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Tri-City Mental Health Authority
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*Founded by Pomona, Claremont, and La Verne
in 1960*



Robin Carder (La Verne), Chair
Jed Leano (Claremont), Vice-Chair
Carolyn Cockrell (La Verne), Board Member
Nora Garcia (Pomona), Board Member
Paula Lantz (Pomona), Board Member
Elizabeth Ontiveros-Cole (Pomona), Board Member
Ronald T. Vera (Claremont), Board Member

GOVERNING BOARD AGENDA

WEDNESDAY, NOVEMBER 18, 2020

5:00 P.M.

MEETING LOCATION

Pursuant to California Governor's Executive Order N-29-20 (Paragraph 3), adopted as a response to mitigating the spread of Coronavirus (COVID-19), the Governing Board is authorized to hold its public meetings via teleconference and the public seeking to observe and to address the Governing Board may participate telephonically or otherwise electronically. Therefore, this meeting will be held via teleconference. The locations from where the Board Members are participating are not listed on the agenda and are not accessible to the public.

To join the Governing Board meeting click on the following link:

https://webinar.ringcentral.com/webinar/register/WN_tHd9cBuISaKdc40ZYsFLRA

Or you may call: 1(213) 250-5700

Webinar ID: 148 778 9652

Public Participation. Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board on any item of interest to the public, before or during the consideration of the item, that is within the subject matter jurisdiction of the Governing Board. Therefore, members of the public are invited to speak on any matter on or off the agenda.

The public can make a comment during general public comments or on a specified agenda item by leaving a voice mail message at (909) 451-6421 or by writing an email to molmos@tricitymhs.org. All voice mail messages and emails received by 3:30 p.m. will be read into the record at the appropriate time. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by Tri-City Mental Health Authority to all or a majority of the Tri-City Governing Board less than 72 hours prior to this meeting are available for public inspection at <http://www.tricitymhs.org>

CALL TO ORDER

Chair Carder calls the meeting to Order.

ROLL CALL

Board Member Cockrell, Board Member Garcia, Board Member Lantz, Board Member Ontiveros-Cole, and Board Member Vera; Vice-Chair Leano; and Chair Carder.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting on the Tri-City's website: <http://www.tricitymhs.org>

OATH OF OFFICE

AN OATH OF OFFICE WILL BE ADMINISTERED TO NEWLY APPOINTED GOVERNING BOARD MEMBER PAULA LANTZ –CITY OF POMONA COMMUNITY REPRESENTATIVE

REMEMBRANCE

MOMENT OF REMEMBRANCE FOR FORMER GOVERNING BOARD MEMBER MONA SPARKS JOHNSON

CONSENT CALENDAR

1. APPROVAL OF MINUTES FROM THE OCTOBER 21, 2020 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of October 21, 2020.”

2. CONSIDERATION OF RESOLUTION NO. 558 ADOPTING REVISED POLICY AND PROCEDURE NO. OP.I.01 -ISSUE RESOLUTION PROCESS FOR COMPLAINTS, GRIEVANCES AND APPEALS, EFFECTIVE NOVEMBER 18, 2020

Recommendation: “A motion to adopt Resolution No. 558 establishing the revised Issue Resolution Process for Complaints, Grievances and Appeals Policy and Procedures No. OP.I.01, effective November 18, 2020.”

3. CONSIDERATION OF RESOLUTION NO. 559 ADOPTING REVISED POLICY AND PROCEDURE NO. CL.IV.07 LANGUAGE INTERPRETATION AND TRANSLATION, EFFECTIVE NOVEMBER 18, 2020

Recommendation: “A motion to adopt Resolution No. 559 establishing revised Language Interpretation and Translation Policy and Procedure No. CL.IV.07, effective November 18, 2020.”

4. CONSIDERATION OF RESOLUTION NO. 560 ESTABLISHING POLICY AND PROCEDURE NO. CL.V.06 - CULTURAL AND LINGUISTIC INCLUSION AND COMPETENCE, EFFECTIVE NOVEMBER 18, 2020

Recommendation: “A motion to adopt Resolution No. 560 establishing Cultural and Linguistic Inclusion and Competence Policy and Procedure No. CL.V.06, effective November 18, 2020.”

NEW BUSINESS

5. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020

Recommendation: “A motion to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2020.”

6. CONSIDERATION OF RESOLUTION NO. 561 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACTOR AGREEMENT WITH THE CITY OF POMONA FOR COVID-19 EVICTION PREVENTION RENTAL ASSISTANCE PROGRAM

Recommendation: “A motion to adopt Resolution No. 561 approving the Contractor Agreement for Rental Assistance Supportive Services with the City of Pomona; to receive up to \$50,000 in compensation; and authorizing the Executive Director to execute the Agreement.”

7. CONSIDERATION OF RESOLUTION NO 562 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN ASSOCIATION OF AMERICAN MEDICAL COLLEGES UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ON BEHALF OF THE UNIVERSITY OF CALIFORNIA, RIVERSIDE, SCHOOL OF MEDICINE TO HOST MEDICAL STUDENTS AT TRI-CITY’S SITES

Recommendation: “A motion to adopt Resolution No. 562 approving the AAMC Uniform Clinical Training Affiliation Agreement with the Regents of the University of California on behalf of the UCR School of Medicine; and authorizing the Executive Director to execute the Agreement and any Amendments thereafter.”

MONTHLY STAFF REPORTS

8. **TONI NAVARRO, EXECUTIVE DIRECTOR REPORT**
9. **DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT**
10. **NANCY GILL, CHIEF OPERATIONS OFFICER REPORT**
11. **ANGELA IGRISAN, CHIEF CLINICAL OFFICER REPORT**
12. **SEYYAM TEIMOORI, MEDICAL DIRECTOR REPORT**
13. **RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT**
14. **NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT**

Recommendation: “A motion to receive and file the month of October staff reports.”

GOVERNING BOARD COMMENTS

Members of the Governing Board may make brief comments or request information about mental health needs, services, facilities, or special problems that may need to be placed on a future Governing Board Agenda.

PUBLIC COMMENT

The public can make a comment during general public comments or on a specified agenda item by leaving a voice mail message at (909) 451-6421 or by writing an email to molmos@tricitymhs.org. All voice mail messages and emails received by 3:30 p.m. will be read into the record at the appropriate time. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

ADJOURNMENT

The Governing Board will meet next in a Regular Joint Meeting with the Mental Health Commission to be held on **Wednesday, December 16, 2020 at 5:00 p.m.**, via teleconference due to the COVID-19 pandemic.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK



MINUTES

REGULAR MEETING OF THE GOVERNING BOARD OCTOBER 21, 2020 – 5:00 P.M.

The Governing Board held on Wednesday, September 16, 2020 at 5:00 p.m. its Regular Meeting Via Teleconference pursuant to California Governor Newsom Executive Order N-25-20 wherein he suspended certain provisions of the Brown Act to allow the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Carder called the meeting to order at 5:00 p.m.

ROLL CALL Roll call was taken by JPA Administrator/Clerk Olmos.

GOVERNING BOARD

PRESENT: Robin Carder, City of La Verne, Chair
Jed Leano, City of Claremont, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member
Nora Garcia, City of Pomona, Board Member (joined the meeting at 5:16 pm)
Elizabeth Ontiveros-Cole, City of Pomona, Board Member
Ronald T. Vera, City of Claremont, Board Member
Benita DeFrank, City of Pomona, Alternate Board Member

ABSENT: *Vacant*, City of Pomona, Board Member

STAFF: Toni Navarro, Executive Director
Darold Pieper, General Counsel
Diana Acosta, Chief Financial Officer
Nancy Gill, Chief Operations Officer
Seeyam Teimoori, Medical Director
Rimmi Hundal, Director of MHSA & Ethnic Services
Natalie Majors-Stewart, Chief Compliance Officer
Mica Olmos, JPA Administrator/Clerk

CONSENT CALENDAR

There being no comment, Vice-Chair Leano moved, and Board Member Vera seconded, to approve the Consent Calendar. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Member Garcia.

1. APPROVAL OF MINUTES FROM THE SEPTEMBER 16, 2020 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of September 16, 2020.”

2. APPROVAL OF RESOLUTION NO. 551 ADOPTING TEMPORARY EXPANSION OF THE VACATION AND COMPENSATORY CASH OUT POLICY AND PROCEDURE NO. I.17 EFFECTIVE FISCAL YEAR 2020-22

Recommendation: “A motion to adopt Resolution No. 551 establishing a Temporary Expansion of Vacation and Compensatory Cash-Out Policy No. I.17 for Fiscal Year July 1, 2020 through June 30, 2021.”

NEW BUSINESS

3. APPROVAL OF RESOLUTION NO. 552 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH RKA CONSULTING GROUP FOR ENGINEERING SERVICES IN THE AMOUNT OF \$43,025 IN CONNECTION WITH THE THERAPEUTIC COMMUNITY GARDEN PROJECT AT 2008 N. GAREY AVENUE IN POMONA, CA

Executive Director Navarro indicated that this contract is for the construction and renovation of Tri-City’s Therapeutic Community Garden (TCG), noting that the Governing Board had already approved to allocated CFTN funds for the renovation project of TCG; that RKA engineers will be the project manager for the site.

Board Member Vera inquired if these services were put out to bid. Chief Operations Office Gill stated that engineering services are professional services which fall under the 50,000 required to go through a formal RFP; however, that she reached out to several vendors to seek their bids; however, did not received any other bids.

There being no further comment, Vice-Chair Leano moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 552 authorizing the Executive Director to enter into an Agreement with RKA Consulting Group in the sum of \$43,025. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Member Garcia.

4. APPROVAL OF RESOLUTION NO. 553 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH WITHERS & SANDGREN, LTD. FOR LANDSCAPE ARCHITECT DESIGN AND SPECIFICATION SERVICES IN THE AMOUNT OF \$17,400.00 FOR THE THERAPEUTIC COMMUNITY GARDEN PROJECT AT 2008 N. GAREY AVENUE IN POMONA, CA

Executive Director Navarro stated that this is for the approval of the landscape architect which will design the garden, including having more raised beds for persons with disabilities, ADA approved pathways, and garden upgrades to the street level to meet the City of Pomona Corridor Specific Plan.

Board Member Ontiveros-Cole inquired if the Therapeutic Community Garden will have water features. Executive Director Navarro replied in the negative, noting that this is the same Therapeutic Community Garden that Tri-City has had for approximately nine years where group based horticulture therapy is used through mindfulness and meditation.

There being no further discussion, Board Member Cockrell moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 553 authorizing the Executive Director to enter into an Agreement with Withers & Sandgren, Ltd in the sum of \$17,400.00. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Member Garcia.

5. APPROVAL OF RESOLUTION NO. 554 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A THREE-YEAR AGREEMENT WITH CENTRESCAPES, INC FOR LANDSCAPE MAINTENANCE SERVICES FOR FISCAL YEARS ENDING JUNE 30, 2021, 2022 AND 2023, IN THE AMOUNT OF \$81,486.00, WITH AN OPTION TO EXTEND TWO ADDITIONAL YEARS

There being no discussion, Board Member Vera moved, and Board Member Cockrell seconded, to award the Agreement for Landscape Maintenance Services to CentreScapes, Inc. and adopt Resolution No. 554 authorizing the Executive Director to execute a Three-Year Agreement with CentreScapes, Inc. for Fiscal Years Ending June 30, 2021, 2022 and 2023, in the amount of \$81,486.00, with an option to extend two additional years, totaling \$137,990 for five years. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Member Garcia.

6. APPROVAL OF RESOLUTION NO. 555 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A NON-BINDING MEMORANDUM OF UNDERSTANDING WITH RESTORE NEIGHBORHOODS LA AND GENESIS LA TO DEVELOP 15 UNITS OF COMBINED AFFORDABLE AND PERMANENT SUPPORTIVE HOUSING IN TCMHA PROPERTY LOCATED AT 956 W. BASELINE ROAD IN CLAREMONT, CALIFORNIA.

Executive Director Navarro stated that Genesis LA (GLA) is working with developer Restore neighborhood LA (RNLA) and, back in February, provided a presentation to the Board proposing to develop a senior housing project on Tri-City's Baseline Property in Claremont; that GLA is partnering with the City of Claremont; that they have secured almost all of the funding; that the County of Los Angeles has contributed funds, and Tri-City will be contributing the land and its No Place Like Home non-competitive funds; that this non-binding MOU paves the way for Tri-City to finalize negotiations; that the final agreements for the land and the funding will be ready within the next two months; that eight of these 15 units will be for Tri-City clients, age 60 and older.

Vice-Chair Leano thanked Tri-City's Executive Director Navarro and the entire Tri-City Staff who have worked hard to help facilitate this process; that it is his understanding that the final piece is a matching grant from HCD for funding that was approved by the San Gabriel Valley Regional Housing Trust, and that is expected this month; and noted that everything will be ready in advance of the deadline for submission to HCD on No Place Like Home funding. Executive Director Navarro expressed gratitude for Claremont Council Member and Tri-City Vice-Chair Leano for his leadership in this project and indicated that the funding from the City of Claremont and the County of Los Angeles would not have happened without his initiative and leadership.

At 5:16 p.m. Board Member Nora Garcia joined the meeting; and Alternate Board Member Benita DeFrank left the virtual dais.

There being no further discussion, Vice-Chair Leano moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 555 Authorizing a non-binding MOU with RNLA and GLA to develop 15 Units of combined affordable and permanent supportive housing at Tri-City's property located at 956 W. Baseline Road in Claremont, CA. The motion was carried by the following vote: AYES: Board Members Cockrell, Garcia, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

7. APPROVAL OF RESOLUTION NO. 556 AUTHORIZING THE PURCHASE OF COMPUTER HARDWARE AND ACCESSORIES FOR 80 STAFF MEMBERS FROM INSIGHT PUBLIC SECTOR, INC. IN THE AMOUNT OF \$166,714.50

Executive Director Navarro stated that computers become obsolete within three to five years and it is time to replace them; that the purchase will include all laptop dock station capability for the entire agency to allow the flexibility to continue to create office space as needed ensuring physical distance for one another, as well to allow staff to telecommute as needed throughout the rest of this pandemic; that this amount is the cost for the 80 replacements and required accessories.

There being no further comment, Board Member Garcia moved, and Vice-Chair Leano seconded, to adopt Resolution No. 556 Authorizing the purchase of Computer Hardware and Accessories from Insight Public Sector, Inc. in the amount of \$166,714.50. The motion was carried by the following vote: AYES: Board Members Cockrell, Garcia, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

8. APPROVAL OF RESOLUTION NO. 557 AUTHORIZING AN AMENDMENT TO FISCAL YEAR 2020-21 BUDGET BY INCREASING CONSULTING SERVICES IN THE AMOUNT OF \$85,000 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A 12-MONTH AGREEMENT WITH BRAND PURPOSE, LLC IN THE AMOUNT OF \$127,500

Executive Director Navarro stated that staff had been talking about Tri-City's 60th anniversary for over year and discussed the events that were planned to celebrate and COVID-19 happened; that we still want to celebrate and appreciate our 60th year by reflecting on what has transpired and conduct an assessment of Tri-City; that as a result of meeting several times with Brand Purpose, they developed a proposal for Tri-City to consider.

Jeremy Zimmerman, of Brand Purpose, LLC, expressed being honored to be considered being part of something that he thinks is so important for the three communities; that Tri-City can serve as a template, not just the rest of the state but the rest of the nation, noting that this is the reason they entitled the proposal Mission 2030: Building and Becoming the Model; then discussed his professional background and experience with similar projects; and talked about the philosophy that will drive the process in developing a new approach for Tri-City.

Executive Director Navarro added that in the next 15 months - five years, county behavioral health in the State of California is going to undergo a major transformation and payment reform; that it is important for Tri-City to fortify its foundation and its identity within the three cities, as well as ensuring that community partners and staff are really clear about Tri-City's purpose and mission, and that no matter the changes that comes in the State of California, Tri-City will stand as the

independent Authority, which gives unique, special, flexible, and responsive service versus reactive service to its three cities; thus, establishing ourselves for the long-term.

Discussion ensued regarding the request to increase the budget line item of consulting services in the amount of \$85,000 to cover the contract fees for this proposed contract.

Board Member Vera inquired about the expected outcome at the end of the process that will be provided to the Board and to the community. Executive Director Navarro stated that she hopes to develop a catch phrase to place under Tri-City's logo; to make Tri-City a household name; that Tri-City becomes the preferred provider of services to those in the three cities who are challenged by, or suffering with a mental health condition; that Tri-City increases its referrals for children and families; that Tri-City will be able to address and provide more preventative services because people will access us sooner, noting that these are also priorities that the state governor has identified as goals for behavioral health statewide for the next few years.

Jeremy Zimmerman, of Brand Purpose, LLC, stated that there will be a number of deliverables that will come out during the 12-month process, and discussed some of the planned strategies.

There being no further discussion, Board Member Ontiveros-Cole moved, and Board Member Vera seconded, to adopt Resolution No. 557 approving a marketing Agreement with Brand Purpose, LLC; amending Fiscal Year 2020-21 Budget by increasing Consulting Services in the amount of \$85,000; and authorizing the Executive Director to execute the Agreement. The motion was carried by the following vote: AYES: Board Members Cockrell, Garcia, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

MONTHLY STAFF REPORTS

9. TONI NAVARRO, EXECUTIVE DIRECTOR REPORT

Executive Director Navarro expressed excitement for the City of Pomona Council having selected Paula Lantz as the community representative for Tri-City Governing Board; that Paula Lantz was a Tri-City Governing Board Chair for over 25 years when she was a Pomona City Council Member; and that she will be sworn in next month. She then provided an overview of Tri-City's modified operations and expressed appreciation and respect for the staff at Tri-City, noting that Tri-City supports them; that a survey was conducted for clients and the results indicated that they are feeling very good about telehealth and the level of care they have been receiving through this very different time; that staff will be trained on Justice, Equity, Diversity, and Inclusion (JEDI), and continue to focus on racial equity and social justice, ensuring that we are doing everything we can to make sure that our services are welcoming, safe and inclusive for all who want them. She also discussed the workforce demographics from September 2020, and pointed out the Asian population in our three cities combined is 11%; thus, this is an area where we need to continue to grow and focus in terms of consumer, recruitment and engagement of staffing. Lastly, she indicated that the housing division continues to reach out to the clients that we have in permanent supportive housing and finding out what they need, creating all kinds of fun and different ways to engage families and groups via zoom and online so that they stay connected and can be as well as possible.

Board Member Vera stated that he liked the legislation report, noting it was very helpful; and asked for similar updates from the County Behavioral Health Directors Association to be provided in the future.

Executive Director Navarro talked about SB 803, the Peer Certification, and SB 2265, which allows for MHSA to be spent on co-occurring disorders that helps us provide integrated care; and pointed out that these two bills have implications for how we do the work.

Vice-Chair Leano stated that this was an excellent summary of all the mental health legislation which made it clear that mental health was a big priority in this last legislative session; referred to SB 855 which will require medical providers to include certain mental health conditions as covered in medical plans; and inquired how this will impact Tri-City as an agency in terms of intakes and future revenues. Executive Director Navarro stated that SB 855 is for the managed care plans; that county behavioral health has done a wonderful job of implementing and taking care of persons that have mental health conditions; that it just brings our partners to the table and holds them accountable for folks, and focuses in bringing the managed care up to speed with county behavioral health because we have been taking care of people for the last 10 years.

10. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta reported that traditionally the independent audit report is presented at the Board October meeting; unfortunately, it did not make the deadline to include it in this month's Board packet; that the audit report will be presented at next month's meeting; that Tri-City received \$3 million from LACDMH for past cost report settlements and for some receivables from last year; that this means that we will be able to make Tri-City's final bankruptcy payment a lot sooner than anticipated.

11. NANCY GILL, CHIEF OPERATIONS OFFICER REPORT

Chief Operations Officer Gill reported that staff will be submitting an application for the LIFE Program; that this is a grant through the LA Metro Transportation Authority and the Administrators International Institute of Los Angeles; that this program will provide transportation assistance to low-income families residing in Los Angeles; and that staff will be able to obtain bus passes and taxi vouchers for Tri-City clients.

12. ANGELA IGRISAN, CHIEF CLINICAL OFFICER REPORT

There was no comment.

13. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Dr. Teimoori reported that we are trying to prepare ourselves for the negative effect of COVID in terms of mental health in our communities; that he researched different models for prevention and also decreasing the rate of suicide; that he, his team, and the executive selected the Zero Suicide framework which is endorsed by American Psychiatric Association (APA); that it is an agency-wide approach, has a very nice framework, and it is evidence-based; and that he hopes that this framework will be implemented soon. Executive Director Navarro spoke in support and the need for the Zero Suicide framework.

14. RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Director of MHSA & Ethnic Services Hundal announced that the African American Family Wellness Advisory Council will host a town hall on November 10th focusing on the impact of mental health on physical health, and encouraged everyone to attend; that staff launched a book club for this council and are encouraging people to read books; that it is MHSA stakeholder season at Tri-City and the first meeting had 41 participants; that the workgroups focused on program services, successes, and challenges, how COVID-19 impacted the program, and how the programs adapted services due to COVID-19 and continue to serve the community; that all the workgroups have agreed to continue the programs the way we have been presenting them; that the Peer Mentor Program this year will provide services in seven languages; and talked about the various webinars and trainings that took place during suicide prevention awareness.

15. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart stated that last month she discussed the modified operations survey that was administered to our workforce members; that this month staff concluded the survey for clients and participants which was conducted by phone; that staff gathered 252 telephone survey responses; that the overall purpose was to gather feedback about the experiences and needs from our clients and from our workforce members to evaluate how well we are operating in this new landscape, how well are we meeting the needs of our staff, how well are we providing our services in accordance to our mission, and how can we identify areas of improvement; that the next phase is launching the quality improvement committee process which will be addressing the key themes; and that this will be an ongoing process.

There being no further comment, Vice-Chair Leano moved, and Board Member Cockrell seconded, to receive and file the month of October staff reports. The motion was carried by the following vote: AYES: Board Members Cockrell, Garcia, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

GOVERNING BOARD COMMENTS

Vice-Chair Leano thanked Tri-City staff, specifically Rimmi Hundal, Toni Navarro, and Chris Anzalone for their assistance in conducting a Facebook live Tri-City event to talk about affordable housing and inequities among people of color in having access to affordable housing and the impact that creates on mental health; that it was very exciting seeing the hundreds of people clicking on their smartphones and engaging in the dialogue; that it was his understanding that it was Tri-City's most engaged social media event; that he hopes to do this again; and that it was a really wonderful engagement with the community.

Board Member Vera complimented Executive Director Navarro and staff because he keeps hearing the name Tri-City; that staff is doing a great job in getting the word out that Tri-City is the go-to provider for behavioral and mental health because these are stressful times for many of our community members.

Executive Director Navarro welcomed the Board's ideas, noting that it was Vice-Chair Leano who thought it was important to talk about the housing and the equity at this time.

Chair Carder stated that on Monday night, Tri-City navigators assigned in La Verne, spoke at the Council meeting and presented what they are doing in our community; that they did a very good job; and that Executive Director Navarro should be very proud of them.

Board Member Ontiveros-Cole stated that this was a wonderful meeting noting that it went very smoothly; that there are new projects in the process which is so exciting; and she is looking forward to see the therapeutic community garden, and new housing project in Claremont, completed.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 6:06 p.m., on consensus of the Governing Board its meeting of October 21, 2020 was adjourned. The next Regular Meeting of the Governing Board will be held on Wednesday, November 18, 2020 at 5:00 p.m., via teleconference due to the COVID-19 pandemic.

Micaela P. Olmos, JPA Administrator/Clerk



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

BY: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Consideration of Resolution No. 558 Adopting Revised Policy and Procedure No. OP.I.01 - Issue Resolution Process for Complaints, Grievances and Appeals, Effective November 18, 2020

Summary:

As part of the policy and procedure implementation and appraisal process, Tri-City Mental Health Authority Policies are reviewed and updated as needed, in order to ensure that our policies are effective and up to date with the most current regulations, internal processes, standards of care, and best practices.

Beneficiary Complaint Grievance - Policy OP.I.01 was reviewed and revised based on recommendation from the Chief Compliance Officer to more closely align the policy with current Federal, State, and County regulations and standards, as well as to more accurately reflect the current internal processes and procedures.

Background

Beneficiary Complaint Grievance - Policy and Procedure No. OP.I.01: establishes guidelines for the issue resolution process (Complaints, Grievances, and Appeals) for beneficiaries, clients, and stakeholders.

The following is a summary of the revisions:

1. The policy name is amended from "Beneficiary Complaint Grievance and Appeals" to "Issue Resolution Process for Complaints, Grievances and Appeals" in order to depict a more accurate portrayal of the policy contents.
2. The definitions section was revised in order to update the associated terms used in the policy.
3. The overall policy was updated to clarify and differentiate the issue resolution policy and procedure for Specialty Mental Health Services and MHSA services.
4. The policy section was revised in order to more clearly align policy mandates with statutes and regulations.

Governing Board of Tri-City Mental Health Authority

Toni Navarro, LMFT, Executive Director

Consideration of Resolution No. 558 Adopting Revised Policy and Procedure No. OP.I.01 - Issue Resolution Process for Complaints, Grievances and Appeals, Effective 11/18/2020

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5. The procedure section was updated to reflect a more accurate portrayal of the current process.

The revised draft policy is included for Governing Board review and approval. Also included are the current policy versions, with annotations of all revisions.

Funding

None Required.

Recommendation

Staff recommends that the Governing Board adopt Resolution No. 558 establishing the revised Issue Resolution Process for Complaints, Grievances and Appeals Policy and Procedures No. OP.I.01, effective November 18, 2020.

Attachments

Attachment 2-A: Resolution No. 558 - DRAFT

Attachment 2-B: Policy and Procedure No. OP.I.01 -Issue Resolution Process for Complaints, Grievances and Appeals, effective 11/18/2020 - DRAFT

RESOLUTION NO. 558

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED POLICY AND PROCEDURE NO: OP.I.01 -ISSUE RESOLUTION PROCESS FOR COMPLAINTS, GRIEVANCES, AND APPEALS, EFFECTIVE NOVEMBER 18, 2020

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA” or “Authority”) desires to update its Policy and Procedure No. OP.I.01 - Issue Resolution Process for Complaints, Grievances, and Appeals, to comply with current regulatory requirements, as well as agency best practices.

B. Tri-City Policies are routinely reviewed and updated in order to have congruency with current regulations, mandates, and processes.

2. Action

The Governing Board approves the Authority’s revised Issue Resolution Process for Complaints, Grievances, and Appeals Policy and Procedure No. OP.I.01, effective November 18, 2020, replacing and superseding all previous versions.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on November 18, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By:_____

By:_____



POLICY & PROCEDURE

SUBJECT: Issue Resolution Process for Complaints, Grievances and Appeals	POLICY NO.: OP.I.01	EFFECTIVE DATE: 11/18/2020	PAGE: 1 of 8
APPROVED BY: Governing Board Executive Director	SUPERCEDES: 06/17/2009	ORIGINAL ISSUE DATE: 04/10/2001	RESPONSIBLE PARTIES: Chief Compliance Officer

1. PURPOSE

To delineate the issue resolution process for beneficiaries, clients, and stakeholders, and to provide instructions regarding procedures for acceptance of, response to, and documentation of complaints, grievances, and or appeals.

2. DEFINITIONS

2.1 Adverse Benefit Determination (ABD): Any decision made by Tri City Mental Health Authority that denies, limits, reduces, or terminates mental health services to a beneficiary in-whole or in-part, including denial of payment and failure to meet timeliness standards, as outlined by the state. This includes:

2.1.1 A denial, modification, reduction or termination of a provider's request for MHP payment authorization of a specialty mental health service covered by the MHP.

2.1.2 A determination by the MHP or its providers that the medical necessity criteria in Section 1830.205(b)(1), (b)(2), (b)(3)(C), or 1830.210(a) have not been met and the beneficiary is not entitled to any specialty mental health services from the MHP.

2.1.3 A failure by the MHP to provide a specialty mental health service covered by the MHP within the timeframe for delivery of the service established by the MHP; or

2.1.4 A failure by the MHP to act within the timeframes for resolution of grievances, appeals, or the expedited appeals established in Subchapter 5, Article 1

2.2 Appeal: A request by the beneficiary or his/her representative for review of an adverse benefit determination (or action as defined in above and described in 9 CCR § 1810.200).

2.3 Beneficiary: Any individual certified as eligible for services under the Medi-Cal program as defined in 9 CCR § 1810.205 and according to 22 CCR § 51000.2

2.4 Client: An individual of any age who is receiving or has received mental health services. As used in these regulations, the term “client” includes those who refer to themselves as clients, participants, consumers, survivors, patients or ex-patients.

2.5 Complaint: Any informal expression of dissatisfaction (*either verbal or written*) regarding any aspect of concerning the Tri-City Mental Health System of Care.



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- 2.6 Community Program Planning:** means the process to be used by the County to develop Three-Year Program and Expenditure Plans, and updates in partnership with stakeholders to: Identify community issues related to mental illness resulting from lack of community services and supports, including any issues identified during the implementation of the Mental Health Services Act; Analyze the mental health needs in the community; Identify and re-evaluate priorities and strategies to meet those mental health needs.
- 2.7 Expedited Appeal:** An appeal, as defined in 9 CCR § 1810.203.5, to be used when the LMHP determines or the beneficiary and/or the beneficiary's provider certifies that following the time frame for an appeal as established in 9 CCR §1850.207 would seriously jeopardize the beneficiary's life, health, or ability to attain, maintain, or regain maximum function in accordance with 9 CCR § 1810.216.2.
- 2.8 Grievance:** A formal expression of dissatisfaction about any matter other than an Adverse Benefit (or Action) as defined above.
- 2.9 Notice of Adverse Benefit (or Action):** A written notice to the consumer / beneficiary when an adverse benefit (or action) is taken as defined in 9 CCR § 1810.200.
- 2.10 Specialty Mental Health Services (SMHS):** Mental Health Services, as defined in 9 CCR § 1810.247, the include the following: Targeted case management; Mental health services; Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Supplemental Specialty Mental Health Services; Medication support services; Day treatment intensive; Day rehabilitation; Crisis intervention; Crisis stabilization; Adult residential treatment services; Crisis residential services; Psychiatric health facility services (PHFS); Psychiatric inpatient hospital services; and, Psychiatric nursing facility services.
- 2.11 Stakeholder:** Individuals or entities with an interest in mental health services in the State of California, including but not limited to: individuals with serious mental illness and/or serious emotional disturbance and/or their families; providers of mental health and/or related services such as physical health care and/or social services; educators and/or representatives of education; representatives of law enforcement; and any other organization that represents the interests of individuals with serious mental illness/ and/or serious emotional disturbance and/or their families.
- 2.12 State Fair Hearing (or Fair Hearing):** An independent review coordinated by the California State Department of Social Services and/or the California State Department of Health Care Services. The State Fair Hearing is the final arbiter of appeals. California Welfare and Institutions Code (WIC) sections 10950-10965.



POLICY & PROCEDURE

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2.13 Workforce: For the purpose of this policy, the definition of the Tri City Mental Health Center (TCMHC) workforce includes employees, volunteers, interns, consultants, locum tenens, trainees, contractors, whether or not they are paid by TCMHA. This includes individuals who provide services to clients and those who provide administrative, managerial, support services and/or other products, goods or services.

3. POLICY

- 3.1** Tri-City Mental Health Authority (TCMHA) shall maintain an issue resolution processes for beneficiaries, clients, and stakeholders to resolve complaints, grievances, and appeals.
- 3.2** The Issue Resolution Process for Medi-Cal Beneficiaries, shall support the resolution of issues related to Medi-Cal beneficiaries who are dissatisfied with SMHS or when authorized services are-denied, terminated, suspended, or reduced.
- 3.3** The Issue Resolution Process for MHSA clients and stakeholders shall support the resolution of issues related to: the Community Program Planning (CPP) process, the consistency between approved MHSA plans and program implementation, or the MHSA funded programs (accessibility, appropriate use of funds, etc.).
- 3.4** The Complaint/Grievance/Issue Resolution Process Guide, the Grievance/Appeal Issue Resolution Forms, and other materials related to the Issue Resolution Process shall be located in a conspicuous location at each service site. Materials shall be in English and the threshold languages. The location of the materials shall be such that the consumer does not have to make a verbal or written request to anyone for the materials.
- 3.5** Information regarding the Issue Resolution Process shall be provided to clients when they access services, and upon request.
- 3.6** The Department of Health Care Services (DHCS) requires that the local issue resolution process be exhausted before accessing State departments to seek issue resolution or to file a complaint or grievance.
- 3.7** If complaint is regarding the inappropriate use or disclosure of Protected Health Information (PHI), the complaint will be referred to the Tri-City Privacy Officer. (Refer to HIPAA Privacy Complaints policy.)

4. PROCEDURES

4.1 Complaint Procedure for Specialty Mental Health and MHSA Services

- 4.1.1** All clients and stakeholders can file a complaint, if they experience dissatisfaction within the Tri City System of care.



POLICY & PROCEDURE

SUBJECT: Issue Resolution Process for Complaints, Grievances and Appeals	POLICY NO.: OP.I.01	EFFECTIVE DATE: 11/18/2020	PAGE: 4 of 8
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- 4.1.2 Complaints can be made at any time, both verbally or in writing, if a client, beneficiary or stakeholder is experiencing dissatisfaction within the Tri City System of Care.
- 4.1.3 Tri-City Mental Health staff shall make all reasonable efforts to address the complaint directly with the individual.
- 4.1.4 If a problem does not get resolved to satisfaction, staff shall provide the individual with a copy of the Complaint/Grievance/Issue Resolution Process Guide and will explain the grievance process. Designated TCMHA workforce members shall also be available to assist with completing a grievance or appeal, if needed.

4.2 Grievance & Appeal Procedures for Specialty Mental Health Services

- 4.2.1 A copy of the Complaint/Grievance/Appeal Issue Resolution Process Guide and the Grievance/Appeal Issue Resolution Form, shall be offered when a client expresses dissatisfaction within the TCMHA system of care.
- 4.2.2 A grievance or appeal may be filed directly or by a designated representative to assist or to act on filing individual's behalf (with appropriate Authorization for Use/Disclosure of Protected Health Information. The client may choose a family member or friend, or another Tri-City staff person with whom he/she feels comfortable. Designated TCMHA workforce members shall also be available to assist a beneficiary with completing a grievance or appeal, if needed.
- 4.2.3 Grievance: A client can file a grievance at any time if they experience or express dissatisfaction with any aspect specialty mental health service provision. A grievance can be filed verbally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form.
- 4.2.4 Appeal: A beneficiary can file an appeal, at any time, if they are dissatisfied with the outcome of an adverse benefit determination (or action). An appeal can be filed verbally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form.
 - 4.4.4.1 If the appeal is oral, the beneficiary will be asked to follow up the oral appeal with a signed, written appeal. The date of the oral or written appeal starts the time clock for when appeal must be resolved.
 - 4.4.4.2 Expedited Appeal: A beneficiary may request an expedited appeal, when filing a standard appeal resolution process could jeopardize the individual's life, health, or ability to attain, maintain, or regain maximum function. Oral requests for expedited appeals do not have to be followed with a written request.



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- 4.4.4.3** If TCMHA denies a request for an expedited appeal, the expedited appeal request shall revert to standard appeal and shall be resolved consistent with the standard appeal process. The grievance representative must make reasonable efforts to notify the beneficiary (verbally) as soon as possible of the denial or the request for an expedited appeal and provide written notice within two (2) calendar days of the date of the denial. The written notice of the denial of the request for an expedited appeal is not considered a notice of adverse benefit.
- 4.4.4.4** For expedited appeals, the Medi-Cal beneficiary will receive expedited notification resolution (As stated in timeframe section below). Other procedures would follow same process as standard appeal process.
- 4.4.5** The Grievance representative shall acknowledge the receipt of a grievance or appeal to the beneficiary in writing and will document it in the Problem Resolution Log.
- 4.4.6** All communication involving use or disclosure of PHI during the Grievance and/or Appeal process shall be in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations, applicable state law, and TCMHA HIPAA Privacy Policies and Procedures.
- 4.4.7** The grievance representative will commence the investigation and will notify the beneficiary of course of action on solving the problem. The grievance representative will inform the beneficiary of decision in writing, by phone, or in person within timeframe required.
- 4.4.8** If the grievance or appeal is about a clinical or therapeutic issue, the decision maker for the appeal outcome will be a workforce member that has appropriate clinical expertise and training in treating the consumer's condition in order to make an informed decision. If no clinical issue is involved, then a clinical decision maker is not required.
- 4.4.9** When the grievance or appeal is satisfied or resolved, or the appeal is finalized, the grievance representative will record the final disposition in the Complaint/Grievance/Issue Resolution Log. A written notice will be sent to the beneficiary (Refer to 4.22).
- 4.4.10** If a client is not satisfied with the outcome of their SMHS grievance and would like to seek further review and resolution, the issue resolution process will be routed to the TCMHA Executive Director for final TCMHA review and decision.



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4.4.11 If a beneficiary is not satisfied with the outcome of their SMHS appeal (the problem was a result of an adverse benefit or action, as defined in 9 CCR § 1810.200), and would like to seek further review and resolution, the issue resolution process will be routed to the TCMHA Executive Director for final TCMHA review and decision.

4.4.12 If the beneficiary has exhausted the local issue resolution process, without satisfactory resolution, the beneficiary may request a State Fair Hearing. Only Medi-Cal recipients are eligible to file a State Fair Hearing.

4.4.13 The grievance representative can assist the client with completing and mailing out the Request for State Fair Hearing if needed.

4.5 Grievance Procedure for MHSA Services

4.5.1 If an MHSA client or stakeholder expresses concerns or dissatisfaction with:

4.5.1.1 Access or Quality of MHSA program and services

4.5.1.2 Inconsistency between approved MHSA Plan and implementation

4.5.1.3 Community Program Planning Process

4.5.1.4 Appropriate use of MHSA funds

4.5.1.5 Supplantation

4.5.1.6 Non-compliance with the General Standards pursuant to Welfare and Institutions Code §33202

They shall be offered a copy of the Complaint/Grievance/Issue Resolution Process Guide and the Grievance/Appeal Issue Resolution Form.

4.5.2 An MHSA client or stakeholder can file a grievance orally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form. Designated staff will be available to assist with completing a grievance, if needed.

4.5.3 The Grievance representative will acknowledge the receipt of issue in writing and will document the issue in the Complaint/Grievance/Issue Resolution Log.

4.5.4 All communication involving use or disclosure of PHI during the Grievance and/or Appeal process shall be in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations, applicable state law, and TCMHA HIPAA Privacy Policies and Procedures.

4.5.5 The grievance representative will commence the investigation and will notify the client/stakeholder of course of action on solving the problem. The grievance representative will inform the client/stakeholder of decision in writing, by phone, or in person within timeframe required.



POLICY & PROCEDURE

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- 4.5.6** When the issue is resolved, the grievance representative will record the final disposition in the Complaint/Grievance/Issue Resolution Log. A written notice will be sent to the client or stakeholder. (Refer to 4.22).
- 4.5.7** If an individual is not satisfied with the outcome of their MHSA grievance, the grievance can be referred to the TCMHA Executive Director for final TCMHA review and decision.
- 4.5.8** If individual and has exhausted the local issue resolution process, without satisfactory resolution, they may submit their concern to the Mental Health Services Oversight and Accountability Commission (MHSOAC), California Mental Health Planning Council (CMHPC), or any agency and/or entity the issue filer feels may assist in resolving the MHSA related issue

4.6 Time Frames for All Grievances and Appeals

- 4.6.1** When the LMHP does not address and resolve grievances and/or appeals within the stated time frames, the lack of timeliness is an issue which can be appealed.
- 4.6.2** For All Grievances (SMHS and MHSA): The grievance representative will inform the individual, in writing, of the outcome of their grievance within 60 calendar days.
- 4.6.3** For Appeals (SMHS Beneficiaries): The grievance representative will inform the beneficiary or affected parties in writing of the outcome of a grievance within 45 calendar days, and no later than three (3) working days for expedited appeals of receipt.
- 4.6.4** This time frame may be extended up to 14 days if the beneficiary requests an extension or TCMHA determines that there is a need for additional information and that the delay is in the beneficiary's interest. If TCMHA extends the time frames, for any extension not requested by the beneficiary, the beneficiary shall be notified, in writing, of the extension and the reasons for the extension.
- 4.6.5** Expedited Appeals: For an expedited appeal, where a beneficiary requests continued services after services have been denied, reduced, or terminated by TCMHA, the issue must be resolved within three (3) working days.
- 4.6.6** Written Notification of Resolution and Completion of All Grievances and Appeals Beneficiaries, Clients, and Stakeholders shall be notified in writing of the resolution of their grievance or appeal. The content of the written notice must include the following:



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- 4.6.6.1 The results of the resolution process.
- 4.6.6.2 The date it was completed.
- 4.6.6.3 For appeals not resolved wholly in favor of the beneficiary:
- 4.6.6.4 *The right to request a Fair Hearing;*
- 4.6.6.5 *Procedure for filing for a Fair hearing; and*
- 4.6.6.6 *The right to request to receive benefits while the hearing is pending*
- 4.6.6.7 *The Fair Hearing is the final arbiter of all appeals, and there are no other appeal levels.*

5. REFERENCES

- 5.1 California Code of Regulations, Title 9. Rehabilitative and Development Services, Division 1. Department of Mental Health, Chapter 11. Medi-Cal Specialty Mental Health Services
- 5.2 California Code of Regulations, Title 9. Rehabilitative and Development Services, Division 1. Department of Mental Health, Chapter 14. Mental Health Services Act
- 5.3 California Code, Welfare and Institutions Code - WIC § 10950 – 10967 Chapter 7: Hearings
- 5.4 Code of Federal Regulations, Title 42, Chapter IV, Part 438, Section 438, Subpart F
- 5.5 Code of Federal Regulations Part 160-164; Section 164.508 *“Use and Disclosure Which an Authorization is Required”*.
- 5.6 Mental Health Services Act Issue Resolution Process.

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APPROVED BY:	SUPERCEDES: 06/17/2009 02/15/2006	ORIGINAL ISSUE DATE: 04/10/2001	RESPONSIBLE PARTIES: Chief Compliance Officer

1. PURPOSE

- 1.1 To delineate the ~~problem~~ issue resolution process for ~~consumers~~ beneficiaries, clients, and stakeholders, and to provide instructions regarding procedures for acceptance of, response to, and documentation ~~of consumers complaints~~ of complaints, grievances, and or appeals.

2. DEFINITIONS

- 2.1 **Adverse Benefit Determination (ABD):** Any decision made by Tri City Mental Health Authority that denies, limits, reduces, or terminates mental health services to a beneficiary in-whole or in-part, including denial of payment and failure to meet timeliness standards, as outlined by the state. This includes:
- a. A denial, modification, reduction or termination of a provider's request for MHP payment authorization of a specialty mental health service covered by the MHP.
 - b. A determination by the MHP or its providers that the medical necessity criteria in Section 1830.205(b)(1), (b)(2), (b)(3)(C), or 1830.210(a) have not been met and the beneficiary is not entitled to any specialty mental health services from the MHP.
 - c. A failure by the MHP to provide a specialty mental health service covered by the MHP within the timeframe for delivery of the service established by the MHP; or
 - d. A failure by the MHP to act within the timeframes for resolution of grievances, appeals, or the expedited appeals established in Subchapter 5, Article 1

~~**Action.**—An “action” occurs when the provider:~~

- ~~• Denies or limits authorization of a requested services;~~
- ~~• Reduced, suspends or terminates a previously authorized service;~~
- ~~• Denies (in whole or in part) payment for a service;~~
- ~~• Fails to provide services in a timely manner.~~
- ~~• Fails to act within the timeframes for disposition of standard grievances the resolution of standard appeals, or the resolution of expedited appeals.~~

- 2.2 **Appeal:** A request by the beneficiary or his/her representative for review of an adverse benefit determination (or action as defined in above and described in 9 CCR § 1810.200).
- 2.3 **Beneficiary:** Any individual certified as eligible for services under the Medi-Cal program as defined in 9 CCR § 1810.205 and according to 22 CCR § 51000.2

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2.4 **Client:** An individual of any age who is receiving or has received mental health services. As used in these regulations, the term “client” includes those who refer to themselves as clients, participants, consumers, survivors, patients or ex-patients.

