



**Agenda Item 5
September 7, 2016**

DATE: August 30, 2016

TO: Children and Families Commission of Orange County

FROM: Kimberly Goll, Executive Director *Kimberly Goll*

ACTION: Receive update on Children and Families Commission of Orange County’s Fiscal Leveraging Program

SUMMARY:

Since its inception, the Children and Families Commission of Orange County has focused on maximizing revenue opportunities to ensure that effective, proven strategies, created through the Commission’s funding, are sustained beyond the cycle of direct funding. A key component of the 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, as administered by the Orange County Health Care Agency, for the claiming and drawdown of Medi-Cal funds.

DISCUSSION:

The Commission’s fiscal leveraging program uses Proposition 10 revenue to match other available funds including federal, state, or other grant funding sources. Historically, the Commission, in partnership with the Orange County Health Care Agency (HCA), has developed a local capacity for agencies to leverage Commission Proposition 10 funding 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.

Fiscal Leveraging Program Highlights

Since inception of the program, the Commission and the contracted agency partners have generated over \$48 million in federal funding. Currently, there are 13 MAA and five TCM claiming units, in addition to the Commission, participating in the fiscal leveraging program.

This past year, the Commission and the Orange County Board of Supervisors approved an updated Memorandum of Understanding (MOU) with the Orange County Health Care Agency for the purpose of coordinating the implementation and management of available fiscal leveraging programs. The purpose of the fiscal leveraging programs is to obtain revenue for Commission and eligible community health and social services programs, including Commission contracted agencies or community based organizations. Currently, the Commission and HCA are finalizing the policies

and procedures of the Fiscal Leveraging Management Group, a group comprised of HCA and Commission representatives. The Group will also coordinate and communicate requirements of a community fiscal leveraging program, which includes reviewing activities and processes with respect to claiming, billing, reserves, reimbursements, services and other related activities.

Program Challenge

Both the MAA and TCM programs are heavily audited by the State. In fact, the TCM programs have mandatory audits every year. Commission staff is working with grantees and HCA during this current State auditing process in order to mitigate TCM audit findings. On behalf of the participating contracted agencies, HCA is appealing specific audit findings, as such findings were inherently unavoidable based on the State's timetable for qualified payments for claiming. Should audit findings not be overturned through appeal, the audit disallowances will be adjudicated by the protocol established by the MOU. Also set forth in the MOU is the process by which the Audit Reserve, funded by participants, will repay audit disallowances. If needed, the Audit Reserve has sufficient funds to repay the latest TCM audit findings.

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 Fiscal Year 2016/17 budget includes \$180,000 in anticipated MAA reimbursements related to staff and consultant participation in the claiming program.

PRIOR COMMISSION ACTIONS:

- July 2015- Received update on fiscal leveraging program and authorize agreements with the County of Orange for Fiscal Leveraging and Related Support Services
- 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 ACTION:

Receive update on the Children and Families Commission of Orange County's Fiscal Leveraging Program.

Contact: Lucy Lin