



## City Council Report

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Sacramento, CA 95814

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**File ID:** 2019-00792

June 4, 2019

**Consent Item 15**

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**Title:** Approvals for Implementation of Pathways to Health + Home Program

**Location:** Citywide

**Recommendation:** Adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) increase revenue and expenditure budgets for Operating Program (Fund 2702) in the Whole Person Care Program (I02000900) in the amount of \$1,115,667, for a new total of \$5,376,217, for receipt of the Intergovernmental Transfer match from the Department of Health Care Services for Pathways Program Year 4.1 (PY 4.1).

**Contact:** Emily Halcon, Homeless Services Coordinator, (916) 808-7896; Anira Khlok, Homeless Services Program Analyst, (916) 808-7948, Office of the City Manager

**Presenter:** None.

**Attachments:**

1-Description/Analysis

2-Resolution

## Description/Analysis

**Issue Detail:** In June 2017, the City of Sacramento was accepted into the State Department of Health Care Services' (DHCS) Whole Person Care (WPC) program. WPC is a statewide Medi-Cal waiver program that allows communities to create a system of supportive services aimed to improve health outcomes and reduce utilization of high-cost services for vulnerable populations. In Sacramento, the WPC program is called the Pathways to Health + Home (Pathways) program and will support broader City strategies to reduce and prevent homelessness, by creating a robust system of outreach, case management and supportive services for those frequent users of health care, homeless services, and emergency services.

Pathways is currently in Program Year 4 (PY 4) which began on January 1, 2019 and ends on December 31, 2019. Program Year 5 (PY 5) will run from January 1, 2020 through December 31, 2020. As of April 15, 2019, Pathways had 634 individuals enrolled and had served a total of 1,186 individuals through the life of the program. A total of 69,005 services, including outreach, navigation, care coordination, and housing support, have been provided to the community. Additionally, Pathways has housed a total of 278 individuals. Pathways is collaborating with over 20 health care, housing, and social service providers to ensure continuity of care for program enrollees and is continuing to explore other partnerships.

The City is required to provide local funding for each Program Year of Pathways, and the local funding is then matched with federal dollars from the Centers for Medicare and Medicaid Services (CMS). CMS provides match funding to DHCS, who then funnels the match funds to the City by way of Intergovernmental Transfer (IGT).

For PY 4 from January through December 2019, local health partners have agreed to provide Pathways funding in the following amounts: Sutter Valley Hospitals committed to \$2,010,550; Dignity Health committed to \$1,500,000; UC Davis Health committed to \$250,000; and Kaiser committed to \$500,000. Local health partner funding for PY 4 will thus total \$4,260,550. Local health partner funding for PY 4 will be made in two equal installments: one for the first half of PY 4 (called PY 4.1) and one for the second half of PY 4 (called PY 4.2).

Due to a need for additional Pathways program services than originally anticipated, the City also contributed \$1,115,667 in General Funds and external donations that will be used for PY 4.1 services (for a total of \$3,495,942 for PY 4.1) in addition to the above-mentioned local health partner funding. Because the local funding amount will be increased, the amount of matching funds received from DHCS will be higher than anticipated and the Pathways program budgets must be adjusted accordingly.

On December 18, 2018, City Council approved the Pathways revenue and expenditure budgets for PY 4 in Operating Grant Fund (2702) in I02000900 in the total amount of \$4,260,550, but such amount did not account for the increased match funds that will be received due to the City's General Fund contribution.

Accordingly, City staff is now seeking Council approval to increase the PY 4 revenue and expenditure budgets in Operating Grant Fund (2702) in I02000900 by \$1,115,667 to account for the increased match funds that will be received from DHCS. The new total amount for PY 4 will be \$5,376,217.

This budgetary authority will enable the City to enter into service contracts with existing partners to continue delivering healthcare, housing, outreach, and medical respite services. The amount of match the City will receive from DHCS is tied to the volume of services delivered in a program year.

**Policy Considerations:** The Pathways program aligns with the federal directive and City commitment that funding for addressing homelessness follow a "housing first" approach, which offers permanent housing as quickly as possible for individuals and families experiencing homelessness. In housing first programs, supportive services are offered (but not required as a condition of tenancy) to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento. Partnering with other agencies to leverage resources and improve livability is consistent with the City Council's past actions and current direction.

**Economic Impacts:** None.

**Environmental Considerations:** The actions specified in this report do not constitute a "project" under the California Environmental Quality Act (CEQA) because they are continuing administrative activities and amount to general policy and procedure making [CEQA Guidelines section 15378(b)(2)].

**Sustainability:** Not Applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The Pathways program is an opportunity for a community to transform healthcare and housing systems serving vulnerable populations by aligning services and data through performance-based contracts. Service providers have extensive experience working in Sacramento and providing services and support to vulnerable populations. The Pathways program offers an opportunity to leverage the experience and expertise of these

organizations in a large, collaborative program that aims to change the way services are delivered in Sacramento. While Pathways is currently only funded through December 31, 2020, a key goal of Pathways is to achieve long-term sustainability and continue program services after the program sunsets.