2.5 **Complaint:** Any informal expression of dissatisfaction (*either verbal or written*) regarding any aspect of ~~outpatient specialty mental health services that is made by a consumer or someone acting on behalf of the consumer.~~ concerning the Tri-City Mental Health System of Care.

~~Examples of a complaint include denial, termination or reduction in services, dissatisfaction with services, difficulty in scheduling appointments, service accessibility, etc.~~

2.6 **Community Program Planning:** means the process to be used by the County to develop Three-Year Program and Expenditure Plans, and updates in partnership with stakeholders to: Identify community issues related to mental illness resulting from lack of community services and supports, including any issues identified during the implementation of the Mental Health Services Act; Analyze the mental health needs in the community; Identify and re-evaluate priorities and strategies to meet those mental health needs.

~~**Consumer:** Any individual who is requesting or receiving mental health services and/or has received services in the past. Any consumer certified as eligible under the Medi-Cal program according to Title 22, Section 51001 is known as a Beneficiary.~~

2.7 **Expedited Appeal:** An appeal, as defined in 9 CCR § 1810.203.5, to be used when the LMHP determines or the beneficiary and/or the beneficiary’s provider certifies that following the time frame for an appeal as established in 9 CCR §1850.207 would seriously jeopardize the beneficiary’s life, health, or ability to attain, maintain, or regain maximum function in accordance with 9 CCR § 1810.216.2.

2.8 **Grievance:** A formal expression of dissatisfaction about any matter other than an Adverse Benefit (or Action) as defined above. ~~Beneficiary / Client Grievance or Appeal Form (Exhibit B) Consumers can file a grievance at any time without being penalized or subject to discrimination.~~

2.9 **Notice of Action (NOA).** ~~A Notice of Action is defined as a written notice to the consumer / beneficiary when specialty mental health services are denied, reduced, modified or terminated under any of the situations as defined in Section 3.4 above.~~

<p>SUBJECT:</p> <p>Issue Resolution Process for Complaints, Grievances and Appeals Beneficiary Complaint Grievance and Appeals</p>	<p>POLICY NO.:</p> <p>##</p>	<p>EFFECTIVE DATE:</p> <p>11/18/2020</p>	<p>PAGE:</p> <p>3 of 12</p>
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- 2.1 **Notice of Adverse Benefit (or Action):** A written notice to the consumer / beneficiary when an adverse benefit (or action) is taken as defined in 9 CCR § 1810.200.
- 2.2 **Specialty Mental Health Services (SMHS):** Mental Health Services, as defined in 9 CCR § 1810.247, the include the following: Targeted case management; Mental health services; Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Supplemental Specialty Mental Health Services; Medication support services; Day treatment intensive; Day rehabilitation; Crisis intervention; Crisis stabilization; Adult residential treatment services; Crisis residential services; Psychiatric health facility services (PHFS); Psychiatric inpatient hospital services; and, Psychiatric nursing facility services.
- 2.3 **Stakeholder:** Individuals or entities with an interest in mental health services in the State of California, including but not limited to: individuals with serious mental illness and/or serious emotional disturbance and/or their families; providers of mental health and/or related services such as physical health care and/or social services; educators and/or representatives of education; representatives of law enforcement; and any other organization that represents the interests of individuals with serious mental illness/ and/or serious emotional disturbance and/or their families.
- 2.4 **State Fair Hearing (or Fair Hearing):** An independent review coordinated by the California State Department of Social Services and/or the California State Department of Health Care Services. The State Fair Hearing is the final arbiter of appeals. California Welfare and Institutions Code (WIC) sections 10950-10965.
~~An independent State review conducted by the State Department of Social Services to ensure that Medi-Cal beneficiaries receive the specialty mental health services they are entitled to under the Medi-Cal program. Only consumers who are Medi-Cal recipients and who have completed the agency's Appeal process may request a State Fair Hearing.~~
- 2.1 **Workforce:** For the purpose of this policy, the definition of the Tri City Mental Health Center (TCMHC) workforce includes employees, volunteers, interns, consultants, locum tenens, trainees, contractors, whether or not they are paid by TCMHA. This includes individuals who provide services to clients and those who provide administrative, managerial, support services and/or other products, goods or services.

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~~**Standard Appeal.**—An oral or written request to review a grievance disposition or action, as described in 9 CCR § 1810.203.5 Oral appeals must be followed up with a signed, written appeal. Standard appeals must be resolved within 45 calendar days of receipt of appeal. Timeframe may be extended by up to 14 days in certain circumstances.~~

~~**Expedited Appeal.** Consumers may file an expedited appeal (*orally or in writing*) to review an “action” when using the standard appeal resolution process could jeopardize the consumer’s life, health, or ability to attain, maintain, or regain maximum function. Expedited appeals must be resolved and the affected parties must be notified orally and in writing no later than 3 working days after receipt of the expedited appeal. Timeframe may extend by up to 14 days in certain circumstances. If the request for an expedited appeal is rejected, there must be reasonable efforts made to promptly notify the consumer orally and in writing within two calendar days.~~

3. POLICY

- 3.1 Tri-City Mental Health Authority (TCMHA) shall maintain an issue resolution processes for beneficiaries, clients, and stakeholders to resolve complaints, grievances, and appeals.
- 3.2 The Issue Resolution Process for Medi-Cal Beneficiaries, shall support the resolution of issues related to Medi-Cal beneficiaries who are dissatisfied with SMHS or when authorized services are denied, terminated, suspended, or reduced.
- 3.3 The Issue Resolution Process for MHSA clients and stakeholders shall support the resolution of issues related to: the Community Program Planning (CPP) process, the consistency between approved MHSA plans and program implementation, or the MHSA funded programs (accessibility, appropriate use of funds, etc.).
- 3.4 The Complaint/Grievance/Issue Resolution Process Guide, the Grievance/Appeal Issue Resolution Forms, and other materials related to the Issue Resolution Process shall be located in a conspicuous location at each service site. Materials shall be in English and the threshold languages. The location of the materials shall be such that the consumer does not have to make a verbal or written request to anyone for the materials.

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- 3.5 Information regarding the Issue Resolution process ~~using the complaint/ grievance/ appeals process is shall be~~ provided to clients when they access services, and upon request. ~~The Tri-City Beneficiary / Client Problem Solution Guide (Exhibit A) is also posted in the main lobby.~~
- 3.6 The Department of Health Care Services (DHCS) requires that the local issue resolution process be exhausted before accessing State departments to seek issue resolution or to file a complaint or grievance.
- 3.7 If complaint is regarding the inappropriate use or disclosure of Protected Health Information (PHI), the complaint will be referred to the Tri-City Privacy Officer. (Refer to HIPAA Privacy Complaints policy.)

~~Tri-City Mental Health Center (“Tri-City”) Authority strives to provide quality mental health services. Consumers are encouraged to participate in their care planning and to communicate when they are dissatisfied with these services.~~

~~TCMHA Tri-City staff will attempt to resolve any problem promptly.~~

~~All consumers have the right to file a grievance and/or appeal at any time, when authorized services are denied, terminated, suspended or reduced and if they are dissatisfied with the Specialty Mental Health Services provided at Tri-City Mental Health Center.~~

4. PROCEDURES

Complaint Procedure for Specialty Mental Health and MHSA Services

~~All consumers have the right to file a complaint at any time.~~

- 4.1 All clients and stakeholders can file a complaint, if they experience dissatisfaction within the Tri City System of care.
- 4.2 Complaints can be made at any time, both verbally or in writing, if a client, beneficiary or stakeholder is experiencing dissatisfaction within the Tri City System of Care.
- 4.3 Tri-City Mental Health staff ~~will attempt to solve any problem directly with the consumer.~~ shall make all reasonable efforts to address the complaint directly with the individual.

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- 4.1 If a problem does not get resolved to the consumers satisfaction, staff shall provide the individual with a copy of the Complaint/Grievance/Issue Resolution Process Guide ~~will be available to assist the consumer with completing the Beneficiary/Client Grievance Form~~ and will explain the grievance process. Designated TCMHA workforce members shall also be available to assist with completing a grievance or appeal, if needed.
- 4.1 ~~If complaint is regarding the inappropriate use or disclosure of Protected Health Information (PHI), the complaint will be referred to the Tn City Privacy Officer. (Refer to HIPAA Privacy Complaints policy.)~~

Grievance & Appeal Procedures for Specialty Mental Health Services

~~Grievance Process. Consumers have the right to use the grievance process at anytime before, during or after initiating the complaint resolution process.~~

~~The consumer completes the Beneficiary / Client Grievance Form and executes the Tn City Release of Information Authorization Form (Exhibit C) to facilitate review of the grievance. In addition, the consumer attaches any additional written documentation to support his/her position.~~

- 4.2 A copy of the Complaint/Grievance/Appeal Issue Resolution Process Guide and the Grievance/Appeal Issue Resolution Form, shall be offered when a client expresses dissatisfaction within the TCMHA system of care.
- 4.3 A grievance or appeal may be filed directly or by a designated representative to assist or to act on filing individual's behalf (with appropriate Authorization for Use/Disclosure of Protected Health Information. The client may ~~if the consumer desires assistance with this process, he/she may~~ choose a family member or friend, or another Tri-City staff person with whom he/she feels comfortable. ~~The grievance can be filed orally or in writing.~~ Designated TCMHA workforce members shall also be available to assist a beneficiary with completing a grievance or appeal, if needed.

~~The Complaint Department provides consumer with written notice of their grievance within one working day and documents the grievance in the Beneficiary/ Client Grievance Tracking Log (Exhibit D). Disposition timeframe will be within 60 calendar days of receipt of the grievance. Timeframe may be extended by up to 14 days in certain circumstances.~~

SUBJECT: Issue Resolution Process for Complaints, Grievances and Appeals Beneficiary Complaint Grievance and Appeals	POLICY NO.: ##	EFFECTIVE DATE: 11/18/2020	PAGE: 7 of 12
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- 4.1 Grievance: A client can file a grievance at any time if they experience or express dissatisfaction with any aspect specialty mental health service provision. A grievance can be filed verbally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form.
- 4.2 Appeal: A beneficiary can file an appeal, at any time, if they are dissatisfied with the outcome of an adverse benefit determination (or action). An appeal can be filed verbally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form.
 - a. If the appeal is oral, the ~~beneficiary consumer~~ will be asked to follow up the oral appeal with a signed, written appeal. The date of the oral or written appeal starts the time clock for when appeal must be resolved.
 - b. Expedited Appeal: A ~~consumer beneficiary~~ may request an expedited appeal, when filing a standard appeal resolution process could jeopardize the individual's life, health, or ability to attain, maintain, or regain maximum function. Oral requests for expedited appeals do not have to be followed with a written request.
 - c. If TCMHA denies a request for an expedited appeal, the expedited appeal request shall revert to standard appeal and shall be resolved consistent with the standard appeal process. The grievance representative must make reasonable efforts to notify the beneficiary (verbally) as soon as possible of the denial or the request for an expedited appeal and provide written notice within two (2) calendar days of the date of the denial. The written notice of the denial of the request for an expedited appeal is not considered a notice of adverse benefit.
 - d. For expedited appeals, the Medi-Cal beneficiary will receive expedited notification resolution (As stated in timeframe section below). Other procedures would follow same process as standard appeal process.
- 4.3 The Grievance representative shall acknowledge the receipt of a grievance or appeal to the beneficiary in writing and will document it in the Problem Resolution Log.
- 4.4 All communication involving use or disclosure of PHI during the Grievance and/or Appeal process shall be in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations, applicable state law, and TCMHA HIPAA Privacy

SUBJECT: Issue Resolution Process for Complaints, Grievances and Appeals Beneficiary Complaint Grievance and Appeals	POLICY NO.: ##	EFFECTIVE DATE: 11/18/2020	PAGE: 8 of 12
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Policies and Procedures.

- 4.5 The ~~Complaint Department~~ grievance representative will commence the investigation and will notify the ~~beneficiary consumer~~ of course of action on solving the problem. The grievance representative will inform the ~~beneficiary consumer~~ of decision in writing, by phone, or in person within timeframe required.
- 4.6 If the ~~grievance or~~ appeal is about a clinical or therapeutic issue, the decision maker for the appeal outcome will be a ~~workforce member staff~~ that has appropriate clinical expertise and training in treating the consumer’s condition in order to make an informed decision. If no clinical issue is involved, then a clinical decision maker is not required.
- ~~4.7~~ When the grievance ~~or appeal~~ is satisfied or resolved, or the appeal is finalized, the ~~grievance representative~~ ~~Complaint Department~~ will record the final disposition in the ~~Beneficiary Problem~~ Complaint/Grievance/Issue Resolution Log. ~~(Exhibit F)~~. A written notice will be sent to the ~~beneficiary consumer~~ (Refer to 4.22). ~~and will contain the results of the grievance or appeal issue resolution process, the date the grievance or appeal decision was made, and the procedures for requesting a State Fair Hearing, if the problem was a result of an action (as defined in section 3.4). Only Medi-Cal recipients are eligible to file a State Fair Hearing.~~
- 4.1 If a client is not satisfied with the outcome of their SMHS grievance and would like to seek further review and resolution, the issue resolution process will be routed to the TCMHA Executive Director for final TCMHA review and decision.
- 4.2 If a beneficiary is not satisfied with the outcome of their SMHS appeal (the problem was a result of an adverse benefit or action, as defined in 9 CCR § 1810.200, and would like to seek further review and resolution, the issue resolution process will be routed to the TCMHA Executive Director for final TCMHA review and decision.
 - a. If the beneficiary has exhausted the local issue resolution process, without satisfactory resolution, the beneficiary may request a State Fair Hearing. Only Medi-Cal recipients are eligible to file a State Fair Hearing.
- 4.3 The grievance representative Complaint Department can assist the client consumer with completing and mailing out the Request for State Fair Hearing if needed.

~~If the consumer is not satisfied with the decision that has been made, the consumer may ask to file an appeal in writing or orally. If the appeal is oral, the consumer will be~~

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~~asked to follow up the oral appeal with a signed, written appeal. The date of the oral or written appeal starts the time clock for when appeal must be resolved. Designated staff will be available to assist consumer with completing written appeal if needed. A new Beneficiary / Client Grievance or Appeal Form must be completed. In the appeal process, the staff that decides on the merits of the appeal, must not have been involved in any prior decision making, involving the particular grievance or appeal.~~

~~If the appeal is about a clinical or therapeutic issue, the decision maker for the appeal outcome will be a staff that has appropriate clinical expertise and training in treating the consumer's condition in order to make an informed decision. If no clinical issue is involved, then a clinical decision maker is not required.~~

~~All appeals will be submitted for tracking to the Complaint Department. All appeals will be logged in the Beneficiary Appeals Tracking Log (Exhibit E) within one working day and acknowledges receipt in writing to consumer.~~

~~All appeals will be submitted to the Executive Director. If clinical staff is required to assist in decision making process, Program Chief will designate such staff~~

~~All standard appeals will be resolved within 45 calendar days of receipt of appeal. This time frame may be extended by up to another 14 days in certain circumstances.~~

~~The Complaint Department or designee can assist the consumer with completing and mailing out the Request for Medi-Cal Fair Hearing if needed.~~

~~Expedited Appeals~~

~~A consumer may request an expedited appeal, when filing a standard appeal resolution process could jeopardize the individuals life, health, or ability to attain, maintain, or regain maximum function.~~

~~The Complaint Department, in collaboration with the Program Chief and Executive Director, will make a decision regarding the denial or approval of an expedited appeal request. If the appeal is denied, the consumer will receive written notification of denial and timeframes for the standard appeals process within two calendar days. Procedures would follow same process as Standard Appeal process (refer to section 3.11).~~

~~If request for an expedited appeal is approved, the grievance must be resolved and the~~

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~~consumer must be notified orally and in writing no later than three working days after the appeal has been logged by the Complaint Department.~~

Grievance Procedure for MHPA Services

- 4.4 If an MHPA client or stakeholder expresses concerns or dissatisfaction with:
 - a. Access or Quality of MHPA program and services
 - b. Inconsistency between approved MHPA Plan and implementation
 - c. Community Program Planning Process
 - d. Appropriate use of MHPA funds
 - e. Non-compliance with the General Standards pursuant to Welfare and Institutions Code §33202
 They shall be offered a copy of the Complaint/Grievance/Issue Resolution Process Guide and the Grievance/Appeal Issue Resolution Form.
- 4.5 An MHPA client or stakeholder can file a grievance orally by speaking with a grievance representative or in writing by completing and submitting the Grievance/Appeal Issue Resolution Form. Designated staff will be available to assist with completing a grievance, if needed.
- 4.6 The Grievance representative will acknowledge the receipt of issue in writing and will document the issue in the Complaint/Grievance/Issue Resolution Log.
- 4.7 All communication involving use or disclosure of PHI during the Grievance and/or Appeal process shall be in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations, applicable state law, and TCMHA HIPAA Privacy Policies and Procedures.
- 4.8 The grievance representative will commence the investigation and will notify the client/stakeholder of course of action on solving the problem. The grievance representative will inform the client/stakeholder of decision in writing, by phone, or in person within timeframe required.
- 4.9 When the issue is resolved, the grievance representative will record the final disposition in the Complaint/Grievance/Issue Resolution Log. A written notice will be sent to the client or stakeholder. (Refer to 4.22).
- 4.10 If an individual is not satisfied with the outcome of their MHPA grievance, the grievance can be referred to the TCMHA Executive Director for final TCMHA review and decision.

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- 4.11 If individual and has exhausted the local issue resolution process, without satisfactory resolution, they may submit their concern to the Mental Health Services Oversight and Accountability Commission (MHSOAC), California Mental Health Planning Council (CMHPC), or any agency and/or entity the issue filer feels may assist in resolving the MHSA related issue

Time Frames for All Grievances and Appeals

- 4.12 When the LMHP does not address and resolve grievances and/or appeals within the stated time frames, the lack of timeliness is an issue which can be appealed.
- 4.13 For All Grievances (SMHS and MHSA): The grievance representative will inform the individual, in writing, of the outcome of their grievance within 60 calendar days.
- 4.14 For Appeals (SMHS Beneficiaries): The grievance representative will inform the beneficiary or affected parties in writing of the outcome of a grievance within 45 calendar days, and no later than three (3) working days for expedited appeals of receipt.
- a. This time frame may be extended up to 14 days if the beneficiary requests an extension or TCMHA determines that there is a need for additional information and that the delay is in the beneficiary's interest. If TCMHA extends the time frames, for any extension not requested by the beneficiary, the beneficiary shall be notified, in writing, of the extension and the reasons for the extension.
 - b. Expedited Appeals: For an expedited appeal, where a beneficiary requests continued services after services have been denied, reduced, or terminated by TCMHA, the issue must be resolved within three (3) working days.
- 4.15 Written Notification of Resolution and Completion of All Grievances and Appeals
Beneficiaries, Clients, and Stakeholders shall be notified in writing of the resolution of their grievance or appeal. The content of the written notice must include the following:
- The results of the resolution process.
 - The date it was completed.
 - For appeals not resolved wholly in favor of the beneficiary:
 - *The right to request a Fair Hearing;*
 - *Procedure for filing for a Fair hearing; and*
 - *The right to request to receive benefits while the hearing is pending*

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- *The Fair Hearing is the final arbiter of all appeals, and there are no other appeal levels.*

5. REFERENCES

1. California Code of Regulations, Title 9. Rehabilitative and Development Services, Division 1. Department of Mental Health, Chapter 11. Medi-Cal Specialty Mental Health Services
2. California Code of Regulations, Title 9. Rehabilitative and Development Services, Division 1. Department of Mental Health, Chapter 14. Mental Health Services Act
3. California Code, Welfare and Institutions Code - WIC § 10950 – 10967 Chapter 7: Hearings
4. Code of Federal Regulations, Title 42, Chapter IV, Part 438, Section 438, Subpart F
5. Code of Federal Regulations Part 160-164; Section 164.508 *“Use and Disclosure Which an Authorization is Required”*.
6. Mental Health Services Act Issue Resolution Process (n.d). Mental Health Services Oversight and Accountability Commission (MHSOAC).



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

BY: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Consideration of Resolution No 559 Adopting Revised Policy and Procedure No. CL.IV.07 Language Interpretation and Translation, Effective November 18, 2020

Summary:

As part of the policy and procedure implementation and appraisal process, Tri-City Mental Health Authority Policies are reviewed and updated as needed, in order to ensure that policies are effective and up to date with the most current regulations, internal processes, standards of care, and best practices.

Language Interpreters - Policy CL.IV.07 was reviewed and revised to more closely align the policy with current Federal, State, and County regulations and standards, as well as to more accurately reflect the current internal processes and procedures.

Background

Language Interpreters - Policy CL.IV.07 establishes guidelines to ensure equal access to services regardless of primary/preferred language and also establishes standardized language assistance guidelines for clients, participants, and stakeholders in need of translated materials and interpretation services.

The following is a summary of the revisions:

1. The policy name was amended from “Language Interpreters” to “Language Interpretation and Translation” in order to reflect the addition of policy content related to translation.
2. The definitions section was revised in order to update the associated terms used in the policy.
3. The policy section was revised in order to more clearly delineate that interpretation services shall be provided at no cost to clients, participants, and stakeholders.
4. The procedure section was updated to reflect a more accurate portrayal of the current process.

Governing Board of Tri-City Mental Health Authority

Toni Navarro, LMFT, Executive Director

***Consideration of Resolution No 559 Adopting Revised Policy and Procedure No. CL.IV.07
Language Interpretation and Translation, Effective November 18, 2020***

November 18, 2020

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5. The policy and procedure sections were updated to demonstrate the guidelines for translated materials.

The revised draft policy is included for Governing Board review and approval. Also included are the current policy versions, with annotations of all revisions.

Funding

None Required.

Recommendation

Staff recommends that the Governing Board adopt Resolution No. 559 establishing revised Language Interpretation and Translation Policy and Procedure No. CL.IV.07, effective November 18, 2020.

Attachments

Attachment 3-A: Resolution No. 559- DRAFT

Attachment 3-B: Policy and Procedure No. CL.IV.07 -Language Interpretation and Translation, Revised 11/18/2020 – DRAFT

Attachment 3-C: Policy and Procedure No. CL.IV.07 -Language Interpreters, Revised 07/17/2013 - ANNOTATED

RESOLUTION NO. 559

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED POLICY AND PROCEDURE NO: CL.IV.07-LANGUAGE INTERPRETATION AND TRANSLATION, EFFECTIVE NOVEMBER 18, 2020

The Governing Board of the Tri-City Mental Health Authority ("Authority") does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority") desires to update its Policy and Procedure CL.IV.07 -Language Interpretation and Translation to comply with current regulatory requirements, as well as agency best practices.

B. TCMHA Policies are routinely reviewed and updated in order to have congruency with current regulations, mandates, and processes.

2. Action

The Governing Board approves the Authority's revised Language Interpretation and Translation Policy and Procedure No. CL.IV.07, effective November 18, 2020, replacing and superseding all previous versions.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on November 18, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By:_____

By:_____



POLICY & PROCEDURE

SUBJECT: Language Interpretation and Translation	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020	PAGE: 1 of 5
APPROVED BY: GOVERNING BOARD EXECUTIVE DIRECTOR	SUPERCEDES: 07/17/2013	ORIGINAL ISSUE DATE: 04/21/2010	RESPONSIBLE PARTIES: Ethnic Services Manager Chief Clinical Officer Medical Director

1. PURPOSE

- 1.1 The purpose of this policy is to establish the standardized language assistance, interpretation, and translation guidelines for clients, participants, and stakeholders at Tri-City Mental Health Authority (TCMHA).
- 1.2 This policy ensures that all clients, participants, and stakeholders who: 1) Do not speak English, 2) Speak English with limited proficiency (LEP-Limited English Proficient), or 3) Are Deaf or Hearing-impaired, receive equal access to interpretation services in their primary or preferred language.
- 1.3 This policy ensures that under no circumstances will a beneficiary be denied access to mental health services due to language barriers.

2. DEFINITIONS

When used in this Policy, the following terms shall have the meanings hereinafter set forth unless the context indicates otherwise:

- 2.1 **Beneficiary:** Any individual certified as eligible for services under the Medi-Cal program as defined in 9 CCR § 1810.205 and according to 22 CCR § 51000.2.
- 2.2 **Client:** An individual of any age who is receiving or has received mental health services. For the purposes of this policy, the term “client” includes those who refer to themselves as clients, participants, consumers, survivors, patients or ex-patients (9 CCR § 3200.04).
- 2.3 **Interpreter:** A person who interprets, especially one who translates speech orally or into sign language.
- 2.4 **Limited English Proficient (LEP):** A limited level of English language communication that would call into question the consumer’s ability to adequately understand and respond to issues related to his or her treatment (CCPR Modification, 2011).
- 2.5 **Non-Threshold Language:** Other non-English languages that do not meet threshold language criteria described in this policy.



POLICY & PROCEDURE

SUBJECT: Language Interpretation and Translation	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020	PAGE: 2 of 5
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- 2.6 Primary or Preferred Language:** A language, including sign language, which must be used by the beneficiary to communicate effectively and which is so identified by the beneficiary (9 CCR § 1810.410(a)(2)).
- 2.7 Threshold Language:** A language identified as a primary language spoken at a high proportional rate within a geographic region of the state.
- 2.8 Translation:** A equivalent transfer of written text form one language into another language.
- 2.9 Sign Language:** A system of communication using visual gestures and signs. With signing, the brain processes linguistic information through the eyes. The shape, placement, and movement of the hands, as well as facial expressions and body movements, all play important parts in conveying information. It is not a universal language – each country has its own sign language, and regions have dialects, much like the many languages spoken all over the world.
- 2.10 Stakeholder:** An individual or entity with an interest in mental health services in the State of California, including but not limited to: individuals with serious mental illness and/or serious emotional disturbance and/or their families; providers of mental health and/or related services such as physical health care and/or social services; educators and/or representatives of education; representatives of law enforcement; and any other organization that represents the interests of individuals with serious mental illness/ and/or serious emotional disturbance and/or their families (9 CCR § 3200.270).
- 2.11 Telecommunication Device for the Deaf (TDD):** A telecommunications device for the deaf is a teleprinter, an electronic device for text communication over a telephone line that is designed for use by persons with hearing or speech difficulties.

3. POLICY

- 3.1** It is the policy of TCMHA not to discriminate in the provision of services to non-English speaking clients, limited english proficient clients, or deaf and hearing-impaired clients.
- 3.2** It is the policy of TCMHA that optimal access to linguistically appropriate services shall be made available, at no cost, for all clients and stakeholders, in accordance with applicable federal, State, and County policies.
- 3.2.1** Clients receiving mental health services, will be informed in writing (in their primary language) of their right to language assistance services at no cost and how to access these services.
- 3.3** Workforce members having client contact shall review this policy annually in order to become familiar with utilization of interpretation services and to become sensitive to the needs of consumers with hearing impairments. Supervisors shall document this review.



POLICY & PROCEDURE

SUBJECT: Language Interpretation and Translation	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020	PAGE: 3 of 5
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4. PROCEDURES

- 4.1 TCMHA shall provide verbal or sign language assistance services in threshold and non-threshold languages for specialty mental health clients, participants, and stakeholders.
 - 4.1.1 In accordance with requirements of Title VI of the Civil Rights Act of 1964, the expectation that family members provide interpreter services is prohibited. If a client, participant, or stakeholder insists on using a family member or friend as an interpreter, they may do so only after being informed of the availability of free interpreter services.
 - 4.1.2 Minor children shall not be used as interpreters.
 - 4.1.3 A coordinated referral and transfer to a similar agency shall be offered, for clients and participants with non-threshold primary/preferred languages, that may better be served by another agency provider with more optimal culturally or linguistically available services. The referral process shall allow latitude for clinical judgment in some cases.
- 4.2 Each service site shall post a flyer (in threshold and non-threshold languages) identifying the language assistance services and the auxiliary aids (including Teletypewriter/Telecommunications Device for the Deaf - TTY/TDD) available to non-English speaking, LEP, and deaf or hearing-impaired clients, participants, and stakeholders.
- 4.3 Workforce members will ensure that non-English speaking, LEP, or deaf/hard of hearing clients, participants, and stakeholders are connected to a bilingual workforce member or to interpretation services in their primary or preferred language.
- 4.4 TCMHA shall also ensure 24/7 access to language interpretation services in the primary or preferred language (including TTD and California Relay Services), for all individuals that call the toll-free 24/7 agency phone line (866) 623-9500.
- 4.5 TCMHA workforce members shall evaluate the primary and preferred language needs for all specialty mental health service clients, and shall inform clients of their right to receive specialty mental health services in their primary or preferred language, and that language interpretation services will be provided at no cost.
- 4.6 TCMHA shall offer a provider directory containing registry information on the available specialty mental health services providers in the services area, which shall include information on the language and cultural specialties (veterans, homeless, and others) available at the provider locations.
- 4.7 TCMHA workforce members shall document when free language services are offered and/or provided, in the client's primary or preferred language. Documentation of language interpreter services shall be completed in accordance with the guidelines in the Los Angeles County Mental Health Plan - Short Doyle/Medi-Cal Organizational Provider's Manual.



POLICY & PROCEDURE

SUBJECT: Language Interpretation and Translation	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020	PAGE: 4 of 5
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4.8 Interpreter Services by Bilingual Workforce Member (Primary Resource): All departments and programs shall utilize internal bilingual workforce members as a primary resource for clients, participants, and stakeholders requesting/needing interpreter services in their primary or preferred language.

4.8.1 Human Resources will maintain a list of workforce members that are certified to interpret and the languages they are certified to interpret. Human Resources will ensure that workforce interpreters are qualified, trained and monitored for language competence.

4.8.2 The workforce member assigned at the point of entry, shall follow agency protocol to coordinate the interpretation services with a certified bilingual workforce member.

4.8.3 The designated bilingual workforce interpreter will meet with the individual at the location where the language assistance is needed.

4.9 Interpreter Services by Language Interpretation Service (Secondary Resource): All departments and programs shall utilize the agency's approved contracted language interpretation service(s), as a secondary resource for language interpretation.

4.9.1 TCHMA shall maintain access to qualified language interpretation services, in the event that there is no available workforce interpreter available to provide language interpretation services for a client, participant, or stakeholder.

4.9.2 The workforce member assigned at the point of entry, shall follow agency protocol to coordinate the interpretation services with the agency's approved contracted interpretation service vendor(s).

4.9.3 As an additional resource for individuals with hearing impairments: Workforce members can coordinate calls for any client, participant, or stakeholder who is deaf and hard of hearing with assistance from the free California Relay Service (CRS), by dialing 711 and using an appropriate auxiliary device, as necessary.

4.9.3.1 TDDs are located at all Tri-City clinic locations.

4.9.3.2 At least one staff member at each clinic where a TDD is located is trained to operate the device. The training shall be provided by the Operations Department, and "Instructions for Use of TDD" shall be posted near the TDD device.

4.10 Translation of Written Materials: TCMHA shall ensure that written materials provided to clients, participants, and stakeholders (i.e. informing materials, surveys, program information, flyers and announcements, brochures, signage, consents and authorizations, documents and forms, directories, beneficiary handbooks, appeal and grievance notices, denial, and termination notices, and other essential notices, letters



POLICY & PROCEDURE

SUBJECT: Language Interpretation and Translation	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020	PAGE: 5 of 5
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and reports) are translated into the threshold languages (essential written materials shall be interpreted at minimum for non-threshold languages) and made available to clients, participants, and stakeholders and needed and/or required.

- 4.10.1** To request translation for official agency documents, workforce members must obtain approval from their supervisor and then request for forms translation using the established agency forms/documents request protocol.
- 4.10.2** Translated materials shall be written at a 6th grade reading level and go through a review mechanism for ensuring accuracy and cultural competency of the translation (e.g., back translation and field testing) ensures that the translated document has meaning beyond a literal translation.

5. REFERENCES

- 5.1** Los Angeles Department of Mental Health: Policy 200.02 Interpreter Services for the Deaf and Hard of Hearing Community (2019)
- 5.2** Los Angeles Department of Mental Health: Policy 200.03 Language Translation and Interpreter Services (2019)
- 5.3** California Department of Mental (Department of Health Care Services) - Cultural Competence Plan Requirements – CCPR (2010)
- 5.4** California Code of Regulations, Title 9 Chapter 11 Section 1810.410 Cultural and Linguistic Requirements
- 5.5** California Government Code Title 1 Division 7 Chapter 17.5, Dymally-Alatorre Bilingual Services Act
- 5.6** United States Department of Health and Human Services - Office of Minority Health National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care (CLAS)
- 5.7** U.S. Department of Justice, Civil Rights Division, Disability Rights Section, Americans With Disabilities Act (ADA) Title II Requirements
- 5.8** The Civil Rights Act Of 1964 Title VI 42 U.S.C. § 2000d Et Seq.

SUBJECT: Language Interpretation and Translation Language Interpreters	POLICY NO.: CL.IV.07	EFFECTIVE DATE: 11/18/2020 07/17/2013	PAGE: 1 of 8
APPROVED BY:	SUPERCEDES: 07/17/2013 04/21/2010	ORIGINAL ISSUE DATE: 04/21/2010	RESPONSIBLE PARTIES: Ethnic Services Manager Chief Clinical Officer Medical Director

1. PURPOSE

- 1.1 The purpose of this policy is to establish the standardized language assistance, interpretation, and translation ~~provision of services~~ guidelines for clients, participants, and stakeholders consumers in need of translation translated materials and interpretation services language interpreters including the deaf and hearing-impaired consumers requesting mental health services at Tri-City Mental Health Authority (TCMHA).
- 1.2 This policy ensures that all clients, participants, and stakeholders who: 1) Do not speak English, 2) Speak English with limited proficiency (LEP-Limited English Proficient), or 3) Are Deaf or Hearing-impaired, receive equal access to interpretation services in their primary or preferred language.
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- 2.6 **Primary or Preferred Language:** A language, including sign language, which must be used by the beneficiary to communicate effectively and which is so identified by the beneficiary (9 CCR § 1810.410(a)(2)).
- 2.7 **Threshold Language:** A language identified as a primary language spoken at a high proportional rate within a geographic region of the state.
- 2.8 **Translation:** A equivalent transfer of written text form one language into another language.
- 2.9 **Sign Language:** A system of communication using visual gestures and signs. With signing, the brain processes linguistic information through the eyes. The shape, placement, and movement of the hands, as well as facial expressions and body movements, all play important parts in conveying information. It is not a universal language – each country has its own sign language, and regions have dialects, much like the many languages spoken all over the world.
- 2.10 **Stakeholder:** An individual or entity with an interest in mental health services in the State of California, including but not limited to: individuals with serious mental illness and/or serious emotional disturbance and/or their families; providers of mental health and/or related services such as physical health care and/or social services; educators and/or representatives of education; representatives of law enforcement; and any other organization that represents the interests of individuals with serious mental illness/ and/or serious emotional disturbance and/or their families (9 CCR § 3200.270).
- 2.11 **Telecommunication Device for the Deaf (TDD):** A telecommunications device for the deaf is a teleprinter, an electronic device for text communication over a telephone line that is designed for use by persons with hearing or speech difficulties.

3. POLICY

- 3.1 It is the policy of **Tri-City TCMHA** not to discriminate in the provision of services to non-English speaking clients, **limited english proficient clients**, or deaf and hearing-impaired clients.
- 3.2 It is the policy of TCMHA ~~and~~ that optimal access ~~is provided in the provision of these services~~ to linguistically appropriate services shall be made available, at no cost, for all clients and stakeholders, in accordance with applicable federal, State, and County policies.
 - a. Clients receiving specialty mental health services, will be informed in writing of their right to language assistance services at no cost and how to access these services.

SUBJECT: Language Interpretation and Translation	POLICY NO.:	EFFECTIVE DATE: 11/18/2020	PAGE: 3 of 7
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3.3 Workforce members ~~staff~~ having client contact shall review this policy annually in order to become familiar with utilization of interpretation services and to become sensitive to the needs of consumers with hearing impairments. Supervisors shall document this review.

~~Interpretation services shall be made available at no cost to consumers with hearing impairments.~~

4. PROCEDURES

4.1 TCMHA shall provide verbal or sign language assistance services in threshold and non-threshold languages for specialty mental health clients, participants, and stakeholders.

- a. In accordance with requirements of Title VI of the Civil Rights Act of 1964, the expectation that family members provide interpreter services is prohibited. If a client, participant, or stakeholder ~~consumer~~ insists on using a family member or friend as an interpreter, they may do so only after being informed of the availability of free interpreter services.
- b. Minor children shall not be used as interpreters.
- c. A coordinated referral and transfer to a similar agency shall be offered, for clients and participants ~~consumers~~ whose needs may better be served by another agency provider with more optimal available services ~~referral to an agency provider of similar but more~~ culturally or linguistically available ~~specific~~ services. The referral process shall allow latitude for clinical judgment in some cases.

4.2 Each ~~clinic service site~~ shall post a flyer (in threshold and non-threshold languages) identifying the language assistance services and the auxiliary aids (including Teletypewriter/Telecommunications Device for the Deaf - TTY/TDD) available to non-English speaking, LEP, and deaf or hearing-impaired clients, participants, and stakeholders. ~~identifying the language assistance services and the auxiliary aids (including Teletypewriter/Telecommunications Device for the Deaf - TTY/TDD) available offered to non-English speaking, LEP, and deaf or hearing-impaired clients, participants, and stakeholders. and the availability of auxiliary aids (including spoken and sign language interpreters).~~

~~When a workforce member has been made aware that a client is non-English speaking, limited English proficiency, deaf or hearing impaired person presents at a TCMHA system of care point of entry, call is requesting mental health services, the clinic will first attempt to contact a staff language or sign language interpreter on site to set up an appointment for the consumer and/or provide information as needed. Should an on-site interpreter not be available, than the over the phone conferencing or video conferencing will be used.~~

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~~When a Non-English speaking person comes to a Tri-City location seeking Mental Health services, a staff member who is able to, or has been designated / identified to translate in that language should be contacted as soon as possible.~~

- 4.3 Workforce members will ensure that non-English speaking, LEP, or deaf/hard of hearing clients, participants, and stakeholders are connected to a bilingual workforce member or to interpretation services in their primary or preferred language.
- 4.4 TCMHA shall also ensure 24/7 access to language interpretation services in the primary or preferred language (including TTD and California Relay Services), for all individuals that call the toll-free 24/7 agency phone line (866) 623-9500.
- 4.5 TCMHA workforce members shall evaluate the primary and preferred language needs for all specialty mental health service clients, and shall inform clients of their right to receive specialty mental health services in their primary or preferred language, and that language interpretation services will be provided at no cost.
- 4.6 TCMHA shall offer a provider directory containing registry information on the available specialty mental health services providers in the services area, which shall include information on the language and cultural specialties (veterans, homeless, and others) available at the provider locations.
- 4.7 TCMHA workforce members shall document when free language services are offered and/or provided, in the client's primary or preferred language. Documentation of language interpreter services shall be completed in accordance with the guidelines in the Los Angeles Department of Mental Health - Short Doyle/Medi-Cal Organizational Provider's Manual.
- 4.8 Interpreter Services by Bilingual Workforce Member (Primary Resource): All departments and programs shall utilize internal bilingual workforce members as a primary resource for clients, participants, and stakeholders requesting/needing interpreter services in their primary or preferred language

~~The staff interpreter assigned workforce interpreter will meet with the consumer at the site location where the language assistance is needed consumer receives services. Should a staff interpreter not be available who speaks the consumer's language, than over the phone interpreting shall be provided by Tri-City's telecommunication interpretation service with Language-Line Solutions.~~

~~TCMHA shall maintain a roster of qualified bilingual workforce members.~~

- a. Human Resources will maintain a list of the workforce members certified to interpret and the languages they are certified to interpret. **Human Resources will ensure that**

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workforce interpreters are qualified, trained and monitored for language competence.

- b. The workforce member assigned at the point of entry, shall follow agency protocol to coordinate the interpretation services with a certified bilingual workforce member.
- c. The designated bilingual workforce interpreter will meet with the individual at the location where the language assistance is needed.

4.9 Interpreter Services by Language Interpretation Service (Secondary Resource): All departments and programs shall utilize the agency's approved contracted language interpretation service(s), as a secondary resource for language interpretation.

- a. TCHMA shall maintain access to qualified language interpretation services, in the event that there is no available workforce interpreter available to provide language interpretation services for a client, participant, or stakeholder.
- b. The ~~staff interpreter~~ workforce member assigned at the point of entry, shall follow agency protocol to coordinate the interpretation services with the agency's approved contracted interpretation service vendor(s).
- c. As an additional resource for individuals with hearing impairments: Workforce members can coordinate calls for any client, participant, or stakeholder who is deaf and hard of hearing with assistance from the free California Relay Service (CRS), by dialing 711 and using an appropriate auxiliary device, as necessary.
 - i. TDDs are located at all Tri-City clinic locations.
 - ii. At least one staff member at each clinic where a TDD is located is trained to operate the device. The training shall be provided by the Operations Department, and "Instructions for Use of TDD" shall be posted near the TDD device.

~~Non-English-Speaking Consumers. Staff identified to translate might conduct foreign language interpretation or Language Line equipment may be utilized: Language Line Over the Phone Toll Free Number (866) 874 3972~~

~~In the case of a hearing impaired person, if the person making initial contact is not fluent in sign language they should communicate in writing or via TTY explaining the process that interpretation will be provided by Tri City's Language Line video conferencing and immediately connect consumer to identified Language Line video conferencing staff.~~

~~In the case of a hearing impaired person, if the person making initial contact is not fluent in sign language they should communicate in writing explaining the process that interpretation will be provided by Tri City's Language Line video conferencing and immediately connect consumer to identified Language Line video conferencing staff~~

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~~Additional Services for Deaf and Hearing Impaired Individuals: Should there be an occasion when the Language Line Conferencing is not available for any reason; assigned Language Line contact staff can utilize the following agencies:
 Greater Los Angeles Council on Deafness
 Los Angeles (323) 550-4210 8:30 a.m. to 5:00 p.m.
 (800) 633-8883 Emergency
 Life Signs interpreters are available 24 hours per day. Staff can contact Life Signs, provide information and set up an appointment for the interpreter to come to the clinic for face to face interpreting service.
 Riverside (951) 275-5035~~

- 4.10 Translation of Written Materials: TCMHA shall ensure that written materials provided to clients, participants, and stakeholders (i.e. informing materials, surveys, program information, flyers and announcements, brochures, signage, consents and authorizations, documents and forms, directories, beneficiary handbooks, appeal and grievance notices, denial, and termination notices, and other essential notices, letters and reports) are translated into the threshold languages (essential written materials shall be interpreted at minimum for non-threshold languages) and made available to clients, participants, and stakeholders and needed and/or required.
- a. To request translation for official agency documents, workforce members must obtain approval from their supervisor and then request for forms translation using the established agency forms/documents request protocol.
 - b. Translated materials shall be written at a 6th grade reading level and go through a review mechanism for ensuring accuracy and cultural competency of the translation (e.g., back translation and field testing) ensures that the translated document has meaning beyond a literal translation.

REFERENCES

1. Los Angeles Department of Mental Health: Policy 200.02 Interpreter Services for the Deaf and Hard of Hearing Community (2019).
2. Los Angeles Department of Mental Health: Policy 200.03 Language Translation and Interpreter Services (2019).
3. California Department of Mental (Department of Health Care Services) - Cultural Competence Plan Requirements – CCPR (2010).
4. California Code of Regulations, Title 9 Chapter 11 Section 1810.410 Cultural and Linguistic Requirements.



