



**Agenda Item 6**  
**July 1, 2015**

**DATE:** June 19, 2015

**TO:** Children and Families Commission of Orange County

**FROM:** Christina Altmayer, Executive Director 

**SUBJECT:** Fiscal Leveraging Program

**ACTION:** Receive Update on Fiscal Leveraging Program and Adopt Resolution Authorizing Approval of the Memorandum of Understanding (MOU) with the County of Orange

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**SUMMARY:**

Since its inception, the Children and Families Commission has been focused on maximizing revenue opportunities to ensure that effective, proven strategies, that have been created through the Commission’s funding, are sustained beyond the cycle of direct funding. A key component of the Commission’s sustainability planning is working with contracted agencies to support them in leveraging available state and federal dollars. This agenda item provides an update on the Medi-Cal fiscal leveraging program and requests approval of the updated agreement with the County of Orange, as administered by the Health Care Agency, for the drawdown of Medi-Cal funds. Changes from the prior County agreement include removing outdated initial program start-up terms, memorializing current practices, and updating implementation terms and conditions

**DISCUSSION:**

**Fiscal Leveraging Program for Sustainable Community Investments**

The Commission’s fiscal leveraging program uses Proposition 10 revenue to match other available funds including federal, state, or other grant funding sources. The Commission, in partnership with the County of Orange Health Care Agency, has developed a local capacity for agencies to leverage Commission Proposition 10 grant awards as eligible certified public expenditures to receive federal Medicaid reimbursement for their participation in:

- Medi-Cal Administrative Activities (MAA) - outreach to assist individuals to access Medi-Cal and health care services.
- Targeted Case Management (TCM) - case management program targeting high-risk populations to assist them in gaining access to needed medical, social, educational, and other services.
- Early and Periodic Screening Diagnosis and Treatment (EPSDT) - provision of mental health services to children.

Community benefits in using Proposition 10 revenue to leverage Commission funds include:

- Increased access for children to community health prevention and medical services. Agencies leveraging dollars can incrementally increase service capacity over time to meet community demands.

- Increased responsiveness of the health care system in providing health care services for young children and their families. Medi-Cal Administrative Activities (MAA) activities include developing strategies to increase system capacity, close service gaps, and promote inter-agency coordination.
- Increased overall fiscal stability, flexibility and responsiveness of community- based agencies during fluctuating economic conditions.

Commission staff and consultants who work on children’s health programs including planning, coordinating work among agencies, and policy analysis can participate in the MAA program to allow reimbursement for the cost of their time spent on these activities.

### **Fiscal Leveraging Program Highlights**

Since inception of the program, the Commission and its agency partners have generated close to \$47 million in federal funding as reflected in Attachment 1. In total, 32 MAA, six TCM, and three EPSDT claiming units in addition to the Commission have participated in the fiscal leveraging program. The Commission’s investment in Public Health Nursing is not reflected on Attachment 1, Public Health Nursing reimbursements and reinvestments are tracked separately by the County and are not part of the Community Program Fiscal Leveraging Plan.

New Providers Participating in the Fiscal Leveraging Program – In FY 2014/15, Boys and Girls Clubs of Garden Grove, Mission Hospital, Help Me Grow Orange County and the CHOC/UCI Center for Autism and Neurodevelopmental Disorders of Southern California were added to Orange County’s community fiscal leveraging plan as additional claiming units.

Fiscal Leveraging Program Investments in the Community – Leveraged funds have been used to reinvest in continued programs and to support community projects. Fiscal leveraging reimbursements unclaimed would be returned to the Commission. Examples of how leveraged funds have been reinvested in community projects include:

- City of Garden Grove, Magnolia Park Family Resource Center – Expanded the Readiness on the Road Program, an important resource for promoting health access
- Delhi Center – Supported annual health fair, partnered with existing community resources to make medical, dental and vision screenings available, including a wellness program
- Institute for Healthcare Advancement (IHA) – Provided health access workshops in the community focused on IHA’s “What to Do When Your Child Gets Sick” book
- Share Our Selves – Support access to pediatric health care at the newly established Children and Families Health Center in Newport Beach
- University of California, Irvine – Key investments at the Center for Autism and Neurodevelopmental Services to include enhanced interpreter services, updated the website to facilitate access to the Center, and expanding access for Occupational Therapy service

### **Fiscal Leveraging Program for Community Investments**

The fiscal leveraging program activities include complex arrangements in relation to contractual responsibilities, reporting responsibilities and the flow of dollars between County, Commission, Commission community grantees and the State. The following table summarizes the key implementation agreements and the related parties.