**Financial Considerations:** The City originally anticipated that its PY 4.1 match funds would total \$2,380,275. However, on May 17, 2019, the City submitted an Intergovernmental Transfer (IGT) in the amount of \$3,495,942 to the DHCS for the City's non-federal payment for the WPC Pilot for Program Year 3 (01/01/2018-12/31/18) for the approved Annual Invoice period of July 1, 2018 to December 31, 2018. In addition to the anticipated local health partner contribution of \$2,380,275, the City contributed \$1,115,667 in General Funds. Therefore, the anticipated matching funds to be used in PY 4.1 are now \$3,495,942, but the Program revenue and expenditure budgets approved by City Council on December 18, 2018 currently only reflect \$2,380,275 for PY 4.1. Accordingly, staff recommends increasing revenue and expenditure budgets by \$1,115,667 in the Whole Person Care Program (I02000900) in the Operating Grants Funds (2702) for receipt of additional DHCS matching funds that will be used for PY 4.1 services.

**Local Business Enterprise (LBE):** All the Pathways service partners are local businesses with established operations in Sacramento and have a history of serving Sacramento's medically fragile and homeless populations.

## RESOLUTION NO. 2019-

Adopted by the Sacramento City Council

June 4, 2019

### Approvals for Implementation of the Pathways to Health + Home Program

#### BACKGROUND

- A. On June 13, 2017, City Council authorized execution of an agreement between the City and the State of California's Department of Health Care Services (DHCS) to design and implement a Whole Person Care program, locally called Pathways to Health + Home (Pathways).
- B. The Pathways program is a multi-year program running through December 31, 2020 that provides federal matching dollars for the development of local programs that coordinate health, behavioral health, and social services for vulnerable Medi-Cal populations.
- C. Sutter Valley Hospitals committed to supporting the Pathways program with an Intergovernmental Transfer (IGT) contribution of \$7,036,925 over three and a half years. City Council authorized receipt of IGT funds on March 20, 2018 and subsequently approved an alignment contract on April 25, 2018 for the partner's commitment to providing services to program enrollees via existing programs and through Pathways.
- D. Dignity Health committed to supporting the Pathways program with an IGT contribution of \$5.25 million over three and a half years. City Council authorized receipt of IGT funds on March 20, 2018 and subsequently approved an alignment contract on April 25, 2018 for the partner's commitment to providing services to program enrollees via existing programs and through Pathways.
- E. UC Davis committed to supporting the Pathways program with an IGT contribution of \$750,000 over three years. City Council authorized receipt of these funds for the IGT on July 24, 2018 and subsequently approved an alignment contract on October 1, 2018 for the partner's commitment to providing services to program enrollees via existing programs and through Pathways.
- F. City Council approved an \$8 million revenue and expenditure budget in the Operating Grant Fund (Fund 2702) in I02000900 for the IGT participation with DHCS for FY2017/18 on June 13, 2018 (Resolution No. 2017-0254).
- G. City Council approved a \$2,206,918 revenue and expenditure budget increase in the

Operating Grant Fund (2702) in I02000900 for receipt of Intergovernmental Transfer match from the Department of Health Care Services for new or extended service contracts for Program Year 4.

- H. City Council approved a \$4,260,550 revenue and expenditure budget increase in Operating Grant Fund (2702) in I02000900 for contributions to the Pathways program from local health partners on December 18, 2018. The City anticipated receiving \$2,380,275 in match from DHCS based on the table below for PY 4.1

<b>Intergovernmental Transfer (IGT) Payment Structure for Program Year 4</b>		
Program Year (PY):	PY4.1	PY4.2
Corresponding Fiscal Year:	FY 18/19	FY 19/20
Period of:	Jan-Jun 2019	Jul-Dec 2019
Sources of Local Matching Funds (Local IGT Entities)*		
1)Kaiser	\$ 500,000.00	
2)Sutter	\$ 1,005,275.00	\$ 1,005,275.00
3)Dignity	\$ 750,000.00	\$ 750,000.00
4)UC Davis Health	\$ 125,000.00	\$ 125,000.00
Total Local IGT Contribution	\$ 2,380,275.00	\$ 1,880,275.00
Total Local IGT Contribution for Program Year 4	\$	4,260,550.00
*Local IGT contributions are confirmed through existing contractual agreements between the City of Sacramento and entities 2,3,4. The City of Sacramento will apply for a grant with entity 1 to secure local contribution.		

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Manager or the City Manager’s designee is authorized to increase revenue and expenditure budgets for Operating Program (Fund 2702) in the Whole Person Care Program (I02000900) in the amount of \$1,115,667 for receipt of the Intergovernmental Transfer match from the Department of Health Care Services for new or extended service contracts remaining Program Year 4 costs.

**Table of Contents:**

Adopted by the City of Sacramento City Council on June 4, 2019, by the following vote:

Ayes: Members

Noes: None

Abstain: None

Absent:

Attest:

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Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*