POLICY & PROCEDURE

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5. [California Government Code Title 1 Division 7 Chapter 17.5, Dymally-Alatorre Bilingual Services Act](#)
6. [United States Department of Health and Human Services - Office of Minority Health National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care \(CLAS\).](#)
7. [U.S. Department of Justice, Civil Rights Division, Disability Rights Section, Americans With Disabilities Act \(ADA\) Title II Requirements](#)
8. [The Civil Rights Act Of 1964 Title VI 42 U.S.C. § 2000d Et Seq.](#)



Tri-City Mental Health Authority
AGENDA REPORT

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

BY: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Consideration of Resolution No. 560 Establishing Policy and Procedure No. CL.V.06 - Cultural and Linguistic Inclusion and Competence, Effective November 18, 2020

Summary:

As part of the policy and procedure implementation and appraisal process, the development of new policies is essential in order to set expectations and ensure compliance the most current regulations, internal processes, standards of care, and best practices. The Cultural and Linguistic Inclusion and Competence - Policy CL.V.06 has been developed and drafted, in order to document and formally establish the fundamental guidelines for a culturally and linguistically competent system of care.

Background

The agency has long implemented and maintained a variety of objectives, requirements, trainings, protocols, programs and activities to uphold and promote a culturally and linguistically competent system of care. The fundamental guidelines for these practices have been broadly reflected in a variety of existing policies and protocols. The purpose of Cultural and Linguistic Inclusion and Competence - Policy CL.V.06, is to formally establish an overarching policy that will guide the fundamentals cultural competence. The new draft policy is included for Governing Board review and approval.

Funding

None Required.

Recommendation

Staff recommends that the Governing Board adopt Resolution No. 560 establishing Cultural and Linguistic Inclusion and Competence Policy and Procedure No. CL.V.06, effective November 18, 2020.

Attachments

Attachment 4-A: Resolution No. 560 – DRAFT

Attachment 4-B: Policy & Procedure No. CL.V.06 - Cultural and Linguistic Inclusion and Competence, Effective 11/18/2020 - DRAFT

RESOLUTION NO. 560

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED POLICY AND PROCEDURE NO: CL.V.06 -CULTURAL AND LINGUISTIC INCLUSION AND COMPETENCE, EFFECTIVE NOVEMBER 18, 2020

The Governing Board of the Tri-City Mental Health Authority ("Authority") does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority") wishes to establish guidelines for participation, implementation, and compliance with Federal and State regulations regarding cultural and linguistic inclusion and competence at TCMHA through Policy and Procedure No. CL.V.06 -Cultural and Linguistic Inclusion and Competence.

B. The Authority, through Policy and Procedure No. CLV.06, will ensure that culturally and linguistically appropriate, effective, and equitable services are provided throughout the TCMHA system of care.

2. Action

The Governing Board approves the Authority's Cultural and Linguistic Inclusion and Competence Policy and Procedure No. CL.V.06, effective November 18, 2020.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on November 18, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By:_____

By:_____



POLICY & PROCEDURE

SUBJECT: Cultural and Linguistic Inclusion and Competence	POLICY NO.: CL.V.06	EFFECTIVE DATE: 11/18/2020	PAGE: 1 of 5
APPROVED BY: GOVERNING BOARD EXECUTIVE DIRECTOR	SUPERCEDES: NEW	ORIGINAL ISSUE DATE: 11/18/2020	RESPONSIBLE PARTIES: Ethnic Services Manager

1. PURPOSE

- 1.1 To establish guidelines for participation, implementation, and compliance with Federal and State regulations regarding cultural and linguistic inclusion and competence at Tri-City Mental Health Authority (TCMHA).
- 1.2 To ensure that culturally and linguistically appropriate, effective, and equitable services are provided throughout the TCMHA system of care.

2. DEFINITIONS

When used in this Policy, the following terms shall have the meanings hereinafter set forth unless the context indicates otherwise:

- 2.1 **Beneficiary:** Any individual certified as eligible for services under the Medi-Cal program as defined in 9 CCR § 1810.205 and according to 22 CCR § 51000.2.
- 2.2 **Bilingual Staff:** Workforce Members that have language capacity in both English and another specific non- English language used by cultural groups in the target community.
- 2.3 **Client:** An individual of any age who is receiving or has received mental health services. For the purposes of this policy, the term “client” includes those who refer to themselves as clients, participants, consumers, survivors, patients or ex-patients (9 CCR § 3200.04)
- 2.4 **Cultural Competence:** A set of congruent practice skills, knowledge, behaviors, attitudes, and policies that come together in a system, agency, or among consumer providers and professionals that enables that system, agency, or those professionals and consumer providers to work effectively in cross-cultural situations (CCPR Modification, 2011).
- 2.5 **Cultural Competence Plan Requirements (CCPR):** Requirements enforced by the California Department of Health Care Services (DHCS) to provide a framework for the planning, implementation, and evaluation of services with the goal of eliminating cultural, linguistic, racial, and ethnic mental health and substance use disorder disparities (CCPR Modification, 2011).
- 2.6 **Cultural Inclusion and Diversity Committee:** TCMHA’s advisory committee for cultural competence throughout the TCMHA system of care.



POLICY & PROCEDURE

SUBJECT: Cultural and Linguistic Inclusion and Competence	POLICY NO.: CL.V.06	EFFECTIVE DATE: 11/18/2020	PAGE: 2 of 5
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- 2.7 Culture:** The integrated pattern of thoughts, communication, actions, customs, beliefs, values, and institutions associated, wholly or partially, with racial, ethnic, or linguistic groups, as well as religious, spiritual, biological, geographical, or sociological characteristics. Elements of culture include: age, country of origin, degree of acculturation, educational level obtained, family and household composition, gender identity, sexual orientation, health practices, physical ability or limitations, cognitive ability or limitations, race and ethnicity, language, religious and spiritual beliefs, and socio-economic status, among others (CLAS in Health Care, April 2013 as cited in Los Angeles Department of Mental Health Policy 200.09 [2019]).
- 2.8 Disparities:** A type of health difference/outcome that is closely linked with social, economic, and/or environmental disadvantage which result in worse health or greater health risks than more advantaged social groups. (Center for Medicare Advocacy as cited in Los Angeles Department of Mental Health Policy 200.09 [2019]).
- 2.9 Ethnic Services Manager (ESM):** The designated County person responsible to align Department’s response to the local, State, and Federal cultural competence requirements; development and implementation of policies and procedures pertinent to cultural competence, tracking of service utilization outcomes; and promoting inclusion of cultural and linguistic competence in departmental practices, policies with the goal of increasing health equity and decreasing mental health disparities (Los Angeles Department of Mental Health Policy 200.09, [2019])
- 2.10 Interpreter:** Interpreters are individuals with specific language skills and knowledge of health care terminology who are trained to communicate effectively with persons with limited proficiency with the English language. (CCPR Modification, 2011)
- 2.11 Interpreter services:** Interpreter services are methods in place to assist persons with limited English proficiency. This includes telephone interpreter services (“language lines”), interpreters obtained from a central listing maintained by agency or other source, trained volunteers from a target community with identified language skills. (CCPR Modification, 2011)
- 2.12 Limited English Proficient (LEP):** A diminished level of English language skills that calls into question the person’s ability to understand and respond to issues related to their treatment. (CCPR Modification, 2011)
- 2.13 Threshold Language:** The annual numeric identification on a countywide basis, of 3,000 beneficiaries or five (5) percent of the Medi-Cal beneficiary population, whichever is lower, whose primary language is other than English, for whom information and services shall be provided in their primary language. (CCPR Modification, 2011)
- 2.14 Translations Services:** Translation services are those services that require “The conversion of a written text into a written text in a second language corresponding to and equivalent in meaning to the text in the first language”.



POLICY & PROCEDURE

SUBJECT: Cultural and Linguistic Inclusion and Competence	POLICY NO.: CL.V.06	EFFECTIVE DATE: 11/18/2020	PAGE: 3 of 5
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Note: Translation refers to written conversions from one language into a second language, while interpreting refers to the conversion of spoken or verbal communication from one language into a second language. (CCPR Modification, 2011)

2.15 Stakeholder: An individual or entity with an interest in mental health services in the State of California, including but not limited to: individuals with serious mental illness and/or serious emotional disturbance and/or their families; providers of mental health and/or related services such as physical health care and/or social services; educators and/or representatives of education; representatives of law enforcement; and any other organization that represents the interests of individuals with serious mental illness/ and/or serious emotional disturbance and/or their families (9 CCR § 3200.270).

2.16 Workforce: For the purpose of this policy, the definition of the Tri City Mental Health Center (TCMHC) workforce includes employees, volunteers, interns, consultants, locum tenens, trainees, contractors, whether or not they are paid by TCMHA. This includes individuals who provide services to clients and those who provide administrative, managerial, support services and/or other products, goods or services.

3. POLICY

- 3.1 TCMHA is committed to cultural competence, cultural inclusion, and cultural humility.
- 3.2 TCMHA embraces the diversity of cultural backgrounds and cultural identities of clients, stakeholders, and workforce members.
- 3.3 TCMHA will maintain a cultural competence plan consistent with CCPR standards and will uphold an organizational framework of cultural competence that will address the cultural and language needs of underserved communities.
- 3.4 TCMHA will ensure that cultural and linguistic competence is embedded at all levels of the system of care such as policy and procedures, operations, service delivery, training and quality improvement activities.
- 3.5 TCMHA is committed to recruiting and hiring workforce members who are representative of the diverse cultural and linguistic population of the service area.

4. PROCEDURES

- 4.1 TCMHA shall have a designated Ethnic Service Manager who is responsible for cultural competence implementation and maintenance. (CCPR Criterion 1)



POLICY & PROCEDURE

SUBJECT: Cultural and Linguistic Inclusion and Competence	POLICY NO.: CL.V.06	EFFECTIVE DATE: 11/18/2020	PAGE: 4 of 5
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- 4.2** TCMHA shall partner with clients, workforce members, stakeholders, community partners and other essential entities, in order to better understand mental health needs, set appropriate service goals, implement culture and language-specific interventions, address service inequities, assess consumer satisfaction, and evaluate the effectiveness of service provision. (CCPR Criterion 1)
- 4.3** TCMHA shall allocate funding for cultural competence activities such as language translation and interpretation services, training and skill development for workforce members, organizational assessments, community-specific strategies to reduce disparities. (CCPR Criterion 1)
- 4.4** TCMHA shall gather, track, analyze, and utilize demographic and service utilization data in order to: a) monitor service accessibility, engagement, and retention, b) identify the cultural and linguistic needs of the target population, c) design and plan for appropriate and effective mental health services, d) evaluate the effectiveness and quality of cultural and linguistic services and interventions being employed toward the elimination of disparities. (CCPR Criterion 2)
- 4.5** TCMHA programs and services shall incorporate cultural and linguistic inclusion and competence strategies in service planning, delivery, monitoring, evaluation, and quality improvement strategies to address health inequities, eliminate disparities, and decrease the stigma associated with mental health services. (CCPR Criterion 3)
- 4.6** TCMHA shall maintain a Cultural Inclusion and Diversity Committee that will inform, influence, and advise on various aspects of cultural and linguistic competence. (CCPR Criterion 4)
- 4.7** TCMHA shall maintain a cultural competence training program for workforce members and stakeholders, with the goal of providing education and training to build cultural and linguistic inclusion and competence skills. (CCPR Criterion 5)
- 4.7.1** All Tri-City workforce members are required to participate in cultural competence training, minimally on an annual basis.
- 4.7.2** TCMHA tracks and monitor the completion of annual cultural competence training.
- 4.8** TCMHA shall respond to the cultural linguistic needs of clients and stakeholders by being committed to recruitment, hiring and retention practices to foster a multicultural and culturally competent workforce. (CCPR Criterion 6)
- 4.8.1** TCMHA shall gather and analyze disparity data to strategize for the enhancement of a culturally and linguistically diverse workforce.



POLICY & PROCEDURE

SUBJECT: Cultural and Linguistic Inclusion and Competence	POLICY NO.: CL.V.06	EFFECTIVE DATE: 11/18/2020	PAGE: 5 of 5
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4.9 TCMHA shall respond to the cultural linguistic needs of clients and stakeholders, across the system of care by ensuring that verbal and written language assistance services are provided by certified bilingual employees or through qualified language translation and interpretation services. (CCPR Criterion 7)

4.9.1 TCMHA shall make available written materials (i.e. brochures, forms, signage, provider directories, beneficiary handbooks, appeal and grievance notices, denial, and termination notices) that are easily understandable to meet the language (threshold languages) and communication needs of clients and stakeholders.

4.9.2 TCMHA shall work with vendors to translate written materials and field test the quality and cultural meaningfulness of vendor-translated products with bilingual certified staff and constituents.

4.10 TCMHA shall develop and implement client driven recovery and wellness programs that focus on promoting hope, resilience, and recovery opportunities for peer involvement. (CCPR Criterion 8)

4.11 TCMHA shall promote the integration of cultural and linguistic competence guidelines to appropriately serve clients and stakeholders, to measure satisfaction, to fairly resolve complaints and grievances, and to engage the workforce in meaningful organizational assessments. (CCPR Criterion 8)

5. REFERENCES

5.1 Los Angeles Department of Mental Health: Policy 200.09 Culturally and Linguistically Inclusive Services (2019)

5.2 California Department of Mental (Department of Health Care Services) - Cultural Competence Plan Requirements – CCPR (2010)

5.3 California Code of Regulations, Title 9. Rehabilitative and Development Services, Division 1. Department of Mental Health, Chapter 14. Mental Health Services Act, Article 2: Definitions

5.4 United States Department of Health and Human Services - Office of Minority Health National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care (CLAS).



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: November 18, 2020
TO: Governing Board of Tri-City Mental Health Authority
FROM: Toni Navarro, LMFT, Executive Director
BY: Diana Acosta, CPA, Chief Financial Officer
SUBJECT: Review of the Issuance of the Audited Financial Statements for Fiscal Year ended June 30, 2020

Summary

Eide Bailly, LLP has completed an audit of Tri-City's financial statements for the Fiscal Year ended June 30, 2020. The final issued report is enclosed herein for your review.

Fiscal Impact

None.

Recommendation

Staff asks the Governing Board to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2020.

Attachments

Attachments 5-A: Audited Financial Statements for Fiscal Year 2019-20.

Attachments 5-B: AU 260 Letter to the Governing Board

TRI-CITY MENTAL HEALTH AUTHORITY

**FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

TRI-CITY MENTAL HEALTH AUTHORITY
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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Independent Auditor's Report

To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

Report on the Financial Statements

We have audited the accompanying financial statements of Tri-City Mental Health Authority (Tri-City), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Tri-City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-City, as of June 30, 2020 and 2019, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2020 on our consideration of Tri-City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-City's internal control over financial reporting and compliance.



Rancho Cucamonga, California

October 19, 2020

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

The following management’s discussion and analysis of the Tri-City Mental Health Authority (“Tri-City”), a Municipal Joint Powers Authority (“JPA”) financial statements present a narrative overview and analysis of Tri-City’s financial activities for the fiscal years ended June 30, 2020, and 2019 along with comparative information for fiscal years ended 2019 and 2018.

BACKGROUND

General

Tri-City Mental Health Authority was formed on June 21, 1960 and established through a Joint Powers Authority Agreement between the Cities of Pomona, Claremont and La Verne pursuant to the provisions of the Joint Exercise of Powers Act, Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Section 6500, et seq. relating to the joint exercise of powers common to public agencies, and the provisions of the Bronzan-McCorquodale Act/Short-Doyle Act, Part 2, Section 5600, et seq., of the Welfare and Institutions Code (WIC) of the State of California, to deliver mental health services to the residents of the three Cities. This action was taken out of a desire on the part of officials from the three Cities to provide the highest quality services for local residents. For almost sixty years, Tri-City has cared for and served local children, youth, adults and older adults.

Pursuant to the Joint Powers Authority Agreement, Tri-City is a public agency governed by a Governing Board (“Board) composed of seven members. The Governing Board has the powers common to public agencies as enumerated in the Joint Exercise of Powers Act, and the authority deemed necessary and required for the operation and maintenance of Tri-City to serve those individuals residing in the three Cities.

As the Mental Health Authority, Tri-City is limited to and responsible only for providing outpatient speciality mental health services to residents of the cities of LaVerne, Pomona, and Claremont. Tri-City is not a Mental Health Plan (MHP) and therefore not bound by the MHP provisions of Title 9 CCR. However, Tri-City is one of two entities that are not considered to be MHPs that receive Realignment Revenues from the State of California and also receive directly Mental Health Services Act (MHSA) funds which are used in its MHSA program, which is separate and apart from the MHSA program of Los Angeles County. Because Tri-City has not been reflected in waivers between the State of California and the federal government, namely Centers for Medicaid and Medicare Services (CMS), and to be consistent with 42 CFR 438.60, the State has required Tri-City to contract with Los Angeles County through a Legal Entity Agreement so that the State may pay State General Funds and Federal Financial Participation funds relating to Tri-City’s Non-EPSDT (i.e. Adult and Expanded Medi-Cal) and EPSDT (Early and Periodic Screening, Diagnostic and Treatment) services to an MHP, in this case Los Angeles County, who then passes through those funds to Tri-City. This agreement provides Tri-City the mechanism to drawdown federal and state Medi-Cal funding, in particular EPSDT funding.

Since Tri-City’s formation to the current period, Tri-City has provided mental health care services for the residents of Pomona, Claremont and La Verne. These services are provided to all age groups including children (0-15), transition age youth (16-25), adults (26-59) and older adults (60+), and in most cases the consumers are either eligible under the Medi-Cal programs or are indigent. Tri-City Mental Health Authority is continually developing its operations and system of care for the residents of the three cities. This includes the continuation of Tri-City’s outpatient clinics and the implementation of any new programs approved through the Mental Health Service Act (MHSA).

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Tri-City's outpatient clinics located in Pomona provided services to approximately 2,823 unduplicated clients during the past fiscal year, which include high intensity mental health services through Tri-City's Full Service Partnership (FSP) MHPA program. Through the efforts to provide a continuum of care and in order to meet the needs of Tri-City's residents, even during the current COVID-19 crisis, the clinical team continually implement new groups available to the community both at the outpatient clinics and at the Wellness Center and in the past increased the hours of clinic operations to include later appointment hours for children and their families. Currently Tri-City continues to offer a wide range of flexibilities including video and telephone appointments.

As mentioned above, in addition to the outpatient clinical operations, Tri-City has operations established through the Mental Health Services Act (MHPA). Under the MHPA Act, various programs were established within five plans which include: 1) the Community Services and Support (CSS) Plan; 2) the Prevention and Early Intervention (PEI) Plan; 3) the Workforce Education and Training (WET) Plan; 4) the Innovations (INN) Plan; and 5) the Capital Facilities and Technology (CFTN) Plan. All of these plans have been fully operational since their individual plan approvals and continue to be updated and approved annually through the stakeholder process including Governing Board approval.

In addition to ongoing CSS programs providing mental health services, over the past several years, Tri-City has implemented CSS housing projects under its approved CSS Housing Plan funded by State designated CSS funds and CSS funds approved by the MHPA annual updates. These projects include three apartment developments (owned by the developers), two in the City of Pomona and one in the City of La Verne, as well as the purchase of homes by Tri-City, one home in the City of Pomona and one in the City of Claremont. These projects provide low income housing to Tri-City clients that have mental illness and are either homeless or at risk of homelessness. In accordance with the MHPA CSS Housing Plan, all Tri-City residents of these projects are or will receive mental health support from Tri-City.

Funding of Tri-City's operations come from Realignment (initiated in 1991 under the Bronson-McCorquodale Act), MHPA (initiated in 2005 through the passage of Proposition 63) and Medi-Cal reimbursement from the federal government and State. Realignment, which is funded from California State taxes, is the only source of funds besides Medi-Cal reimbursement that can be used to provide Medi-Cal services at the outpatient clinics, as well as non Medi-Cal clinic services and operating costs. MHPA funding can only be used for MHPA programs and can be leveraged by Medi-Cal reimbursement for services provided through FSP and other MHPA programs.

In November 2004, California voters approved Ballot Proposition 63 and the Mental Health Services Act (MHPA) became State law effective January 1, 2005. The MHPA addresses a broad continuum of prevention, early intervention and service needs, as well as new innovative programs to treat mental illness. In addition MHPA provides funding for necessary infrastructure, technology, and training elements that will effectively support this system, with the purpose of promoting recovery for individuals with serious mental illness. The MHPA is funded through the imposition of a 1% State income tax on personal income in excess of \$1 million. Tri-City relies on MHPA funds to provide an array of mental health services approved under its MHPA programs. As further discussed below in this document, State MHPA funds can fluctuate based on new events and economic pressures not currently known, however as a result of COVID-19 actual and estimated impacts have been identified and further discussed below.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements include the *Statements of Net Position*, the *Statements of Revenues, Expenses and Changes in Net Position* and the *Statements of Cash Flows*. These Statements should be read in conjunction with the *Notes to the Financial Statements*. A further description of these Statements is provided below.

The *Statements of Net Position* presents information on all of Tri-City's assets, liabilities, and deferred inflow and outflow of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tri-City is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* presents information showing how Tri-City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statements of Cash Flows* reports inflows and outflows of cash and is classified into four components:

- *Cash flows from operating activities* include transactions and events reported as components of the operating income in the Statements of Revenues, Expenses, and Changes in Net Position.
- *Cash flows from non-capital financing activities* include proceeds from Realignment, funds received from the State of California for the implementation and provision of services as approved under the Mental Health Services Act, and contributions from member cities.
- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt and the acquisition and construction of capital assets.
- *Cash flows from investing activities* represent proceeds from the receipt of interest.

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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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The following table shows the net position as of June 30, 2020, 2019 and 2018:

Statements of Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets			
Current Assets	\$ 37,911,935	\$ 37,848,529	\$ 34,863,117
Capital Assets, Net	7,246,110	7,278,515	7,374,529
Other Assets	562,154	145,878	105,716
Total Assets	<u>45,720,199</u>	<u>45,272,922</u>	<u>42,343,362</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	2,776,741	2,671,142	2,881,467
Total Deferred Outflows of Resources	<u>2,776,741</u>	<u>2,671,142</u>	<u>2,881,467</u>
Liabilities			
Current Liabilities	7,874,331	7,136,057	6,104,205
Noncurrent Liabilities (excluding Bankruptcy Liability and Net Pension Liability)	1,136,416	1,449,557	1,478,621
Net Pension Liability	5,462,528	4,658,577	4,740,262
Bankruptcy Liabilities	656,064	1,686,064	3,679,064
Total Liabilities	<u>15,129,339</u>	<u>14,930,255</u>	<u>16,002,152</u>
Deferred Inflows of Resources			
MHSA Revenues Restricted for Future Period	6,625,119	8,351,712	8,551,463
Deferred Inflows Related to Pensions	217,236	190,986	198,387
Total Deferred Inflows of Resources	<u>6,842,355</u>	<u>8,542,698</u>	<u>8,749,850</u>
Net Position			
Net Investment in Capital Assets	6,355,427	6,299,892	6,368,168
Restricted for MHSA Programs	16,204,681	15,119,523	12,581,697
Unrestricted	3,965,138	3,051,696	1,522,962
Total Net Position	<u>\$ 26,525,246</u>	<u>\$ 24,471,111</u>	<u>\$ 20,472,827</u>

- **Total Assets** are comprised of cash, accounts receivable, capital assets and prepaid deposits.
- *Comparison of June 30, 2020 to June 30, 2019.* At June 30, 2020, Tri-City reflected an increase in total assets of approximately \$450 thousand. The most significant amounts attributing to the total increase in assets includes the increase in accounts receivable by approximately \$900 thousand and an increase to prepaid deposits by approximately \$416 thousand. These increases were offset by a decrease in total cash and restricted cash in the total approximate amount of \$800 thousand. Total cash and investments at June 30, 2020 was approximately \$31.1 million reflecting a decrease of approximately \$800 thousand from the balance at June 30, 2019 of \$31.9 million. The most significant reasons attributing to the overall decrease in cash includes the decrease experienced by Tri-City in MHSA and 1991 Realignment cash receipts as a direct result of the COVID-19 crisis. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of \$1 million and in response to the COVID-19 crisis, in March of 2020 the California Franchise Tax Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020. In addition, 1991 realignment, which is partly funded by sales tax also experienced a decline. These decreases were offset by the collection of Medi-Cal (FFP and EPSDT) payments throughout the year resulting from

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

increases in services, in addition to the receipt of approximately \$800 thousand in interim cost report settlements from LA DMH relating to various prior years. Total net capital assets decreased by approximately \$32 thousand representing purchases of approximately \$447 thousand less depreciation of approximately \$479 thousand. The most significant capital purchases that occurred during fiscal 2020 included the purchase of 6 new vehicles and replacement of computers.

- Comparison of June 30, 2019 to June 30, 2018. At June 30, 2019, Tri-City reflected an increase in total assets of approximately \$2.9 million. The most significant amount attributing to the total increase in assets includes the increase in cash and restricted cash in the total approximate amount of \$4.8 million. Total cash and investments at June 30, 2019 was approximately \$31.9 million reflecting an increase of approximately \$4.8 million from the balance at June 30, 2018 of \$27.1 million. The most significant amounts attributing to the overall increase in cash includes the collection of Medi-Cal (FFP and EPSDT) payments throughout the year resulting from increases in services, in addition to the receipt of \$1.6 million in interim cost report settlements from LA DMH relating to various prior years. Additionally, during this fiscal year Tri-City was in receipt of MHSA and Realignment funding which exceeded cash used in operating and capital activities. Total net capital assets decreased by approximately \$96 thousand representing purchases of approximately \$334 thousand less depreciation of approximately \$430 thousand. The most significant capital purchases that occurred during fiscal 2019 included the construction and improvement of a new parking lot.

- **Deferred Outflows of Resources**
 - Comparison of June 30, 2020 to June 30, 2019. During fiscal 2015 Tri-City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement required the recognition of Tri-City's net pension liability on the Statement of Net Position (Refer to Note #9B for more details). As a result of this implementation, in the specified prior year and going forward, certain amounts attributing to Tri-City's proportionate share of the CalPERS Miscellaneous Cost Sharing Plan liability result in amounts that are deferred due to timing differences. These amounts include contributions paid to the plan by Tri-City subsequent to the measurement date of the net pension liability and are classified within the caption titled Deferred Outflow of Resources. This separate financial statement caption represents a future decrease to net position that applies to a future period and would not be recognized as an outflow of resources (expense) until that time. Accordingly, Tri-City has classified the total amount of \$2,776,741 as Deferred Outflows of Resources at June 30, 2020 which reflects an increase of approximately \$106 thousand from the prior year. The decrease is primarily due to the net difference between expected and actual earnings on pension plan investments and changes of assumptions (also refer to Note #9B).

 - Comparison of June 30, 2019 to June 30, 2018. During fiscal 2015 Tri-City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement required the recognition of Tri-City's net pension liability on the Statement of Net Position (Refer to Note #9B for more details). As a result of this implementation, in the prior year and going forward, certain amounts attributing to Tri-City's proportionate share of the CalPERS Miscellaneous Cost Sharing Plan liability result in amounts that are deferred due to timing differences. These amounts include contributions paid to the plan by Tri-City subsequent to the measurement date of the net pension liability and are classified within the caption titled Deferred Outflow of Resources. This separate financial statement caption represents a future decrease to net position that applies to a future period and would not be recognized as an outflow of resources (expense) until that time. Accordingly, Tri-City has classified the total amount of \$2,671,142 as

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Deferred Outflows of Resources at June 30, 2019 which reflects a decrease of approximately \$210 thousand from the prior year. The decrease is primarily due to the net difference between expected and actual earnings on pension plan investments and changes of assumptions (also refer to Note #9B).

- **Total Liabilities** are comprised of current and noncurrent liabilities, including long-term notes payable, bankruptcy liabilities, estimated third party payor settlements and unearned MHSA revenues.
- Comparison of June 30, 2020 to June 30, 2019. Total liabilities increased by approximately \$199 thousand from \$15.1 million at June 30, 2019 to \$15.3 million at June 30, 2020.

This total net change of approximately \$199 thousand is made up several changes which included increases to accrued payroll liabilities, and accrued vacation and sick leave. The most significant decrease was due to the payments made of approximately \$1 million toward the remaining bankruptcy liabilities (as further explained at Note #7 to the financial statements). In addition, the net pension liability (as more fully described at Note #9B of the financial statements), experienced an increase of approximately \$804 thousand in fiscal year 2020. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2020 is \$5,462,528. The increase to this liability from fiscal 2019, primarily was as a result of net increases and decreases in the changes of assumptions, changes in employer's proportion, differences between projected and actual investment earnings, projected and actual experience, and differences between employer's contributions and proportionate share of contributions.

The Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) experienced a change from the prior year as a result approval of plans to utilize the Capital Facilities & Technology (CFTN) funds in fiscal year 2020-21. As noted at June 30, 2020 and at June 30, 2019, noncurrent unearned MHSA revenues were approximately \$276 thousand and \$500 thousand, respectively. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2020 and 2019 reflect the receipt of MHSA funds that cannot be used until new or updated MHSA programs have been approved through the required MHSA process, which includes stakeholder meetings and input from stakeholder work groups, review and recommendations by the Mental Health Commission and final Governing Board approval. During fiscal 2020 and 2019, as a result of the review of existing MHSA programs and updates, approximately \$6.6 million and \$8.4 million in MHSA Revenues Restricted for Future Period was identified as approved and available to be spent in fiscal 2021 and 2020, respectively. In addition to noncurrent Unearned MHSA revenues and bankruptcy debt, noncurrent liabilities include the mortgage note payable and the City of Pomona HUD Loan. The mortgage note payable decreased by approximately \$29 thousand due to the debt service payments made during the fiscal year and the City of Pomona HUD loan decreased by amounts forgiven by the City in accordance with the terms of the agreement.

Lastly, the third largest liability in the amount of \$5,308,377 for Estimated Third Party Payor Settlements increased by approximately \$304 thousand from the prior year's amount of \$5,003,822 as a result of noted increases in services provided during fiscal year 2019-20. As more fully described at Note #8, this liability represents a reserve (approximately 8%) of Medi-Cal revenues already received by Tri-City for services provided. Since the final cost reports for these related revenues have not yet been settled or audited by the State, they are subject to future audits. This liability increases each year as a percentage of each year's billings and would decrease upon Los Angeles County Department of Mental Health's (LAC DMH) final cost report settlement with the State.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

- *Comparison of June 30, 2019 to June 30, 2018.* Total liabilities decreased by approximately \$1.6 million from \$16 million at June 30, 2018 to \$14.9 million at June 30, 2019.

This change is mainly due to the payments made of approximately \$2 million toward the remaining bankruptcy liability (as further explained at Note #7 to the financial statements) and offset by the payment of a liability due to the State of California Department of Health Care Services in the amount of \$307 thousand. In addition, the net pension liability (as more fully described at Note #9B of the financial statements), experienced a decrease of approximately \$82 thousand in fiscal year 2019. Tri-City's proportionate share of the Plan's pooled net pension liability at June 30, 2019 is \$4,658,577. The decrease to this liability from fiscal 2018, primarily was as a result of net increases and decreases in the changes of assumptions, changes in employer's proportion, differences between projected and actual investment earnings, projected and actual experience, and differences between employer's contributions and proportionate share of contributions.

The Unearned MHSA Revenues balance (reported under Noncurrent Liabilities) did not change from the prior year as a result of no change in the current plans to utilize these funds. As noted at June 30, 2019 and at June 30, 2018, noncurrent unearned MHSA revenues were approximately \$500 thousand. The unearned MHSA revenue recorded in noncurrent liabilities at June 30, 2019 and 2018 reflect the receipt of MHSA funds that cannot be used until new or updated MHSA programs have been approved through the required MHSA process, which includes stakeholder meetings and input from stakeholder work groups, review and recommendations by the Mental Health Commission and final Governing Board approval. During fiscal 2019 and 2018, as a result of new MHSA programs and updates, approximately \$8.4 million and \$8.6 million in MHSA Revenues Restricted for Future Period was identified as approved and available to be spent in fiscal 2020 and 2019, respectively. In addition to noncurrent Unearned MHSA revenues and bankruptcy debt, noncurrent liabilities include the mortgage note payable and the City of Pomona HUD Loan. The mortgage note payable decreased by approximately \$28 thousand due to the debt service payments made during the fiscal year.

Lastly, the third largest liability in the amount of \$5,003,822 for Estimated Third Party Payor Settlements increased by approximately \$965 thousand from the prior year's amount of \$4,039,295 as a result of noted increases in services provided during fiscal year 2018-19. As more fully described at Note #8, this liability represents a reserve (approximately 8%) of Medi-Cal revenues already received by Tri-City for services provided. Since the final cost reports for these related revenues have not yet been settled or audited by the State, they are subject to future audits. This liability increases each year as a percentage of each year's billings and would decrease upon Los Angeles County Department of Mental Health's (LAC DMH) final cost report settlement with the State.

- **Deferred Inflows of Resources** is comprised of MHSA Revenues Restricted for Future Period and Deferred Inflows Related to Pensions. This separate financial statement caption represents an increase to net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.
- *Comparison of June 30, 2020 to June 30, 2019.* At June 30, 2020 and June 30, 2019 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of \$6.6 million and \$8.4 million, respectively. The decrease of approximately \$1.8 million was due to an overall decrease of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2021. As a direct result of the COVID-19 crisis, Tri-City experienced a decrease in the receipt of MHSA funds. The MHSA is funded through the imposition of a 1% State income tax on personal income in excess of \$1 million and during March of 2020, the California Franchise Tax

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Board announced the postponed tax filing deadlines from April 15, 2020 to July 15, 2020. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2020 and 2019 and prior fiscal years, not permitted for use during that fiscal year, but allocated to be used at the beginning of the next fiscal year per an approved MHSA plan.

In addition to MHSA Revenues Restricted for Future Period, the Deferred Inflows of Resources caption includes Deferred Inflows Related to Pensions. As noted previously, and as more fully described at Note #9B to the financial statements, GASB No. 68 was implemented during fiscal 2015. This statement required the recognition of Tri-City's proportionate share of the net pension liability on the Statement of Net Position. As part of the recognition of this liability, certain differences between expected and actual experiences, changes of assumptions, and changes in proportion associated with the actuarially determined liability are deferred and classified within this caption titled Deferred Inflows of Resources. Accordingly, Tri-City has classified the net effect of these changes in the amount of \$217,236 at June 30, 2020 and \$190,986 at June 30, 2019 as Deferred Inflow of Resources, net of applicable amortization. The net increase of approximately \$26 thousand from fiscal 2019 to 2020 is primarily attributed to various actuarially determined amounts including changes in assumptions, and differences between expected and actual earnings on pension plan investments.

- Comparison of June 30, 2019 to June 30, 2018. At June 30, 2019 and June 30, 2018 the amounts reported for MHSA Revenues Restricted for Future Period under this caption totaled the approximate amount of \$8.4 million and \$8.5 million, respectively. The increase of approximately \$199 thousand was due to an overall increase of MHSA revenues (deferred for a future period) that are to be utilized during fiscal 2020. The MHSA revenue restricted for future period recorded within this caption reflect the receipt of MHSA funds in fiscal 2019 and 2018 and prior fiscal years, not permitted for use during that fiscal year, but allocated to be used at the beginning of the next fiscal year per an approved MHSA plan.

In addition to MHSA Revenues Restricted for Future Period, the Deferred Inflows of Resources caption includes Deferred Inflows Related to Pensions. As noted previously, and as more fully described at Note #9B to the financial statements, GASB No. 68 was implemented during fiscal 2015. This statement required the recognition of Tri-City's proportionate share of the net pension liability on the Statement of Net Position. As part of the recognition of this liability, certain differences between expected and actual experiences, changes of assumptions, and changes in proportion associated with the actuarially determined liability are deferred and classified within this caption titled Deferred Inflows of Resources. Accordingly, Tri-City has classified the net effect of these changes in the amount of \$190,986 at June 30, 2019 and \$198,387 at June 30, 2018 as Deferred Inflow of Resources, net of applicable amortization. The net decrease of approximately \$7 thousand from fiscal 2018 to 2019 is primarily attributed to various actuarially determined amounts including changes in assumptions, and differences between expected and actual earnings on pension plan investments.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

- **Net Position** is the difference between total assets plus deferred outflows of resources, less liabilities and deferred inflow of resources.
 - *At June 30, 2020.* Tri-City's net position at June 30, 2020 was approximately \$26.5 million, which is the result of total assets of \$45.7 million and total deferred outflow of resources of \$2.8 million less total liabilities and deferred inflow of resources of \$15.1 million and \$6.8 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately \$6.4 million (capital assets less the mortgage liability and the HUD Loan), Net Position Restricted for MHSA Programs of approximately \$16.2 million, and Unrestricted Net Position of approximately \$4 million. The increase in Net Investment in Capital Assets of approximately \$56 thousand was primarily due the purchase of vehicles and computer equipment offset by the annual depreciation. The increase of \$1.1 million in Net Position Restricted for MHSA Programs as previously noted, is primarily due to an increase in MHSA funding recognized into revenue which was unspent as of the end of the fiscal year. The Unrestricted Net Position balance increased by approximately \$900 thousand, primarily as a result of an increase in Medi-Cal revenue. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with additionally staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided. Additionally, as a direct result of the COVID-19 crisis, Tri-City experienced a decrease in 1991 Realignment revenue which was overall slightly offset by grant revenue (Measure H). Also, as previously mentioned, as a result of Tri-City's prior filing for bankruptcy in fiscal 2004 (as further explained at Note #7 to the financial statements), the total liabilities at June 30, 2020 include approximately \$656 thousand in bankruptcy liabilities that remain outstanding.
 - *At June 30, 2019.* Tri-City's net position at June 30, 2019 was approximately \$24.5 million, which is the result of total assets of \$45.3 million and total deferred outflow of resources of \$2.7 million less total liabilities and deferred inflow of resources of \$14.9 million and \$8.5 million, respectively. Net position is comprised of Net Investment in Capital Assets of approximately \$6.3 million (capital assets less the mortgage liability and the HUD Loan), Net Position Restricted for MHSA Programs of approximately \$15.1 million, and Unrestricted Net Position of approximately \$3.0 million. The decrease in Net Investment in Capital Assets of approximately \$68 thousand was primarily due the annual depreciation. The increase of \$2.5 million in Net Position Restricted for MHSA Programs as previously noted, is primarily due to an in increase in MHSA funding recognized into revenue which was unspent as of the end of the fiscal year. The Unrestricted Net Position balance increased by approximately \$1.5 million, primarily as a result of an increase in the cash balance of approximately \$1.4 million. Also, as previously mentioned, as a result of Tri-City's prior filing for bankruptcy in fiscal 2004 (as further explained at Note #7 to the financial statements), the total liabilities at June 30, 2019 include approximately \$1.7 million in bankruptcy liabilities that remain outstanding.

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**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

The following table shows the change in net position during the fiscal years ended June 30, 2020, 2019, and 2018:

Statements of Revenues, Expenses and Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues:			
Medi-Cal - Federal Financial Portion	\$ 7,971,864	\$ 6,468,744	\$ 5,739,962
Medi-Cal - State EPSDT	1,933,454	1,551,847	1,304,038
Other Operating Income	175,862	204,952	170,241
Total Operating Revenue	<u>10,081,180</u>	<u>8,225,543</u>	<u>7,214,241</u>
Operating Expenses:			
Salaries, wages and benefits	18,714,663	16,177,693	14,642,357
Facility and equipment operating costs	1,944,282	1,609,948	1,496,503
Client lodging, transportation, and supply expense	1,705,795	897,076	554,798
Depreciation	479,571	429,994	433,927
Other operating expense	1,898,602	1,471,470	1,236,434
Total Operating Expenses	<u>24,742,913</u>	<u>20,586,181</u>	<u>18,364,019</u>
Operating Loss	<u>(14,661,733)</u>	<u>(12,360,638)</u>	<u>(11,149,778)</u>
Non Operating Revenues (Expenses), Net			
Realignment	3,776,200	4,407,019	4,331,445
MHSA Funding	12,130,482	11,235,575	10,426,121
No Place Like Home (NPLH) Grant	-		100,000
HMIOT Grant	-	100,000	-
Measure H	152,258	-	-
Contributions from member cities	70,236	70,236	70,236
Interest income	560,171	589,014	300,150
Interest expense	(41,592)	(42,922)	(44,293)
Gain on sale of capital assets	9,239	-	-
Total Non Operating Revenues (Expenses)	<u>16,656,994</u>	<u>16,358,922</u>	<u>15,183,659</u>
Change in Net Position	2,054,135	3,998,284	4,033,881
Net Position, Beginning of Year	<u>24,471,111</u>	<u>20,472,827</u>	<u>16,438,946</u>
Net Position, End of Year	<u>\$ 26,525,246</u>	<u>\$ 24,471,111</u>	<u>\$ 20,472,827</u>

Fiscal Year 2020 to 2019 Comparisons

- **Operating Revenues** — Operating revenues increased approximately \$1.9 million. This increase is primarily due to a net increase in Medi-Cal revenues, net of provision for doubtful accounts. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs associated with

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

additionally staffing partly attributed to the increase in Medi-Cal revenues in addition to an increase in services provided.

- **Operating Expenses** — Total operating expenses increased by approximately \$4.2 million (20%) in fiscal 2020 as compared to fiscal 2019. This increase was mainly due to an increase in salaries and benefits costs of approximately \$2.5 million. Along with normal annual wage increases, the increase of salaries and benefits is primarily due to an increase of active employees of approximately 7% resulting in an increase of approximately 7% of hours worked. Additionally, in fiscal year 2018-19, Tri-City's Governing Board adopted Resolution No. 465 which authorized an updated compensation package which allowed for retention and sign-on bonuses to be paid in the amount of approximately \$120 thousand dollars.

Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses with increases in each of these in the amounts of \$334 thousand, \$809 thousand and \$427 thousand, respectively. The increase in client lodging is primarily due to an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of \$396 thousand. As a direct result of the COVID-19 crisis, an increase in client lodging was also experienced in order to provide temporary housing for clients. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses. The noted increase was primarily due to additional hours of security being provided at one of the buildings.

- **Operating Loss** — Operating losses do not include non-operating revenues such as Realignment funding or MHSA funding, which are two of Tri-City's major sources of supplemental funding (see Note #2B for further discussion). These funds are included in non-operating revenues as discussed below. Therefore, the financial statement presentation reflects operating losses of approximately \$14.7 million in fiscal 2020 compared to \$12.4 million in 2019. The increase in operating losses resulted primarily from higher operating expenses which included an increase of approximately \$2.5 million in salaries and benefits expense.
- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately \$16.6 million in fiscal 2020 and \$16.3 million in fiscal 2019, an increase of approximately \$300 thousand. This change is mainly due to the increase in MHSA funds recognized during fiscal 2019-20 by approximately \$894 thousand and offset by the decrease in 1991 Realignment by approximately \$600 thousand. As noted previously, MHSA Funds are recognized in the fiscal year in which an approved plan has been adopted through the required MHSA Update process. The 2019-20 MHSA update reflected a total increase in required MHSA funds primarily as a result of projected increased costs within the MHSA Approved Plans. Additionally, a decrease in 1991 realignment was experienced as a direct impact during the current COVID-19 crisis as 1991 realignment is funded through a combination of state vehicle license fees and sales tax.
- **Changes in Net Position** — Tri-City's net position as of June 30, 2020 decreased by approximately \$1.9 million compared to fiscal year 2019. The total change in net position of \$2.0 million for fiscal 2020 relates to operating revenues and non-operating revenues exceeding operating expenses. Although a net total increase to net position was experienced, the net change in position decreased as compared to the prior year, primarily as a result of the impact experienced by Tri-City during the current COVID-19 crisis. Increased expenses experienced by Tri-City have included temporary housing for clients, and the purchase of additional equipment for telecommuting. Additionally, as noted previously, the recognition of the net pension liability was as a result of the required implementation of GASB Statement No. 68

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

during fiscal 2015 which among other disclosures, required the recording of Tri-City's proportionate share of the net pension liability determined through the preparation of an actuarial valuation by CalPERS. Recognition of \$2,053,110 of pension expense resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability.