Agreement	Description
Fiscal Leveraging Standard Agreement with the State	The County enters into an agreement with the California Department of Health Care Services to implement the program on behalf of County Departments and Agencies, and on behalf of the Commission's community providers
Memorandum of Understanding (MOU) between the County and Commission	The Commission agrees to a Memorandum of Understanding (MOU) between the Commission and the County that details roles and responsibilities for each agency. The first plan was approved by the Commission is 2001.
Master Agreement for MAA and Master Agreement for TCM	A master contract is used with County and subcontractor community organizations, which have contracts with the Commission that describe performance and requirements for participation in the fiscal leveraging program.
Service Agreements between Commission and Community Organizations	The Commission's service agreements for designated health access and case management programs include requirements for participation in the MAA or TCM programs.

This past year, the Commission's contracting approach with TCM agencies was modified to allow the Executive Director to waive the retention requirement so that participating agencies would not experience an audit exception based on timing of actual payments for services and claims submitted to the State. This assures that the fiscal leveraging grantees receive 100 percent of reimbursement for eligible contract expenses from the Commission prior to submission of a claim for reimbursement, and they are therefore eligible to show 100 percent of expenses as part of their TCM claim.

### **Memorandum of Understanding (MOU) with County Health Care Agency**

The Commission has had a MOU with the County to implement the Fiscal Leveraging Program since FY 2000/01. The MOU between the County and the Commission is entered into for the purpose of coordinating the implementation and management of available fiscal leveraging programs to obtain revenue for Commission and eligible community health and social services programs, including Commission grantees or community based organizations (CBO). The MOU also enables the Commission to participate in MAA and receive MAA reimbursements.

The County has requested an updated MOU be developed for participation to continue from year to year. The updated MOU sets forth benefits, issue resolutions, joint responsibilities, Commission and County's respective responsibility, and other implementation requirements. These important elements are elaborated in further detail in the Terms and Conditions (Attachment 2). Key changes and updates include:

- Removing outdated initial program start-up terms
- Memorializing current practices
- Updating implementation terms and conditions

**STRATEGIC PLAN & FISCAL SUMMARY:**

The proposed action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Commission's goals. The Commission's FY 2015/16 budget includes \$200,000 in anticipated MAA reimbursements related to staff and consultant participation in the claiming program.

**PRIOR COMMISSION ACTIONS:**

- July 2014 – Received update on fiscal leveraging program and approved modified retention and fiscal audit provisions
- April 2013 – Received update on County partnerships including fiscal leveraging program
- December 2002 – Approved revised fiscal leveraging MOU with County of Orange
- December 2001 - Approved fiscal leveraging plan

**RECOMMENDED ACTIONS:**

1. Receive update on the Commission's fiscal leveraging program.
2. Adopt resolution (Attachment 3) authorizing the Executive Director or designee and Commission Counsel to prepare and negotiate agreements with the County of Orange, for the terms and on the conditions as specified in Attachment 2, for Fiscal Leveraging and Related Support Services.

