse prevention and treatment support the balance of County behavioral health programs. The Board of Supervisors has the flexibility to amend these programs to prioritize WPC participants, shifting the program objectives from meeting priority client service needs to helping the City reduce hospital and Medi-Cal provider health care costs. Should the County choose to explore modifying the current goals of the programs listed below, staff would analyze whether the change would conform to the relevant MHSA component requirements and initiate a revision of the community planning process that led to adoption of these programs as part of the MHSA Annual Plan. Both federal drawdown of Medi-Cal funds in these programs and MHSA funding would need to be recalculated. The analysis would also assess the impact to current and future clients that would otherwise benefit from these services.

Full Service Partnerships (FSP) for Adults in Sacramento County: These include Sierra Wellness FSP, Transcultural Wellness Center FSP, Turning Point FSP, Telecare FSP, in addition to the two dedicated FSPs for homeless clients – New Directions and Pathways. FSPs are a “whatever it takes” community based wraparound program that embed treatment, rehabilitation and an array of supportive services to keep individuals from higher levels of care and manage their mental health treatment in the community. Each of the listed programs has a specific target population agreed to through an extensive community planning process. For example, Turning Point FSP and Telecare FSP see individuals with history of psychiatric hospitalizations and persistent mental illness and serious impairments that require significant support. Sierra Wellness target older adult population; Transcultural Wellness Center FSP works with diverse Asian Pacific Islander community. Changing target populations would require a re-evaluation and new community discussion process.

Respite Centers: Mental health respite care, via drop-in centers and supportive services, provide short-term time-limited breaks in a safe environment for individuals who are at risk of or experiencing a mental health crisis. These centers prevent an acute mental health crisis from occurring and may provide an alternative to emergency department visits or psychiatric hospitalizations. Multiple type of respite programs exist in Sacramento targeting different

community needs. Some individuals who are homeless or at risk for homelessness utilize the respite center services.

Regional Support Teams: Core community based outpatient programs that have developed MHSA funded Community Care Teams to address barriers to entering treatment. Many people served have serious mental illness and are frequently precariously housed and at risk of losing housing without this level of support.

Wellness Recovery Centers: Peer staffed community based recovery center that provides treatment and peer centered services for adults with serious mental illness. Also provides wellness center services. Many people served have serious mental illness and are frequently precariously housed and at risk of losing housing without this level of support.

Substance abuse outpatient treatment services include individual assessment, collateral, crisis intervention, treatment planning, discharge planning, and group services. Staff would need to analyze the conditions of the DHCS and other funding to determine whether specific groups could receive priority over others, and what impact prioritizing WPC participants would have on service capacity for participants in the County's homeless initiatives and at County locations outside the City. A redirection of these services to WPC could also affect preparatory work for the Drug Medi-Cal Organized Delivery System waiver application, which will bring considerable flexibility for expansion of community-based treatment services to Sacramento County.

Following this analysis, County staff would facilitate the required community review process, bring recommendations to the MHSA Steering Committee, and ultimately recommend amendments of the MHSA Plan to the Board of Supervisors. Central to the discussion would be the impact that prioritizing WPC participants would have on existing programs and clients in need of service. The Board would also need to consider how prioritizing WPC participants would affect service capacity for participants in the County's Full-Service Rehousing Shelter and Flexible Supportive Rehousing Program who may not be high-end users of hospital emergency rooms. The latter could be a critical determinant of the success of the County's homeless initiatives.

Mental Health Services Act Budget - The City has presented multiple inquiries about the County's MHSA fund balances and budget, questioning whether the County has in appropriate unspent fund balance and whether the Board of Supervisors has been too conservative in setting aside MHSA funds for future needs. The table below, which staff provided to the Mayor of Sacramento and his representatives, summarizes the current five-year MHSA budget plan (with costs shown in millions).

City staff have requested that the County spend its unspent balance to provide immediate services to WPC participants, rather than setting aside reserves for sustainability needs, such as refinancing existing permanent supportive housing beginning in 2021 or ensuring commitments for No Place Like Home support services. Staff recommends against the City's request. The table shows that by the end of five years, the MHSA budget will be almost \$24 million short of the money needed to carry out its plan, let alone adding costs for additional services.