Fiscal Year 2019 to 2018 Comparisons

- **Operating Revenues** — Operating revenues increased approximately \$1 million. This increase is primarily due to a net increase in Medi-Cal revenues, net of provision for doubtful accounts. Medi-Cal eligible units of services are reimbursable on a cost per unit basis and increased costs partly attributed to the increase in Medi-Cal revenues.
- **Operating Expenses** — Total operating expenses increased by approximately \$2.2 million (12%) in fiscal 2019 as compared to fiscal 2018. This increase was mainly due to an increase in salaries and benefits costs of approximately \$1.5 million. Along with normal annual wage increases, the increase of salaries and benefits is primarily due to an increase of active employees of approximately 7% resulting in an increase of approximately 8% of hours worked. Additionally, in fiscal year 2018-19, Tri-City's Governing Board adopted Resolution No. 465 which authorized an updated compensation package which allowed retention bonuses to be paid in the amount of approximately \$100 thousand dollars.

Operating expenses also include Facilities and Equipment, Client Lodging and Transportation, and Other Operating Expenses with increases in each of these in the amount of \$113 thousand, \$342 thousand and \$235 thousand, respectively. The increase in client lodging is primarily due to an agreement with the City of Pomona for the use of the City's year-round emergency shelter facility in the amount of \$358 thousand. Other Operating Expenses include expenses such as security, professional fees, banking fees and other miscellaneous operating expenses. The noted increase was primarily due to additional hours of security being provided at one of the buildings.

- **Operating Loss** — Operating losses do not include non-operating revenues such as Realignment funding or MHSA funding, which are two of Tri-City's major sources of supplemental funding (see Note #2B for further discussion). These funds are included in non-operating revenues as discussed below. Therefore, the financial statement presentation reflects operating losses of approximately \$12.4 million in fiscal 2019 compared to \$11.1 million in 2018. The increase in operating losses resulted primarily from higher operating expenses which included an increase of approximately \$1.5 million in salaries and benefits expense.
- **Non-Operating Revenues (Expenses), Net** — Non-operating revenues (expenses) were approximately \$16.4 million in fiscal 2019 and \$15.2 million in fiscal 2018, an increase of approximately \$1.2 million. This change is mainly due to the increase in MHSA funds recognized during fiscal 2018-19 by approximately \$809 thousand. As noted previously, MHSA Funds are recognized in the fiscal year in which an approved plan has been adopted through the required MHSA Update process. The 2018-19 MHSA update reflected a total increase in required MHSA funds of approximately \$809 thousand, primarily as a result of projected increased costs within the MHSA Approved Plans.
- **Changes in Net Position** — Tri-City's net position as of June 30, 2019 decreased by approximately \$36 thousand compared to fiscal year 2018. The total change in net position of \$4.0 million for fiscal 2019 relates to operating revenues and non-operating revenues exceeding operating expenses. Additionally, as noted previously, the recognition of the net pension liability was as a result of the required

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

implementation of GASB Statement No. 68 during fiscal 2015 which among other disclosures, required the recording of Tri-City's proportionate share of the net pension liability determined through the preparation of an actuarial valuation by CalPERS. Recognition of \$1,312,963 of pension expense resulted from timing differences related to contributions and changes in proportionate shares which are components in the change to the net pension liability.

Capital Asset and Debt Administration

	Capital Assets (Net of Depreciation)		
	2020	2019	2018
Land	\$ 2,520,749	\$ 2,520,749	\$ 2,520,749
Buildings and improvement	4,225,258	4,559,199	4,626,517
Leasehold improvements	8,990	13,650	18,310
Furniture and equipment	491,113	184,917	208,953
Total	<u>\$ 7,246,110</u>	<u>\$ 7,278,515</u>	<u>\$ 7,374,529</u>

Tri-City's investment in capital assets as of June 30, 2020 and June 30, 2019 totaled approximately \$7.2 million and \$7.3 million, respectively. This investment in capital assets includes land, buildings and improvements, leasehold improvements, and furniture and equipment. The most significant changes that occurred in fiscal 2020 included the purchase of 6 new vehicles and replacement of computers and in 2019, the construction and improvement of a new parking lot. Depreciation expense for year ending June 30, 2020 and June 30, 2019 was approximately \$480 thousand and \$430 thousand, respectively. Additional information on Tri-City's capital assets can be found in Note #6 to the financial statements.

	Noncurrent Liabilities		
	2020	2019	2018
Mortgage note payable (net of current portion)	\$ 771,686	\$ 802,374	\$ 831,438
City of Pomona HUD Loan	88,309	147,183	147,183
Bankruptcy liabilities	656,064	1,686,064	3,679,064
Net pension liability	5,462,528	4,658,577	4,740,262
Unearned MHSA revenues	276,421	500,000	500,000
Total	<u>\$ 7,255,008</u>	<u>\$ 7,794,198</u>	<u>\$ 9,897,947</u>

Tri-City's noncurrent liabilities totaled \$7.3 million at June 30, 2020 and \$7.8 million at June 30, 2019. Noncurrent liabilities include the Mortgage for the location at 2008 N. Garey Ave, in the City of Pomona, the remaining bankruptcy liabilities for a former bankruptcy filing (further explained at Note #7 to the financial statements), the Net Pension Liability (further explained at Note #9B to the financial statements) and the Unearned MHSA Revenues (further explained at Note #2M and Note #11 to the financial statements).

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

The most significant events during the fiscal years ending June 30, 2020 and June 2019 included the following:

2020

- As further explained at Note #13, the HUD loan is a forgivable loan and during fiscal year 2020, approximately \$59 thousand was forgiven by the City of Pomona reducing the balance to approximately \$88 thousand.
- Tri-City was able to pay down approximately \$1.0 million to Class 3 and Class 4 bankruptcy claimants as a result of available funding from Tri-City's outpatient clinic operations.
- Based on the CalPERS actuarial valuation, the net pension liability increased by approximately \$803 thousand. Refer to Note #9B to the financial statements for further details.
- During fiscal 2020 and as a result of identified capital improvements projects within the MHSA Capital Facilities and Technology (CFTN) plan, a plan was approved and previously unearned MHSA revenue was identified as approved and made available to be spent beginning in fiscal year 2020. Amounts approved were then recognized and the remaining Noncurrent Unearned MHSA revenues available are noted to be \$276 thousand. Additional information regarding MHSA revenues can be found at Note #11 to the financial statements.

2019

- Tri-City was able to pay down approximately \$2.0 million to Class 3 and Class 4 bankruptcy claimants as a result of available funding from Tri-City's outpatient clinic operations.
- Based on the CalPERS actuarial valuation, the net pension liability slightly decreased by approximately \$82 thousand. Refer to Note #9B to the financial statements for further details.
- During fiscal 2019, as a result of continued MHSA programs and updates, unearned MHSA revenue was identified as approved and available to be spent in fiscal year 2020. Amounts approved were then recognized (in the period for which they were approved) and the remaining Noncurrent Unearned MHSA revenues available are noted to be \$500 thousand. Additional information regarding MHSA revenues can be found at Note #11 to the financial statements.

Economic Factors

The COVID-19 pandemic that began in 2020 has immediately made a financial impact on Federal, State and Local economies. While Tri-City has definitely experienced a direct and immediate impact, the full or long-term effects are still unknown. Tri-City has three significant sources of revenue (MHSA, 1991 Realignment and Medi-Cal) and the impact has been experienced in two of these three sources.

MHSA - As described earlier in this document, the postponing of tax return filing deadlines from April to July meant that a delay in MHSA funds would be experienced. Beginning with the March 2020 MHSA monthly remittance, Tri-City did experience decreases in the amounts collected. Subsequent to the fiscal year end and after the July 15, 2020 tax filing deadline, Tri-City did begin experiencing increases in the MHSA monthly remittances. The California Behavioral Directors Association (CBHDA) provides continual information to county behavioral health departments that includes updates on legislation, the State budget and projections of behavioral health revenue sources. According to the latest projections, fiscal years 2020-21 and 2021-22 are expected to experience an increase or temporary spike in MHSA cash flows as compared to the amounts received in fiscal year 2019-20 of approximately 19% and 16%, respectively. This increase is primarily due to an expected significant annual adjustment specifically from the 2018 and 2019 tax filings and due to any growth or true-ups. However, the impact of the 2020 COVID-19 crisis, is also expected to result in significant decreases in MHSA

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

cash flows in fiscal year 2022-23 of approximately 22% as compared to fiscal year 2019-20. While Tri-City has not had to access MHSA prudent reserves to date, Tri-City will continue to closely monitor the needs of Agency.

1991 Realignment - As mentioned above, CBHDA has provided updated information and estimates for 1991 Realignment taking into consideration actual and projected impacts of COVID-19. Tri-City's third largest source of revenue (1991 realignment) is funded through a combination of vehicle license fees and sales tax. This too was impacted by not only the delay in tax return filings by businesses but by the reduction in sales taxes not generated during the halt in spending. Absent change to legislation, Tri-City is guaranteed a base amount of 1991 realignment annually, however any growth is not guaranteed. During fiscal year 2019-20, Tri-City did receive its guaranteed base along with an additional \$120 thousand in growth. According to CBHDA and consistent with the Governor's budget, Tri-City expects to receive a base of approximately \$3.6 million annually, however will not expect to see any growth for the next few years.

Other Historical Factors

1991 Realignment funding for county mental health programs was mentioned in the Governor's 2019-20 Budget Summary relating to In-Home Supportive Services. As previously identified in the California's State Governor's May Budget Revise for 2017-18, In-Home Supportive Services (IHSS) was to be realigned back to counties. This realignment of costs would have meant that Tri-City would lose revenues previously received from the Vehicle License Fee Growth Fund. However, during fiscal 2018 the California Behavioral Health Directors Association (CBHDA) successfully advocated that Tri-City and Berkeley be exempted from these changes to mental health services funding. Specifically, the provision of IHSS is not required for Berkeley and Tri-City as they are Mental Health Authorities and not Mental Health Plans. Therefore Tri-City continues to not be impacted by these changes.

On January 1, 2014, the Affordable Care Act became effective, including the expansion of Medicaid (Medi-Cal) services to single adults ages 19 to 64. Since then individuals qualifying for expanded Medi-Cal in the Tri-City area are either current Tri-City clients receiving mental health services from Tri-City as unfunded clients or are now seeking services from Tri-City as a new client. Tri-City continues to be a major partner with its community and LA County Department of Mental Health (LA DMH) to ensure that all Tri-City residents that become eligible under expanded Medi-Cal (MCE) will be served. The cost of services provided by Tri-City for residents qualifying under MCE were to be reimbursed at 100% through Federal Financial Participation (FFP) for the first three calendar years (2014 thru 2016). As of January 1, 2017, the reimbursement was reduced to 95%, then to 94% as of January 1, 2018, and to 93% as of January 1, 2019. Beginning January 1, 2020 and thereafter, the rate was reduced to 90%. In order to ensure proper reimbursement, Tri-City's contract with LA DMH includes language regarding MCE and Tri-City's authority to bill for such services through LA DMH.

During fiscal year 2015-16 new legislation, Assembly Bill 1618, was passed in California for the purpose of funding a new program titled "No Place Like Home" and would potentially redirect 7% of the annual MHSA tax revenue thereby decreasing MHSA funds that will be allocated and received by California counties and Tri-City in the future. At the November 6, 2018 statewide general election this the No Place Like Home Act of 2018 was approved by the voters. MHSA funding projections included above, already take into account the 7% redirection in MHSA funding.

Liquidity and The Former Bankruptcy

At June 30, 2020, Tri-City had approximately \$31.1 million in cash. Of this amount, approximately \$24.1 million is cash that is immediately available but restricted only for the implementation and provision of services under approved MHSA programs, \$7.0 million is cash available for Tri-City's outpatient clinic operations and of these amounts approximately \$276 thousand (which is reflected as unearned revenues) is restricted for future MHSA

TRI-CITY MENTAL HEALTH AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

programs developed and recommended through the MHSA process and approved by Tri-City's Governing Board. In accordance with the Bankruptcy Plan, Tri-City's unrestricted cash for the clinic operations is the only source that can be used to fund payments on allowed pre-petition claims when such cash balances exceed current operating costs and cash reserves identified in the Plan.

With regard to the former filing of the bankruptcy, on April 9, 2009, Tri-City made its first payment to Class 2 Unsecured creditors for their allowed claims. These claims were paid in full by June 2013. In May 2013, the first claim payment was made on the allowed Unsecured Class 3 California Department of Mental Health (CAL DMH, now the Department of Health Care Services or DHCS)) claims and Unsecured Class 4 Los Angeles County Department of Mental Health (LAC DMH) claims representing 4% of each Class' allowed claims. During Fiscal 2020 and 2019 Tri-City made additional payments to Class 3 and Class 4 totaling approximately \$1.0 million and \$2.0 million, respectively. As of June 30, 2020, Tri-City has made payments totaling \$10.2 million to Class 3 and Class 4 Unsecured creditors representing 94% of each Class' allowed claims. Based on Tri-City's Bankruptcy Plan as filed with the Court and confirmed on August 6, 2007, the Agency projects that it will be able to support its current operations over the next fiscal year and maintain the minimum cash reserve as indicated in the plan. Management, however, cannot project the amount of cash that will be available for additional future payments of allowed claims. In the past, Tri-City has experienced delays in FFP (Medi-Cal) payments, and should additional delays occur, these events would directly impact cash flows delaying additional bankruptcy payments.

Request for Information

These financial statements are designed to provide our citizens a general overview of Tri-City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tri-City Mental Health Authority, 1717 N. Indian Hill Boulevard, #B, Claremont, California 91711.

TRI-CITY MENTAL HEALTH AUTHORITY

**STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and investments (Note #4)	\$ 7,024,393	\$ 7,078,627
Restricted cash and investments for MHSA programs (Note #4)	24,107,422	24,853,947
Accounts receivable, net of allowance for uncollectible accounts of \$543,736 and \$386,855 at June 30, 2020 and 2019, respectively (Note #5)	6,780,120	5,915,955
Total Current Assets	<u>37,911,935</u>	<u>37,848,529</u>
Noncurrent Assets:		
Land	2,520,749	2,520,749
Capital assets being depreciated, net of accumulated depreciation (Note #6)	4,725,361	4,757,766
Prepaid Deposits (Note #2F)	562,154	145,878
Total Noncurrent Assets	<u>7,808,264</u>	<u>7,424,393</u>
Total Assets	<u>45,720,199</u>	<u>45,272,922</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions (Note #9B)	<u>2,776,741</u>	<u>2,671,142</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	423,892	479,310
Accrued payroll	641,586	475,696
Accrued vacation and sick leave	1,469,788	1,148,163
Estimated third party payor settlements (Note #8)	5,308,377	5,003,822
Current portion of mortgage note payable (Note #10)	30,688	29,066
Total Current Liabilities	<u>7,874,331</u>	<u>7,136,057</u>
Noncurrent Liabilities:		
Mortgage note payable (net of current portion) (Note #10)	771,686	802,374
City of Pomona HUD Loan (Note #13)	88,309	147,183
Bankruptcy liabilities (Note #7)	656,064	1,686,064
Net pension liability (Note #9B)	5,462,528	4,658,577
Unearned MHSA revenues (Note #11)	276,421	500,000
Total Noncurrent Liabilities	<u>7,255,008</u>	<u>7,794,198</u>
Total Liabilities	<u>15,129,339</u>	<u>14,930,255</u>
DEFERRED INFLOWS OF RESOURCES:		
MHSA revenues restricted for future period (Note #11)	6,625,119	8,351,712
Deferred inflows related to pensions (Note #9B)	217,236	190,986
Total Deferred Inflows of Resources	<u>6,842,355</u>	<u>8,542,698</u>
NET POSITION		
Net investment in capital assets	6,355,427	6,299,892
Restricted for MHSA programs (Note #12)	16,204,681	15,119,523
Unrestricted	3,965,138	3,051,696
Total Net Position	<u>\$ 26,525,246</u>	<u>\$ 24,471,111</u>

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Medi-Cal, net of provision for disallowances and bad debts	\$ 9,905,318	\$ 8,020,591
Medicare	5,795	7,663
Contracts	20,986	25,913
Rental income	115,042	131,088
Patient fees and insurance	2,415	3,164
Other income	31,624	37,124
Total Operating Revenues	<u>10,081,180</u>	<u>8,225,543</u>
Operating Expenses:		
Salaries, wages, and benefits	18,714,663	16,177,693
Facility and equipment operating costs	1,944,282	1,609,948
Client lodging, transportation, and supply expense	1,705,795	897,076
Depreciation	479,571	429,994
Other operating expense	1,898,602	1,471,470
Total Operating Expenses	<u>24,742,913</u>	<u>20,586,181</u>
Operating (Loss)	<u>(14,661,733)</u>	<u>(12,360,638)</u>
Non-Operating Revenues (Expenses):		
Realignment	3,776,200	4,407,019
MHSA funding	12,130,482	11,235,575
HMIOT Grant	-	100,000
Measure H	152,258	-
Contributions from member cities	70,236	70,236
Interest income	560,171	589,014
Interest expense	(41,592)	(42,922)
Gain on sale of capital assets	9,239	-
Total Non-Operating Revenues (Expenses)	<u>16,656,994</u>	<u>16,358,922</u>
Income before Special Items	<u>1,995,261</u>	<u>3,998,284</u>
Special Item:		
City of Pomona HUD Loan (Note #13) forgiveness of debt	58,874	-
Total Special Items	<u>58,874</u>	<u>-</u>
Change in Net Position	2,054,135	3,998,284
Net Position at Beginning of Year	<u>24,471,111</u>	<u>20,472,827</u>
Net Position at End of Year	<u>\$ 26,525,246</u>	<u>\$ 24,471,111</u>

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 9,521,570	\$ 11,050,833
Payments to suppliers and contractors	(6,020,373)	(3,729,938)
Payments to employees for salaries and benefits	(17,502,546)	(15,971,859)
Payments on bankruptcy unsecured claims <i>(Note #7)</i>	(1,030,000)	(1,993,000)
Payment to Cal DHCS for FY 2000 over payment	-	(307,314)
Net Cash Used by Operating Activities	<u>(15,031,349)</u>	<u>(10,951,278)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Funding from Mental Health Services Act	10,180,310	11,035,824
Realignment	3,776,200	4,407,019
Contributions from member cities	70,236	70,236
HMIOT Grant	-	100,000
Measure H	152,258	-
Net Cash Provided by Noncapital Financing Activities	<u>14,179,004</u>	<u>15,613,079</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(447,166)	(333,980)
Principal paid on capital debt	(29,066)	(27,738)
Interest paid on capital debt	(41,592)	(42,922)
Proceeds on sale of capital assets	9,239	-
Net Cash Used by Capital and Related Financing Activities	<u>(508,585)</u>	<u>(404,640)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>560,171</u>	<u>589,014</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(800,759)	4,846,175
Cash and Cash Equivalents at Beginning of Year	<u>31,932,574</u>	<u>27,086,399</u>
Cash and Cash Equivalents at End of Year	<u>\$ 31,131,815</u>	<u>\$ 31,932,574</u>
Reconciliation of Cash to Statement of Net Position:		
Cash and Investments	7,024,393	7,078,627
Restricted cash and Investments	<u>24,107,422</u>	<u>24,853,947</u>
Total cash and Investments	<u>\$ 31,131,815</u>	<u>\$ 31,932,574</u>

The accompanying notes are an integral part of the financial statements.

TRI-CITY MENTAL HEALTH AUTHORITY

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating (Loss) from Operations to Net Cash Used by Operating Activities:		
Operating (Loss)	\$ (14,661,733)	\$ (12,360,638)
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities:		
Depreciation	479,571	429,994
Pension expense	724,602	121,239
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	(864,165)	1,860,763
(Increase) decrease in deposits	(416,276)	(40,162)
(Decrease) in Due to Other Govt	-	(307,314)
Increase (decrease) in accounts payable	(55,418)	288,718
Increase in accrued payroll liabilities	165,890	29,854
Increase in accrued leave	321,625	54,741
Increase in estimate for third party payor settlements	304,555	964,527
(Decrease) in bankruptcy liabilities	(1,030,000)	(1,993,000)
Net Cash Used by Operating Activities	<u>\$ (15,031,349)</u>	<u>\$ (10,951,278)</u>

The accompanying notes are an integral part of the financial statements.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #1 – DESCRIPTION OF REPORTING ENTITY

Tri-City Mental Health Authority (Tri-City) is a Joint Powers Agency formed on June 21, 1960, pursuant to the Short-Doyle Act (included in the Welfare and Institutions Code of California). This act authorizes two or more cities to develop mental health services and facilities. The Joint Powers Agreement among the Cities of Pomona, Claremont and La Verne was amended in December 2007 and calls for a governing body of seven members (two Pomona council members, one Claremont council member, one La Verne council member and one non-elected member from each city). The governing body appoints a local director to administer the program.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Tri-City have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The Government Accounting Standards Board is the recognized standard setting body for establishing governmental accounting and financial reporting principles for governments. Tri-City has adopted the accounting principles and methods appropriate for a governmental enterprise activity.

B. Basis of Accounting

The accounts of Tri-City are organized in a single enterprise (proprietary type) fund and maintained on the accrual basis of accounting. Proprietary fund financial statements include the Statements of Net Position, Statements of Revenues, Expenses, and Change in Net Position, and the Statements of Cash Flows.

Proprietary fund types are accounted for using the “economic resources” measurement focus and accrual basis of accounting. This means that all assets and liabilities (whether current or non-current) including deferred inflows of resources and deferred outflows of resources associated with the activity are included on the Statements of Net Position. The Statements of Revenues, Expenses, and Changes in Net Position of the proprietary fund present increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Realignment funds received from the State are required to be used by the Agency to provide mental health services, however, the Realignment funds received are allocated by the State based on State sales tax receipts. Therefore, the Realignment funds are not directly tied to billing for actual services provided and thus included as a non-operating revenue item. In addition, MHSA funds, as more fully described at *Note #11*, are also reflected as non-operating revenues because they are “Non-Exchange Transactions”.

C. Bankruptcy Reporting

As more fully disclosed at *Note #7*, Tri-City filed a petition under Chapter 9 of the Bankruptcy Code in February of 2004. Tri-City follows the requirements of GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, for the items relating to the bankruptcy transactions and financial statement presentation.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, Tri-City considers cash and cash equivalents as short-term highly liquid investments that are both readily convertible to known amounts of cash. At June 30, 2020 and 2019, Tri-City’s cash and cash equivalents included pooled cash balances and investments in the Local Agency Investment Fund (LAIF).

E. Capital Assets

Capital assets owned by Tri-City are capitalized at historical cost and contributed assets (if any) are recorded at acquisition value. Depreciation is charged to operations using a straight-line method, based on the estimated useful life of the asset. The estimated useful lives of the buildings, automobiles, property, and equipment range from three to twenty years. Capital assets are defined by Tri-City to be land, buildings and improvements, leasehold improvements, furniture and equipment and vehicles with an initial individual cost of more than \$1,000. Estimated useful lives of the various classes of property are as follows:

Buildings and improvements	20 years
Equipment	3 years
Furniture	5 years
Vehicles	3 years
Leasehold improvements	5 years

F. Prepaid Deposits

Prepaid deposits include prepaid expense, security, rental and utility deposits that have been paid to third parties. At June 30, 2020 and 2019, Tri-City had prepaid deposits outstanding in the amounts of \$562,154 and \$145,878, respectively.

G. Compensated Absences and Sick Leave

Full-time employees can only accrue up to a maximum of 240 hours of vacation time and may be paid up to 240 hours of accrued sick time upon separation. Therefore, accumulated unpaid vacation and sick time up to 240 hours per employee, is recognized as a liability of Tri-City. Both vacation and sick time may be cashed out upon separation. All employees accrue sick leave at the rate of eleven days per year. Additional hours over 240 can be rolled into the California Public Employees' Retirement System (PERS) Retirement Plan as additional service credit if the employee is retiring at the time of separation.

Part-time employees shall accrue sick leave at a rate of 1 hour for every 30 hours worked up to 24 hours per a 12-month period. Unused accrued sick leave of part-time employees may not be cashed out upon termination and therefore is not recognized as a liability by Tri-City.

H. Restricted Resources

When both restricted and unrestricted resources are available for use, it is Tri-City’s policy to use restricted resources first for the designated program, and then unrestricted resources as they are needed.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Operating Revenues and Expenses

Tri-City’s Statements of Revenues, Expenses, and Changes in Net Position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing mental health care services, Tri-City’s principal activity. Voluntary and government mandated non-exchange revenues received are reported as non-operating revenue when all eligibility requirements are met. As such, Tri-City has classified State Realignment and MHSA funds allocated to the Agency for the provision of mental health services, as non-operating revenues. Operating expenses are all expenses incurred to provide mental health care services, other than financing costs.

J. Nominal Fee Provider

Tri-City provides care to patients who meet certain criteria under the California Department of Mental Health (now the Department of Health Care Services) Uniform Method for Determining Ability to Pay (UMDAP) policy. When charges are determined to qualify under UMDAP, Tri-City follows collection requirements as stated by UMDAP guidelines.

K. Medi-Cal Revenue

Revenue under third-party payor agreements is reported at the estimated net realizable amounts and is subject to audit and retroactive adjustment. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

L. Realignment Revenue

In 1991, the Medi-Cal program (Short-Doyle Act) was revised under the Bronson-McCorquodale Act, which is known as Realignment. Realignment is a mechanism for the State of California to fund the public mental health system and provide matching funds for the Federal Financial Participation (FFP) of the funding. Through 2013, “1991” Realignment was derived from State Vehicle License Fees and Sales Tax collected at the State level. In 2013, the State created a new “2011” Realignment account that is funded through State taxes. This new Mental Health Fund is allocated to counties that are Mental Health Plans and is used to cover the State’s required FFP match for Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services as well as funds for newly realigned mental health services previously run by the State.

Tri-City is not a Mental Health Plan and does not directly receive “2011” Realignment. However, Tri-City will continue to receive “1991” Realignment directly from the State and will receive State EPSDT match for FFP funded by “2011” Realignment through its contract with LA DMH.

M. Mental Health Services Act (MHSA) Revenue

Tri-City receives MHSA funds to provide mental health programs and services included in the approved MHSA plans. MHSA funds are recorded as non-operating revenues on the Statements of Revenues, Expenses and Changes in Net Position when eligibility requirements are met, including time restriction requirements. The MHSA funds received for programs not yet meeting these eligibility requirements, are recorded as Unearned Revenues on the Statements of Net Position as Noncurrent Liabilities (amounts unapproved by a plan) and as MHSA Revenues Restricted for Future Period under Deferred Inflow of Resources (amounts approved for the beginning of the next fiscal year).

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Contributions

Revenues from contributions are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for specific operating purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Every year, the Cities of Pomona, Claremont, and La Verne each contribute operating funds to Tri-City to meet matching requirements under Realignment. These entities are considered related parties as they are member agencies (*Note # 17*).

O. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures at the date of the financial statements. While management believes that these estimates are adequate as of June 30, 2020 and 2019, it is reasonably possible that actual results could differ from those estimates. Certain estimates relate to accounts receivable (*Note #5*), deferred outflows and inflows of resources (*Note #9B*) and estimated third party payor settlements (*Note #8*).

P. Net Position

Net position of Tri-City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase of those assets. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by any liabilities payable from restricted assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The Statements of Net Position report \$16,204,681 and \$15,119,523 of restricted net position, at June 30, 2020 and June 30, 2019, respectively, which include MHSA funds that are restricted for use in MHSA programs. Net Investment in Capital Assets of \$6,355,427 and \$6,299,892 are equal to Tri-City's capital assets at June 30, 2020 and June 30, 2019 (*Note #6*), respectively, net of the related mortgage debt (*Note #10*) and the HUD Loan (*Note #13*). The remaining Unrestricted Net Position at June 30, 2020 and June 30, 2019 of \$3,965,138 and \$3,051,696, respectively, is the primary result of recognizing the long-term Net Pension Liability (as more fully disclosed at *Note #9B*) and the former recognition of bankruptcy related liabilities (as more fully disclosed at *Note #7*). The unrestricted net position is available for the general operations of Tri-City.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Deferred Outflows/Inflows of Resources

In addition to assets reported on the Statements of Net Position, Tri-City will sometimes report a separate section for deferred outflows of resources. This separate financial statement caption represents a consumption of net position that applies to a future period and so, will not be recognized as an outflow of resources (expenditure) until then. At June 30, 2020 and June 30, 2019 Tri-City reported \$2,776,741 and \$2,671,142, respectively in deferred outflows of resources as further explained at Note #9B.

In addition to liabilities reported on the Statements of Net Position, Tri-City will sometimes report a separate section for deferred inflows of resources. This separate financial statement caption represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Tri-City reports MHSA revenues restricted for future periods as an inflow of resources in the period that the amounts become available. Also refer to Note #11, for additional details relating to MHSA revenues restricted for future period and unearned MHSA revenues. Additionally, Tri-City reported \$217,236 and \$190,986, at June 30, 2020 and 2019 respectively in deferred inflows of resources as further explained at Note #9B.

R. Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

S. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Tri-City's California Public Employees Retirement System (CalPERS) plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Fair Value Measurement

Tri-City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #3 – NEW ACCOUNTING PRONOUNCEMENTS

Effective In Current Fiscal Year

GASB Statement No. 95 – In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Effective in Future Years

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for periods beginning after December 15, 2019. Tri-City has not determined the effect of this Statement.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #3 – NEW PRONOUNCEMENTS, Continued

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for periods beginning after June 15, 2021. Tri-City has not determined the effect of this Statement.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning after December 15, 2019. Tri-City has not determined the effect of this Statement.

GASB Statement No. 90 – In November 2016, GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and 61*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for periods beginning after December 15, 2019. Tri-City has not determined the effect of this Statement.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for periods beginning after December 15, 2021. Tri-City has not determined the effect of this Statement.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for periods beginning after June 15, 2021. Tri-City has not determined the effect of this Statement.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for periods beginning after June 15, 2020. Tri-City has not determined the effect of this Statement.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement is effective for periods beginning after June 15, 2022. Tri-City has not determined the effect of this Statement.

**TRI-CITY MENTAL HEALTH AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #3 – NEW PRONOUNCEMENTS, Continued

GASB Statement No. 96– In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. Tri-City has not determined the effect of this Statement.

GASB Statement No. 97– In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021 for requirements that are related to the accounting and financial reporting for Section 457 plans. The remaining sections are effective immediately. Tri-City has not determined the effect of this Statement.

NOTE #4 – CASH AND INVESTMENTS

As of June 30, 2020 and 2019, cash and investments in the Statements of Net Position consisted of the following:

	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 2,030	\$ 2,530
Deposits with financial institutions	4,422,037	6,342,411
Deposit with Local Agency Investment Fund (LAIF)	26,707,748	25,587,633
Total Cash and Investments	<u>\$ 31,131,815</u>	<u>\$ 31,932,574</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #4 – CASH AND INVESTMENTS, Continued

Investments

Tri-City is authorized under California Government Code to make direct investments. Tri-City has adopted an investment policy that more restrictive and is limited to the following investments types:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	20%	\$250,000
Local Agency Investment Fund (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As noted above, as of June 30, 2020 and 2019, all of Tri-City’s investments are held in LAIF. The total balance of investments in LAIF is liquid and available for withdrawal at any time.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2020 and 2019, \$26,707,748 and \$25,587,633, respectively, of cash and investments were placed in Tri-City’s LAIF account. LAIF is not rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State laws (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

At June 30, 2020 and 2019, Tri-City’s total cash balances held by banks and collateralized by the pledging Financial Institutions under the California Government Code, but not in Tri-City’s name, was \$4,463,208 and \$6,461,851, respectively. Amounts held by banks and collateralized under the California Government Code are not FDIC insured.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #4 – CASH AND INVESTMENTS, Continued

Investment in State Investment Pool

Tri-City is a voluntary participant in the LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Tri-City's investment in this pool is reported in the accompanying financial statements at amounts based upon Tri-City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The total balance in the LAIF is available for withdrawal. The California Local Agency Investment Fund is not insured or collateralized.

Restricted Cash and Investments

Cash and investments reflected on the Statements of Net Position as restricted was \$24,107,422 and \$24,853,947 at June 30, 2020 and 2019, respectively. Restricted cash represents cash received from MHSA funding that is only available to use for expenses of MHSA programs approved under Tri-City's MHSA plans. Therefore, amounts reflected on the Statements of Net Position which include MHSA current operating liabilities will be funded through the MHSA restricted cash balance and collection of MHSA Medi-Cal receivables.

Fair Value Measurements

Tri-City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2020 and 2019, Tri-City held no individual investments. All funds are invested in LAIF.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Tri-City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, Tri-City's investments in LAIF at June 30, 2020 and June 30, 2019 are uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #5 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Accounts Receivable:		
Medi-Cal	\$ 6,359,697	\$ 4,788,515
Medicare	283	354
Realignment	609,225	1,213,938
Grants and Contracts	257,202	140,146
Interest & Other Receivables	<u>97,449</u>	<u>159,857</u>
 Total Accounts Receivable	 \$ 7,323,856	 \$ 6,302,810
 Less: Allowance for Doubtful Accounts	 <u>(543,736)</u>	 <u>(386,855)</u>
 Accounts Receivable, Net	 <u>\$ 6,780,120</u>	 <u>\$ 5,915,955</u>

Medi-Cal Receivables

In accordance with Tri-City’s original contracts with the Los Angeles County Department of Mental Health (LAC DMH), a percentage of the Medi-Cal FFP and State EPSDT reimbursement payments received by LAC DMH for mental health services provided by Tri-City to Medi-Cal eligible clients were to be withheld by LAC DMH pending preliminary settlement or final audit of the cost reports filed for the contract periods. Commencing with fiscal 2014-15, this withholding was eliminated in the contract with LA DMH. At June 30, 2020 and 2019, Medi-Cal accounts receivable included approximately \$590 thousand and \$590 thousand, respectively of Medi-Cal reimbursement received and withheld by LAC DMH for mental health services provided by Tri-City to Medi-Cal eligible clients during the fiscal year 2013-14.

The allowance for doubtful accounts is estimated based on withholding percentages used by LAC DMH, and will be adjusted upon settlement of the cost reports. The provision expensed in fiscal 2020 and 2019 for doubtful accounts was approximately \$461 thousand and \$726 thousand, respectively.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #6 – CAPITAL ASSETS

The following schedule summarizes capital asset activity for the years ended June 30, 2020 and 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
June 30, 2020:				
Capital Assets not being depreciated:				
Land	\$ 2,520,749	\$ -	\$ -	\$ 2,520,749
Capital Assets, being depreciated:				
Buildings and improvements	8,233,466	-	-	8,233,466
Leasehold improvements	105,878	-	-	105,878
Furniture and equipment	1,884,134	447,166	(107,428)	2,223,872
Total Capital Assets being depreciated	<u>10,223,478</u>	<u>447,166</u>	<u>(107,428)</u>	<u>10,563,216</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,674,267)	(333,941)		(4,008,208)
Leasehold improvements	(92,228)	(4,660)		(96,888)
Furniture and equipment	(1,699,217)	(140,970)	107,428	(1,732,759)
Total Accumulated Depreciation	<u>(5,465,712)</u>	<u>(479,571)</u>	<u>107,428</u>	<u>(5,837,855)</u>
Total Capital Assets being depreciated	<u>4,757,766</u>	<u>(32,405)</u>	<u>-</u>	<u>4,725,361</u>
Capital Assets, Net	<u>\$ 7,278,515</u>	<u>\$ (32,405)</u>	<u>\$ -</u>	<u>\$ 7,246,110</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #6 – CAPITAL ASSETS, Continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
June 30, 2019:				
Capital Assets not being depreciated:				
Land	\$ 2,520,749	\$ -	\$ -	\$ 2,520,749
Capital Assets, being depreciated:				
Buildings and improvements	7,983,137	250,329	-	8,233,466
Leasehold improvements	105,878	-	-	105,878
Furniture and equipment	1,809,072	83,651	(8,589)	1,884,134
Total capital assets being depreciated	<u>9,898,087</u>	<u>333,980</u>	<u>(8,589)</u>	<u>10,223,478</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,356,620)	(317,647)	-	(3,674,267)
Leasehold improvements	(87,568)	(4,660)	-	(92,228)
Furniture and equipment	(1,600,119)	(107,687)	8,589	(1,699,217)
Total Accumulated Depreciation	<u>(5,044,307)</u>	<u>(429,994)</u>	<u>8,589</u>	<u>(5,465,712)</u>
Total Capital Assets being depreciated	<u>4,853,780</u>	<u>(96,014)</u>	<u>-</u>	<u>4,757,766</u>
	<u>\$ 7,374,529</u>	<u>\$ (96,014)</u>	<u>\$ -</u>	<u>\$ 7,278,515</u>

In fiscal 2020 and 2019, Tri-City disposed of \$107,428 and \$8,589 of fully depreciated equipment and vehicles that were no longer in use.

NOTE #7 –BANKRUPTCY

On February 13, 2004, Tri-City filed a petition under Chapter 9 of the Bankruptcy Code. The Bankruptcy Court ordered that any entity that wished to participate in any distribution under a Plan generally must either have been properly listed by Tri-City in its List of Creditors or have filed a proof of claim on or before June 24, 2004 (except for claims arising from executory contracts or expired leases rejected by Tri-City and other matters set forth in the Bankruptcy Court’s order regarding the claims bar date). Tri-City presented a Plan for the Adjustment of Debts to the Bankruptcy Court on January 5, 2005 (also referred herein as the “Plan”). On December 12, 2006, an amended Plan was filed with the Court and subsequently confirmed by the Court on August 6, 2007. The order to confirm the Plan was filed on December 12, 2007 and the Plan became effective on July 18, 2008 after finalization of Tri-City’s contract with the Los Angeles County Department of Mental Health (LAC DMH).

In September 2011, Tri-City along with CAL DMH, CAL DHCS and LAC DMH, finalized a Settlement Mediation Agreement which was signed and approved by the Court in January 2012. As a result of this Settlement, Tri-City’s Bankruptcy Case was officially closed and recorded on February 21, 2012. Events that gave rise to the Bankruptcy and how it affected the level of Tri-City’s mental health services is disclosed in Tri-City’s Amended Disclosure Statement dated December 12, 2006. The Plan and Disclosure Statement can be obtained at Tri-City’s Website under Archived Documents at <http://www.tricitymhs.org>.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #7 –BANKRUPTCY, Continued

The Settlement Mediation Agreement noted above stipulates that CAL DHCS will allow LAC DMH to pass through to Tri-City any EPSDT payments for Tri-City claims received by LAC DMH from CAL DHCS as a result of LAC DMH’s EPSDT appeal settlement originated with CAL DMH, as long as Tri-City agrees that any EPSDT amounts received from LAC DMH for the fiscal years 2001-02, 2002-03 and 2003-04 will only be used to make payments on its bankruptcy debt. In consideration for this pass through, Tri-City agreed to no longer pursue collection of the Medi-Cal FFP claims for the fiscal years ended 2006 and 2007, which were fully reserved by Tri-City in fiscal 2007 and were subsequently written-off in fiscal 2010. In November 2012, Tri-City received \$295,340 resulting from a pass through of the EPSDT audit settlement for fiscal 2001-2002. In accordance with the Mediation Agreement these funds were used to make payment on Tri-City’s Class 2 General Unsecured bankruptcy claimants on November 30, 2012. In addition, in January 2016, Tri-City received \$257,534 resulting from a pass through of the EPSDT audit settlement for fiscal 2002-03 which was used to make payments on Class 3 and Class 4 balances on January 26, 2016.

In accordance with the confirmed Plan, Tri-City made payments on allowed Class 2 General Unsecured bankruptcy claims in Fiscal Years 2009 through 2013 which represented 100% of that Class’s allowed claims. In addition, beginning in May 2013 through June 2020, Tri-City has made payments to Class 3 Unsecured CAL DMH and Class 4 Unsecured LAC DMH claims of \$10,243,129 representing approximately 94% of each Class’s allowed claims. The percentage of allowed claims that will be paid in future quarters depends on cash available, as defined per the Plan at the time and over the term of Tri-City’s contract with LAC DMH. Per the Plan, payments on allowed claims will terminate concurrent with the termination of Tri-City’s contractual relationship with LAC DMH. Tri-City’s most current contract with LAC DMH is effective from July1, 2020 through June 30, 2021, with four automatic renewal periods without any further action on Tri-City’s behalf.

The claims identified as “Bankruptcy Liabilities” in the amount of \$656,064 and \$1,686,064 as of June 30, 2020 and 2019, respectively, reflects the allowed claims based on Tri-City’s final reconciliation and settlement of claims as submitted to and approved by the Bankruptcy Court, reduced by the payments made through June 30, 2020 and 2019 to the claimants.

The bankruptcy liabilities as of June 30, 2020 and 2019 are summarized by Bankruptcy Claim Class as follows:

	<u>2020</u>	<u>2019</u>
Class 3 — Unsecured Claim of CAL DMH, net	\$ 397,351	\$ 1,021,179
Class 4 — Unsecured Claim of LAC DMH	<u>258,713</u>	<u>664,885</u>
Total Bankruptcy Liabilities	<u>\$ 656,064</u>	<u>\$ 1,686,064</u>

The remaining classes of Bankruptcy claims are described in the following page.

**TRI-CITY MENTAL HEALTH AUTHORITY
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NOTE #7 –BANKRUPTCY, Continued

Class 3 – Unsecured Claim of CAL DMH includes the following:

The final allowed Class 3 claims per the plan of \$6,601,182 consisted of \$6,648,932 in overpayment of Medi-Cal FFP for pre-petition services as determined by the Short-Doyle/Medi-Cal cost report final audit settlements for the fiscal years ended June 30, 1997 through 2004, offset by \$47,750 due to Tri-City for pre-petition services performed under the AB 2034 Program. The decrease in the Class 3 liability to \$1,021,179 at June 30, 2019 and \$397,351 at June 30, 2020 reflect Tri-City’s bankruptcy payments made to CAL DMH during Fiscal years 2013 through 2020.

Class 4 – Unsecured Claim of LAC DMH includes the following:

The final allowed Class 4 claim per the plan of \$4,298,010 consisted of \$5,306,383 in overpayment of Medi-Cal EPSDT advances resulting from Medi-Cal audit adjustments for the fiscal years ending June 30, 2002 and 2003, as well as for services that had not yet been performed in fiscal 2004 by Tri-City due to the filing of bankruptcy. This overpayment was offset by amounts due to Tri-City of \$1,008,373 from LAC DMH for services Tri-City provided under other LAC DMH programs. The decrease in the Class 4 liability to \$664,885 at June 30, 2019 and \$258,713 at June 30, 2020 reflect Tri-City’s bankruptcy payments made to LAC DMH during Fiscal 2013 through 2020.