**ATTACHMENTS:**

1. Summary of Fiscal Leveraging Reimbursements Related to FY 2000/01 – FY 2013/14
2. Fiscal Leveraging Program Memorandum of Understanding (MOU) Terms and Conditions
3. Resolution with the County of Orange Health Care Agency

**Contacts:** Lucy Lin  
Alyce Mastrianni

Summary of Fiscal Leveraging Reimbursements  
FY 2000/01 - FY 2013/14

Strategy	00/01 – 04/05	05/06 – 09/10	10/11	11/12	12/13	13/14	Total to Date
MAA for Grantees	\$3,382,299	\$3,540,107	\$678,096	\$421,307	\$511,987	In progress	\$8,533,796
TCM for Grantees	\$2,792,727	\$4,567,749	\$808,689	\$840,238	\$815,149	\$743,359	\$10,567,911
EPSDT for Grantees	\$3,356,894	\$8,726,353	\$1,826,569	\$1,882,528	\$2,259,142	\$2,318,073	\$20,369,559
MAA for Commission	\$4,374,681	\$1,447,037	\$390,070	\$311,104	\$298,978	In progress	\$6,821,870
<b>TOTAL TO DATE *</b>	<b>\$13,906,601</b>	<b>\$18,281,246</b>	<b>\$3,703,424</b>	<b>\$3,455,177</b>	<b>\$3,885,256</b>	<b>\$3,061,432</b>	<b>\$46,293,136</b>

MAA= Medi-Cal Administrative Activities

TCM = Targeted Case Management

EPSDT = Early and Periodic Screening, Diagnosis and Treatment

\* Total doesn't include estimated \$636,000 interest and \$1.7 million payments pending resolution of a CMS/DHCS audit.

<b>FISCAL LEVERAGING PROGRAM MEMORANDUM OF UNDERSTANDING (MOU) TERMS AND CONDITIONS</b>	
<b>Background</b>	<p>Fiscal leveraging is the process of using Proposition 10 revenue to match other available funds including federal, state, or other grant funding sources. The Commission, in partnership with the County of Orange Health Care Agency (“County”), has developed a local capacity for agencies or community based organizations (“CBO”) to leverage Commission Proposition 10 grant awards as eligible certified public expenditures to receive Federal Medicaid reimbursement for their participation in:</p> <ul style="list-style-type: none"> <li>• Medi-Cal Administrative Activities (MAA) - outreach to assist individuals to access Medi-Cal and health care services.</li> <li>• Targeted Case Management (TCM) - case management program targeting high-risk populations to assist them in gaining access to needed medical, social, educational, and other services.</li> </ul>
<b>Term</b>	Effective upon execution of the MOU by both County and the Commission and ongoing until such time it is terminated in accordance with the Termination provision in the MOU.
<b>Responsibilities</b>	<p><u>Commission will:</u></p> <ul style="list-style-type: none"> <li>• Perform MAA eligible services and contract with CBO’s to provide MAA eligible services</li> <li>• Contract with CBO’s to provide TCM services that assist Medi-Cal eligible individuals within specified targeted groups to access needed medical, social, educational, and other services.</li> <li>• Submit Commission claim data, cost reports, and appropriate certification and expenditure detail.</li> <li>• Coordinate with County to develop and implement a plan to monitor and coordinate the delivery of services to prevent duplication.</li> </ul> <p><u>County will:</u></p> <ul style="list-style-type: none"> <li>• Act as fund administrator for Commission and CBO claims.</li> <li>• Maintain a copy of claims and supporting documentation provided to County.</li> <li>• Make files available to the Commission, State or Federal auditors as required.</li> <li>• Establish and administer a Special Revenue Fund, an interest-bearing fund, to deposit reimbursement revenue received from the claiming of costs for MAA/TCM activities.</li> <li>• Maintain an Administrative Cost Recovery Fee Reserve within the Special Revenue Fund for the purpose of providing a resource to allow for the sustainability of MAA/TCM leveraging activities provided under this MOU.</li> <li>• Maintain an Audit Reserve within the Special Revenue Fund for the purpose of providing a resource to repay potential State audit disallowances, reducing the risk of loss to County, Commission, and participating organizations from audit disallowances.</li> <li>• Provide the following positions: 1. Administrative Coordinator 2) Assistant Administrative Coordinator, 3) Local Government Agency (LGA) Fiscal Coordinator and 4) LGA Fiscal Staff</li> </ul>