Projected Obligations	CSS*	PEI*	INN*	Cap/Tech*	Total
Refinancing Existing Permanent Supportive Housing	\$ (22.0)	\$ -	\$ -	\$ -	\$ (22.0)
Maintain Electronic Health Records	\$ (15.0)	\$ -	\$ -	\$ -	\$ (15.0)
UCC and CSU Innovation Term	\$ -	\$ -	\$ (27.5)	\$ -	\$ (27.5)
Sustain Urgent Care Clinic beyond INN funding	\$ (12.5)	\$ -	\$ -	\$ -	\$ -
Sustain proposed Crisis Stabilization Unit partnership beyond INN funding	\$ (15.0)	\$ -	\$ -	\$ -	\$ -
NPLH Treatment Commitment beginning FY 21-22	\$ (36.8)	\$ -	\$ -	\$ -	\$ (36.8)
Anticipated 5-year Revenue Gap to Meet Obligations	\$ (25.0)	\$ (15.0)	\$ -	\$ -	\$ (40.0)
Use of Projected 16/17 Unspent Balance	\$ 73.5	\$ 14.5	\$ 9.8	\$ 0.5	\$ 98.3
Prudent Reserve	\$ -	\$ -	\$ -	\$ -	\$ 19.3
Projected 5-Year Balance	\$ (52.8)	\$ (0.5)	\$ (17.7)	\$ 0.5	\$ (23.7)

* CSS - Community Services and Supports; PEI - Prevention and Early Intervention; INN – Innovation; Cap/Tech - Capital and Technological Needs

Refinancing Permanent Supportive Housing: Refinancing of two developments is coming due in 2023; however, the County will need to commit those funds in 2021. Refinancing of the six remaining developments will follow sequentially based on financing terms. While the original investment in the eight developments was approximately \$15 million, DHHS anticipates that refinancing will cost approximately \$22 million, based on inflation, lack of redevelopment funding availability in today’s market, and historical needs of each development. Failure to re-invest could result in not only the loss of 161 dedicated units for homeless individuals living with serious mental illness, but the loss of more than 600 units for the community, most of which are dedicated to housing the homeless.

Electronic Health Records: The Department is pursuing every available dollar in federal reimbursement. Vendor payments are not reimbursable. Staff is included in the Medi-Cal administration claim, as appropriate.

Sustaining Urgent Care Clinic: The California Mental Health Services Oversight and Accountability Commission (MHSOAC) has approval authority for new Innovation Projects. Counties must identify a sustainability plan beyond the term of the project in order for the MHSOAC to consider the project. The Mental Health Crisis/Urgent Care Clinic is a critical component of the behavioral health crisis services continuum. Therefore, the Department has identified MHSA funding to ensure the Clinic will continue beyond the Innovation project term.

Sustain Crisis Stabilization Unit: MHSOAC has approval authority for new Innovation Projects. Sacramento is currently working on a third Innovation project. Counties must identify a sustainability plan beyond the term of the project. The proposed Crisis Stabilization Unit (CSU) in partnership with Dignity Health and Placer County, located at Mercy San Juan Hospital

Emergency Department, will provide an invaluable behavioral health crisis service in a geographic area of the County that is currently lacking such services. Looking ahead at a successful expansion of capacity, the County has planned for its sustainability as this is a big investment by all parties involved and brings special benefit to this community. Therefore, DHHS has identified MHSA funding to ensure the CSU project meets the MHSA approval criteria and continues beyond the Innovation project term.

Twenty Year No Place Like Home Treatment Commitment: The County must make a 20-year treatment service commitment in order to submit a viable application for No Place Like Home (NPLH) funding. An ongoing, long-term commitment assures potential developers that tenants will have the support needed to maintain their housing.

Anticipated Five-Year Revenue Gap: The Department uses State revenue projections available at the time the MHSA Three-Year Plans and Annual Updates are developed. The State projections only provide three years of information; therefore, the County uses an estimated 2 percent revenue increase to project beyond State information. The Department works with a fiscal consultant to review the revenue projections and actual revenues received. The Department updates the MHSA revenue projections annually in the MHSA Plans and Updates, as appropriate.

MHSA Prudent Reserve: Welfare and Institutions Code Section 5847(b)(7) requires that each County establish and maintain 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 County can access the Prudent Reserve only when the State determines that the County has met the specific criteria as articulated in the Code. Since the County would not be able to meet those requirements, Sacramento County should not consider these as usable funds when reviewing unspent funds/closing balance.

FINANCIAL ANALYSIS

The County's commitments to work with the City of Sacramento as outlined in this report do not entail any new costs to departments.

Respectfully submitted,

APPROVED:

PAUL G. LAKE,
Deputy County Executive
Social Services Agency

NAVDEEP S. GILL,
County Executive

Attachment:

ATT - Hermocillo-Azevedo Report to 2x2 Committee