NOTE #8 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE

In prior years, Tri-City entered into agreements to provide services to patients covered under the Short-Doyle/Medi-Cal program and various LAC DMH programs. Prior to filing bankruptcy (as described at Note #7), and up through services provided in fiscal 2006-07, Tri-City submitted claims covered by the Short-Doyle/Medi-Cal program directly to the California Department of Mental Health. Commencing with services provided subsequent to June 30, 2007, Tri-City presently submits claims under the Medi-Cal program through LAC DMH. In addition, prior to filing bankruptcy, Tri-City had provided services through other LAC DMH programs. These programs were paid based on a fixed or contracted rate or reimbursable costs, whichever was defined by the program. Reimbursements recorded under these programs are subject to audit and retroactive adjustment by the intermediaries through review of annual cost reports. Management’s estimates for potential interim settlements and audit adjustments are recorded as reserves during the year the services are provided and reflected as “Estimated Third Party Payor Settlements.” Adjustments for actual interim settlement letters issued and final audit adjustments are recorded in the year the amounts are finalized and reflected as “Cost Report Payable”. As of June 30, 2020 and June 30, 2019, the only outstanding liabilities related to settlement and audit letters received, have been for services provided pre-bankruptcy and therefore are currently included within the Bankruptcy Liabilities balance.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

***NOTE #8 – ESTIMATED THIRD PARTY PAYOR SETTLEMENTS AND COST REPORTS PAYABLE,
Continued***

Estimated Third Party Payor Settlements

Tri-City's Estimated Third Party Payor Settlements are included in both current liabilities and in bankruptcy liabilities. Estimated Third Party Payor Settlements reflected in current liabilities is \$5,308,377 at June 30, 2020 and \$5,003,822 at June 30, 2019. These amounts include estimated Medi-Cal settlements payable for the fiscal year ended 2005 and reserves on Medi-Cal revenues received for services provided under contract with LAC DMH from fiscal 2011 through fiscal 2020. The reserves for fiscal years 2011 through 2020 are estimated based on LAC DMH's withholding percentages applied for each fiscal year, which can be subject to change. Since the cost reports for these years have either: 1) not been settled or reviewed by the State, 2) are subject to future audits, or 3) have been audited but audit appeals remain outstanding, the reserves for disallowances on the Medi-Cal payments received are reflected as a current liability. Once LAC DMH finalizes its cost report settlement with the State, Tri-City expects that the County will pass on the settlement to Tri-City at which time Tri-City would remove the reserve amount related to that fiscal year.

The reserves for Estimated Third Party Payor Settlements of \$258,713 and \$664,885 are included in "Bankruptcy Liabilities" at June 30, 2020 and 2019, respectively. This represents the amended claim settlement filed by LAC DMH, pending possible adjustments from future State audits of EPSDT claims, less Tri-City's bankruptcy claim payments made through fiscal 2020.

Cost Reports Payable

At June 30, 2020 and 2019, Tri-City reflected \$397,351 and \$1,021,179, respectively, for remaining liabilities asserted by the California Department of Mental Health (CAL DMH) for cost report settlements based on the Short-Doyle/Medi-Cal issued interim settlement letters and final audit settlements for the fiscal years ended June 30, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004. The reduction in liability from June 30, 2019 balances reflect the claim payments made by Tri-City in fiscal 2020. These liabilities are reflected as "Bankruptcy Liabilities" in the Statement of Net Position.

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION

Tri-City Mental Health Authority offers the following plans:

A. Tri-City 401A Money Purchase Plan

Prior to July 1, 2000, all employees were required to enroll in the Tri-City 401A Money Purchase Plan (the "MPP"), a defined contribution plan, on the date of hire in lieu of social security. Effective July 1, 2000, only part-time employees qualified for the MPP since all full-time employees were transferred into CalPERS. Employees are not required and do not contribute to the plan. For all participating employees, Tri-City contributes an amount equal to 7.5 percent of the employee's annual gross salary reportable for Federal income tax purposes to the plan's administrator, Lincoln Financial Insurance Company. An employee is 100 percent vested in the retirement plan upon entry into the MPP. Benefit terms may be amended by Tri-City, the plan sponsor. Tri-City's contribution to the MPP for the fiscal years ended June 30, 2020 and 2019 was \$9,935 and \$10,561, respectively.

**TRI-CITY MENTAL HEALTH AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

B. California Public Employees’ Retirement System (PERS)-Cost Sharing Employer Plans

Plan Description – Employees of Tri-City participate in the California Public Employees Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Tri-City’s plans consist of both the Classic Tier and the PEPRA Tier within the Cost Sharing Plan’s Miscellaneous Risk Pool. On January 1, 2013, the Public Employees’ Pension Reform Act of 2013 (PEPRA) took effect. The establishment of the PEPRA Tier created new retirement formulas for newly hired members. All qualified permanent and probationary employees are eligible to participate in PERS. Benefit provisions under the Tiers are established by State statute and Tri-City resolution.

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information can be found on the CalPERS website at: <https://www.calpers.ca.gov/page/employers/actuarial-resources>

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 for classic members and age 52 for PEPRA members with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service; however, must be actively employed at the time of disability. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous Pool	
	Classic	PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-62
Monthly benefits, as a % of annual salary *	1.426% to 2.0%	1.0% to 2.0%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.22%	6.99%

* These percentages will vary based on age of retiree and could increase for retirees who prolong their retirement.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Contributions – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for each of the Tiers within the Plan are determined annually on an actuarial basis as of June 30 by CalPERS.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. Tri-City’s required contributions for the unfunded liability included in the total employer contributions, was \$256,315 and \$184,395 in fiscal year 2020 and 2019, respectively.

Tri-City employees enrolled in the PERS are required to contribute the “employee” contribution of 7% for the Classic Tier and 6.75% for the PEPR Tier of their annual covered salary. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. Benefit provisions and all other requirements are established by State statute. Full time employees or part-time employees that exceed 1,000 hours of work time in any fiscal period are eligible under this plan and must follow the contribution guidelines. The vesting period to receive pension retirement is five years. If an employee terminates before five years, they may withdraw their “employee” contributions to the plan.

For the year ended June 30, 2020 and 2019, Tri-City’s contributions to the Plan were \$1,328,508 and \$1,134,877, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2020 and 2019, Tri-City reported a liability for its proportionate share of the net pension liability of the Plan of \$5,462,528 and \$4,658,577, respectively.

Tri-City’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan at June 30, 2020 is measured as of June 30, 2019 and the total pension liability for the Plan is used to calculate the net pension liability which was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. Tri-City’s proportion of the net pension liability was based on a projection of Tri-City’s long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined.

Tri-City’s proportionate share of the net pension liability, measured as of June 30, 2018 and 2019 is as follows:

	<u>Plan</u>
Proportion - June 30, 2018	0.04834%
Proportion - June 30, 2019	0.05331%
Change in proportion- Increase (Decrease)	<u>0.00497%</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

At the year ended June 30, 2020 and 2019, Tri-City recognized pension expense of \$2,053,110 and \$1,312,963, respectively, associated with the net pension liability. At June 30, 2020 and 2019, Tri-City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Tri-City contributions subsequent to measurement date	\$ 1,328,508	\$ 1,134,877
Changes of assumptions	260,479	531,092
Net difference between expected and actual earnings on pension plan investments	-	23,031
Changes in proportion and differences between Tri-City's contributions and proportionate share of contributions	92,877	75,637
Changes in employer's proportion	715,482	727,764
Differences between expected and actual experience	379,395	178,741
Total Deferred Outflows	<u>2,776,741</u>	<u>2,671,142</u>
 <u>Deferred Inflows of Resources</u>		
Changes of assumptions	(92,337)	(130,160)
Net difference between expected and actual earnings on pension plan investments	(95,502)	-
Differences between expected and actual experience	<u>(29,397)</u>	<u>(60,826)</u>
Total Deferred Inflows	<u>(217,236)</u>	<u>(190,986)</u>
 <u>Amounts Not Amortized</u>		
Tri-City's contributions subsequent to measurement date	(1,328,508)	(1,134,877)
Net Total Deferred Outflows and Inflows to be Amortized	<u>\$ 1,230,997</u>	<u>\$ 1,345,279</u>

The amount of \$1,230,997 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30,</u>		
2021	\$	847,100
2022		210,906
2023		153,694
2024		<u>19,297</u>
Total	\$	<u>1,230,997</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Actuarial Assumptions – The total pension liability of the Plan in the June 30, 2018 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions.

Balance Sheet Date:	June 30, 2020	June 30, 2019
Valuation Date:	June 30, 2018	June 30, 2017
Measurement Date:	June 30, 2019	June 30, 2018
Actuarial Cost Method:	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.50%	2.75%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.15% (2)	7.5% (2)
Mortality Rates	Derived using CalPERS membership Data for all funds	

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at: <https://www.calpers.ca.gov/page/employers/actuarial-resources>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan and are summarized in the following tables:

June 30, 2019 Measurement			
Asset Class	Target Allocation	Expected Real Rate of Return Years 1 thru 10¹	Expected Real Rate of Return Years 11 thru 60²
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92)%
Total	100%		

June 30, 2018 Measurement			
Asset Class	Target Allocation	Expected Real Rate of Return Years 1 thru 10	Expected Real Rate of Return Years 11 thru 60
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92)%
Total	100%		

¹An expected inflation of 2.0% used for this period

²An expected inflation of 2.92% used for this period

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2019 and 2018 was 7.15% and 7.15%, respectively, for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #9 – RETIREMENT PLAN/DEFERRED COMPENSATION, Continued

Sensitivity of Tri-City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –
The following table presents the net pension liability of Tri-City, calculated using the discount rate of 7.15% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>2020</u>	<u>2019</u>
1% Decrease	6.15%	6.15%
Tri-City's Proportionate Share of the Net Pension Liability	\$ 9,603,249	\$ 8,438,464
Current Discount Rate	7.15%	7.15%
Tri-City's Proportionate Share of the Net Pension Liability	\$ 5,462,528	\$ 4,658,577
1% Increase	8.15%	8.15%
Tri-City's Proportionate Share of the Net Pension Liability	\$ 2,044,655	\$ 1,538,342

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net positions is available in the separately issued CalPERS financial reports.

NOTE #10 – MORTGAGE NOTE PAYABLE

The following is a schedule of changes in Tri-City’s mortgage note payable included in long-term debt for the fiscal years ended June 30, 2020 and 2019:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
June 30, 2020	<u>\$ 831,440</u>	<u>\$ -</u>	<u>\$ (29,066)</u>	<u>\$ 802,374</u>	<u>\$ 30,688</u>
June 30, 2019	<u>\$ 859,178</u>	<u>\$ -</u>	<u>\$ (27,738)</u>	<u>\$ 831,440</u>	<u>\$ 29,066</u>

On June 25, 2013, Tri-City’s mortgage note was refinanced for \$1,000,000 with monthly payments of \$5,888 commencing on July 25, 2013 and ending on June 25, 2022, at which time a balloon payment of the unpaid sum of principal plus accrued interest is due. The loan bears interest at 5 percent. As a condition to receive the 5 percent interest, Tri-City must keep cash balances at the lender’s bank equal to the outstanding loan. If the cash balance is less than the required amount for a consecutive 90 day period the interest rate will increase by 1.5 percent until the required balances are restored. Tri-City was in compliance with this cash requirement at June 30, 2020 and 2019.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #10 – MORTGAGE NOTE PAYABLE, Continued

The annual requirement to amortize the outstanding mortgage note payable is as follows:

June 30,	Mortgage Note Payable	
	Principal	Interest
2021	30,688	39,972
2022	771,686	35,288
Total Payments	\$ 802,374	\$ 75,260
Current Principal Portion	\$ 30,688	
Long-term Principal Portion	\$ 771,686	

Interest expense on the mortgage note for the fiscal years ended June 30, 2020 and 2019 was \$41,592 and \$42,922, respectively.

NOTE #11 –MHSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHSA REVENUES

MHSA funds received in the fiscal year that have been approved, allocated and available for use are recognized as non-operating income when received. Amounts received that have been approved for use in the next fiscal year are recorded as MHSA Revenues Restricted for Future Period in Deferred Inflow of Resources (see below) until the beginning of the period for which it was allocated and available for use. In addition, unrequested and unapproved MHSA funds received are included in Noncurrent Liabilities as Unearned MHSA Revenues. Once eligibility requirements are met, these amounts will be recognized into revenues or deferred inflows of resources.

Per the MHSA Statute, any funds allocated to a county/city which have not been spent for their authorized purpose within three years shall be reverted to the State to be deposited into the MHSA fund and made available for other counties in future years. Based on the most current information, including guidance from DHCS and the most recent State Budget Trailer Bill (AB 114), passed in 2017, Tri-City has determined no amounts are subject to reversion as of June 30, 2020 and 2019.

Tri-City classifies the MHSA Revenue received but not meeting time requirements as MHSA Revenues Restricted for Future Period under the Deferred Inflows of Resources caption on the Statements of Net Position. As of June 30, 2020 and 2019 MHSA Revenues Restricted for Future Period are \$6,625,119 and \$8,351,712, respectively.

**TRI-CITY MENTAL HEALTH AUTHORITY
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NOTE #11 –MHTSA REVENUES RESTRICTED FOR FUTURE PERIOD AND UNEARNED MHTSA REVENUES, Continued

The following table reflects the activity in the Deferred Inflows of Resources-MHTSA Revenues Restricted For Future Period and Unearned MHTSA Revenue Accounts for the Community Services and Support (CSS) Plan, the Prevention and Early Intervention (PEI) Plan, the Innovations (INN) Plan, the Workforce Education and Training (WET) Plan, and the Capital Facilities & Technology (CFTN) Plan programs and unapproved plans during the fiscal years ended June 30, 2020 and 2019:

	Balance Beginning of Year	Funding Received	Transfer	Amounts Recognized as Non-Operating Revenue	Reclassification of Previously Unapproved Programs	Balance End of Year
June 30, 2020						
CSS	\$ 7,633,920	\$ 7,737,034	\$ -	\$ (8,989,468)	\$ -	\$ 6,381,486
PEI	137,022	1,934,260	-	(2,052,360)	-	18,922
INN	454,247	509,016	-	(738,552)	-	224,711
WET	126,523	-	-	(126,523)	-	-
CFTN	-	-	-	(223,579)	223,579	-
MHTSA Revenues Restricted for Future Period	\$ 8,351,712	\$ 10,180,310	\$ -	\$ (12,130,482)	\$ 223,579	\$ 6,625,119
Unearned MHTSA Revenues	\$ 500,000	\$ -	\$ -	\$ -	\$ (223,579)	\$ 276,421
June 30, 2019						
CSS	\$ 8,009,043	\$ 8,387,228	\$ (400,000)	\$ (8,362,351)	\$ -	\$ 7,633,920
PEI	371,867	2,096,807	-	(2,331,652)	-	137,022
INN	170,553	551,791	-	(268,097)	-	454,247
WET	-	-	400,000	(273,477)	-	126,523
CFTN	-	-	-	-	-	-
MHTSA Revenues Restricted for Future Period	\$ 8,551,463	\$ 11,035,826	\$ -	\$ (11,235,577)	\$ -	\$ 8,351,712
Unearned MHTSA Revenues	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE #12 – RESTRICTED NET POSITION BY ENABLING LEGISLATION, FOR MHSA PROGRAMS

Restricted Net Position for MHSA Programs represents the amounts which are restricted due to enabling legislation related to MHSA Proposition 63. The following table further summarizes the net position restricted by enabling legislation as of June 30, 2020 and 2019 by specific MHSA Program Plans.

	<u>2020</u>	<u>2019</u>
Restricted Net Position for MHSA Programs		
Community Services and Supports	* \$ 9,428,434	\$ 7,755,584
Prevention and Early Intervention	1,814,307	1,188,529
Innovation	1,080,377	1,039,940
Workforce, Education and Training	550,417	689,927
Capital Facilities and Technology Needs	994,983	747,389
Prudent Reserves	<u>2,336,163</u>	<u>3,698,154</u>
Total Restricted Net Position for MHSA Programs	<u>\$ 16,204,681</u>	<u>\$ 15,119,523</u>

* During fiscal year 2017 and through the stakeholder process, the amount of \$1.2 million in unspent funds was designated for future housing projects as part of the Permanent Supportive Housing programs which is included within the Community Services and Supports (CSS) Plan. During fiscal year 2019, an additional \$1.6 million in unspent funds was designated for future housing programs within the CSS Plan. Amounts designated for Permanent Supportive Housing programs within the CSS Plan as of June 30, 2020 and 2019 are \$2,800,000 and \$2,800,000, respectively.

NOTE #13 – COMMITMENTS AND CONTINGENCIES

General

Claims for damages that arise through the normal course of operations, alleged against Tri-City are generally filed with or referred to a claims adjuster through Tri-City’s insurance providers. As of June 30, 2020, and through the date of this report, management believes based upon consultation with legal counsel, that any such reported matters are not expected to have a material impact on Tri-City, that there is minimal exposure to Tri-City and that no case so reported exceeds existing liability coverages.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #13 – COMMITMENTS AND CONTINGENCIES, Continued

Bankruptcy Filing

In accordance with the confirmed Plan of Adjustment of Debts through the bankruptcy case, differences in “Bankruptcy Liabilities” which were subject to compromises as estimated by management, and the final allowed claims, were reconciled in fiscal 2008-09 through Tri-City’s objection process. In accordance with this process, Tri-City had the right to settle or object to the claims through January 12, 2009. All claim objections entered by Tri-City were either: (1) not opposed, (2) accepted by the Court, or (3) settled with the claimant. The effects of these objections or settlements were recorded in the period when they became known. The final adjustments to the allowed claims were recorded in fiscal 2009 (*Note # 7*). The initial payment of allowed claims commenced on April 9, 2009 and payments have continued through Fiscal 2020. Continued payments on allowed claims will depend on funds available as defined in the Bankruptcy Plan and the continued term of Tri-City’s contract with LAC DMH.

Medicaid/MHSA Programs

Tri-City participates in the Federal and State Medicaid (Medi-Cal) programs through its contract with LAC DMH. In addition, Tri-City participates in the State MHSA programs. These programs are subject to examination by the respective agencies overseeing the implementation of the programs and the amount of expenditures, if any, which may be disallowed by the responsible agency, cannot be determined at this time. Management believes any actions that may result from investigations of noncompliance with laws and regulations will not have a material effect on Tri City’s future financial position or results of operations.

Realignment and MHSA Funding

Realignment and MHSA funding are based on taxes collected by the State. Due to the possible changing economic conditions continually experienced by the State of California, the collection of State sales taxes and the 1% tax imposed on individuals with personal income over \$1 million established through Proposition 63, could fluctuate.

City of Pomona Housing and Urban Development (HUD) Loan

In May 2013, Tri-City entered into a loan agreement with the City of Pomona (Pomona) to fund minor renovations of a property acquired by Tri-City that provides affordable housing to clients that are mentally ill and are homeless or at the risk of becoming homeless. The amounts provided by Pomona were accessed through Pomona’s HOME Investment Partnerships Act Program established by the U.S. Department of Housing and Urban Development (HUD). The total loan commitment is \$147,183 and was contingent based on Tri-City meeting all conditions and covenants under the loan agreement. The disbursement of funds by Pomona to Tri-City occurred as necessary to carry out the purposes of the loan. The loan is secured by a Trust Deed on the property. The loan term is ten (10) years from the date of execution and is interest free. Upon the sixth (6) year (2020) anniversary of the completion date, and each subsequent anniversary date thereafter until the maturity date, Pomona shall forgive twenty (20%) of the original principal. The forgiveness of debt for each period is contingent upon Tri-City’s compliance with the requirements of the loan documents for the full preceding year. During fiscal 2014-15 Tri-City received the final reimbursement of costs in the amount of \$57,167. At June 30, 2020, and 2019, the outstanding balance of the loan was \$88,309 and \$147,183, respectively.

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #14 – OPERATING LEASES

Tri-City has entered into various operating leases for the use of equipment and office space. The lease payments range from \$109 to \$13,139 per month with terms ranging from “month-to-month” to eight-year terms as follows:

Administrative Offices

Tri-City has an agreement with the City of Claremont to rent a 4,000 square foot facility in Claremont to house its administrative staff. On September 1, 2015 Tri-City entered into a new lease for a term of five years with a monthly rent payment of \$7,123 and an annual adjustment based on CPI. The rent expense for this facility at June 30, 2020 and 2019 was \$94,964 and \$91,661, respectively.

Years Ended June 30,	Lease Payments
2021	15,907

Office Space – Royalty Building

Tri-City leases various suites within a medical building complex from 1900 Royalty Drive, LLC. These leases are for office space for the QA/Best Practices program and various mental health programs including Children and Family Outpatient Clinic and Full Service Partnership services.

In March of 2019, Tri-City entered into a fourth new agreement for the rental of additional office space suites and simultaneously extending all three existing leases to the same terms which are due to expire on June 30, 2025. During fiscal year ended June 30, 2020, there were a total of four leases with monthly payments ranging from \$5,288 to \$12,715. The remaining minimum required payments for the Royalty Building leases are as follows:

Years Ended June 30,	Lease Payments
2021	456,660
2022	465,612
2023	474,768
2024	484,128
2025	493,752
	<u>\$ 2,374,920</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #14 – OPERATING LEASES, Continued

Housing Program

As part of programs to provide housing for those in need, Tri-City rents properties for the purpose of providing temporary living accommodations to various tenants. During fiscal 2020 and 2019 Tri-City rented a total of five properties under one master lease which is now on a month-month basis with the current payment of \$5,850 per month. In order to develop tenant self-reliance and independence, Tri-City charges a nominal fee as rent based on income criteria. Rent expense paid by Tri-City was \$61,405 and \$60,433 at June 30, 2020 and 2019, respectively. This expense is reflected as an operating expense in “Client lodging, transportation, and supply expense.”

Equipment

Tri-City has entered into various leases for the rental of office equipment. The monthly payments range from \$109 to \$1,752 and the rental payments are classified as operating expenses in “facility and equipment operating costs.”

The remaining minimum required payments on equipment leases are as follows:

<u>Years Ended June 30,</u>	<u>Lease Payments</u>
2021	\$ 75,811
2022	49,984
2023	32,977
2024	16,731
2025	1,393
	<u>\$ 176,896</u>

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #15 – RISK MANAGEMENT

Tri-City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which they carry commercial insurance. Tri-City is insured for risks of loss through insurance companies. There have been no significant changes in coverage amounts or any significant losses in the past three years. The following table identifies the major insurance coverage’s purchased:

Insurance Risk	Coverage per Incident	Coverage in Aggregate	Deductible
Professional Liability/Sexual Abuse/Special Defense	\$ 2,000,000	\$ 3,000,000	\$ -
General Liability/Employee Benefit Liability	\$ 2,000,000	\$ 3,000,000	\$ 0 / \$ 1,000
Workers Compensation	\$ 1,000,000	Unlimited	\$ -
Directors and Officers/EPL	\$ 2,000,000	\$ 4,000,000	\$ 25,000
Automobile	\$ 1,000,000	\$ 1,000,000	\$ 1,000
Property-Building	\$ 12,333,380	\$ 12,333,380	\$ 1,000
Property-Computer	\$ 2,200,000	\$ 2,200,000	\$ 1,000
Cyber Liability	\$ 5,000,000	\$ 5,000,000	\$ 10,000
Misc Professional Liability	\$ 1,000,000	\$ 2,000,000	\$ -
Crime	\$ 5,000,000	\$ 5,000,000	\$ 5,000
Earthquake / Flood	\$ 5,000,000	\$ 5,000,000	\$ 50,000
Umbrella Excess Coverage	\$ 2,000,000	\$ 2,000,000	\$ -

**TRI-CITY MENTAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE #16 – CONTRACT WITH LOS ANGELES DEPARTMENT OF MENTAL HEALTH

The Los Angeles County Board of Supervisors originally approved Tri-City’s three-year contract with LAC DMH to provide Medi-Cal services to the residents of the tri-cities of Pomona, La Verne and Claremont which was renewed in June 2014 for fiscal years 2015 through fiscal 2017. In June of 2017, a three-year agreement was once again renewed (1-year agreement with two optional extension periods to June 30, 2020). This contract allows the County to pass through Medi-Cal Federal and State reimbursement for Medi-Cal eligible services provided by Tri-City under the Agency’s outpatient clinics and its MHSA programs including Full Service Partnership programs. The most current contract with LAC DMH is now effective from July 1, 2020 through June 30, 2021 with four automatic renewal periods without any further action on Tri-City’s behalf.

NOTE #17 – RELATED PARTY TRANSACTIONS

The Cities of Pomona, Claremont and La Verne, as member agencies, contributed funds in the amount of \$70,236 in 2020 and \$70,236 in 2019 to support the operations of Tri-City as required by Realignment legislation. In addition, Tri-City has leased a 4,000 square foot facility from the City of Claremont to house its administrative staff (*Note #14*) and entered into a Loan Agreement with the City of Pomona to receive funds for the minor renovations of a housing property that provides affordable housing to Tri-City mentally ill clients (*Note #13*). In July of 2018, the Governing Board authorized resolution No. 455, for Tri-City to enter into an agreement with the City of Pomona for the use of the City’s year-round emergency shelter facility in the amount of \$396 thousand and \$358 thousand for fiscal years ending June 30, 2020 and June 30, 2019, respectively. In August of 2019, Tri-City to enter into an agreement with the City of Pomona to pass through Measure H monies to provide various services to address homelessness including the hiring of four Navigators, as of June 30, 2020 Tri-City has received \$152,258 in Measure H funds.

REQUIRED SUPPLEMENTARY INFORMATION

TRI-CITY MENTAL HEALTH AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION
FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Schedule of Tri-City's Proportionate Share of the Net Pension Liability
As of the fiscal year ending June 30:
Last Ten Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.05331%	0.04834%	0.04780%	0.04370%	0.03690%	0.03960%
Proportionate share of the net pension liability	\$ 5,462,528	\$ 4,658,577	\$ 4,740,262	\$ 3,781,246	\$ 2,535,970	\$ 2,460,332
Covered payroll **	\$ 11,750,054	\$ 10,245,313	\$ 10,121,504	\$ 9,129,664	\$ 8,281,847	\$ 7,979,687
Proportionate share of the net pension liability as a percentage of covered payroll **	46.49%	45.47%	46.83%	41.42%	30.62%	30.83%
The pension plan's fiduciary net position as a percentage of the total pension liability	77.73%	77.69%	73.31%	74.06%	78.40%	79.82%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

* Fiscal year 2015 was the first year in which GASB 68 was implemented, therefore only four years are shown.

** Covered payroll represents earnable and pensionable compensation

Schedule of Contributions
As of the fiscal year ending June 30:
Last Ten Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 1,328,508	\$ 1,134,877	\$ 904,469	\$ 861,026	\$ 734,761	\$ 762,546
Contributions in relation to the actuarially determined contribution	<u>1,328,508</u>	<u>1,134,877</u>	<u>904,469</u>	<u>861,026</u>	<u>734,761</u>	<u>762,546</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 12,763,454	\$ 11,750,054	\$ 10,245,313	\$ 10,121,504	\$ 9,129,664	\$ 8,281,847
Contributions as a percentage of covered payroll **	10.41%	9.66%	8.83%	8.51%	8.05%	9.21%

* Fiscal year 2015 was the first year in which GASB 68 was implemented, therefore only four years are shown.

** Covered payroll represents earnable and pensionable compensation

NOTE TO SCHEDULES

Change in Assumptions – In 2017, the accounting discount rate reduced from 7.65% to 7.15%.



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tri-City Mental Health Authority (Tri-City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Tri-City’s basic financial statements, and have issued our report thereon dated October 19, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-City’s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
October 19, 2020



To the Governing Board of
Tri-City Mental Health Authority
Claremont, California

We have audited the financial statements of Tri-City Mental Health Authority (Tri-City) as of and for the year ended June 30, 2020 and have issued our report thereon dated October 19, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated June 24, 2020 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Tri-City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 19, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Tri-City is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the estimate of amounts relating to third party payor settlements and amounts relating to the net pension liability, related deferred inflows of resources and deferred outflows of resources.

Management's estimate of the amounts relating to third party payor settlements is based on estimated disallowances that could result from future State audits of claims. We evaluated the key factors and assumptions used to develop the amounts related to third party payor settlements and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the amounts relating to the net pension liability, related deferred inflows of resources and deferred outflows of resources is based on actuarial valuations and a proportionate share of the California Public Employees' Retirement System (CalPERS) Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan collective net pension liability. We evaluated the key factors and assumptions used to develop the amounts related to the net pension liability, related deferred inflows of resources and deferred outflows of resources and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Tri-City's financial statements relate to:

The disclosure of Tri-City's defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources in Note 9 to the financial statements. The valuation of the net pension liability and related deferred outflows (inflows) of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate, and Tri-City's proportionate share of the CALPERS Cost Sharing Plan collective net pension liability. As disclosed in Note 9, a 1% increase or decrease in the discount rate has a significant effect on Tri-City's pension liability.

As described in Note 7, Tri-City has disclosed the details of the finalized bankruptcy settlement, how the user of the financial statements can obtain the final Plan and Disclosure Statement and the outstanding bankruptcy liabilities for the year ended June 30, 2020.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

There were no corrected or uncorrected misstatements identified as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated October 19, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Tri-City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Tri-City's auditors.

This report is intended solely for the information and use of the Board, and management of Tri-City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
October 19, 2020



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

SUBJECT: Consideration of Resolution No. 561 Authorizing the Executive Director to Execute a Contractor Agreement with the City of Pomona for COVID-19 Eviction Prevention Rental Assistance Program

Summary

Staff is seeking approval to authorize Tri-City to enter into an Agreement with the City of Pomona to be a Rental Assistance Supportive Services contracted agency for the City of Pomona's Rental Assistance Project to receive compensation not exceeding \$50,000. Tri City Housing Division, Navigators, and Wellness Center would identify staff to assist low-income Pomona residents, who are trying to avoid eviction due to nonpayment of rent, by guiding them in completing all portions of the City of Pomona's rental assistance application. While assisting with the completion of the application, staff will be assessing additional needs that the applicants identify in order to provide connection to resources that will aid the whole person.

Background

In August 2020, the City of Pomona received \$1.2 million federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding through Round 3 of the Community Development Block Grant (CDBG-CV3). The intention was to use the funding to provide low-income Pomona residents, whose income was directly impacted by the pandemic, with financial assistance for the months between September 2020 and January 2021 that they are unable to cover their rent, in order to help them avoid eviction.

The City of Pomona asked agencies throughout the city to apply to be one of four contractors that could help community members gather necessary documents, complete their rental assistance application, and receive up to \$25,000 in compensation. The Tri-City Housing Division teamed up with the Navigators and Wellness Center to identify a group of staff that would be able to assist with this project and placed a request to be considered. Tri-City was selected to be the point agency for the northeast quadrant of Pomona and organizations selected for the other city quadrants include: Catholic Charities, Pomona Economic Opportunity Center, and Inland Valley Hope.

Then at the end of August, Governor Newsom passed Assembly Bill 3088 which protects renters from being evicted through January 31, 2021 as long as they confirm their income was directly impacted by the pandemic and they pay, at least, 25% of their rent from September 2020 through January 2021.

Governing Board of Tri-City Mental Health Authority

Toni Navarro, LMFT, Executive Director

Consideration of Resolution No. 561 Authorizing the Executive Director to Execute a Contractor Agreement with the City of Pomona for COVID-19 Eviction Prevention Rental Assistance Program

November 18, 2020

Page 2

These new protections led to the City of Pomona altering the funding use to instead help low-income Pomona residents whose income has been directly impacted by the pandemic with covering the 25% minimum rent as that would be enough to help them avoid eviction. With these changes, the City of Pomona determined it would be best to increase the time limit for the applications as well as increasing the contractor compensation to \$50,000.

As one of the contracted agencies for this program, Tri-City's role would be to help community members understand the assistance that the City of Pomona is able to provide and to guide them through the process of completing their applications. The duties are as follow: provide contact information for community members to use to request assistance; complete a Pre-Qualification form; complete full application; identify and gather necessary documents for their individual circumstances; gather necessary signatures; communicate with landlord/property manager/owner to explain the program and gather necessary documents from them; and submit finalized application to the city for review.

This project presents the opportunity to connect with more community members who are finding themselves in stressful situations during the pandemic. While interacting with these individuals, Tri-City staff will be able to identify what additional resources are needed to further stabilize the household, can refer to services both within the Tri-City system of care as well as the larger community, and can provide educational information regarding the eviction protections that are currently in place.

Fiscal Impact:

Tri City Mental Health would be considered a contracted agency through the City of Pomona. As part of this project, Tri City will receive \$150 per completed application and up to \$5,000 to cover reimbursable administrative expenses not to exceed a total cap of \$50,000 or until the designated funding is expended.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 561 approving the Contractor Agreement for Rental Assistance Supportive Services with the City of Pomona; to receive up to \$50,000 in compensation; and authorizing the Executive Director to execute the Agreement.

Attachments

Attachment 6-A: Resolution No. 561- DRAFT

Attachment 6-B: Contractor Agreement with the City of Pomona for Rental Assistance Supportive Services

RESOLUTION NO. 561

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACTOR AGREEMENT WITH THE CITY OF POMONA FOR COVID-19 EVICTION PREVENTION RENTAL ASSISTANCE PROGRAM

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA” or “Authority”) desires to be a Rental Assistance Supportive Services contracted agency for the City of Pomona and be compensated an amount not to exceed \$50,000.

B. The City of Pomona received \$1.2 million through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide financial assistance to low-income Pomona residents, who are not able to pay their rent as a direct result of COVID- 19, and help them avoid eviction for the months between September 2020 and January 2021.

C. The Authority approves to render services pursuant to the terms of the Agreement.

2. Action

The Governing Board approves the Agreement with the City of Pomona for Rental Assistance Supportive Services; and authorizes the Executive Director to execute the Agreement.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on November 18, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____

CITY OF POMONA
AGREEMENT FOR CONTRACTOR SERVICES
RENTAL ASSISTANCE SUPPORTIVE SERVICES

1. PARTIES AND DATE.

This Agreement ("Agreement") is made and entered into this ____ day of _____, 20____, by and between the City of Pomona, a municipal corporation organized under the laws of the State of California ("City") and Tri-City Mental Health Services, a Joint Powers Authority (JPA) Agreement between the cities of Claremont, La Verne, and Pomona with its principal place of business at 2008 N. Garey Avenue, CA 91767. City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

2. RECITALS.

2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain rental assistance supportive services required by City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing application processing and outreach engagement services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project.

City desires to engage Contractor to render such services for the project ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services and advice on various issues affecting the decisions of City regarding the Project and on other programs and matters affecting City ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be for a term of _____ months commencing _____, 2020 to _____, 2021, unless earlier terminated as provided herein. The City reserves the right to review the Contractor's performance at the end of each year and cancel all or part of the Agreement.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee of City. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Contractor represents that it has the skilled personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence and experience upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to City, or who are determined by City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by Contractor at the request of City. The key personnel for performance of this Agreement are as follows:

Mary Monzon, Housing Manager

Rosemary Perich, Housing Supervisor

Steve J. Fernandez, Senior Mental Health Specialist

Daniel Argueta, Senior Mental Health Specialist

Gabriela Cruz, Community Navigator I

Dwight Pennington, Housing Wellness Advocate

Monica Valencia, Residential Services Coordinator

3.2.5 City's Representative. City hereby designates Donyielle Holley, Homeless Programs Supervisor, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of City for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than City's Representative or his or her designee.

3.2.6 Contractor's Representative. Contractor hereby designates Mary Monzon, Housing Manager or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Agreement. Contractor's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, contractors and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by contractors in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from City, any services necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein, and shall be fully responsible to City for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Contractor's errors and omissions.. Any employee of Contractor or its subcontractors who is determined by City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to City, shall be promptly removed from the Project by Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance. Contractor shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit "D" (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

3.2.11 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed fifty thousand dollars (\$50,000) without written approval of City Council. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 California Labor Code Requirements

(a) Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects (“Prevailing Wage Laws”). If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

(b) If the Services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

(c) This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor’s performance of Services, including any delay, shall be Contractor’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

(a) Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been fully and adequately rendered to City through the effective date of the termination, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

(b) Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

(c) Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Tri-City Mental Health Services
2008 N. Garey Avenue
Pomona, CA 91767
Attn: Mary Monzon, Housing Manager

City:

City of Pomona
505 South Garey Avenue
Pomona, CA 91766
Attn: Donyielle Holley, Homeless Programs Supervisor

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.4 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all costs of such action.

3.5.5 Indemnification. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of Contractor, its officials, officers, employees, agents, subcontractors and subcontractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages, attorneys' fees and other related costs and expenses. Contractor shall defend, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its officials, officers, employees, agents or volunteers. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Contractor shall reimburse City and its officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City or its officials, officers, employees, agents or volunteers. This Section 3.5.5 shall survive any expiration or termination of this Agreement.

3.5.6 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended or modified by a writing signed by both Parties.

3.5.7 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Los Angeles County.

3.5.8 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.9 City's Right to Employ Other Contractors. City reserves the right to employ other Contractors in connection with this Project.

3.5.10 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.11 Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.12 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease

of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.13 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.14 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.15 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.16 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.17 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.18 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of any minority business enterprise program, affirmative action plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.19 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.20 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.22 Employment Adverse to City. Contractor shall notify City, and shall obtain City's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against City during the term of this Agreement.

3.5.23 Conflict of Employment. Employment by Contractor of personnel currently on the payroll of City shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by Contractor of personnel who have been on City's payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon Contractor securing this or related Agreements with City, is prohibited.

3.5.24 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.5.25 Subcontracting. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.26 Wage Theft Prevention

(a) Contractor, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, and the California Labor Code.

(b) BY SIGNING THIS AGREEMENT, CONTRACTOR AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONTRACTOR OR ITS SUBCONTRACTORS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONTRACTOR FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONTRACTOR AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONTRACTOR OR ITS SUBCONTRACTOR(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

(c) If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Contractor or a subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or Contractor learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Contractor shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Contractor or its subcontractor(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order

and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Contractor or its subcontractor is subject to a payment or other alternative plan, the Contractor or its subcontractor shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

(d) For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

(e) Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

(f) Notice provided to the City shall be addressed to: Attention: Ron Chan, Senior Civil Engineer, City of Pomona, 505 South Garey Avenue, Pomona, CA 91766. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

**SIGNATURE PAGE FOR AGREEMENT
FOR RENTAL ASSISTANCE SUPPORTIVE SERVICES
BETWEEN THE CITY OF POMONA
AND TRI-CITY MENTAL HEALTH SERVICES**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the ____
day of _____, 2020.

CITY OF POMONA

Approved By:

James Makshanoff, City Manager

Date

Approved as To Form:

City Attorney

ATTEST:

Rosalia Butler, City Clerk

TRI-CITY MENTAL HEALTH SERVICES

Signature

Antonette (Toni) Navarro

Executive Director

Date

EXHIBIT "A"
SCOPE OF SERVICES

SCOPE OF SERVICES:

The Agency will provide the following services:

REQUIRED ACTIVITY	DELIVERABLE
1. Promote the City of Pomona Eviction Prevention Rental Assistance Program to Pomona community partners, Pomona Champions (outreach volunteers), your existing client network, and the Pomona community-at-large.	Submit approved timesheet(s) detailing staff time dedicated to project as supporting documentation to monthly invoices.
2. Provide on-site application assistance and bilingual support (ie. Spanish, Vietnamese) to Pomona residents at your designated office location in Pomona. Conduct the necessary follow-up with tenants and landlords to ensure that applications are eligible and completed.	Submit completed COVID-19 Eviction Prevention assistance application packages in-person to the City of Pomona on a daily or no more than weekly basis. Submit to: Pomona City Hall, 505 S. Garey Avenue, Pomona, CA 91767
3. Work cooperatively with the City of Pomona staff to resolve issues with application processing and documentation collection.	Respond to emails and calls requesting additional information within 24 hours of receipt of email or call.
4. Provide regular communication and required project updates to City of Pomona staff.	Submit daily/weekly progress e-mail updates to City of Pomona staff including the number of applications in-progress and completed using the provided report template.
5. Ensure applicant files and supporting documentation are contained in locked and secured storage.	Present secured storage location to City staff during City staff onsite walk-thru inspections.
6. Submit billing invoices to the City of Pomona to collect agency's application processing fees and reimbursable administrative expenses using the provided billing template.	Submit monthly invoices to City of Pomona staff.

EXHIBIT "B"

INSURANCE REQUIREMENTS

CONTRACTOR shall maintain throughout the duration of the term of the Agreement, Liability Insurance covering CONTRACTOR and designating CITY, including its elected or appointed officials, directors, officers, authorized agents, and employees, as additional insureds against claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of CONTRACTOR 's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that CONTRACTOR 's insurance policies shall be primary with respect to any claims related to or as the result of CONTRACTOR 's work. Any insurance, pooled coverage, or self-insurance maintained by CITY, its elected or appointed officials, directors, officers, authorized agents, and employees shall be non-contributory. The Additional Insured Endorsement shall not apply to the Professional Liability or Workers' Compensation Insurance requirement.

Professional Liability Insurance:

- | | | |
|----|-------------------|--|
| a. | General Aggregate | \$2,000,000 per claim and in the aggregate |
|----|-------------------|--|

General Liability:

- | | | |
|----|----------------------------------|-------------|
| a. | General Aggregate | \$2,000,000 |
| b. | Products Comp/Op Aggregate | \$2,000,000 |
| c. | Personal & Advertising Injury | \$1,000,000 |
| d. | Each Occurrence | \$1,000,000 |
| e. | Fire Damage (any one fire) | \$50,000 |
| f. | Medical Expense (any one person) | \$5,000 |

Workers' Compensation:

- | | | |
|----|----------------------------|------------------|
| a. | Workers' Compensation | Statutory Limits |
| b. | EL Each Accident | \$1,000,000 |
| c. | EL Disease - Policy Limit | \$1,000,000 |
| d. | EL Disease - Each Employee | \$1,000,000 |

Automobile Liability

- | | | |
|----|------------------------------------|-------------|
| a. | Any vehicle, combined single limit | \$1,000,000 |
|----|------------------------------------|-------------|

CONTRACTOR shall provide thirty (30) days advance notice to CITY in the event of cancellation of any coverage. Certificates of insurance and additional insured endorsements shall be furnished to CITY thirty (30) days prior to the effective date of this Agreement. Refusal to submit such certificates shall constitute a material breach of this Agreement entitling CITY to any and all remedies at law or in equity, including termination of this Agreement. If proof of insurance required under this Agreement is not delivered as required or if such insurance is canceled and not adequately replaced, CITY shall have the right but not the duty to obtain replacement insurance and to charge the CONTRACTOR for any premium due for such coverage. CITY has the option to deduct any such premium from the sums due to the CONTRACTOR .

Insurance is to be placed with insurers authorized and admitted to write insurance in California and with a current A.M. Best's rating of A-:VII or better. Acceptance of insurance from a carrier with a rating lower than A-:VII is subject to approval by CITY's Risk Manager.



CITY OF POMONA
Neighborhood Services Department – Housing Division
Request for Information (RFI)
COVID-19 Eviction Prevention Rental Assistance Program

PURPOSE

The City of Pomona (City) is seeking Pomona-based agencies who will primarily process COVID-19 Eviction Prevention Rental Assistance applications and submit completed application packages to the City for final review and expedited payment. During the COVID-19 crisis, the selected agencies will collaborate with City staff, community organizations, and Pomona Champions (community outreach volunteers) to rapidly promote this program to bring relief to eligible Pomona residents that require financial rental assistance to avoid the eviction process. All financial rental assistance will be paid directly to the landlords on behalf of the approved tenant applicants. The COVID-19 Eviction Prevention Rental Assistance program will be available on a first come first serve basis until all designated funds are expended. The targeted goal is to provide rental assistance to between 250-350 families with this program.

