

**MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)**

1.	County/City:	Santa Barbara
2.	POC Submitted for:	MHSA Fiscal Audit
3.	Date of Audit/Performance Review	8/16/23
4.	Name of Preparer:	Christie Boyer
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	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
7.	Finding #1	FINDING NO. 1: NON-SUPPLANT COMPLIANCE According to W&I Code 5891 (a) and CCR, Title 9, Section 3410, MHSA funds may only be used to expand mental health services. CCR, Title 9, Section 3410 (a) requires that "Funds distributed under this chapter	The County should develop and implement policies and procedures to review its contracted services and funding sources to ensure MHSA funds are expended in accordance with non-supplant requirements.	The County adopted a policy to ensure that MHSA funds are expended in accordance with non-supplant requirements. Please refer to the enclosed policy 19.008 MHSA Non-Supplant Compliance Policy.	Approved

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		should not be used to provide mental health programs and/or services that were in existence in November 2, 2004". Audits selected and reviewed the County's contracted Legal Entity (LE) 00108 and it did appear that the County used MHSA funds for this contractor's existing services. LE 00108 had mental health services in existence in the 2004 base year, but in the current audit year all of this LE's services were funded by MHSA.			

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		County did not provide any explanation for the above finding. CONCLUSION Santa Barbara County used MHSA funds to supplant funding of existing mental health services.			
8.	Finding #2	FINDING NO. 2: MHSA EXPENDITURE REPORTING Pursuant to the MHSA shall be utilized to expand mental health services, only be used to pay for authorized programs (MHSA program components established in W&I Code Sections 5890 and 5892), and expenditures	1. The County should carefully review the SD/MC cost report's Medi-Cal adjustments and include only those costs that are part of the MHSA program and approved three year plan or update. 2. When MHSA funds are used to expand existing Medi-Cal services and funds are used as the	The County will ensure that MHSA funds are used exclusively for MHSA programs and associated costs as outlined in the three plan or update. Regarding the lobbying portion of membership dues, the County will allocate local funds to cover these expenses.	Approved

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		<p>shall be based on the county mental health program’s approved three-year program and expenditure plan or annual update (W&amp;I Code Section 5891).</p> <p>The County did not report expenditures based on the above requirements. Total expenditures reported on the RER included costs that were adjusted out of the SD/MC Cost Report because those costs are not allowable under the Medi-Cal Program. There self-reported SD/MC Cost Report</p>	<p>local match, federal regulations must be followed. In the case where the MHSA clients are eligible for Medi-Cal, Federal Financial Participation (FFP) may be claimed and MHSA funds used as the local match, which means federal regulations must be followed.</p>		

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		adjustments related to nonallowable activities, such as political and lobbying activities, are not specifically MHSA program component costs. When MHSA funds are used as local match, they should only be applied to allowable Medi-Cal costs. Further, political and lobbying costs are specifically excluded from all State contracts. County's reasoning is those costs are not reimbursable under federal guidelines, but State funding sources do not have the same federal restrictions.			

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		<p>Further, County also believed the RER is a State report, and federal regulations do not apply to MHSA. It is important to point out costs that are not reimbursable in SD/MC does not mean it is automatically reimbursable in MHSA. Non-allowable costs under the Medi-Cal Program are likely to be non-allowable under MHSA.</p> <p>CONCLUSION                      Santa Barbara County has not correctly reported only authorized, allowable,</p>			

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		and approved MHSA expenditures on the RER. Related audit adjustments one and two to the RER are proposed.			
9.	Finding #3	<p><b>FINDING NO.3: REVENUE AND EXPENDITURE REPORT (RER) FILING REQUIREMENTS</b></p> <p>The County was required to submit and certify a complete and accurate RER for this fiscal year by January 31, 2016 (W&amp;I Code Section 5899(a) and CCR, Title 9, Section 3510(a))</p> <p>The County submitted this fiscal year’s RER on</p>	<p><b>RECOMMENDATION</b></p> <p>County should ensure future fiscal years' RER are submitted with complete fiscal certification forms by the due date.</p>	<p>The RER submission for this fiscal period was delayed due to issues with the State issued RER template. The County has filed the RER timely in all years that were not impacted by the template error.</p>	Approved

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		<p>May 17, 2017 with a completed certification form indicating a May 23, 2017 signature date.</p> <p>CONCLUSION            Based on the above findings, Santa Barbara County did not meet the required submission and certification due date of January 31, 2016.</p>			

## **MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)**

Instructions: Complete the MHSA Plan of Correction (POC) to address Findings from the Fiscal Audit Report or Performance Review Report.

Row 1: Enter County/City name.

Row 2: Select from the drop down menu if this POC is submitted in response to a Fiscal Audit or a Performance Review.

Row 3: Enter the date that the Fiscal Audit or Performance Review was conducted.

Row 4: Enter the name of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 5: Enter the contact email address of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 6: Enter the contact telephone number of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Rows 7-28, Column A: Enter the number of the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column B: Enter the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column C: Enter the specific recommendation from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column D: Enter the description of the actions taken to correct the Finding. Must include 1) timeline for implementation and/or completion of actions; 2) proposed (or actual) evidence of correction to be submitted to DHCS.

This completed form must be submitted to [MHSA@dhcs.ca.gov](mailto:MHSA@dhcs.ca.gov).