	<p><u>Jointly, County and Commission will:</u></p> <ul style="list-style-type: none"> <li>• Appoint Contract Officers to be responsible for the administration of this MOU.</li> <li>• Comply with all applicable laws governing the confidentiality of client information.</li> <li>• Establish and maintain a Fiscal Leveraging Management Group (FLMG) for the purpose of coordinating and communicating the requirements of the community fiscal leveraging program and making final recommendations that affect decisions for the agency represented.</li> </ul>
<b>Monitoring of Participants</b>	<p>County will act as fund administrator for the Commission and CBO's and establish an interest-bearing Special Revenue Fund. County will maintain an Administrative Cost Recovery Fee Reserve and an Audit Reserve within the Special Revenue Fund.</p> <p>In the event of an audit disallowance realized on behalf of a CBO:</p> <ol style="list-style-type: none"> <li>a. The audit disallowance shall be first paid from the Audit Reserve up to the amount proportionate to the CBO's portion unless otherwise agreed to and documented by the Fiscal Leveraging Management Group.</li> <li>b. In the event that the proportionate CBO amount is not sufficient to repay the audit disallowance balance, the FLMG shall meet and determine the course of action amongst various options (i.e., total amount of audit reserve held for the CBO across all unaudited fiscal years; total interest earned but not distributed to CBO in the Special Revenue Fund; amount held for all CBO's for that audit period ; or request payment from CBO)</li> <li>c. For audit finding that are viewed as inappropriate, the FLMG will follow the appeals protocol as described in further detail in the Fiscal Leveraging Program Policies and Procedures.</li> </ol>
<b>Issue Resolution</b>	<p>Informal and formal communication pathways are set forth in case of issues requiring resolution. Commission and County will discuss any issues informally and issues are expected to be resolved by the FLMG. If needed, any unresolved issues will be raised to the County HCA director and Commission executive director for further discussion and resolution.</p>

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-15-C&FC**

**July 1, 2015**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR OR DESIGNEE AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS WITH THE COUNTY OF ORANGE HEALTH CARE AGENCY FOR PARTNERSHIPS RELATED TO FISCAL LEVERAGING; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission desires to enter into Agreements with the County of Orange Health Care Agency as identified in the staff report for the July 1, 2015 Commission meeting for partnerships related to Evaluation and Fiscal Levering for the terms, in the amounts, and on the conditions as described in Attachment 2 therein; and

**WHEREAS**, the County of Orange Health Care Agency desires to enter into the applicable Agreements in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreements; and

**WHEREAS**, Commission has reviewed the staff report for the July 1, 2015 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with the County of Orange Health Care Agency for partnerships related to Evaluation and Fiscal Levering for the terms, in the amounts, and on the conditions as specified in Attachment 2 to the July 1, 2015 staff report for this Agenda Item; and

**NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate Agreements with the County of Orange Health Care Agency as described in Attachment 2 to the July 1, 2015 staff report for this Agenda Item for partnerships related to Evaluation and Fiscal Levering for the terms, in the amounts, and on the conditions consistent with the July 1, 2015 staff report and scope of services referenced therein; and

**Section 3** The form of any Agreements with the County of Orange Health Care Agency, for the terms and in the amounts specified in Attachment 2 to the July 1, 2015 staff report for this Agenda Item shall be subject to the review and approval by the Executive Director or designee and Commission Counsel. The approval by the Executive Director or designee of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements with the County of Orange Health Care Agency as described in Attachment 2 to the July 1, 2015 staff report for this Agenda Item for partnerships related to Evaluation and Fiscal Levering for the terms, in the amounts, and on the conditions as specified in the July 1, 2015 staff report for this Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest the Agreements on behalf of the Commission.

**Section 6** A copy of each final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on July 1, 2015 to wit:

AYES           Commissioners: \_\_\_\_\_

NOES:           Commissioner(s): \_\_\_\_\_

EXCUSED:      Commissioner(s): \_\_\_\_\_

ABSTAINED:   Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE     )

I, ROBIN STIELER, Interim Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Interim Clerk of the Commission, Children and Families Commission  
of Orange County, County of Orange, State of California

Resolution No: \_\_-15-C&FC

Agenda Date: July 1, 2015

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Interim Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)