SCOPE OF SERVICES:

The Agency will provide the following services:

- 1) Promote the City of Pomona Eviction Prevention Rental Assistance Program to Pomona community partners, Pomona Champions (outreach volunteers), your existing client network, and the Pomona community-at-large.
- 2) Provide on-site application assistance and bilingual support (ie. Spanish, Vietnamese) to Pomona residents at your designated office location in Pomona.
- 3) Assist Pomona residents with completing the City of Pomona Eviction Prevention Rental Assistance application including:
 - a. Determining preliminary program eligibility
 - b. Completing application package
 - c. Collecting required supporting documentation from applicants and landlords
 - d. Packaging completed application files utilizing the City of Pomona provided file structure format
- 4) Submit completed application files to the City of Pomona on a daily or no more than a weekly basis.
- 5) Work with the City of Pomona to submit completed COVID-19 Eviction Prevention assistance applications and conduct the necessary follow-up with tenants and landlords to ensure that applications are eligible and completed.
- 6) Work cooperatively with the City of Pomona staff to resolve issues with application processing and documentation collection.
- 7) Submit daily progress updates through e-mail to the City of Pomona, including the number of applications in-progress and completed using the provided report template.
- 8) Ensure applicant files and supporting documentation are locked in secured storage.
- 9) Submit weekly tracking sheets using provided report templates.
- 10) Submit invoices to the City of Pomona to collect the Agency's application processing fees and other administrative expenses.

FINANCIAL PROVISIONS

The selected Agencies will be working with the City of Pomona as Contractors to provide Eviction Prevention assistance to eligible Pomona residents. Each of the selected agencies will receive \$150 per completed application and up to \$5,000 to cover reimbursable administrative expenses not to exceed a total cap of \$25,000 or until the designated funding is expended.

REQUIREMENTS

The Agency must:

- 1) Provide an on-site service location to provide service to applicants on a by-appointment or walk-in basis.
- 2) Provide bilingual support to rental assistance applicants if required.
- 3) Secure DUN and Bradstreet number (www.DNB.com) and be registered with the System for Award Management (www.SAM.gov).
- 4) **If your agency is selected, you will be required to attend a mandatory training session on Wednesday, August 26, 2020 at 2:00 p.m. – 4:00 p.m.**

SELECTION CRITERIA

The most responsive Agency in each quadrant of the City (Northwest, Northeast, Southwest and Southeast) will be selected based on the evaluation criteria below, including: discounts offered for training, and availability of bilingual accredited trainers/courses over the grant term.

Item #	Evaluation Criteria	Points
1	Demonstrated Effectiveness [experience, customer satisfaction, and references]	40
2	Organization Capacity [staffing plan to provide the scope of services in the requested timeline, including availability of Spanish bilingual applicant support]	40
3	Availability to provide services requested	20
	TOTAL	100

PROPOSAL SUBMISSION

1. Completed Request for Information form.
2. Description of experience providing rental assistance, application processing services or similar services as requested in this RFI.
3. Resumes of key personnel that will be providing the oversight of the requested services, including the Spanish-speaking bilingual personnel.
4. Three (3) references of other agencies with whom you have provided similar services as described in this RFI.
5. Statement of current workload and availability for this project.
6. Business entity (Corporation, LLC, Non-Profit/501c3) paperwork including employer identification number (EIN).

The Request for Information may be submitted via e-mail to Donyielle Holley, Homeless Programs Supervisor at Donyielle_holley@ci.pomona.ca.us or via US Mail or Hand Delivery in an envelope clearly marked "COVID-19 Eviction Prevention". **All submissions must be submitted to, Neighborhood Services Department - Housing Division, Attn: Donyielle Holley, Homeless Programs Supervisor before 5:00 p.m. Thursday, August 20, 2020**. Mail (or hand deliver) one original copy of your bid to:

US Mail: City of Pomona
Housing Division
P.O. Box 660
Pomona, CA 91769

Hand Delivery, FEDEX, UPS: City of Pomona
Housing Division
505 South Garey Ave.
Pomona, CA 91766

Late bids will not be accepted. Bids in the form of telegrams, telephone calls, facsimiles, e-mails or telex will not be accepted. The City does not recognize UPS, FEDEX, or other carriers in determining the date and time received.

Questions about the Scope of Work shall be addressed to Donyielle Holley, Homeless Programs Supervisor at (909) 620-2571.

If the answer materially affects the RFP, the information will be incorporated into an addendum and distributed to all vendors receiving a copy of the RFP. Any and all addenda will be numbered in sequence, dated as of the date of issue and posted.

CONFLICT OF INTEREST:

Except for items that are clearly promotional in nature, mass produced, trivial in value and not intended to invoke any form of reciprocation, employees of the City of Pomona may not accept gratuities, entertainment, meals, or anything of value whatsoever from current or potential suppliers. The offer of such gratuity to an employee of the city shall be cause for declaring such supplier to be an irresponsible bidder and preventing him from bidding as provided in Sections 2-974 and 2-975 of the City Code of the City of Pomona.

PERMITS AND LICENSES:

The contractor shall secure or maintain in force during the period covered by any contract resulting from this specification all licenses and permits required by law for the operation of their business, including a City of Pomona Business License.

CONTRACT PERIOD:

The contract term will commence upon acceptance by the City of Pomona and will conclude by January 31, 2020 and subject to extensions upon approval.

ASSIGNMENT:

The contractor shall, under no circumstances, assign any contract issued as a result of this proposal by any means whatsoever, or any part thereof to another party without express written permission of the City of Pomona.

INDEPENDENT CONTRACTOR STATUS:

It is expressly understood that the contractor named in any contract entered into by the City is acting as an independent contractor and not as an agent or employee of the City of Pomona.

DEFAULT OF CONTRACTOR:

The City of Pomona shall hold the contractor responsible for any damage which may be sustained because of the failure or neglect of the contractor to comply with any term or condition listed herein.

APPROPRIATION OF FUNDS:

If the term of this agreement extends into fiscal years subsequent to that in which it was approved, such continuation of the contract is subject to the appropriation of funds for such purpose by the City of Pomona. If funds to effect such continued payment are not appropriated, the Contractor agrees to terminate any goods or service supplied to the City under this agreement.

SERVICE PROVIDER'S COST TO DEVELOP RFI:

Costs for developing proposals in response to this RFI are entirely the obligation of the service provider and shall not be chargeable in any manner to the City of Pomona.

INSURANCE:

The Contractor shall furnish the City certificates of insurance prior to the execution of the contract demonstrating that the following coverage is in effect and in accordance with the specifications.

1. Workers' Compensation

The Contractor shall provide and maintain in full force Worker's Compensation Insurance in accordance with the Labor Code throughout the life of any contract entered herein.

The Contractor agrees to hold the City and its agents free and harmless from any and all claims/actions that may arise by reason of injury to any employee of the Contractor.

Insurance is to be placed with insurers authorized and admitted to write insurance in California and with a current A.M. Best's rating of A-:VII or better. Acceptance of insurance from a carrier with a rating lower than A-:VII is subject to approval by CITY's Risk Manager. SERVICE PROVIDER shall immediately advise CITY of any litigation that may affect these insurance policies.

ADDITIONAL REQUIREMENT:

The attached "Minority Business Questionnaire" and "Statement of Non-Collusion by Contractor" forms must be completed, signed by a company principal or officer, and returned with the bid.

CITY OF POMONA - MINORITY BUSINESS QUESTIONNAIRE

Date _____

Name of Business _____

Division or Subsidiary, if applicable _____

Business Address _____

Telephone No. _____

Contact Person _____

Title _____

Type of Business:

- Non Profit []
- Sole Proprietorship []
- Partnership - General []
- Limited []
- Corporation []

Is the business 51% or more owned by:

- American Indian []
 - Asian []
 - Black []
 - Hispanic []
 - Female []
 - Other _____ []
- (please specify)

Prepared By: _____

Title: _____

For more information, contact Purchasing Division, City of Pomona, (909) 620-2381.

City of Pomona - Statement of Non-Collusion by Contractor

The undersigned who submits herewith to the City of Pomona a Bid or proposal does hereby certify:

- a. That all statements of fact in such bid or proposal are true;
- b. That such bid or proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;
- c. That such bid or proposal is genuine and not collusive or sham;
- d. That said bidder has not, directly or indirectly by agreement, communication or conference with anyone, attempted to induce action prejudicial to the interest of the City of Pomona or of any other bidder or anyone else interested in the proposed procurement;
- e. Did not, directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham bid or proposal, or that anyone should refrain from bidding or withdraw his bid or proposal;
- f. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the bid or proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his bid or proposal price, or that of anyone else;
- g. Did not, directly or indirectly, submit his bid or proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member agent thereof, or to any individual or group of individuals, except to the City of Pomona, or to any person or persons who have a partnership or other financial interest with said bidder in his business.
- h. Did not provide, directly or indirectly to any officer or employee of the City of Pomona any gratuity, entertainment, meals, or any thing of value, whatsoever, which could be construed as intending to invoke any form of reciprocation or favorable treatment.
- i. That no officer or principal of the undersigned firm is related to any officer or employee of the City by blood or marriage within the third degree or is employed, either full or part time, by the City of Pomona either currently or within the last two (2) years.
- j. That no offer or principal of the undersigned firm nor any subcontractor to be engaged by the principal has been convicted by a court of competent jurisdiction of any charge of fraud, bribery, collusion, conspiracy or any other act in violation of any state or federal antitrust law in connection with the bidding upon award of, or performance of, any public work contract, with any public entity, within the last three years.

I certify, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct and that this certification was executed on _____ at _____ California.
(Date) (Location)

Firm _____

(Signature)

Street _____

(Print Name & Title)

City _____ State _____ Zip _____

**AGREEMENT FOR INDEMNIFICATION BY CONTRACTOR/VENDOR, ACCEPTANCE AND
ACKNOWLEDGMENT OF PROCUREMENT PRACTICES OF THE CITY OF POMONA**

The City of Pomona requires contractors and suppliers of services to the City to agree to indemnify and hold the City of Pomona harmless for claims or losses arising from or connection with the contracting party's work for the City of Pomona before a Purchase Order is issued.

To reduce the possibility of misunderstanding between contracting parties and the City in case of a claim or lawsuit, the City of Pomona is requiring that contracting parties who perform services for the City sign this letter. This letter will act as and become a part of each Contract/Purchase Order between the City of Pomona and the contracting parties signing the letter for the period of _____ to _____.

In consideration of the opportunity of doing work for the City of Pomona and benefits to be received thereby, the contracting party to this agreement agrees as follows:

1. That where a contract, purchase order or confirming order is issued by the City of Pomona awarding a contract, this Letter Agreement is to be considered part of that contract.
2. Contractor agrees to indemnify the City of Pomona, and any officer, employee or agent, and hold the City of Pomona, and any officer, employee or agent, there of harmless from any and all claims, liabilities, obligations and causes of action of whatsoever kind or nature for injury to, or death of, any person (including officer, employees and agents of the City of Pomona), and for injury or damage to or destruction of property (including property of the City of Pomona), resulting from any and all actions or omissions of contractor or contractor's employees, agents or invitees, or any subcontractor of contractor or any of such subcontractor's employees, agents or invitees.
3. That the contracting party specifically waives the benefits and protection of Labor Code Section 3864 which provides: "If an action as provided in this chapter is prosecuted by the employee, the employer, or both jointly against the third person results in judgment against such third person or settlement by such third person the employer shall have no liability to reimburse or hold such third person harmless on such judgment or settlement in the absence of a written agreement so to be executed prior to the injury." This waiver will occur as to any contracts awarded by the City of Pomona to the contracting party to this letter while this Agreement is in force.
4. That this Agreement has been signed by an authorized representative of the contracting party, and such representative has the authority to bid the contractor/vendor to all terms and conditions of this Agreement.
5. That this Agreement shall be binding upon the successors and assignees of the contracting party to any contract with the City of Pomona. As a condition precedent to acceptance, any contacts from the City of Pomona and contracting party agree to advise its successors or assignees of this agreement and to obtain their consent to its writing before the work of the representative successor or assignees begin, such assignment shall not be effective without the written consent of the City of Pomona.
6. To promptly notify the City of Pomona of any change in ownership of the contracting party while this Agreement is in force.

This letter Agreement cannot be modified or changed without the express written consent of the City of Attorney of the City of Pomona.

On behalf of _____
(Name of Contractor or Vendor)

(Address)
I agree to the terms of this Letter Agreement

Name _____ Title _____
(Manager, Owner, or Officer of Company)

This Agreement is to be returned to: City of Pomona Purchasing Department, P. O. Box 660, Pomona, CA 91769

Attachment

SAMPLE

NAME OF INSURED:

POLICY NUMBER:

COMMENCIAL GENERAL LIABILITTY

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILTY COVERAGE PART.

SCHEDULE

Name of person or Organization:

The City of Pomona and the Redevelopment Agency of the City of Pomona including elected or appointed officials, officers, agents, employees, volunteers, or contractors.

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your use of premises owned or leased by the additional insured.

This insurance provided by this policy shall be primary as respects any claims related to the (name of and date(s) of event). Any insurance, pooled coverage, or self-insurance maintained by the City of Pomona, its elected or appointed officials, directors, officers, agents, employees, volunteers, or contractors shall not contribute to it.

Authorized Signature (Insurance Company)

SAMPLE CONTRACT/AGREEMENT FOR CONSULTANT/CONTRACTOR SERVICES

THIS AGREEMENT (hereinafter referred to as AGREEMENT) is entered into by and between the CITY OF POMONA, hereinafter referred to as the "CITY," and _____, a _____ Corporation, hereinafter referred to as "CONSULTANT" or "CONTRACTOR".

RECITALS

WHEREAS, the City desires to engage CONSULTANT/CONTRACTOR to perform xxxxxxxxxxxxxx consulting/ Contracting services for CITY.

WHEREAS, CONSULTANT/CONTRACTOR represents that the principal representative is authorized to enter into this Agreement on behalf of CONSULTANT/CONTRACTOR and CONSULTANT/CONTRACTOR is willing to perform such services hereinafter defined.

NOW, THEREFORE, the parties agree as follows:

1. **TERM.** This Agreement shall be for a term of one year commencing on xxxx xx, 20xx through xxxx xx, 20xx, with xx one-year extension options, subject to written agreement of the Parties.

2. **REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICE.** The representatives of the parties who are primarily responsible for the administration of the AGREEMENT, and to whom formal notice, demands and communications shall be given, are as follows:

A. The principal representative of the CITY shall be:

City of Pomona
505 South Garey Avenue
Pomona, CA 91766
(909) 620-xxxx

B. The principal representative of the CONSULTANT/CONTRACTOR shall be:

C. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by mail.

A. If the name of the principal representative designated to receive the notices, demands or communications, or the address of such person, is changed, written notice shall be given within five (5) working days of said changes.

3. **RETENTION.** The CITY retains and employs CONSULTANT/CONTRACTOR to act as such for CITY to perform such consulting services as may be requested of it by the CITY. CONSULTANT/CONTRACTOR accepts the employment and agrees to render such services as CONSULTANT/CONTRACTOR on the terms and conditions herein stated.

4. **SCOPE OF SERVICES.** The scope of such services is set forth in the attached Scope of Work, which is made Exhibit "A" to this Agreement.

5. **COMPENSATION.** The CITY agrees to pay CONSULTANT/CONTRACTOR for the above-stated services, as set forth in the aforementioned Scope of Work. CONSULTANT/CONTRACTOR agrees that fees for services shall not exceed the authorized amount of \$xxxx.xx as set forth in the fee schedule, Exhibit "B" attached hereto, unless the CITY has given specific advance approval in writing.

6. **INDEPENDENT CONTRACTOR.** CONSULTANT/CONTRACTOR is an independent contractor. As such, CONSULTANT/CONTRACTOR shall have no power to incur any debt, obligation or liability on behalf of CITY. Further, CONSULTANT is not entitled to any benefits typically associated with an employee such as medical, sick leave or vacation benefits.

7. **PERS ELIGIBILITY INDEMNITY.** In the event that CONSULTANT/CONTRACTOR or any employee, agent, or subcontractor of CONSULTANT/CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, CONSULTANT/CONTRACTOR shall indemnify, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONSULTANT/CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

8. **ECONOMIC INTEREST STATEMENT.** CONSULTANT/CONTRACTOR hereby acknowledges that pursuant to Government Code Section 87300 and the Conflict of Interest Code adopted by CITY hereunder, CONSULTANT/CONTRACTOR is designated in said Conflict of Interest Code and is therefore required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advise under this Agreement, is set forth in the written determination of the City Manager of CITY, attached hereto as Exhibit "C".

9. **INDEMNITY AND INSURANCE.**

A. **INDEMNITY.** CONSULTANT/CONTRACTOR hereby agrees to protect, indemnify and hold CITY and its employees, officers and servants free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgment, interests, court costs, legal fees, expert costs, expert fees and all other expenses incurred by the CITY to the maximum extent allowed by law arising in favor of any party, including claims, liens, debts, personal injuries, including employees of the CITY, death or damages to property (including property of the CITY) and without limitation by enumeration, all other claims or demands of every character occurring or arising directly out of or as a consequence of the performance of the work performed hereunder, except only such injury to persons or damage to property due or claimed to be due to the sole negligence of the CITY. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT/CONTRACTOR or the CITY or to enlarge in any way the CONSULTANT/CONTRACTOR's liability but is intended solely to provide for indemnification of the CITY for liability for damages or injuries to third persons or property arising from CONSULTANT/CONTRACTOR's negligent performance hereunder.

B. **INSURANCE.** CONSULTANT/CONTRACTOR shall procure and maintain at all times during the term of this Agreement insurance as set forth in Exhibit "D" attached hereto

10. **OWNERSHIP OF WORK PRODUCT.** All reports, documents or other written material developed by CONSULTANT/CONTRACTOR in the performance of this AGREEMENT shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such Material shall not be the subject of a copyright application by CONSULTANT/CONTRACTOR. Any re-use by CITY of such materials on any project other than the project for which they were prepared shall be at the sole risk of CITY unless CITY compensates CONSULTANT/CONTRACTOR for such use.

11. **CONFIDENTIALITY.** Employees of CONSULTANT/CONTRACTOR in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of CITY. CONSULTANT/CONTRACTOR covenants that all data, documents, discussion, or other information developed or received by CONSULTANT/CONTRACTOR or provided for performance of this AGREEMENT are deemed confidential and shall not be disclosed by CONSULTANT/CONTRACTOR without written authorization by CITY. CITY shall grant such authorization if disclosure is required by law. All CITY data shall be returned to CITY upon the termination of this AGREEMENT. CONSULTANT/CONTRACTOR's covenant under this Section shall survive the termination of this AGREEMENT.

12. **TERMINATION FOR CONVENIENCE.** Either the CITY or the CONSULTANT/CONTRACTOR may terminate this AGREEMENT at any time without cause by giving thirty (30) calendar days written notice to the other of such termination and specifying the effective date thereof. If this AGREEMENT is terminated as provided herein, CONSULTANT/CONTRACTOR shall be paid only the total amount equal to the service CONSULTANT/CONTRACTOR has provided as of the termination date. In no event shall the

amount payable upon termination exceed the total maximum compensation provided for in this AGREEMENT or the value of services provided as of date of termination.

13. **TERMINATION FOR CAUSE.** If for any reason, CONSULTANT/CONTRACTOR shall fail to fulfill in a timely and proper manner its obligation under this AGREEMENT, or if CONSULTANT/CONTRACTOR shall violate any of the covenants or stipulations of this AGREEMENT, CITY shall then have the right to terminate this agreement, by giving a five (5) calendar day written notice to CONSULTANT/CONTRACTOR. The notice shall refer to this clause, shall specify the nature of alleged default, and shall specify the effective date of the termination. The CONSULTANT/CONTRACTOR will be paid a total amount equal to the service CONSULTANT/CONTRACTOR has provided as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this AGREEMENT.

14. **ASSIGNMENT AND SUBCONTRACTING.** Neither party shall assign or subcontract the rights or responsibilities under this Agreement without the express, written consent of the other party, which may be withheld for any reason or for no reason.

15. **STANDARD.** CONSULTANT/CONTRACTOR agrees that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily provided by and experienced and competent professional organization rendering the same or similar services. CONSULTANT/CONTRACTOR shall re-perform any of said services, which are not in conformity with the standards as determined by the CITY. The CONSULTANT/CONTRACTOR will be relieved of its obligation to re-perform said services if the CITY does not notify CONSULTANT/CONTRACTOR within 180 days after the completion of the non-conforming service. Compensation for CONSULTANT/CONTRACTOR to re-perform said services shall be subject to the approval of the CITY, but in no event shall such compensation exceed the actual cost of said services. Except as hereinafter provided in respect of personal injury or property damage, the foregoing are the CONSULTANT/CONTRACTOR's entire responsibilities and the CITY's exclusive remedies for service rendered or to be rendered hereunder, and no other warranties, guarantees, liabilities, or obligations are to be implied.

16. **RESOLUTION OF DISPUTES.**

- A. Disputes regarding the interpretation or application of any provisions of this AGREEMENT shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.
- B. If any action, at law or equity, is brought to enforce or to interpret any provisions of this AGREEMENT, the prevailing party in such action shall be entitled to recover reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

17. **FORCE MAJEURE.** The respective duties and obligations of the parties hereunder shall be suspended while and so long as performance hereto is prevented or impeded by strikes, disturbances, riots, fire, severe weather, government action, war acts, acts of God, or any other cause similar or dissimilar to the foregoing which are beyond the control of the party from whom the affected performance was due.

18. **NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.** In the performance of this AGREEMENT, CONSULTANT/CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation. CONSULTANT/CONTRACTOR will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

19. **SEVERABILITY.** If any provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions nevertheless will continue in full force and effect without being impaired or invalidated in any way.

20. **GOVERNING LAW.** This AGREEMENT shall be governed by and construed in accordance with laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

21. **ENTIRE AGREEMENT.** This AGREEMENT, together with Exhibits "A", "B", "C", and "D" supersede any and all other agreements, wither oral or in writing, between the parties with respect to the subject matter herein. Each party to this AGREEMENT

acknowledges that no representation by any party, which is not embodied herein, nor any other agreement, statement or promise not contained in this AGREEMENT, shall be valid and binding. Any modification of the AGREEMENT shall be effective only if it is in writing and signed by all parties.

IN WITNESS WHEREOF this AGREEMENT is entered hereto on the dates set forth below.

ATTEST:

THE CITY OF POMONA

City Clerk

By: _____
City Manager

Date: _____

APPROVED AS TO FORM

CONSULTANT/CONTRACTOR/

City Attorney

By: _____

Title: _____

Date: _____



Tri-City Mental Health Authority
AGENDA REPORT

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

BY: Seeyam Teimoori, MD, Medical Director

SUBJECT: Consideration of Resolution No 562 Approving an AAMC Uniform Clinical Training Affiliation Agreement with the Regents of the University of California on behalf of the University of California, Riverside, School of Medicine; and Authorizing the Executive Director to Execute the Agreement and any Amendments thereafter

Summary:

Staff recommends establishing a partnership between Tri-City Mental Health Authority and the University of California, Riverside School of Medicine (UCR), to host UCR medical students for clinical rotation in Tri-City Mental Health Authority sites.

Background:

Tri-City is currently hosting medical students from Western University of Health Sciences and family medicine residents from Pomona Valley family medicine residency program. To expand our educational footprint, we would like to establish the same partnership with the University of California, Riverside School of Medicine (UCR). Partnerships between university schools of medicine and county behavioral health are mutually beneficial in that they promote the interest of medical students to practice in mental health field and keeps county behavioral health staff psychiatrists up to date and academically active.

Fiscal Impact:

None.

Recommendation:

Staff recommends that the Governing adopt Resolutions No. 562 approving the Association of American Medical Colleges (AAMC) Uniform Clinical Training Affiliation Agreement with the Regents of the University of California on behalf of the UCR School of Medicine; and authorizing the Executive Director to execute the Agreement and any Amendments thereafter.

Attachments

Attachment 7-A: Resolution No. 562- DRAFT

Attachment 7-B: Affiliation Agreement with the University of California - DRAFT

RESOLUTION NO. 562

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING AN ASSOCIATION OF AMERICAN MEDICAL COLLEGES (AAMC) UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ON BEHALF OF THE UNIVERSITY OF CALIFORNIA, RIVERSIDE, SCHOOL OF MEDICINE, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. **Findings.** The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA” or “Authority”) desires to provide medical students of the University of California University, Riverside, School of Medicine, clinical learning experiences at Tri-City locations or at any place or location; at any time as deemed necessary and appropriate; and in such numbers as agreed, within the manner outlined in the Affiliation Agreement.

B. The Authority affirms that Regents of the University of California and the University of California, Riverside, School of Medicine, are an independent contractor and not an employee, agent, joint venture or partner of Tri-City. The Agreement does not create or establish the relationship of employee and employer between UCR and Tri-City.

C. The Authority affirms that University California University, Riverside, School of Medicine, students are considered learners who are fulfilling specific requirements for field experiences as part of a degree and/or credential requirement during their school calendar year, and are not employees, agents, joint venture or partners of Tri-City.

2. **Action**

The Governing Board approves the Agreement with the Regents of the University of California and the University of California, Riverside, School of Medicine, for student field placement; and authorizes the Authority’s Executive Director to enter into, and execute the Agreement and any amendments or extensions of such Agreement.

[continued on page 2]

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on November 18, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By: _____

By: _____

DRAFT

AAMC UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT

WHEREAS, the purpose of this AGREEMENT is to guide and direct the parties respecting their affiliation, working arrangements, and agreements in furtherance thereof to provide high-quality clinical learning experiences for medical students in the SCHOOL.

WHEREAS, this AGREEMENT is intended and shall be interpreted to meet the SCHOOL's accreditation standards related to affiliation agreements with clinical affiliates which require at a minimum:

- The HOST AGENCY will provide medical student, and faculty if applicable, access to appropriate resources for medical student education.
- The SCHOOL is ultimately responsible for the medical education program, academic affairs, and the assessment of medical students.
- The SCHOOL is primarily responsible for the appointment and assignment of faculty members with responsibility for medical student teaching.
- Specification of the responsibility for treatment and follow-up when a medical student is exposed to an infectious or environmental hazard or other occupational injury,
- The shared responsibility of the SCHOOL and HOST AGENCY for creating and maintaining an appropriate learning environment.

WHEREAS, neither party intends for this AGREEMENT to alter in any way its respective legal rights or its legal obligations to any third party.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties identified in the AAMC Uniform Clinical Training Affiliation Agreement Implementation Letter agree as follows:

A. Responsibilities of the SCHOOL

1. The SCHOOL will plan and determine the adequacy of the educational experience of the students in theoretical background, basic skill, professional ethics, attitude and behavior and shall assign to the HOST AGENCY only those students who have satisfactorily completed the prerequisite didactic portions of the SCHOOL's curriculum.

2. The SCHOOL will retain ultimate responsibility for the education and assessment of its students. The School's representative for this Agreement shall be a faculty member appointed and assigned by the SCHOOL, who will be responsible for medical student teaching and assessment provided pursuant to this Agreement.

3. The SCHOOL will advise all students assigned to the HOST AGENCY facilities regarding the confidentiality of patient/client records and patient/client information imparted during the training experience. The SCHOOL will also advise all students that the confidentiality requirements survive the termination or expiration of this AGREEMENT.

4. The SCHOOL will require all participating students to maintain health insurance and provide proof of health insurance to the School. The HOST AGENCY may request the student provide proof of health insurance prior to beginning of the training experience.

5. The SCHOOL will require all participating students to have completed an appropriate criminal background check, and to have documented appropriate immunizations on file with the SCHOOL. If applicable, the HOST AGENCY shall notify the student of any requests for evidence of criminal background test or immunization. The SCHOOL will inform the student of his/her responsibility to provide evidence to the HOST AGENCY of any required criminal background checks or immunizations, when requested. The HOST AGENCY shall notify the SCHOOL of its requirements of an acceptable criminal background check and required immunizations. The SCHOOL will also inform students that they may be required to undergo a drug test or other similar screening tests pursuant to the HOST AGENCY'S policies and practices, and that the cost of any such test will be paid by the student, if not the HOST AGENCY.

6. The SCHOOL will advise students that they are required to comply with HOST AGENCY rules, regulations, and procedures.

7. If requested by the HOST AGENCY, the SCHOOL will provide instruction to the HOST AGENCY'S staff with respect to the SCHOOL's expectations regarding assessment of the SCHOOL'S students at the HOST AGENCY.

8. The SCHOOL warrants and represents that it provides occurrence-based liability insurance or self-insurance for its students with limits of at least \$1,000,000 per occurrence and \$3,000,000 annual aggregate. However, if the SCHOOL is a public entity entitled to governmental immunity protections under applicable state law, then the SCHOOL shall provide occurrence-based liability coverage in accordance with any limitations associated with the applicable law; but the SCHOOL shall provide such insurance with limits of at least \$1,000,000 per occurrence and \$3,000,000 annual aggregate in the event

governmental immunity protections are determined by a court of competent jurisdiction to not apply. If requested by the HOST AGENCY, the SCHOOL shall provide a certificate of insurance demonstrating coverage for students completing clinical training at the HOST AGENCY.

B. Responsibilities of the HOST AGENCY

1. The HOST AGENCY has a responsibility to maintain a positive, respectful, and adequately resourced learning environment so that sound educational experiences can occur. Therefore, the HOST AGENCY will provide students and faculty with access to appropriate resources for medical student education including: a) access to patients at HOST AGENCY facilities in an appropriately supervised environment, in which the students can complete the SCHOOL's curriculum; b) student security badges or other means of secure access to patient care areas; c) access and required training for medical students in the proper use of electronic medical records or paper charts, as applicable; d) computer access; e) secure storage space for medical students' personal items when at the HOST AGENCY; and f) access to call rooms, if necessary.

2. The HOST AGENCY will retain full authority and responsibility for patient care and quality standards, and will maintain a level of care that meets generally accepted standards conducive to satisfactory instruction. While in HOST AGENCY's facilities, students will have the status of trainees; are not to replace HOST AGENCY staff; and, are not to render unsupervised patient care and/or services. All services rendered by students must have educational value and meet the goals of the medical education program. HOST AGENCY and its staff will provide such supervision of the educational and clinical activities as is reasonable and appropriate to the circumstances and to the student's level of training.

3. The HOST AGENCY staff will, upon request, assist the SCHOOL in the assessment of the learning and performance of participating students by completing assessment forms provided by the SCHOOL and returned to the SCHOOL in a timely fashion.

4. The HOST AGENCY will provide for the orientation of SCHOOL's participating students as to the HOST AGENCY'S rules, regulations, policies, and procedures.

5. The HOST AGENCY agrees to comply with applicable state and federal workplace safety laws and regulations. In the event a student is exposed to an infectious or environmental hazard or other occupational injury (i.e., needle stick) while at the HOST AGENCY, the HOST AGENCY, upon notice of such incident from the student, will provide such emergency care as is provided its employees, including, where applicable: examination and evaluation by HOST AGENCY's emergency department or other appropriate facility as soon as possible after the injury; emergency medical care immediately following the injury as necessary; initiation of the HBV, Hepatitis C (HCV), and/or HIV protocol as necessary; and HIV counseling and appropriate testing as necessary. In the event that HOST AGENCY does not have the resources to provide such emergency care, HOST AGENCY will refer such student to the nearest emergency facility. The SCHOOL will define, for its medical students, who bears financial responsibility for any charges generated.

6. To the extent the HOST AGENCY, generates or maintains educational records related to the participating student, the HOST AGENCY agrees to comply with the Family Educational Rights and Privacy Act (FERPA), to the same extent as such laws and regulations apply to the SCHOOL and shall limit access to only those employees or agents with a need to know. For the purposes of this Agreement, pursuant to FERPA, SCHOOL hereby designates HOST AGENCY as a school official with a legitimate educational interest in the educational records of the participating student(s) to the extent that access to the SCHOOL's records is required by HOST AGENCY to carry out the Program.

7. Upon request, the HOST AGENCY will provide proof that it maintains liability insurance in an amount that is commercially reasonable.

8. The HOST AGENCY will provide written notification to the SCHOOL promptly if a claim arises involving a student. The HOST AGENCY and SCHOOL agree to share such information in a manner that protects such disclosures from discovery to the extent possible under applicable federal and state peer review and joint defense laws.

9. The HOST AGENCY will resolve any situation in favor of its patients' welfare and restrict a student to the role of observer when a problem may exist until the incident can be resolved by the staff in charge of the student or the student is removed. The HOST AGENCY will notify the SCHOOL'S course director if such an action is required.

10. The HOST AGENCY shall identify a site coordinator from among its medical staff who will communicate and cooperate with the SCHOOL's clerkship director to ensure faculty and medical student access to appropriate resources for the clinical training experience.

C. Mutual Responsibilities

1. Representatives for each party will be established on or before the execution of this AGREEMENT.

2. The parties will work together to maintain an environment of high quality patient care. At the request of either party, a meeting or conference will promptly be held between SCHOOL and HOST AGENCY representatives to resolve any problems or develop any improvements in the operation of the clinical training program.

3. The SCHOOL will provide qualified and competent individuals in adequate number for the instruction, assessment, and supervision of students using the SCHOOL facilities. The HOST AGENCY will provide qualified and competent staff members in adequate number for the instruction and supervision of students using the HOST AGENCY facilities.

4. The SCHOOL and the HOST AGENCY will not discriminate against any employee, applicant or student enrolled in their respective programs because of age, creed, gender identity, national origin, race, sex, sexual orientation or any other basis protected by law.

5. The SCHOOL, including its faculty, staff, medical students, and residents, and HOST AGENCY share responsibility for creating an appropriate learning environment that includes both formal learning activities and the attitudes, values, and informal "lessons" conveyed by individuals who interact with the student. The parties will cooperate to evaluate the learning environment (which may include on-site visits) to identify positive and negative influences on the maintenance of professional standards, and to conduct and develop appropriate strategies to enhance the positive and mitigate the negative influences. HOST AGENCY shall require its faculty and staff who interact with students to adhere to the expectations set forth in Exhibit A, and communicate student violations to the SCHOOL. SCHOOL agrees to require its students to adhere to the expectations set forth in Exhibit A.

6. HOST AGENCY may immediately remove from the premises and retains the right to suspend or terminate any student's participation at the HOST AGENCY. The HOST AGENCY will immediately notify the appropriate office of the SCHOOL if such an action is required and the reasons for such action. The SCHOOL may terminate a student's participation when, in its sole discretion, it determines that further participation by the student would no longer be appropriate. The SCHOOL will notify the HOST AGENCY if such action is required.

D. Term and Termination

This AGREEMENT is effective upon execution of the Implementation Letter by both parties to the covered clinical training experience(s) and will continue indefinitely or until terminated. This AGREEMENT may be terminated at any time and for any reason by either party upon not less than ninety (90) days prior written notice to the other party. Should notice of termination be given under this Section, students already scheduled to train at HOST AGENCY will be permitted to complete any previously scheduled clinical assignment at HOST AGENCY.

E. Employment Disclaimer

The students participating in the program will not be considered employees or agents of the HOST AGENCY or SCHOOL for any purpose. Students will not be entitled to receive any compensation from HOST AGENCY or SCHOOL or any benefits of employment from HOST AGENCY or SCHOOL, including but not limited to, health care or workers' compensation benefits, vacation, sick time, or any other benefit of employment, direct or indirect. HOST AGENCY will not be required to purchase any form of insurance for the benefit or protection of any student of the SCHOOL.

F. Health Insurance Portability and Accountability Act.

Students participating in clinical training pursuant to this Agreement are members of the HOST AGENCY's workforce for purposes of the Health Insurance Portability and Accountability Act (HIPAA) within the definition of "health care operations" and therefore may have access to patient medical information as provided for in the Privacy Rule of HIPAA. Therefore, additional agreements are not necessary for HIPAA compliance purposes. This paragraph applies solely to HIPAA privacy and security regulations applicable to the HOST AGENCY and, as stated in paragraph E, above, does not establish an employment relationship.

G. No Agency Relationship Between the Parties.

Nothing in this Agreement is intended to or shall be construed to constitute or establish an agency, employer/employee, partnership, franchise, or fiduciary relationship between the parties; and neither party shall have the right or authority or shall hold itself out to have the right or authority to bind the other party, nor shall either party be responsible for the acts or omissions of the other except as provided specifically to the contrary herein.

H. Assignment

This AGREEMENT will not be assigned by either party without the prior written consent of the other.

I. Governmental Immunity

If the SCHOOL is a public entity entitled to protections of governmental immunity under applicable law, it is specifically understood and agreed that nothing contained in this paragraph or elsewhere in this AGREEMENT will be construed as: an express or implied waiver by the SCHOOL of its governmental immunity or of its state governmental immunity; an express or implied acceptance by SCHOOL of liabilities arising as a result of actions which lie in tort or could lie in tort in excess of the liabilities allowable under the applicable governmental immunity laws; or, a pledge of the full faith and credit of a debtor contract; or, as the assumption by the SCHOOL of a debt, contract, or liability of the HOST AGENCY.

J. No Special Damages

In no event shall either party be liable hereunder (whether in an action in negligence, contract or tort or based on a warranty or otherwise) for any indirect, incidental, special or consequential damages incurred by the other party or any third party, even if the party has been advised of the possibility of such damages.

K. Notices

All notices provided by either party to the other will be in writing, and will be deemed to have been duly given when delivered personally or when deposited in the United States mail, First Class, postage prepaid, addressed as indicated in the Uniform Clinical Affiliation Agreement Implementation Letter.

L. No Payments

No payments shall be made between the parties or to the students in connection with this Agreement.

M. Severability

The invalidity of any provision of this AGREEMENT will not affect the validity of any other provisions.

N. Headlines

Headlines in this AGREEMENT are for convenience only.

O. Entire Agreement

This AGREEMENT contains the entire AGREEMENT of the parties as it relates to this subject matter and may be modified only by additional written provisions contained in a properly executed Uniform Clinical Affiliation Agreement Implementation Letter.

EXHIBIT A: TEACHER-LEARNER EXPECTATIONS

The SCHOOL holds in high regard professional behaviors and attitudes, including altruism, integrity, respect for others and a commitment to excellence. Effective learning is best fostered in an environment of mutual respect between teachers and learners. In the context of medical education the term “teacher” is used broadly to include peers, resident physicians, full-time and volunteer faculty members, clinical preceptors, nurses, and ancillary support staff, as well as others from whom students learn.

GUIDING PRINCIPLES:

Duty: Medical educators have a duty to convey the knowledge and skills required for delivering the profession’s standard of care and also to instill the values and attitudes required for preserving the medical profession’s social contract with its patients.

Integrity: Learning environments that are conducive to conveying professional values must be based on integrity. Students and residents learn professionalism by observing and emulating role models who epitomize authentic professional values and attitudes.

Respect: Respect for every individual is fundamental to the ethic of medicine. Mutual respect is essential for nurturing that ethic. Teachers have a special obligation to ensure that students and residents are always treated respectfully.

RESPONSIBILITIES OF TEACHERS AND LEARNERS:

Teachers should:

- Treat students fairly and respectfully
- Maintain high professional standards in all interactions
- Be prepared and on time
- Provide relevant and timely information
- Provide explicit learning and behavioral expectations early in a course or clerkship
- Provide timely, focused, accurate and constructive feedback on a regular basis and thoughtful and timely evaluations at the end of a course or clerkship
- Display honesty, integrity and compassion
- Practice insightful (Socratic) questioning, which stimulates learning and self-discovery, and avoid overly aggressive questioning which may be perceived as hurtful, humiliating, degrading or punitive

- Solicit feedback from students regarding their perception of their educational experiences
- Encourage students who experience mistreatment or who witness unprofessional behavior to report the facts immediately

Students should:

- Be courteous of teachers and fellow students
- Be prepared and on time
- Be active, enthusiastic, curious learners
- Demonstrate professional behavior in all settings
- Recognize that not all learning stems from formal and structured activities
- Recognize their responsibility to establish learning objectives and to participate as an active learner
- Demonstrate a commitment to life-long learning, a practice that is essential to the profession of medicine
- Recognize personal limitations and seek help as needed
- Display honesty, integrity and compassion
- Recognize the privileges and responsibilities coming from the opportunity to work with patients in clinical settings
- Recognize the duty to place patient welfare above their own
- Recognize and respect patients' rights to privacy
- Solicit feedback on their performance and recognize that criticism is not synonymous with “abuse”

Relationships between Teachers and Students

Students and teachers should recognize the special nature of the teacher-learner relationship which is in part defined by professional role modeling, mentorship, and supervision.

Because of the special nature of this relationship, students and teachers should strive to develop their relationship to one characterized by mutual trust, acceptance and confidence. They should both recognize the potential for conflict of interest and respect appropriate boundaries.

AAMC UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT

IMPLEMENTATION LETTER

The purpose of this letter is to provide a record of the clinical training affiliation agreement between the SCHOOL and the HOST AGENCY with respect to a clinical training experience for the University of California, Riverside School of Medicine students and the agreement of the parties to abide by all terms and conditions of the AAMC Uniform Clinical Training Affiliation Agreement (AAMC Publication Date (June 4, 2015), which is hereby incorporated by reference, without modification or exception except as specified below.

Modifications or Exceptions (if none, please indicate by writing “none”):

A. Section B, Subsection 7 shall be replaced with the following:

HOST AGENCY, at its own sole cost and expense, shall insure its activities in connection with this AGREEMENT and obtain, keep in force and maintain during the term or any extended term hereof, policies of insurance, or shall self-insure, as follows:

- Professional Liability: (MINIMUM LIMITS)

- | | |
|----------------------|-------------|
| a. Each Occurrence | \$1,000,000 |
| b. General Aggregate | \$3,000,000 |

If such insurance is written on a claims made form, following termination of the AGREEMENT, coverage shall survive for five (5) years following termination of this AGREEMENT. Coverages shall also provide for a retroactive date of placement prior to or coinciding with the effective date of the AGREEMENT and a deductible of no more than five hundred thousand dollars (\$500,000). In the event that a claims-made policy is canceled or non-renewed, then the HOST AGENCY shall obtain extended reporting (tail) coverage for the remainder of the five (5) year-period.

- General Liability: Comprehensive or Commercial Form (MINIMUM LIMITS)

- | | |
|--|--------------|
| a. Each Occurrence | \$1,000,000 |
| b. Products Completed Operations Aggregate | \$3,000,000* |
| c. Personal and Advertising Injury | \$1,000,000 |
| d. General Aggregate | \$3,000,000* |

*(\$1,000,000 for comprehensive form)

However, if such insurance is written on a claims made form following termination of the AGREEMENT, coverage shall survive for a period of not less than five years. Coverage shall provide for a retroactive date of placement prior to or coinciding with the effective date of the AGREEMENT.

- Workers' Compensation Insurance as required under California state law.
- It should be expressly understood, however, that the limits and coverages required herein shall in no way limit the liability of HOST AGENCY.
- Upon SCHOOL's request, HOST AGENCY shall supply a certificate or certificates of insurance or self-insurance to SCHOOL, evidencing coverages in the amounts and for the perils listed above. Certificate(s) shall obligate the insurer to notify SCHOOL at least thirty (30) days prior to



cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by the SCHOOL. Premiums on all insurance policies shall be paid directly by HOST AGENCY.

B. The following subsection 7 shall be added to Section C:

SCHOOL shall defend, indemnify and hold HOST AGENCY, its directors, officers, employees, agents and Medical Staff harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this AGREEMENT but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of SCHOOL, its officers, employees, agents or TRAINEES.

HOST AGENCY shall defend, indemnify and hold SCHOOL, its regents, directors, officers, employees, agents and TRAINEES harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this AGREEMENT but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of HOST AGENCY, its officers, employees, agents or Medical Staff.

This IMPLEMENTATION LETTER is effective when signed by all parties. The individuals executing this IMPLEMENTATION LETTER are authorized to sign on behalf of their institutions and certify that their institutions have accepted the terms of the Uniform Clinical Training Agreement and further agree to comply with its terms except as noted above.

SCHOOL: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a public corporation on behalf of THE UNIVERSITY OF CALIFORNIA, RIVERSIDE, SCHOOL OF MEDICINE

By: Deborah Deas, MD, MPH Signature: _____
Title: Vice Chancellor of Health Affairs Date: _____
Dean, School of Medicine
Address: SOM Education Building
900 University Avenue
Riverside CA 92521

HOST AGENCY: TRI-CITY MENTAL HEALTH AUTHORITY, a California Joint Powers Authority

By: Antonette Navarro Signature: _____
Title: Date: _____
Address: 2008 N. Garey Ave.
Pomona CA 91767



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority

FROM: Toni Navarro, LMFT, Executive Director

SUBJECT: Executive Director's Monthly Report

COVID-19 OPERATIONS UPDATE

Modified operations remain in place. Currently, staff has been informed that modifications will continue through first week of January. However, Executive Team and HR Manager will be assessing rates of transmission and risk over next few weeks and will adjust that timeline as needed. While some programs are operating face-to-face in order to meet the needs of clients and participants, Tri-City has implemented all necessary and required safety protocols to insure staff, as well as the public feel secure and are protected. Tri-City is pleased to report that despite the surging number of COVID-19 infections throughout the region, the impact to Tri-City's staffing and operations has been very minimal over the past 8 months.

The Executive Team and Tri-City's Human Resources (HR) Manager continue to stay abreast of county and state updates on the guidelines and requirements for safe operations. Early on in the pandemic, Tri-City's Chief of Operations worked with leadership throughout the agency to develop a protocol whereby supervisors, managers, and directors can securely, and always honoring privacy, share about instances of COVID-19 exposure and/or positive testing related to clients/participants to insure: 1) that the agency tracks reported cases to identify trends in our community or at our sites; 2) leadership has the ability to quickly identify and address disinfecting and/or quarantining of staff, or others, across the agency. The system has been very effective. All instances of Tri-City staff exposure or infection not related to workplace are handled confidentially by HR.

TRI-CITY FOCUSED EVENT TO BE HELD TUESDAY, DECEMBER 1ST

Since early on in the pandemic and on-going, Tri-City has hosted and partnered on a variety of webinars, town halls, community chats and even its first Facebook Live event. All of these presentations have centered around a topic relevant to the events of our time and the impact on mental health and wellness in some way. Webinars hosted and recorded by Tri-City have been archived and are available for re-viewing or future presentations. More recently, as COVID-19 lingers and surges; and residents, ongoing, are struggling— socially, emotionally and economically as a result; as recent social unrest, political turmoil impact the overall wellness of our communities, Tri-City's programs and services are needed more than ever.

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However, not everyone is aware of the Tri-City system of care, nor maybe realizes the Agency is still open and providing all of its services, though some of them in new and adapted ways. Therefore, on Tuesday, December 1, 2020, Tri-City will present an “information night” conducted in a town hall format. The event will include Tri-City Directors giving updates to the community as to how Tri-City operations were impacted by COVID-19 and its restrictions, and how the agency has responded, adapted, modified its service delivery and continues to serve its clients, participants, their families and the communities of the three cities. Each Director will speak for 5-7 minutes and then questions from the public will be answered as they come in.

POMONA VISION 2030/BALLMER GROUP PLANNING GRANT UPDATE

A few weeks ago the partnership of Tri-City and Pomona Unified School District (PUSD) as the team for the early childhood phase of Pomona Vision 2030 presented its quarterly update to the Pomona Community Foundation Board who is administering the Ballmer Group’s planning grant funds. Gamaliel Polanco, Tri-City’s Wellness Center Manager, is the lead staff of this project team. The firm Capacity to Impact, out of the Claremont Graduate Institute, is the agency taking the lead on the data compilation and final reporting of outcomes for the Tri-City/PUSD collaboration. Specifically, teams of staff in both Tri-City and PUSD are getting certified in the administration of a research-proven survey—The Child/Adolescent Strengths and Needs Assessment (CANS)—and will conduct surveys with a sampling of students from across PUSD in grades K-7. Results of that CANS will allow the project partner agencies to begin to identify strengths, as well as challenges, being experienced by PUSD students and their families. Focus groups of students, parents and families will be conducted to further drill down on what needs to be made more widespread, as well as what needs to be implemented, to create the best possible environment for Pomona children and families to thrive.

Only one aspect of planning grant requires the agencies to work with students and families and collect data. An equally important piece of this planning grant will entail Tri-City and PUSD conducting town hall/community wide meetings to also begin to inform city leaders, community organizations, and the public at large about the project and its goals. Specifically, once areas for growth and improvement to create thriving are identified, the next step will be to partner with local agencies to create strong and effective networks to get Pomona to its vision for 2030 to be a city where equity, overall wellness, and opportunity allow its citizens to thrive throughout their life cycle.

The first town hall to be hosted by the Tri-City/PUSD portion of the planning grant has been scheduled for Thursday December 10th at 6pm (English) and at 7:30pm (Spanish). The Governing Board is encouraged to listen in and share this information with their Pomona constituents and partners and any others that might be interested in hearing about the project.

CALIFORNIA LEGISLATION 2020-21 UPDATE

In October, the Executive Director reported that California's Budget package for 2020-21 was finalized on October 1st, and that Governor Newsom approved a number of Senate and Assembly Bills that have implications for California's county behavioral health field and its consumers. Attached to this report is the comprehensive presentation created by the California Behavioral Health Directors' Association (CBHDA) for Directors to share with their Boards, Commissions and staff. Last month the Executive Director reviewed Senate Bills 803 and 855 and their implications. It was requested that this month the Executive Director discuss other relevant bills and their implications for county behavioral health. This month the Executive Director will review Assembly Bills 465 and 890.

HOUSING DIVISION UPDATE

Tri-City is moving steadily along with Restore Neighborhoods Los Angeles (RNLA) to finalize agreements to bring forth to the Governing Board in December so that Tri-City and RNLA can submit the required documents to draw down Tri-City's No Place Like Home Non-Competitive Allocation by the February 15, 2021 deadline. As is its responsibility as the current owner of the property to be developed at 956 Baseline Road in Claremont, Tri-City secured the services of a firm to provide the required relocation services for the current tenants, a large single family. Once completed the relocation plan will be brought to the Governing Board for review and approval.

The NOFA for Round 3 of the No Place Like Home Competitive Allocations was released on November 1st. Per the NOFA, Tri-City qualifies as a medium county competitor and can apply for up to \$1.98 million in funds. As previously decided by the Board, Tri-City is in discussion with the Cesar Chavez Foundation to partner on a Round 3 project which is due in January. Following meetings next week, CCF and Tri-City will begin creating a project MOU to bring forward to the Governing Board in December.

HUMAN RESOURCES

Staffing – Month Ending October 2020

- Total Staff is 191 full-time and 19 part-time plus 22 full time vacancies and 1 part time vacancies for a total of 222 total positions.
- There were 0 new hires in October.
- There were 2 term in October.

Workforce Demographics October 2020

- American Indian or Alaska Native = 0.48%
- Asian = 8.57%
- Black or African American = 9.05%
- Hispanic or Latino = 54.29%

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- Native Hawaiian or Other Pacific Islander = 0.48%
- Other = 9.05%
- 2 or more races = 0.95%
- White or Caucasian = 17.14%

Posted Positions in October 2020:

- Chief Clinical Officer (1 FTE)
- Chief Information Officer (1 FTE)
- Clinical Supervisor I Wellness Center (1 FTE)
- Clinical Supervisor I School Partnership (1 FTE)
- Clinical Supervisor I COP (1 FTE)
- Clinical Therapist I/II Access to Care (1 FTE)
- Clinical Therapist I Claremont City Hall (1 FTE)
- Clinical Therapist I/II Adult FSP (3 FTEs)
- Clinical Therapist I AOP (2 FTE)
- Clinical Therapist I/II COP (2 FTE)
- Clinical Therapist I/II COP School Partnership Bilingual (2 FTE)
- Mental Health Specialist AOP (2 FTE)
- Mental Health Specialist COP Bilingual (1 FTE)
- Psychiatric Technician I/II/III – Bilingual COP (1 FTE)
- Psychiatric Technician I/II/III Claremont City Hall (1 FTE)

Open Enrollment:

October 22, 2020 kicked off Tri-City's annual Open Enrollment period with our first ever Virtual Health Benefits Fair powered by Airbo, hosted by Keenan. Our Virtual Health Benefits Fair consisted of a personalized Tri-City website in which each of our benefits (medical, dental, vision, deferred compensation, etc.) received their own "tile" detailing our benefit package and providing interactive quiz questions in which employees could collect points and win prizes. Our Open Enrollment period ran from October 22 through November 5, 2020, however, the website will be up and available for employees to view and obtain benefit information until the end of the calendar year.

INFORMATION TECHNOLOGY (IT) DIVISION

Telecommuting Improvements

As Tri-City continues to work safely and remotely, the IT department is working to improve the Agency's ability to effectively serve clients. Through funding secured through telehealth grants, the IT department is working on replacing over 1/3 of the Agency's aging hardware, beginning the unified communications platform allows for more streamlined communications with clients and internally within the Agency, and installing remote monitoring software that allows the IT department to better assist with technical problems while employees are off-site.



CBHDA Position Bills - Legislation Signed Into Law in 2020 Implications for County Behavioral Health

Sponsored Legislation

SB 803 (Beall), Chapter 150, Statutes of 2020 - Mental health services: Peer Support Specialist certification

CBHDA Position: Sponsor

Sponsor(s): CHBDA, Los Angeles County Board of Supervisors, California Association of Mental Health Peer Run Organizations, Steinberg Institute

Enacted into Law: 9/25/2020 effective on January 1, 2021

Purpose

SB 803 establishes a statewide certification program for Peer Support Specialists and provides the structure needed to secure a federal match for Peer Support Services under Medi-Cal. The program defines the range of responsibilities and practice guidelines for Peer Support Specialists, specifies required training and continuing education requirements, determines clinical supervision requirements, and establishes a code of ethics and processes for revocation of certifications. When implemented, counties will have the option to provide Peer Support Services with Certified Peer Support Specialists and secure Medi-Cal reimbursement.

Implications

SB 803 requires the Department of Health Care Services (DHCS) to seek a federal waiver to establish a Medi-Cal demonstration or pilot project for the provision of Peer Support Services at the county level. Counties have the option to participate and provide the nonfederal share of funding for Medi-Cal reimbursable Peer Support Services provided by certified Peer Support Specialists, who will be added as a new Medi-Cal provider type.

While the waiver is being sought or soon after secured, DHCS will develop statewide requirements for counties, or an agency representing counties, to use in developing certification of Peer Support Specialists, including:

1. Define the qualifications, range of responsibilities, practice guidelines, and supervision standards for Peer Support Specialists.
2. Determine curriculum and core competencies required for certification of an individual as a Peer Support Specialist.
3. Specify Peer Support Specialist employment training requirements, including core-competencies-based training and specialized training necessary to become certified.
4. Develop fees charged for certification and recertification, subject to DHCS approval.
5. Add a Medi-Cal billing code for Peer Support Services.

These activities need to be completed by July 1, 2022.

Additionally, this bill authorizes, subject to DHCS approval, a county or an agency representing counties, to develop a Peer Support Specialist certification program in accordance with the statewide requirements established by DHCS by July 1, 2022 including requirements that applicants must meet to be certified as a Peer Support Specialist. Once a certification program is developed, county behavioral health agencies can support staff with lived experience to become certified or seek to hire or contract with individuals and agencies with certified Peer Support Specialist. County employed or contracted Peer Support Specialists will be able to provide Medi-Cal reimbursable Peer Support Services.

Counties will provide the non-federal share for Peer Support Services and secure federal matching funds if they opt to provide this service.

Priority Behavioral Health Bills

AB 2112 (Ramos) Suicide prevention

CBHDA Position: Support

Sponsor(s): The California Alliance of Child and Family Services, the Mental Health Services and Oversight Accountability Commission

Enacted into Law: 9/25/2020 effective on January 1, 2021

Purpose

AB 2112 authorizes the State Department of Public Health to establish the Office of Suicide Prevention (OSP) within the department. The OSP must provide information, technical assistance, and strategic guidance to statewide and regional partners regarding best practices on suicide prevention. This bill makes the OSP responsible for using data to identify opportunities to reduce suicide and marshaling the insights and energy of medical professionals, scientists, and other academic and public health experts, to address the crisis of suicide. Additionally, AB 2112 requires the OSP to report to the Legislature on progress to reduce rates of suicide and also allows the OSP to apply for and use federal, state, and foundation grants.

Implications

Under the final Senate amendments, AB 2112 requires that the duties and responsibilities of the office be accomplished with existing staff and resources. This bill makes its provisions operative subject to an appropriation for these purposes in the annual Budget Act or another statute. AB 2112 requires the office to consult with the Mental Health Services Oversight and Accountability Commission to implement suicide prevention efforts consistent with the Mental Health Services Oversight and Accountability Commission's Suicide Prevention Report "Striving for Zero". The OSP may share and receive data from all entities with data relevant to the responsibilities and objectives of the office, including, but not limited to, state, federal, and local agencies, as well as private and nongovernmental agencies or organizations.

AB 2265 (Quirk-Silva) Mental Health Services Act: use of funds for substance use disorder treatment.

CBHDA Position: Support

Sponsor: Author Sponsored

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

AB 2265 clarifies that Mental Health Services Act (MHSA) funds are permitted to be used to fund treatment for individuals with co-occurring mental health and substance use disorders. This bill requires counties to report information about the individuals treated pursuant to the provisions of this bill, as specified. The current MHSA statutes exempt those with a primary SUD diagnosis from eligibility for MHSA services when the individual only has an SUD [WIC Section 5600.3(a)(2)]. For adults, existing MHSA statutes specify that this exemption should not be construed to exclude persons with a serious mental disorder and a diagnosis of substance use disorder. [WIC Section 5600.3 (b)(2)]

This bill clarifies that services for adults, older adults, and children that are provided by counties as part of the MHSA includes substance use disorder treatment for clients so long as they have a cooccurring mental health condition. AB 2265 would also authorize the use of MHSA funds to assess whether a person has cooccurring mental health and substance use disorders and to treat a person who is preliminarily assessed to have cooccurring mental health and

substance use disorders, even when the person is later determined to only have an SUD and therefore, is not eligible for services provided with MHSA funds. The bill would require a person being treated for cooccurring mental health and substance use disorders who is determined to only have an SUD, this client is to be referred to substance use disorder treatment services in a timely manner and MHSA funded services are to cease.

Implications

Counties are already aware that they can serve those with cooccurring disorder (COD) with MHSA. This bill makes this existing authority clear and requires counties to report to DHCS the following:

- The number of people assessed for cooccurring mental health and substance use disorders and treated with MHSA resources.
- The number of people assessed for cooccurring mental health and substance use disorders who were ultimately determined to have only a substance use disorder without another cooccurring mental health condition. Counties have already indicated that this number is likely to be zero.

Counties must use the Mental Health and Substance Use Disorder Assessment Reporting Form, a new form being developed by DHCS, to report the total number of people who have been assessed for COD and the total number of people assessed who were later determined to have only an SUD without another cooccurring mental health condition. Data must be collected each fiscal year and submitted to MHSA@dhcs.ca.gov by October 1 following the end of the previous fiscal year. Any data submitted to DHCS outside of the Mental Health and Substance Use Disorder Assessment Reporting Form will be returned to the county for resubmission. Since AB 2265 is effective beginning on January 1, 2021, the first reporting period will be abbreviated to half of the fiscal year beginning January 1, 2021, to June 30, 2021. Subsequent data reporting periods will be for the full state fiscal year.

DHCS has released a draft Behavioral Health Information Notice to implement AB 2265 which outlines the reporting requirements described above.

In order to use MHSA funding for SUD treatment, a county must comply with all applicable MHSA requirements when providing cooccurring SUD treatment, including identifying the treatment of COD in their three-year program and expenditure plan or annual update.

DHCS is required by January 1, 2022, and each January 1 thereafter, to publish a report on its website summarizing county activities relating to the provisions of this bill for the prior fiscal year. This data must be reported statewide and by county or groupings of counties, as necessary to protect the private health information of persons assessed. AB 2265 requires DHCS, on or before July 1, 2025, to adopt regulations necessary to implement the provisions of this bill (in accordance with the requirements of Chapter 3.5 [commencing with Section 11340] of Part 1 of Division 3 of Title 2 of the Government Code.

SB 855 (Wiener) Health coverage: mental health or substance use disorders

CBHDA Position: Support

Sponsor: Steinberg Institute, The Kennedy Forum

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

This bill repeals California's mental health parity law and replaces it with a broader requirement on health plans and disability insurers to cover medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions largely inspired by the March 2019 the *Wit v. United Behavioral Health*, 2019 WL 1033730 (*Wit*; N.D.CA Mar. 5, 2019), court case which found that United Behavioral Health created flawed level of care placement criteria inconsistent with generally accepted standards of mental health and substance use disorder care in order to "mitigate" the requirements of the federal Mental Health Parity and Addiction

Equity Act of 2008. SB 855 establishes new requirements for medically necessary care determinations and utilization review; and bans discretionary clauses in health plan contracts.

Implications

SB 855 revises and recasts the California Mental Health Parity provisions to require a health care service plan contract or disability insurance policy issued, amended, or renewed on or after January 1, 2021, to provide coverage for the medically necessary treatment of mental health and substance use disorders (MH/SUDs), under the same terms and conditions applied to other medical conditions.

The bill redefines health plan and disability insurer medical necessity standards for mental health or SUDs treatment as follows:

- (i) In accordance with the generally accepted standards of mental health and substance use disorder care;
- (ii) Which is clinically appropriate in terms of type, frequency, extent, site, and duration; and,
- (iii) Not primarily for the economic benefit of the health care service plan and subscribers or for the convenience of the patient, treating physician, or other health care provider.

In approaching the issues of mental health parity, SB 855 defines medically necessary treatment of a MH/SUD as a service or product addressing the specific needs of that patient, for the purpose of preventing, diagnosing, or treating an illness, injury, condition, or its symptoms, including minimizing the progression of that illness, injury, condition, or its symptoms, as specified.

The bill removes existing law which defines certain conditions under “severe mental illness” and instead requires parity for any mental health condition or substance use disorder that falls under any of the diagnostic categories listed in the mental and behavioral disorders chapter of the most recent edition of the International Classification of Diseases or that is listed in the most recent version of the Diagnostic and Statistical Manual of Mental Disorders. The bill clarifies that any changes in terminology, organization, or classification of mental health and substance use disorders in future versions of the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders or the World Health Organization’s International Statistical Classification of Diseases and Related Health Problems shall not affect the conditions covered by this section as long as a condition is commonly understood to be a mental health or substance use disorder by health care providers practicing in relevant clinical specialties.

This bill specifies that if services for the medically necessary treatment of a MH/SUD are not available in network, within the geographic and timely access standards in existing law, the health plan or insurer is required to arrange coverage to ensure the delivery of medically necessary out of network services and any medically necessary follow up services.

The bill provides that a health care service plan or disability insurer may fulfill its parity obligations for all or part of the mental health and substance use disorder services through a separate specialized health care service plan or mental health plan, without being required to obtain additional or specialized license for this purpose.

Effective January 1, 2021, this bill makes any existing provision in a health plan that reserves discretionary authority to determine eligibility for benefits or coverage inconsistent with SB 855 void and unenforceable. This provision applies to all plans issued, delivered, amended, or renewed effective January 2021. Discretionary authority as used here would include any interpretation on the terms of the contract and any specified standards of interpretation or review that can be applied to the healthcare plan.

This bill may result in individuals receiving better care in the private insurance market and leading to less cost-shifting of individuals from private insurance to the public behavioral health system, leading to potential cost savings for county behavioral health.

AB 1304 (Waldron) California MAT Re-Entry Incentive Program

CBHDA Position: Neutral

Sponsor: Author-Sponsored

Enacted into Law: 9/30/2020 effective January 1, 2021

Purpose

This bill establishes the California medications for addiction treatment (MAT) Re-Entry Incentive Program which makes certain parolees eligible for a reduction in the period of parole, if that person successfully participates in a substance abuse treatment program. The program states that a person released from state prison on parole, who has been enrolled in or successfully completed an institutional substance abuse program, as well as successfully participates in an outpatient substance abuse program (including the use of FDA-approved MAT), is eligible for a 30-day reduction to their period of parole for every six months of treatment completed (up to a maximum 90-day reduction).

Implications

The operation of this program is contingent on the appropriation of funds to the State Department of Health Care Services received pursuant to a federal Substance Abuse and Mental Health Services Administration (SAMHSA) State Opioid Response Grant. To the extent consistent with the terms of the grant, the sum of one million dollars (\$1,000,000) of the grant funds appropriated for these purposes shall be allocated to the California Department of Corrections and Rehabilitation (CDCR) for use in implementing this program.

Additionally, because the upcoming State Opioid Response 2 grant funding is already obligated, the appropriation of funds for this program will need to come from a future grant and would be subject to federal approval and grant-specific requirements. This bill also requires the CDCR to collect data and analyze utilization and program outcomes, as well as requires the CDCR to report all necessary information to the DHCS to maintain grant compliance.

This bill may cause additional fiscal pressures on county behavioral health, but to the extent that parolees are already enrolled in Medi-Cal and meet medical necessity criteria, they are already entitled to the services outlined in this bill. These individuals may need care following their participation in the substance abuse treatment program outlined in the bill to be funded by the SAMHSA State Opioid Response Grants.

SB 823 (Committee on Budget and Fiscal Review) Juvenile justice realignment: Office of Youth and Community Restoration.

CBHDA Position: Oppose

Sponsor(s): Author Sponsored

Enacted into Law: 9/30/2020 effective on January 1, 2021

Purpose

The Governor's January Budget in 2020 proposed to transfer the Division of Juvenile Justice (DJJ) to a newly created independent department within the Health and Human Services Agency (HHSA) on July 1, 2020. That approach was intended to align the rehabilitative mission of the state's juvenile justice system with trauma-informed and developmentally appropriate services supported by programs overseen by the state's Health and Human Services Agency. The unprecedented fiscal impact of COVID-19 resulted in the withdrawal of this proposal. Subsequently, the May Revision proposed to expand on previous efforts to reform the state's juvenile justice system by transferring the

responsibility for managing all youthful offenders to local jurisdictions, completing the realignment of all youth offenders begun in the 1990s. This means that counties will be responsible for the supervision and rehabilitation of the remaining 600-700 youth currently housed at DJJ.

Additionally, the bill adjusts the local age of jurisdiction so that it mirrors the current age of jurisdiction for DJJ commitments.

Implications

SB 823 serves several functions relating oversight and funding.

Oversight:

The bill establishes the Office of Youth and Community Restoration (OYCR) within the Health and Human Services Agency (HHSA), effective July 1, 2021. The objective of the OYCR is to fulfill the rehabilitative purpose of the state's juvenile justice system through trauma-informed and developmentally appropriate services and programs. SB 823 also moves all juvenile justice grant administration functions in the Board of State and Community Corrections to the OYCR no later than January 1, 2025. Additionally, this bill adds a new state-level Ombudsman for Youth in the juvenile justice system. Finally, SB 823 requires the Department of Justice to submit a plan by January 2023 to update the Juvenile Court and Probation Statistical System database, and improve and modernize statewide juvenile justice data collection and reporting.

Funding:

SB 823 establishes the Juvenile Justice Realignment Block Grant program for the purpose of providing county-based custody, care, and supervision of youth who are realigned from the state DJJ (or who were otherwise eligible for commitment to the DJJ prior to its closure). Furthermore, this bill makes the following appropriations by the Controller for fiscal years 2021-22 through 2023-24 to the counties for use by the county to provide appropriate rehabilitative housing and supervision services of the defined population:

- a) For the 2021-22 fiscal year, \$39,949,000 General Fund.
- b) For the 2022-23 fiscal year, \$118,339,000 General Fund.
- c) For the 2023-24 fiscal year, \$192,037,000 General Fund.
- d) For the 2024-25 fiscal year and each year thereafter, \$208,800,000 General Fund.

SB 823 states that the Governor and Legislature shall work with stakeholders to establish a distribution methodology for the funding by January 10, 2024 that improves outcomes for this population. The bill includes a contingency stating that, in order to receive Juvenile Justice Realignment Block Grant funding, each county will be required to establish a juvenile advisory body that develops and implements a juvenile justice realignment plan with components as specified. Finally, SB 823 provides that the OYCR shall review the plan to ensure that the plan contains all of the elements in this section and may return the plan to the county for revision as necessary prior to final acceptance of the plan.

While this bill primarily impacts county probation departments, as they hold the sole responsibility for managing this population of youth, CBHDA joined CSAC and CPOC in opposition to the bill as it represented an unprecedented departure in county-state relations in that the state negotiated this deal with youth advocates and the legislature over the objections of counties, after committing that they would not do that to county probation. In addition, many of the youth who will be transferred from DJJ to the local level will require an acute behavioral health services, which may be contracted to county behavioral health, or add pressure to already strained delivery networks. CBHDA anticipates clean-up legislation to follow in the 2021-2022 Legislative Session, in part, due to the significant concerns raised by counties.

AB 1976 (Eggman) Mental health services: assisted outpatient treatment.

CBHDA Position: Oppose

Sponsor: California Psychiatric Association

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

This bill seeks to expand Laura's Law statewide. Beginning July 1, 2021, AB 1976 requires a county or group of counties to implement an Assisted Outpatient Treatment (AOT) Program or take specific actions to opt out, as specified below. AB 1976 also permits a county to elect to implement Laura's Law in combination with one or more counties. However, this bill also permits a county or group of counties that do not wish to implement Laura's Law to opt out of the requirements of AOT services. Counties can opt out of this requirement by passing a resolution by the governing body, that includes a statement with the reasons for opting out and any facts or circumstances relied on in making that decision. In addition, for those counties that decide to implement AOT services, it must ensure that implementation will not result in a reduction of voluntary services for adults or children.

Existing law permits specified individuals to make a request to the county health department for the filing of a petition to obtain an order authorizing AOT. These individuals include a parent, spouse, sibling, or adult child of the subject of the petition; licensed mental health treatment providers; and peace officer, parole officer, or probation officer. This bill adds a judge of a superior court to the list of specified individuals permitted to make a request for the filing of a petition to obtain an order authorizing AOT.

Finally, this bill repeals the January 1, 2022 sunset date for Laura's Law and makes the law permanent.

Implications

Counties that have not opted to implement AOT and have concluded that implementing AOT is not desirable at this time, will need to pass a Board of Supervisors resolution that includes a statement as to the reasons for opting out and any facts or circumstances relied on in making that decision. Counties may not implement AOT if implementing AOT services will result in a reduction of voluntary services for adults or children. In counties which determine that AOT services will result in a reduction of voluntary services for adults or children, this information should be included in the Board of Supervisors resolution seeking to opt out of AOT implementation. However, in addition to the adverse impact on voluntary services, other reasons are also permissible to opt out and should be put forward if seeking a resolution to opt out.

This bill allows a group of counties to implement AOT services jointly so long as the counties execute a memorandum of understanding. The memorandum must designate a lead county for an individual receiving AOT services for such purposes as follows:

- making a finding that the individual meets the AOT criteria
- assuring services are provided and determining where they are provided
- ensuring that appropriate follow-up care is in place upon an individual's release from the AOT treatment program

For counties that have not implemented AOT and decide to do so instead of seeking the above resolution to opt out, these counties can implement AOT without additional action. AOT has some changes that will need to be considered in implementation including the addition of a judge of a superior court to the list of specified individuals permitted to make a request for the filing of a petition to obtain an order authorizing AOT. Under prior law, a county was required to secure approval before implementing AOT from the governing body or bodies of the county. To secure approval, county behavioral health agencies needed to provide an assessment that implementing AOT would not detrimentally impact voluntary services for adults or any services for children. AB 1976 continues to prohibit a county from implementing AOT if implementation will adversely impact voluntary services for adults and children, as stated previously.

For those counties with AOT or implementing AOT in the future, county behavioral health agencies will need to accept petitions to obtain an order authorizing AOT from judges of the superior court in addition to the list of individuals already allowed to file this petition.

AB 1976 places a potentially significant, but currently unknown, fiscal impact on local county court systems. This bill creates a possible ongoing cost pressure on courts due to the potentially increased workload of overseeing additional AOT cases for counties. These costs may vary depending on whether counties join together to provide AOT, do not opt out of AOT, or otherwise would not pursue AOT (and the required court involvement) absent this bill.

AB 3242 (Irwin) Mental health: involuntary commitment

CBHDA Position: Support

Sponsor: California Hospital Association, National Alliance on Mental Illness-California

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

AB 3242 clarifies that telehealth or other audio-visual technology can be utilized for any examination, assessment, and evaluations required by the Lanterman-Petris Short Act (LPS), under Welfare and Institutions Code (WIC) § 5150, and adds that telehealth can also be utilized under WIC § 5151. This bill clarifies that assessments and evaluations must be consistent with the county’s authority to designate facilities for evaluation and treatment under WIC § 5404.

The Lanterman-Petris-Short Act authorizes the involuntary commitment and treatment of persons with specified mental health disorders for the protection of the persons so committed. Under the act, if a person, as a result of a mental health disorder, is a danger to others, or to themselves, or is gravely disabled, the person may, upon probable cause, be taken into custody for a period of up to 72 hours for assessment, evaluation, and crisis intervention, or placement for evaluation and treatment. Current law requires persons providing the evaluation services to be properly qualified professionals designated by the county and authorizes those professionals to provide telehealth evaluation services.

Implications

Counties throughout the state have differing policies on who can assess and release a 5150 involuntary hold based on their local policies and capacity/ structure of health system. During the COVID-19 pandemic, many counties have turned to methods of telehealth to conduct these assessments to ensure timely assessment while maintaining physical distancing. This bill clarifies existing law which allows for 5150 involuntary hold assessments to be conducted via telehealth.

This bill additionally adds telehealth to be utilized for WIC 5151 assessments prior to admission to an LPS designated facility, which previously had to be done in person. This will help counties during COVID-19 and additionally in the future in areas with significant workforce shortages and rural areas.

Health Equity Legislation

AB 2218 (Santiago) Transgender Wellness and Equity Fund

CBHDA Position: Support

Sponsor: Gender Justice LA, Transgender Health and Wellness Center, Transgender Law Center, Transgender, Gender Variant, Intersex Justice Project, TransLatin@ Coalition

Enacted into Law: 9/26/2020 effective January 1, 2021

Purpose

AB 2218 establishes the Transgender Wellness and Equity Fund for DHCS to provide grants to transgender-led nonprofit organization and to a hospital, health care clinic, or other medical provider that provides gender-conforming health care services (such as hormone therapy or gender reassignment surgery). Organizations eligible for grants are any organization that has established a relationship with a transgender-led nonprofit organization. The grants would be provided to create programs, or fund existing programs, focused on:

- coordinating trans-inclusive medical care
- behavioral health care (including mental health care and substance use disorder services)
- social services (including supportive housing for transgender, gender nonconforming, or intersex individuals with severe mental illness) for individuals who identify as transgender, gender nonconforming, or intersex

AB 2218 is subject to a future appropriation to be implemented.

Implications

Research indicates that 48% of Individuals who identify as transgender report that they have considered suicide in the past 12 months, compared to 4% of the overall US population, according to a survey by The National LGBT Health Education Center. This bill provides an opportunity to expand culturally relevant behavioral health, physical health and social services to individuals that identify as transgender, gender nonconforming, or intersex.

Housing and Homelessness Legislation

AB 1766 (Bloom) Licensed adult residential facilities and residential care facilities for the elderly: data collection: residents with a serious mental disorder.

CBHDA Position: Support

Sponsor: Stenberg Institute

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

AB 1766 would direct the California Department of Social Services (CDSS) to report to county mental health or behavioral health departments the data for licensed Adult Residential Facilities (ARFs) for residents with a serious mental health disorder, and the number of beds per facility. Furthermore, beginning May 1, 2021, and annually thereafter, this bill requires the department to collect information and send a report to each county's department of mental health or behavioral health. The report would discuss all licensed ARFs and residential care facilities for the elderly (RCFEs), that accept a specified federal rate and accept residents with a serious mental disorder, and would include the number of licensed beds at each facility.

AB 1766 also requires that, beginning May 1, 2021, and quarterly thereafter, the department send to those county departments a report of licensed ARFs and RCFEs that closed permanently in the prior quarter. This bill further requires the department to notify the county mental or behavioral health department within 3 business days upon receiving notice that a licensed adult residential facility or residential care facility for the elderly intends to close permanently.

Implication

AB 1766 addresses the significant data gap between the needs of clients living with severe mental illness and the available housing and care options by requiring CDSS to share existing information about ARFs and RCFEs with county behavioral health departments. This information includes which facilities serve people living with severe mental illness

or development disabilities and how many closed in the previous quarter. With this data in hand, local and state policymakers can evaluate whether the number of available board and care homes for Californians living with severe mental illness is adequate and the extent to which various solutions to facility closures will have a meaningful impact. This bill will help CBHDA in advocacy efforts around board and cares as previously the only reliable data available was from Los Angeles and San Francisco Counties.

AB 2174 (Gallagher) Homeless multidisciplinary personnel team

CBHDA Position: Support

Sponsor: Author sponsored

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

AB 2174 authorizes the Counties of Yuba and Sutter to jointly establish a homeless adult and family multidisciplinary personnel team. This bill makes a legislative findings and declarations as to the necessity of a special statute for the Counties of Yuba and Sutter.

Implication

The bill was drafted by Sutter and Yuba counties county counsel and is supported by both counties. This bill allows them to join a cohort of counties who have homeless multidisciplinary teams authorized under AB 210 (Santiago) (Chapter 544, Statutes of 2017).

AB 2377 (Chiu) Residential facilities

CBHDA Position: Support

Sponsor: City and County of San Francisco

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

This bill takes existing closure protections for Residential Care Facilities for the Elderly (RCFEs) and applies them to Adult Residential Facilities (ARFs). AB 2377 requires that prior to transferring a resident of the facility to an independent living arrangement due to the forfeiture of a license, the ARF will take all reasonable steps to transfer residents safely, and minimize possible transfer trauma. This bill would also give the city or county the first opportunity to purchase the property when an ARF intends to close.

Implications

AB 2377 would curtail the practice of sudden closures of ARFs and provide for more protection to the residents needing to transition to other facilities. This bill adds to existing law, added through the FY 2020-2021 State Budget, which requires cities and counties to be notified 180 days prior to an ARF intending to close.

This bill requires that prior to transferring a resident of the facility to an independent living arrangement due to the forfeiture of a license to do all of the following:

- Each resident will be provided a relocation evaluation of their needs which includes:
 - Providing recommendations on the type of facility that would meet the needs of the resident based on the current service plan

- Providing a list of facilities, within a 60-mile radius of the resident’s current facility, that meet the resident’s present needs
- If applicable, the possibility that the resident remains in the facility under certain circumstances, including the sale or transfer of the facility to a city or county
- Each resident (or the resident’s responsible person) will be provided with a written notice no later than 60 days before the intended eviction. The notice must include all of the following:
 - The reason for the eviction, with specific facts to permit a determination of the date, place, witnesses, and circumstances concerning the reasons
 - A copy of the resident’s current service plan
 - The relocation evaluation
 - A list of referral agencies
- Discuss the relocation evaluation with the resident and their legal representative within 30 days of issuing the notice of eviction.
- Submit a written report of any eviction to the licensing agency within five days.
- Upon issuing the written notice of eviction, a licensee shall not accept new residents or enter into new admission agreements.
- For paid preadmission fees in excess of five hundred dollars (\$500), the resident is entitled to a refund, subject to certain restrictions.
- If the resident gives notice five days before leaving the facility, the licensee must refund the resident or their legal representative a proportional per diem amount of any prepaid monthly fees at the time the resident leaves the facility and the unit is vacated. Otherwise the licensee must pay the refund within seven days from the date that the resident leaves the facility and the unit is vacated.
- Within 10 days of all residents having left the facility, the licensee, based on information provided by the resident or the resident’s legal representative, must submit a final list of names and new locations of all residents to the department.

Workforce Legislation

AB 465 (Eggman) Mental health workers: supervision

CBHDA Position: Support

Sponsor: Author Sponsored

Enacted into Law: 9/25/2020 effective January 1, 2021

Purpose

This bill requires any program permitting mental health professionals to respond to emergency mental health crisis calls in collaboration with law enforcement to ensure the mental health professionals participating in the program are supervised by a licensed mental health professional. The bill defines licensed mental health professionals as LCSWs, LPCCs, LMFTs, licensed psychologists, in addition to specified physicians and nurses.

Implications

The author accepted CBHDA’s amendments that allow supervision of mental health professionals to be consistent with existing county behavioral health agency standards and requirements for supervision in collaborations between law enforcement and county behavioral health agencies. With the addition of these amendments, existing collaborations can be maintained without changes in supervision. Any new collaborations with law enforcement can be implemented within existing county behavioral health agency standards and requirements for supervision.

AB 890 (Wood) Nurse practitioners: scope of practice: practice without standardized procedures.

CBHDA Position: Support in Concept

Sponsor: Author Sponsored

Enacted into Law: 9/29/2020 effective January 1, 2021

Purpose

The bill would authorize a nurse practitioner (NP) who meets certain education, experience, and certification requirements to perform, in specific settings or organizations, specified functions without standardized procedures, including ordering, performing, and interpreting diagnostic procedures, certifying disability, and prescribing, administering, dispensing, and furnishing controlled substances.

This bill would establish the Nurse Practitioner Advisory Committee (committee) to advise and give recommendations to the Board of Registered Nurses (board) on matters relating to nurse practitioners (NP). This bill additionally authorizes an NP, after completing a 3-year transition to practice and passing an examination validated by the Office of Professional Examination Services (OPES) within the Department of Consumer Affairs, to practice without standardized procedures in specified healthcare settings where physicians practice. This authorization does not prohibit standardized procedures or physician supervision, or establish limits on existing healthcare setting operating procedures, but provides an opportunity for a new baseline scope of practice that does not require standardized procedures.

In addition, the bill authorizes an NP who meets the above requirements and has an additional 3 years of licensed practice to apply for a certificate that allows the NP to practice without standardized procedures in settings where physicians do not practice. The NPs with this certificate would still be required to consult with other healthcare providers and establish physician referral plans. The bill outlines specific circumstances where physician consultation is required and situations that must be addressed in the referral plan. The bill also requires that physician consultation must be obtained as specified in individual protocols

Implication

AB 890 authorizes an independently practicing NP to perform specified functions described below, in a defined healthcare settings described below, under the following circumstances:

- The NP has successfully passed a national NP board certification examination.
- The NP holds a certificate from a national certifying body recognized by the BRN.
- The NP provides documentation that educational training was consistent with standards established by the BRN.
- The NP completed a transition to practice program in California consisting of a minimum of three full-time equivalent years of practice or 4,600 hours.

Authorizes an NP who meets these requirements to practice in:

- A clinic, as defined in Section 1200 of the Health and Safety Code.
- A health facility, as defined in Section 1250 of the Health and Safety Code (except for a correctional treatment center or a state hospital).
- A county medical facility described in Chapter 2.5 (commencing with Section 1440) of Division 2 of the Health and Safety Code.
- General acute care hospitals, county hospitals, medical group practices (including a professional medical corporation), physician controlled corporations, medical partnerships, medical foundations exempt from licensure, other lawfully organized group of physicians that provide healthcare services, and licensed hospice facilities.

AB 890 authorizes a certified NP to conduct:

- An advanced assessment and establish primary and differential diagnoses;

- Order, perform, and interpret diagnostic procedures (for radiologic procedures, a NP can order diagnostic procedures and utilize the findings or results in treating the patient, and perform or interpret clinical laboratory procedures permitted to do so under the Clinical Laboratory Improvement Act);
- Establish primary and differential diagnoses;
- prescribe, order, administer, dispense, procure, and furnish therapeutic measures; and,
- After performing a physical examination, certify disability, and delegate tasks to a medical assistant.

This bill prohibits an NP authorized to practice independently from practicing beyond the scope of their clinical and professional education and training including specific areas of concentration and only practice within the limits of their knowledge of experience and national certification. The bill also outlines the circumstances when physician consultation must be obtained including:

- Emergent conditions requiring prompt medical intervention after initial stabilizing care has been started;
- Acute decompensation of patient situation;
- Problem which is not resolving as anticipated;
- History, physical, or lab findings inconsistent with the clinical perspective; and,
- Upon request of patient.

County behavioral health agencies can consider assisting employed NPs secure the training to practice independently and/or adding independently practicing NPs to their contracted networks.

SB 275 (Pan) Health Care and Essential Workers: personal protective equipment.

CBHDA Position: Watch

Sponsor: SEIU State Council

Enacted into Law: 9/29/2020 effective January 1, 2021

Purpose

This bill requires the Department of Public Health (DPH) and the Office of Emergency Services (OES) to establish a personal protective equipment (PPE) stockpile, and requires certain health care employers, including hospitals and skilled nursing facilities (SNFs), to maintain an inventory of PPE at least sufficient for 45 days of surge consumption, effective on January 1, 2023, or one year after regulations are adopted defining 45 days of surge consumption, whichever is later.

Implications

SB 275 includes a number of specific definitions to outline the type of staff and employers are covered by the mandate in the bill. This bill was narrowed in the last week of the Legislative session to apply to hospitals and SNFs, removing PHFs from the legislation.

- SB 275 defines “essential workers” as primary and secondary school workers, workers at detention facilities, in-home support providers, childcare providers, government workers whose work with the public continues throughout a crisis, and workers in other positions that the State Public Health Officer or the Director of OES deems vital to public health and safety, as well as economic and national security.
- Additionally, this bill defines “health care worker” as any worker who provides direct patient care and services directly supporting patient care, including, but not limited, to physicians, pharmacists, clinicians, nurses, aides, technicians, janitorial and housekeeping staff, food services workers, and nonmanagerial administrative staff.
- Finally, SB 275 defines a “health care employer” as a person or organization that employs workers in the public or private sector to provide direct patient care in a general acute care hospital setting, an SNF, a medical

practice that is operated or maintained as part of an integrated health system or health facility, or a dialysis clinic.

- Excludes from the definition of “health care employer” is an independent medical practice that is owned and operated, or maintained as a clinic or office, by one or more licensed physicians and used as an office for the practice of their profession, regardless of the name used publicly to identify the place or establishment, unless the medical practice is operated or maintained exclusively as part of an integrated health system or health facility or meets the requirements of a medical foundation.

AB 2100 (Wood) Medi-Cal: pharmacy benefits

CBHDA Position: Support

Sponsor(s): California Pharmacist Association, Western Center on Law and Poverty

Vetoed by Governor 9/29/2020 – This bill will not be implemented.

Purpose

This bill would have required the Department of Health Care Services (DHCS), by January 1, 2021, to establish the Independent Prescription Drug Medical Review (IPDMR) System. AB 2100 would have required the director to adopt the determinations of the IPDMR and issue a binding written decision to be implemented. The proposed legislation would have authorized DHCS to provide a disease management payment to a pharmacy for costs and activities associated with dispensing specialty drugs. AB 2100 would have required DHCS to include specified pharmacy and outpatient prescription drug information in the Medi-Cal program assumptions and estimates. This bill would have further required DHCS to permit a beneficiary to continue a drug that is part of a prescribed therapy in effect for the beneficiary immediately before the date of receipt of coverage through DHCS for a minimum of 180 days, or until the prescribed therapy is no longer prescribed by the contracting prescriber.

Veto Message

The governor vetoed this bill for the following reasons.

1. DHCS is processing the results of a recent survey of specialty drug acquisition costs to determine what types of services are provided in association with the dispensing of specialty drugs. Until the results of the survey have been analyzed, DHCS will not know whether reimbursements are medically necessary.
2. The requirements regarding the Medi-Cal Rx program are too prescriptive. The governor is instead directing DHCS to post additional information on its website regarding the implementation of Medi-Cal Rx.
3. Consumer protections issues under Medi-Cal Rx can be addressed administratively with input from the Legislature and stakeholders. DHCS is directed to convene stakeholders no later than July 1, 2021, to explore options and approaches for additional public reporting of administrative hearing decisions pertaining to outpatient prescription drug benefits.
4. Finally, DHCS has developed a Pharmacy Transition Policy for Medi-Cal Rx to allow Medi-Cal beneficiaries to continue receiving their existing prescription medications without having to get additional prior authorizations for 180 days after the transition begins.

AB 2360 (Maienschein) Telehealth: mental health

CBHDA Position: Support (in concept)

Sponsor(s): 2020 Mom, Maternal Mental Health Now

Vetoed by Governor 9/26/2020 – This bill will not be implemented

Purpose

This bill would have required health care service plans and health insurers to establish a tele-psychiatric consultation program that assists contracted providers who treat children, pregnant, and postpartum persons. AB 2360 would have required health care service plans, including Knox-Keene licensed Medi-Cal managed care health plans, to provide access to a provider-to-provider telehealth consultation program for providers who treat children, pregnant, and postpartum persons. Furthermore, the proposed legislation would also have required health care service plans and health insurers, by July 1, 2021, to provide access to a telehealth consultation program that included access to mental health

consultations. These consultation would have been conducted by a mental health clinician with expertise appropriate for pregnant, postpartum, and pediatric patients to be conducted by telephone or telehealth video, and would have included guidance on the range of evidence-based treatment options, screening tools, and referrals. AB 2360 would have required health care service plans and insurers to communicate information relating to the telehealth program at least twice a year in writing.

Veto Message

As stated in the Governor's veto message, the bill would create costs that Governor Newsome believes would be more appropriately addressed through the annual budget process.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority
Toni Navarro, LMFT, Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance Report

**UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2020 (2021 FISCAL YEAR-TO-DATE):**

The financials presented herein are the PRELIMINARY and unaudited financial statements for the three months ended September 30, 2020. These financial statements include the activities from the clinical outpatient operations as well as activities from the implemented MHSA programs under the CSS, PEI, INN, WET and CFTN plans.

The increase in net position (income) is approximately \$8.8 million. MHSA operations accounted for approximately \$8.6 million of the increase which is primarily the result of recognizing MHSA revenues on hand at the beginning of the fiscal year. MHSA non-operating revenues are reflected when MHSA funds have been received and are eligible to be spent.

During fiscal 2020, Tri-City received MHSA funding of approximately \$10.2 million, of which \$6.6 million were for approved programs for fiscal 2020-21 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2020. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2020-21. In addition, during fiscal 2020-21 approximately \$6.2 million in MHSA funding has been received of which \$5.6 million was identified and approved for use in the current fiscal year 2020-21 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately \$12.2 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent as the timing of expenditures will lag behind the timing of revenue recognition.

The remaining decrease in net position of approximately \$174 thousand is from Clinic outpatient operations, which is the result of operations for the three months ended September 30, 2020.

**Governing Board of Tri-City Mental Health
Toni Navarro, LMFT, Executive Director
Monthly Staff Report of Diana Acosta
November 18, 2020
Page 2**

The total cash balance at August 31, 2020 was approximately \$32.7 million which represents an increase of approximately \$1.6 million from the June 30, 2020 balance of approximately \$31.1 million.

Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had a decrease in cash of approximately \$1.2 million. MHSA operations reflected an increase in cash of approximately \$2.8 million, after excluding intercompany receipts or costs resulting from clinic operations. The increase reflects the receipt of approximately \$6.2 million in MHSA funds offset by the use of cash for MHSA operating activities. MHSA dollars (which are derived through the receipts of 1% of millionaire's income taxes) were delayed as a direct result of extending tax return deadlines and as such all behavioral health agencies experienced a reduction in cash receipts in the last few months of the previous fiscal year. As the tax filing deadline has now passed, Tri-City received \$4.5 million in the August distribution (based on July's tax remittances) of MHSA funds, thus resulting in an overall increase in cash in MHSA.

Approximately \$940 thousand in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the three months ended September 30, 2020. Additionally, approximately \$3.4 million has been received through November 12, 2020, of which approximately \$71 thousand related to interim cost report settlements covering fiscal years 2015-16 and 2016-17.

UPCOMING, CURRENT EVENTS & UPDATES

Overall Financial Update:

We are continuing to closely monitor for any new developments and updated revenue projections from CBHDA. As highlighted last month, the current revenue projections by CBHDA estimate that some revenues (such as MHSA revenues) will increase in fiscal year 2020-21 as a result of delays in tax returns, however these same revenues are expected to decrease in the following year. As such, planning appropriately to ensure we meet the needs of our community, and having the ability to make changes as we go will be necessary in the upcoming years, especially if projections wind up being significantly different than currently projected.

FY 2020-21 Bankruptcy Payments

The total bankruptcy liability balance as of the date of this report is currently \$331,064. On September 21, 2020 a distribution of \$325,000 was made and distributed to CA DHCS and LAC DMH in the amounts of \$128,161 and \$196,839, respectively. Along with the distributions, management included confirmation letters to both parties asking that the final pay off amounts be confirmed as management expects to make the final bankruptcy distributions at the earliest possible date.

MHSA Funding Updates

Estimated Current Cash Position – The following table represents a brief summary of the estimated current MHSA cash position as of the three months ended September 30, 2020 which includes estimates to project the ending cash balance at June 30, 2021.

	MHSA
Cash at September 30, 2020 \$	27,334,876
Receivables net of Reserve for Cost Report Settlements	657,888
Prudent Reserves	(2,200,000) *
Estimated Remaining Expenses for Operations FY 2020-21	(12,384,822) **
Reserved for future CFTN Projects including TCG	(1,247,389)
Reserved for Future Housing Projects	(2,800,000) ****
Total Estimated Adjustments to Cash	(17,974,323)
Estimated Available at June 30, 2021 \$	<u>9,360,553</u>
Remaining estimated funds to be received in FY 2020-21 \$	5,105,326 **

* Per the recently approved SB 192, Prudent Reserves are now required to be maintained at an amount that does not exceed 33% of the average Community Services and Support (CSS) revenue received for the fund, in the preceding 5 years.

** Estimated based on adopted operating budget for Fiscal Year 2020-21, actual and estimated amounts to year end (06/30/2021).

****In addition to the \$1.2 Million, an additional \$1.6 Million was designated for housing, as approved at the May 15, 2019 Governing Board Meeting.

Attachments

Attachment 9-A: September 30, 2020 Unaudited Financial Statements

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION**

	AT SEPTEMBER 30, 2020			AT JUNE 30, 2020		
	TCMH	MHSA	Consolidated	TCMH	MHSA	Consolidated
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
Current Assets						
Cash	\$ 5,389,124	\$ 27,334,876	\$ 32,724,000	\$ 7,395,355	\$ 23,736,461	\$ 31,131,816
Accounts receivable, net of reserve for uncollectible accounts \$643,327 at September 30, 2020 and \$543,736 at June 30, 2020	4,752,413	3,060,448	7,812,861	4,191,840	2,588,279	6,780,119
Total Current Assets	<u>10,141,536</u>	<u>30,395,324</u>	<u>40,536,861</u>	<u>11,587,195</u>	<u>26,324,740</u>	<u>37,911,935</u>
Property and Equipment						
Land, building, furniture and equipment	3,757,915	9,422,555	13,180,470	3,699,755	9,384,214	13,083,969
Accumulated depreciation	(2,410,310)	(3,537,659)	(5,947,970)	(2,403,631)	(3,434,225)	(5,837,856)
Total Property and Equipment	<u>1,347,605</u>	<u>5,884,895</u>	<u>7,232,500</u>	<u>1,296,123</u>	<u>5,949,989</u>	<u>7,246,112</u>
Other Assets						
Deposits and prepaid assets	242,669	491,199	733,868	70,955	491,199	562,154
Total Noncurrent Assets	<u>1,590,274</u>	<u>6,376,094</u>	<u>7,966,368</u>	<u>1,367,079</u>	<u>6,441,188</u>	<u>7,808,267</u>
Total Assests	<u>\$ 11,731,810</u>	<u>\$ 36,771,419</u>	<u>\$ 48,503,229</u>	<u>\$ 12,954,274</u>	<u>\$ 32,765,928</u>	<u>\$ 45,720,202</u>
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	2,776,741	-	2,776,741	2,776,741	-	2,776,741
Total Deferred Outflows of Resources	<u>2,776,741</u>	<u>-</u>	<u>2,776,741</u>	<u>2,776,741</u>	<u>-</u>	<u>2,776,741</u>
Total Assets and Deferred Outflows of Resouces	<u>\$ 14,508,551</u>	<u>\$ 36,771,419</u>	<u>\$ 51,279,970</u>	<u>\$ 15,731,015</u>	<u>\$ 32,765,928</u>	<u>\$ 48,496,943</u>
LIABILITIES						
Current Liabilities						
Accounts payable	280,283	472,052	752,335	235,067	188,826	423,893
Accrued payroll liabilities	188,259	309,070	497,329	561,169	80,419	641,589
Accrued vacation and sick leave	617,241	932,413	1,549,655	604,179	865,609	1,469,787
Reserve for Medi-Cal settlements	2,983,841	2,402,560	5,386,401	2,942,066	2,366,312	5,308,378
Current portion of mortgage debt	30,688	-	30,688	30,688	-	30,688
Total Current Liabilities	<u>4,100,313</u>	<u>4,116,096</u>	<u>8,216,408</u>	<u>4,373,168</u>	<u>3,501,166</u>	<u>7,874,334</u>
Intercompany Acct-MHSA & TCMH	<u>(420,511)</u>	<u>420,511</u>	<u>-</u>	<u>370,961</u>	<u>(370,961)</u>	<u>-</u>
Long-Term Liabilities						
Mortgages and home loan	764,237	88,309	852,546	771,683	88,309	859,992
Net pension liability	5,462,528	-	5,462,528	5,462,528	-	5,462,528
Unearned MHSA revenue	-	883,958	883,958	-	276,421	276,421
Total Long-Term Liabilities	<u>6,226,765</u>	<u>972,267</u>	<u>7,199,032</u>	<u>6,234,211</u>	<u>364,730</u>	<u>6,598,940</u>
Liabilities Subject to Compromise						
Class 2 General Unsecured Claims	-	-	-	-	-	-
Class 3 Unsecured Claim of CAL DMH	200,512	-	200,512	397,351	-	397,351
Class 4 Unsecured Claim of LAC DMH	130,552	-	130,552	258,713	-	258,713
Total Liabilities Subject to Compromise	<u>331,064</u>	<u>-</u>	<u>331,064</u>	<u>656,064</u>	<u>-</u>	<u>656,064</u>
Total Liabilities	<u>10,237,630</u>	<u>5,508,874</u>	<u>15,746,504</u>	<u>11,634,403</u>	<u>3,494,935</u>	<u>15,129,339</u>
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	6,625,123	6,625,123
Deferred inflows related to the net pension liability	217,236	-	217,236	217,236	-	217,236
Total Deferred Inflow of Resources	<u>217,236</u>	<u>-</u>	<u>217,236</u>	<u>217,236</u>	<u>6,625,123</u>	<u>6,842,359</u>
NET POSITION						
Invested in capital assets net of related debt	552,680	5,884,895	6,437,575	493,753	5,949,989	6,443,742
Restricted for MHSA programs	-	24,886,451	24,886,451	-	16,204,682	16,204,682
Unrestricted	3,501,005	491,199	3,992,204	3,385,622	491,199	3,876,821
Total Net Position	<u>4,053,685</u>	<u>31,262,545</u>	<u>35,316,230</u>	<u>3,879,375</u>	<u>22,645,870</u>	<u>26,525,245</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 14,508,551</u>	<u>\$ 36,771,419</u>	<u>\$ 51,279,970</u>	<u>\$ 15,731,015</u>	<u>\$ 32,765,928</u>	<u>\$ 48,496,943</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

	PERIOD ENDED 9/30/20			PERIOD ENDED 9/30/19		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
OPERATING REVENUES						
Medi-Cal FFP	\$ 879,279	\$ 774,617	\$ 1,653,896	\$ 883,407	\$ 710,249	\$ 1,593,656
Medi-Cal SGF-EPSDT	174,597	133,818	308,415	253,602	194,329	447,931
Medicare	168	391	560	310	607	917
Grants and contracts	124,402	7,267	131,669	986	7,267	8,252
Patient fees and insurance	90	-	90	835	-	835
Rent income - TCMH & MHSA Housing	5,950	25,269	31,219	8,098	22,887	30,986
Other income	403	210	612	440	187	627
Net Operating Revenues	1,184,890	941,572	2,126,461	1,147,678	935,526	2,083,204
OPERATING EXPENSES						
Salaries, wages and benefits	1,993,176	3,150,048	5,143,224	1,703,415	2,753,162	4,456,578
Facility and equipment operating cost	134,876	298,247	433,123	200,536	310,244	510,780
Client lodging, transportation, and supply expense	70,663	732,858	803,521	35,388	156,692	192,080
Depreciation	35,034	103,434	138,468	21,618	87,759	109,377
Other operating expenses	121,976	315,672	437,648	181,986	319,450	501,436
Total Operating Expenses	2,355,725	4,600,259	6,955,984	2,142,944	3,627,307	5,770,250
OPERATING (LOSS) (Note 1)	(1,170,836)	(3,658,687)	(4,829,523)	(995,265)	(2,691,781)	(3,687,046)
Non-Operating Revenues (Expenses)						
Realignment	1,353,555	-	1,353,555	913,838	-	913,838
MHSA funds	-	12,227,423	12,227,423	-	10,649,347	10,649,347
Housing & Community Dev.-NPLH	(8,000)	-	(8,000)	-	-	-
Interest Income	9,810	47,939	57,749	27,405	138,308	165,713
Interest expense	(10,219)	-	(10,219)	(10,592)	-	(10,592)
Total Non-Operating Revenues (Expense)	1,345,145	12,275,362	13,620,508	930,651	10,787,655	11,718,305
INCOME (LOSS)	174,310	8,616,675	8,790,985	(64,615)	8,095,874	8,031,259
INCREASE (DECREASE) IN NET POSITION	174,310	8,616,675	8,790,985	(64,615)	8,095,874	8,031,259
NET POSITION, BEGINNING OF YEAR	3,879,375	22,645,870	26,525,245	3,229,029	21,242,083	24,471,112
NET POSITION, END OF MONTH	\$ 4,053,685	\$ 31,262,545	\$ 35,316,230	\$ 3,164,414	\$ 29,337,957	\$ 32,502,371

(Note 1) "Operating Loss" reflects loss before realignment funding and MHSA funding which is included in non-operating revenues.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

	PERIOD ENDED 9/30/20			PERIOD ENDED 9/30/19		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	\$ 659,643	\$ 471,985	\$ 1,131,628	\$ 1,050,959	\$ 783,035	\$ 1,833,994
Cash payments to suppliers and contractors	(454,013)	(1,063,550)	(1,517,564)	(647,290)	(1,067,354)	(1,714,644)
Payments to employees	(2,353,023)	(2,854,593)	(5,207,615)	(2,055,090)	(2,564,707)	(4,619,797)
	<u>(2,147,393)</u>	<u>(3,446,158)</u>	<u>(5,593,551)</u>	<u>(1,651,421)</u>	<u>(2,849,026)</u>	<u>(4,500,447)</u>
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	6,209,837	6,209,837	-	3,925,368	3,925,368
Realignment	1,353,555	-	1,353,555	1,518,550	-	1,518,550
Housing & Community Development.-NPLH	(8,000)	-	(8,000)	-	-	-
	<u>1,345,555</u>	<u>6,209,837</u>	<u>7,555,392</u>	<u>1,518,550</u>	<u>3,925,368</u>	<u>5,443,919</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(86,515)	(38,340)	(124,855)	(17,294)	(7,399)	(24,693)
Principal paid on capital debt	(7,446)	-	(7,446)	(7,073)	-	(7,073)
Interest paid on capital debt	(10,219)	-	(10,219)	(10,592)	-	(10,592)
Intercompany-MHSA & TCMH	(791,472)	791,472	-	(141,090)	141,090	-
	<u>(895,652)</u>	<u>753,132</u>	<u>(142,520)</u>	<u>(176,050)</u>	<u>133,692</u>	<u>(42,358)</u>
Cash Flows from Investing Activities						
Interest received	16,258	81,605	97,863	28,431	132,340	160,771
	<u>16,258</u>	<u>81,605</u>	<u>97,863</u>	<u>28,431</u>	<u>132,340</u>	<u>160,771</u>
Cash Flows from Reorganization Items						
Cash payments to Bankruptcy Class 3 and 4 Unsecured	(325,000)	-	(325,000)	(1,030,000)	-	(1,030,000)
	<u>(325,000)</u>	<u>-</u>	<u>(325,000)</u>	<u>(1,030,000)</u>	<u>-</u>	<u>(1,030,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,006,232)	3,598,416	1,592,184	(1,310,490)	1,342,374	31,884
Cash Equivalents at Beginning of Year	7,395,355	23,736,461	31,131,816	7,483,365	24,449,208	31,932,573
Cash Equivalents at End of Month	<u>\$ 5,389,124</u>	<u>\$ 27,334,877</u>	<u>\$ 32,724,000</u>	<u>\$ 6,172,875</u>	<u>\$ 25,791,582</u>	<u>\$ 31,964,457</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic
MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL TO BUDGET COMPARISON
THREE MONTHS ENDING SEPTEMBER 30, 2020
(UNAUDITED)

	TRI-CITY MENTAL HEALTH OUTPATIENT CLINIC (TCMH)			TRI-CITY MENTAL HEALTH SERVICES ACT (MHSA)			TRI-CITY MENTAL HEALTH AUTHORITY CONSOLIDATED		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES									
Medi-Cal FFP	\$ 958,865	\$ 1,058,228	\$ (99,363)	\$ 844,730	\$ 1,133,714	\$ (288,984)	\$ 1,803,594	\$ 2,191,942	\$ (388,348)
Medi-Cal SGF-EPSDT	190,401	399,793	(209,392)	145,930	264,074	(118,144)	336,331	663,867	(327,536)
Medicare	168	750	(582)	391	350	41	560	1,100	(540)
Patient fees and insurance	90	625	(535)	-	-	-	90	625	(535)
Grants and contracts	124,402	73,191	51,211	7,267	-	7,267	131,669	73,191	58,478
Rent income - TCMH & MHSA Housing	5,950	9,075	(3,125)	25,269	27,613	(2,343)	31,219	36,688	(5,468)
Other income	403	-	403	210	-	210	612	-	612
Provision for contractual disallowances	(95,389)	(141,365)	45,975	(82,225)	(138,404)	56,179	(177,614)	(279,768)	102,154
Net Operating Revenues	1,184,890	1,400,297	(215,407)	941,572	1,287,347	(345,775)	2,126,461	2,687,644	(561,182)
OPERATING EXPENSES									
Salaries, wages and benefits	1,993,176	2,085,766	(92,590)	3,150,048	3,265,801	(115,753)	5,143,224	5,351,567	(208,343)
Facility and equipment operating cost	134,876	175,685	(40,808)	298,247	366,935	(68,688)	433,123	542,620	(109,497)
Client program costs	68,688	30,022	38,666	726,511	302,494	424,017	795,199	332,516	462,683
Grants	-	-	-	22,930	20,000	2,930	22,930	20,000	2,930
MHSA training/learning costs	-	-	-	35,363	38,753	(3,390)	35,363	38,753	(3,390)
Depreciation	35,034	22,901	12,132	103,434	89,814	13,620	138,468	112,716	25,752
Other operating expenses	123,952	158,330	(34,378)	263,726	338,721	(74,995)	387,678	497,051	(109,374)
Total Operating Expenses	2,355,725	2,472,703	(116,978)	4,600,259	4,422,519	177,740	6,955,984	6,895,222	60,762
OPERATING (LOSS)	(1,170,836)	(1,072,406)	(98,430)	(3,658,687)	(3,135,172)	(523,515)	(4,829,523)	(4,207,578)	(621,944)
Non-Operating Revenues (Expenses)									
Realignment	1,353,555	913,836	439,719	-	-	-	1,353,555	913,836	439,719
MHSA Funding	-	-	-	12,227,423	13,246,166	(1,018,743)	12,227,423	13,246,166	(1,018,743)
Housing & Community Dev.-NPLH	(8,000)	-	(8,000)	-	-	-	(8,000)	-	(8,000)
Interest (expense) income, net	(409)	6,747	(7,157)	47,939	83,000	(35,061)	47,530	89,747	(42,217)
Total Non-Operating Revenues (Expense)	1,345,145	920,583	424,562	12,275,362	13,329,166	(1,053,804)	13,620,508	14,249,749	(629,242)
Special Item: Net reorganization income (expense)	-	-	-	-	-	-	-	-	-
INCREASE(DECREASE) IN NET POSITION	\$ 174,310	\$ (151,823)	\$ 326,132	\$ 8,616,675	\$ 10,193,994	\$ (1,577,319)	\$ 8,790,985	\$ 10,042,171	\$ (1,251,186)

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
THREE MONTHS ENDING SEPTEMBER 30, 2020**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CAP/TECH PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than budget by \$561 thousand for the following reasons:

- 1 Medi-Cal FFP revenues for FY 2020-21** were \$388 thousand lower than the budget. Medi-Cal FFP revenues were \$99 thousand lower for TCMH and \$289 thousand lower for MHSA. At TCMH, the adult program revenues were higher than budget by \$81 thousand and the children program revenues were lower by \$180 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by \$215 thousand and the Children and TAY FSP programs were lower by \$74 thousand.
- 2 Medi-Cal SGF-EPSTD revenues for fiscal year 2020-21** were lower than budget by \$327 thousand of which \$209 thousand lower were from TCMH and \$118 thousand lower were from MHSA. SGF-EPSTD relates to State General Funds (SGF) provided to the agency for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSTD) to children and youth under 21 years. These funds are in addition to the FFP reimbursed by the federal government.
 - > *Medi-Cal and Medi-Cal SGF-EPSTD revenues are recognized when the services are provided and can vary depending on the volume of services provided from month to month. Projected (budgeted) services are based on estimated staffing availability and the assumption that vacant positions will be filled.*
- 3 Medicare revenues** are in line with the budget. Tri-City records revenue when the services are provided and the claims are incurred and submitted.
- 4 Grants and contracts** are higher than budget by \$58 thousand. Grants and Contracts are \$51 thousand higher for TCMH and \$7 thousand higher for MHSA. At TCMH, the higher revenues were due to the Measure H program which provides housing assistance to those who are at risk of homelessness in the three cities. At MHSA, the higher grants and contracts amount represents the Clifford Beers Housing's share of cost for funding a Residential Services Coordinator position to provide on-site services to all residents at the Holt Avenue Family Apartments.
- 5 Rent Income** was lower than the budget by \$5 thousand. The rental income represents the payments collected from the tenants staying at the Tri-City apartments on Pasadena and at the MHSA houses on Park Avenue and Baseline Rd.
- 6 Provision for contractual disallowances** for fiscal year 2020-21 is \$102 thousand lower than budget due to lower revenues.

Operating Expenses

Operating expenses were higher than budget by \$61 thousand for the following reasons:

- 1 Salaries and benefits** are \$208 thousand lower than budget and of that amount, salaries and benefits are \$92 thousand lower for TCMH operations and are \$116 thousand lower for MHSA operations. These variances are due to the following:
 - TCMH** salaries were lower than budget by \$36 thousand. Direct clinical salaries were lower than budget by \$95 thousand, support services and administrative salaries were higher than the budget by \$59 thousand. Benefits are lower than budget by \$56 thousand due to lower various insurances.
 - MHSA** salaries are lower than budget by \$125 thousand. The direct program salary costs are lower by \$74 thousand due to vacant positions and the administrative salary costs are lower than the budget by \$51 thousand. Benefits are higher than budget by \$9 thousand. Of that, retirement contribution costs are higher by \$128 thousand due to the annual payment of the CalPERS unfunded accrued liability in July. The higher cost was offset by lower health insurance, workers compensation insurance and state unemployment insurance.
- 2 Facility and equipment operating costs** were lower than budget by \$109 thousand. Facility and equipment operating costs were \$41 thousand lower for TCMH and \$69 thousand lower for MHSA.
- 3 Client program costs** are higher than the budget by \$463 thousand due to timing. This included a payment of \$396 thousand to the City of Pomona, Hope for Home Year-Round Emergency Shelter for which the amount was budgeted and spread out throughout the fiscal year.
- 4 Grants for fiscal year 2020-21** awarded under the Community Wellbeing project are higher than budget by \$3 thousand due to timing.

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
THREE MONTHS ENDING SEPTEMBER 30, 2020**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CAP/TECH PROGRAMS)

- 5 **MHSA learning and training costs** are lower than the budget by \$3 thousand.
- 6 **Depreciation** is higher than budget by \$26 thousand.
- 7 **Other operating expenses** were lower than budget by \$109 thousand of which \$34 thousand lower was from TCMH and \$75 thousand lower was from MHSA. At TCMH, personnel recruiting fee, attorney fee and professional fees are all lower than the budget. For MHSA, professional fees are lower than the budget by \$63 thousand, attorney fees are lower by \$15 thousand, personnel recruiting fees and transportation costs are lower by \$13 thousand. These lower costs are offset by higher security expense.

Non-Operating Revenues (Expenses)

Non-operating revenues, net, are lower than budget by \$629 thousand as follows:

- 1 **TCMH non-operating revenues** are \$425 thousand higher than the budget. Of that, realignment fund is higher than the budget by \$440 thousand. Interest income netted with interest expense is lower by \$7 thousand. and Housing and Community Development revenue is lower by \$8 thousand. In August, Tri-City refunded the amount to the California Department of Housing, the un-used balance of the original \$100 thousand funded to Tri-City for the No Place Like Home project.
- 2 **MHSA non-operating revenue** is \$1 million lower than the budget. In accordance with Government Accounting Standards Board, MHSA funds received and available to be spent must be recorded as non-operating revenue as soon as the funds are received. Funds are available to be spent when an MHSA plan and related programs have been approved and the proposed expenditures for those programs have been approved through an MHSA plan, MHSA update, or State Oversight and Accountability Commission.

The differences in actual to budget are broken out as follows:

	Actual	Budget	Variance
CSS funds received and available to be spent	\$ 10,712,194	\$ 10,712,194	\$ -
PEI funds received and available to be spent	1,198,791	2,217,534	(1,018,743)
WET funds received and available to be spent	-	-	-
CAP/TECH funds received and available to be spent	-	-	-
INN funds received and available to be spent	316,438	316,438	-
Non-operating revenues recorded	<u>\$ 12,227,423</u>	<u>\$ 13,246,166</u>	<u>\$ (1,018,743)</u>

CSS and INN recorded revenues are in line with the budgets.

PEI recorded revenue is lower than budget by \$1 million. The difference is due to the amounts received and available for the PEI plan through September 2020. The additional funds received during the fiscal year 2020-21 will be recorded as revenue up to the budgeted amount.

Interest income for MHSA is lower than budget by \$35 thousand.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

	PERIOD ENDED 9/30/20			PERIOD ENDED 9/30/19		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
REVENUES						
Medi-Cal FFP, net of reserves	\$ 879,279	\$ 774,617	\$ 1,653,896	\$ 883,407	\$ 710,249	\$ 1,593,656
Medi-Cal SGF-EPSDT	174,597	133,818	308,415	253,602	194,329	447,931
Medicare	168	391	560	310	607	917
Realignment	1,353,555	-	1,353,555	913,838	-	913,838
MHSA funds	-	12,227,423	12,227,423	-	10,649,347	10,649,347
Grants and contracts	124,402	7,267	131,669	986	7,267	8,252
Housing & Community Dev.-NPLH	(8,000)	-	(8,000)	-	-	-
Patient fees and insurance	90	-	90	835	-	835
Rent income - TCMH & MHSA Housing	5,950	25,269	31,219	8,098	22,887	30,986
Other income	403	210	612	440	187	627
Interest Income	9,810	47,939	57,749	27,405	138,308	165,713
Total Revenues	2,540,254	13,216,934	15,757,188	2,088,921	11,723,181	13,812,102
EXPENSES						
Salaries, wages and benefits	1,993,176	3,150,048	5,143,224	1,703,415	2,753,162	4,456,578
Facility and equipment operating cost	134,876	298,247	433,123	200,536	310,244	510,780
Client lodging, transportation, and supply expense	70,663	732,858	803,521	35,388	156,692	192,080
Depreciation	35,034	103,434	138,468	21,618	87,759	109,377
Interest expense	10,219	-	10,219	10,592	-	10,592
Other operating expenses	121,976	315,672	437,648	181,986	319,450	501,436
Total Expenses	2,365,945	4,600,259	6,966,204	2,153,536	3,627,307	5,780,842
INCREASE (DECREASE) IN NET POSITION	174,310	8,616,675	8,790,985	(64,615)	8,095,874	8,031,259
NET POSITION, BEGINNING OF YEAR	3,879,375	22,645,870	26,525,245	3,229,029	21,242,083	24,471,112
NET POSITION, END OF MONTH	\$ 4,053,685	\$ 31,262,545	\$ 35,316,230	\$ 3,164,414	\$ 29,337,957	\$ 32,502,371

NOTE: This presentation of the Change in Net Assets is NOT in accordance with GASB, but is presented only for a simple review of Tri-City's revenue sources and expenses.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

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**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

**TO: Governing Board of Tri-City Mental Health
Toni Navarro, LMFT, Executive Director**

FROM: Nancy Gill, Chief Operations Officer/ HIPAA Privacy Officer

SUBJECT: Monthly Operations Report

REQUEST FOR PROPOSALS (RFP)

An RFP for security guard services was posted to Tri-City's website on November 5, 2020. The award of contract will be presented to the Governing Board at its meeting in December. Tri-City locations included in the RFP for the security guard services are as follows:

- 2001 N. Garey Avenue, Pomona, CA 91767 – MHSA Building
- 2008 N. Garey Avenue, Pomona, CA 91767 – Adult Outpatient Clinic and Therapeutic Community Garden
- 1403 N. Garey Avenue, Pomona, CA 91767 – Wellness Center
- 1900 Royalty Drive, Suites 160,170,180,205,280 & 290, Pomona, CA 91767

An RFP will be posted for janitorial services for all Tri-City owned and leased properties next month.

LIFE PROGRAM

We are happy to announce that Tri-City's application was approved for the LIFE (Low Income Fare is Easy) Program. The LIFE program will assist our clients, without other transportation resources, get access to free transportation. International Institute of Los Angeles (IILA) serves as the Administrator for this program that is funded through a grant with Los Angeles County Metropolitan Transportation Authority. The LIFE program offers long term and short term transportation assistance to low income families residing in Los Angeles County. Assigned Tri-City program staff will attend mandatory training this month and will meet with IILA management to begin the process of determining eligibility and enrolling clients for bus passes.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Center
Toni Navarro, LMFT, Executive Director

FROM: Angela Igrisan, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

ACCESS TO CARE

The Access to Care team processed a total of 203 service requests for adults in the month of October. This amount is an increase of 7% from October of 2019. In terms of request type, 17 were walk-in service requests, 178 were called-in (88%), there were 7 SRTS referrals, there were no in-writing referrals and 1 FSP/FCCS referral. There was a total of 29 service requests that were hospital discharges.

As for the Children's location, there was a total of 75 service requests received at the Royalty location for children and TAY in the month of October. This amount is an increase of 8% from October 2019. Of the 75 service requests, 1 was a walk-in, 28 were called-in, 42 were in-writing referrals, 0 FSP referral and 4 SRTS referrals. There were 2 hospital discharges.

There appears to be a slight increase in the number of people identifying as homeless at the time of the service request. For adults, a full 39% of the people requesting services identified as homeless. In the youth population including the Transitional Aged Youth, 9% identified as homeless at the time of the service request.

CHILD AND FAMILY TEAM

This month there was a total of 22 FSP intakes (13 Child, 9 TAY). This is the highest number of FSP intakes completed in a month within that past year. 8 referrals were for TAY-age FSP and 14 referrals were for the child-age FSP.

The School Partnership team again saw an increase in referrals to a total of 43. Of those referrals, 32 were from Pomona USD, 9 from Claremont USD, 1 from Bonita USD, and 1 from the School of Arts.

The Child and Family unit is experiencing a challenge recruiting supervisors. Right now, there are two openings and there have not been any applicants for many months. The Manager will be working with Human Resources to problem solve strategies for effective recruitment.

CLINICAL WELLNESS ADVOCATES

The CWA team has been participating in a number of collaborative events. Specifically, they have been finishing off participation with the CalMHSA “Tech Suite” effort, CAMHPRO Regional Peer Forum, Forensic treatment development, and continuing help at the state “Project Room Key” effort in Pomona. They have also been shoring up their internal relationships by providing trainings to staff in a variety of departments entitled “Who are CWAs and What CWAs Do” along with robust participation in the Substance Abuse change team and the African American Family Wellness Advisory group. The community and the agency appreciate this participation.

These activities are over and above the work that they complete every day. In October, 148 people received help from the CWA team. This adds up to 449.28 service hours in October.

THERAPEUTIC COMMUNITY GARDEN

For many community members, the accessibility to fresh produce has become more challenging during the pandemic. As a result, the TCG team developed a new program called “Food Insecurity Program” which partners with local resources and provides food to Tri-City MH participants. The team is excited to provide a small portion of fresh fruits and vegetables from the garden’s harvest to those who need it including apples, pomegranates, and Thai basil.

Earlier in the year our external partners at Cal Poly Pomona’s Veterans Resource Center (CPP VRC) contacted TCG to participate in their first virtual Future Forward Event October 9th. Historically, TCG has joined CPP VRC for these events, however this was previously an in-person event where we tabled, offered fresh fruit/veggies and TCG schedules to students interested in our programming. The virtual fair looked very different for everyone involved. With the help of Kimberlin Katayama, VRC Assistant Coordinator, TCG took a couple weeks to prepare, build a virtual ‘booth’ for the event and gather resources for the community. Patti Kears, Sr. Human Resources Analyst and Gabriela Cruz MHSA, Community Navigator also were invited to table this event by TCG in order to present the community more robust options when it comes to Tri-City and the many programs we have to offer. TCG looks forward to connecting to the VRC again in the future, as well as connecting with other partners in the community to spread the word about therapeutic horticulture.

SUCCESS STORY-Adult Outpatient

When Tri City staff first met this person, she expressed a high number of concerns - paranoid, delusional, seeing things, hearing things, and could not hold down a job- a whole host of issues. Her family was quite concerned.

**Governing Board of Tri-City Mental Health
Toni Navarro, LMFT, Executive Director
Monthly Staff Report of Angela Igrisan
November 18, 2020
Page 3**

Two years later, after consistent attendance to individual therapy, this person had quite a turn around. She has been committed to taking her medications, got hired for a part time job, was offered and accepted a part time management position, and was offered another full-time management position recently.

She says her partner/family have all noticed her progress and are proud of her. They have been a part of her positive support system and she has allowed them to help. Client tells her therapist that she does not experience psychotic symptoms as much anymore and is working with her psychiatrist to continue tapering down her medications. Tri City staff appreciate how much effort she has put into her own progress and goals!



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority
Toni Navarro, LMFT, Executive Director

FROM: Dr. Seeyam Teimoori, Medical Director

SUBJECT: Medical Director's Monthly Report

**TRI-CITY'S AFRICAN AMERICAN FAMILY WELLNESS ADVISORY COMMITTEE
HOSTED A WEBINAR ON MENTAL HEALTH AND WELLNESS IN THE AFRICAN
AMERICAN COMMUNITY**

Those who identify as African American/Black represent approximately 13.4 percent of the United States population. Data shows that African Americans are living longer. The death rate for African Americans has declined about 25% over 17 years, primarily for those aged 65 years and older.

However, even with these improvements, new analysis shows that younger African Americans are living with or dying of many conditions typically found in White Americans at older ages. The difference shows up in African Americans in their 20s, 30s, and 40s for diseases and causes of death. When diseases start early, they can lead to death earlier. Chronic diseases and some of their risk factors may be silent or not diagnosed during these early years. Health differences are often due to economic and social conditions that are more common among African Americans than whites. For example, African American adults are more likely to report they cannot see a doctor because of cost.

To discuss these important disparities within our community, on November 10th, Tri-City's African American Family Wellness Advisory Council hosted a webinar on Mental Health and Wellness in The African American Community. Three panelists (Seeyam Teimoori, MD, Oluwole Olusola, MD and Allen E. Lipscomb, PsyD) presented wide range of facts on related topics such as statistics on higher prevalence of different medical problems and overall death rate in African American population compared to White Americans, and ways in which the federal government, health care professionals, community organizations and public health professionals can help resolve these disparities. Also, mental health challenges prevalent among African American and current trends for psychotherapy treatment and services were discussed.

Later, Dr. Oluwole Olusola passionately shared his experience as an African American psychiatrist going through horrible discrimination while being in residency training as a young physician who came from life and professional experiences in UK, Nigeria and the Caribbean, how his experience changed him and how he was able to overcome all these difficulties. His story was met with strong positive reactions from the audience.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Authority
Toni Navarro, LMFT, Executive Director

FROM: Rimmi Hundal, Director of MHSA & Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

ETHNIC SERVICES

The African American Family Wellness Advisory Council's (AAFWAC) virtual community townhall took place on Tuesday, November 10, 2020 at 6:00 pm and was attended by 21 individuals. It featured guest panelists Dr. Allen Lipscomb (Psychologist and Professor from CSUN), Dr. Olusola (Psychiatrist from Tri-City) and Dr. Teimoori (Medical Director from Tri-City) and focused on the impact of mental health on physical health among the Black/African American community.

During the meetings in October and November the participants of the three advisory councils (¡Adelante! AAFWAC and LGBTQ+) were provided the Tri-City Cultural Competence Focus Group questionnaire. Participants were given the opportunity to share their thoughts and provide vital feedback about mental health and the cultural capacity of Tri-City services as it relates to their identified cultural background

MHSA COMMUNITY PLANNING PROCESS

The MHSA Community Planning Survey continues to be a focus for outreach during the month of October. This annual survey is presented to staff, clients, community members and local providers with the goal of encouraging feedback regarding the needs of the community as well as the potential to identify gaps in service. Survey results will be shared with community stakeholders during the January stakeholder meeting and incorporated into the MHSA Annual Update for FY 2021-22. This survey is just one of many opportunities where stakeholders are able to share their voice regarding the needs of the communities.

PREVENTION AND EARLY INTERVENTION (PEI)

Peer Mentors

Peer mentor and program staff created the following virtual wellness roundtables:

- 1) Stronger Together in Recovery, focusing on individuals recovering with life stressor while focusing on positive coping skills;

- 2) Let the Music and Lyrics Speak, focusing on sharing current life experiences through music and poetry; and
- 3) Art Through Your Lens, focusing on expressing thoughts through various arts and crafts activities.

All virtual wellness roundtables will be conducted via RingCentral and will take place in the month of November and December to help combat the holiday blues, life stressors and physical distancing due to COVID-19.

Program staff connected with a peer mentor, who is a Vietnam Veteran to research and create a presentation titled Veterans and Mental Health, focusing on mental health themes, mental wellbeing and shared lived experience. The webinar was for both staff and community members and was held on November 5th.

All webinars presented in November will be archived on Tri-City's website and available for future viewing.

COMMUNITY NAVIGATORS

In the month of October, the Community Navigator Program successfully placed three families in permanent housing. Two of the families had been receiving on-going case management support after receiving assistance with emergency shelter through Measure H. Once housing was identified, both families were assisted with their security deposits through the Tri-City Measure H prevention funds. The third family was a referral from the City of Pomona, the family was having a difficult time finding housing because they did not have paystubs that showed their proof of income but Navigators worked with a landlord who was open to working with the family. The Community Navigator Measure H program assisted the family with the move-in cost and the first month's rent.

Also through the Measure H collaborative, the Community Navigator Program assisted a family with a rental subsidy as they had lost two family members due to COVID-19 and that caused them to fall behind on their rent. The family continues to receive case management services in order to maintain their housing.

WELLNESS CENTER

The senior programming staff continue hosting a Spanish language support group for the seniors that go to Washington Park in Pomona. Staff also held a senior event on October 30th to celebrate the Fall season. There were 19 seniors that registered and attended the event. Feedback received from the participants was positive and they mentioned that they thoroughly enjoyed participating in the event.

Each year the Wellness Center does an event called, “Bye Bye Butts” which is an anti-smoking campaign. Research shows that smoking/nicotine reduces the effectiveness of psychotropic medications for mental health patients. Due to Covid-19, we are unable to host an event in person this year but we are partnering with the National Council on Alcoholism and Drug Dependence by hosting three webinars on the effects of smoking and prevention on November 19th via Zoom.

INNOVATION

The recruitment process for the new Innovations Coordinator is now complete. Tri-City has extended an offer to an individual with extensive experience with community engagement and the ability to communicate effectively with community members and partners. Tri-City is excited to welcome this new addition to the MHSA team.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: November 18, 2020

TO: Governing Board of Tri-City Mental Health Center
Toni Navarro, LMFT, Executive Director

FROM: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Monthly Best Practices Report

COMPLIANCE & BEST PRACTICES

The manager of Best Practices and Quality Improvement team supervisor have made further developments with launching the new ad hoc Quality Improvement Committee. The overall objective of this ad hoc Quality Improvement Committee is to generate ideas and work towards resolutions related to COVID-19 modified operations. However, the more specific primary goal of the committee is to identify and implement methods to anchor and uphold quality of care and efficiency of workflow in a multi layered operations structure that includes all of the following: field work, office work, remote work, face to face meetings & services, video conference meetings & services, as well as telephone meetings & services.

AUDITS, DATA, MONITORING & EVALUATION

Documentation Procedures

The Quality Assurance Team (QA) is in the process of updating the *Notice to Psychotherapy Clients* form for student interns, as well as updating telehealth forms for Tri-City Community Garden (TCG) services. The QA team continued to work with our electronic health vendor (Welligent) and the Access to Care team on State and County requirements for direct data submissions of Service Request Logs (SRL) and Client and Service Information (CSI). The QA team also continued to work on the development of transitioning documentation training for new clinical hires into a virtual training format.

Documentation Reviews

The Quality Assurance Team (QA) continued to complete standard chart reviews to continually monitor and assess the quality of services and documentation.

Data Quality Reviews

The Quality Improvement Team (QI) continued to provide reports to various programs to help monitor the data quality of information entered in the Electronic Health Record and program databases. This helps ensure that the data is complete and correct for program reports.

Data Collection, Analysis and Reporting

The Annual MHSA Program Summary Reports were finalized and sent to each MHSA program lead, for review and approval. These reports are used to provide valuable outcome data concerning each MHSA program, such as: individuals served, participation reach, program impact, program successes, and service utilization with underserved and target populations. Outcomes are used for transparency, accountability, quality improvement, and planning.

Additionally, the QI team collaborated with the Ethnic Services Manager to develop and administer a survey to better understand staff members comfort, knowledge, and support for working with BIPOC (Black, Indigenous, and People of Color) and LGBTQ+ communities. The QI Team analyzed results and provided a survey report to the Ethnic Service Manager. Below are highlights of the findings:

- 86% of staff respondents agreed that groups with various cultural differences, experiences, and backgrounds are respected at Tri-City”.
- 64% of staff respondents selected the option, “saying the wrong thing” is a reason prevents them from initiating meaningful and sometimes difficult conversations about racism and discrimination.
- 67% of staff respondents selected the option: ‘Training’: as a strategy that they felt Tri-City needs to implement to focus on BIPOC and LGBTQ+ communities.
- Other strategy options included: Developing partnerships with community organizations (selected by 66% of staff respondents), facilitating ongoing internal learning (selected by 61% of staff respondents), and initiating community roundtables (selected by 56% of staff respondents).

Results from this survey served to identify and target cultural humility training needs and develop essential topic areas for the Cultural Competency training series that commenced in November.

TRAININGS & IN-SERVICES

In-Service Training:

For the month of October there were no clinical in-service trainings.

New Employee Training:

Four documentation trainings were held throughout the month of October for new employees in the clinical department. Three staff completed the 12-session documentation training course, in the month of October. No new staff joined documentation training for the month of October. Lastly, three new staff attended a two-day training that focused on providing a comprehensive overview of the electronic health record. Quality Assurance Team continues to provide trainings through online virtual formats.