

## Executive Committee Meeting Notes

**Date:** October 15, 2020  
**Time:** 1:00pm - 2:00pm  
**Location:** Via Zoom

### Committee Members in Attendance

- Chad Augustin, Deputy Fire Chief, Sacramento Fire Department
- Jaycob Bytel, Deputy Chief of Staff, Office of the Mayor, City of Sacramento
- Chris Conlin, Assistant City Manager, City of Sacramento
- Bridgette Dean, Social Service Administrator, Sacramento Police Department
- Emily Halcon, Homeless Services Manager, City of Sacramento
- Leyne Milstein, Assistant City Manager, City of Sacramento

### Pathways Support Team in Attendance

- Lisa Chan-Sawin, Transform Health
- Gretchen Schroeder, Transform Health
- Alexis Sabor, Transform Health
- Rochelle Mulondo, Transform Health

### Welcome and Introductions

- Lisa Chan-Sawin: Thanks for joining us. We are focusing today's meeting on a funding plan for next year. Do we need introductions Emily?
- Emily Halcon: No, I think we all know each other.
- Lisa Chan-Sawin: Sounds good. Let's jump on in.

### Committee Business

1. Action Item: Approve 7/30/20 Meeting Minutes
  - Emily Halcon: I am not sure if we received the meeting minutes ahead of time?
  - Alexis Sabor: Yes, the meeting minutes were sent from the Pathways inbox yesterday.
  - Lisa Chan-Sawin: We can regroup on those during our next meeting, so you all have a time to review the notes.

### Program Updates

2. Info Item: Dashboard
  - Lisa Chan-Sawin: The dashboard shows that the Pathways program's current enrollment is 912. We checked in with our partners and these enrollment numbers have dipped because we have limited referrals pathways open right now. We are aiming to increase numbers so we can reach

a certain enrollment level by the end of the year. Right now, most of the referrals are coming from ICP+ and hospitals. We have passed the threshold and have permanently housed over 500 individuals.

- Leyne Milstein: Congratulations on passing the 500 threshold!
- Lisa Chan-Sawin: Thank you! Now we are moving on to discussion topics.

#### Discussion Items:

### 3. Transition Planning

- Waiver Extension Updates from DHCS
  - Lisa Chan-Sawin: A lot of great things are happening; the State has submitted a request to Centers for Medicare and Medicaid Services (CMS) to extend the program for a full 12 months. The proposal included everything we expected, we are expecting to get the same allocation of funds that we have right now if we receive the extension. We have been directed to develop a PY6 budget. The State has asked that we add a COVID population or provide COVID services to our current population, the extension request also included funding for health equity work for the Medicaid population. The City can participate in the public hearing process for CMS. Last week, we had a call with Jaycee Cooper (Department of Healthcare Services - DHCS) and she shared that there has been a positive response to the extension request. She said that if CMS does not approve the extension, they will most likely fund some level of ramp down activity and while negotiations take place we can operate regularly, and the City can bill CMS for those costs. We presented the following scenarios to City Council for direction on September 8<sup>th</sup>.
    1. Scenario 1: No State extension - Pathways ends on December 31, 2020;
    2. Scenario 2: State extension approved and executed by the City - Pathways is extended through December 31, 2021;
    3. Scenario 3: Create a middle ground to bridge the uncertainty - the City works with partners to create a bridge program to fund a local transition period in 2021, if the State's waiver extension is not approved.
  - Lisa Chan-Sawin: We want to talk through a funding plan for Scenarios 2 and 3 today. Emily, do you have anything to add before we talk about this?
  - Emily Halcon: We are on track for presenting our decision at the October 27<sup>th</sup> City Council meeting. After we speak today, I will circle back with the City. Subsequent to the meeting, Julia and I had a conversation with the Mayor, and he is very supportive about using funds to bridge as far as we can into next year so there was no gap in services.
- Local Ramp Down Funding Plan
  - Lisa Chan-Sawin: This funding plan is unique because we had to contemplate and plan for two outcomes with a trigger for turning one plan on or off. The two outcomes are that the waiver extension is approved for 12 months or there is no extension, and a local bridge is enacted. Under the first outcome all the hospitals have committed to another year of funding under the current funding level.
  - Emily Halcon: Except Kaiser, they are a different process, so there may still be some room here.
  - Lisa Chan-Sawin: We would like to get some clarity on this item, is the City going to continue providing its contribution of \$1.3 million?

- Leyne Milstein: The City's contribution is an ongoing appropriation so there is no intent that it goes away, we do not expect this funding to stop.
- Emily Halcon: Yes, there was a five-year commitment, but this would be a sixth year so we would like to clarify. I am going to talk to Marian about this. This is general funds already built into the program.
- Leyne Milstein: Right, remind Marian when you talk to her that we do not have it coming out in the out years of the forecast, so I think we are good.
- Emily Halcon: Great, thanks for clarifying, that is super helpful.
- Lisa Chan-Sawin: That was an outstanding question for us for what happens if we get the extension, this will bring us to a full budget in that scenario. This brings us to the other outcome, which is a local bridge scenario. We have landed on a 12-month option given stakeholder responses. Under a 12-month option, we would work with health plans to transition patients into the new successor program by the end of next year. In that scenario, we would use the \$5 million dollars from the bonus augmentation proposal; our goal is to use all this money from the State. We would submit this augmentation proposal to DHCS before Thanksgiving and get a response from the State before contracts go to Council on December 15<sup>th</sup>. However, \$5 million dollars is not enough to fund a full year of the program, so we would still have a program budget a gap of \$2.3 million dollars. We would like to discuss how to fill this gap or not.
- Leyne Milstein: There was a conversation at the last meeting about IGT'ing additional dollars. So, when you reference the \$5 million, would that be sending us the money we got from outside partners, and pulling down an additional \$5 million?
- Emily Halcon: No, this is a scenario, that we think is unlikely, where we do not get any IGT funds and the bridge is fully locally funded. If the program ends, then May is our last IGT and that is a potential source to bridge this gap.
- Leyne Milstein: Okay, good.
- Lisa Chan-Sawin: The goal is for the City not to tap into general funds. If we only have \$5 million and we have a \$2.3-million-dollar gap, we could use the May IGT which leaves a \$500,000 gap. We could also use May IGT proceeds and fill the May IGT gap with \$3.63 million. If the May IGT gap is filled, there will be enough money to fully fund 12-months of the Pathways program at existing levels. This is a decision tree, that outlines these two scenarios if May IGT funds are available then the projected gap is \$500,000 and we can either fill the May IGT, fundraise, or change program service levels. If we cannot use the May IGT then the gap is \$2.3 million, and we have to reduce the number of people in the program or reduce the types of services we provide. There are a lot of tradeoffs with program administration, data management, and service reductions. We also are considering tradeoffs for our providers; we are starting to see limited provider capacity and staff turnover due to the lack of clarity surrounding transition. We hope to provide clarity and support partners so that they feel confident on backfilling their staff.
- Emily Halcon: In the local funding scenario, our City staff roles would not be offset by Whole Person Care administration. We are permanent staff of the City and would still work on the program, but not get an offset.
- Leyne Milstein: I have a brainstorm around that. We can talk about it more later.
- Emily Halcon: Great. If there is an extension, we will get another tranche of offset.

- Lisa-Chan Sawin: There are a lot of unknowns. We are also hearing concerns about public housing options, when Sacramento Housing and Redevelopment Agency (SHRA) sent out a notice regarding vouchers a lot of partners have sent in applications because they are worried about Housing Choice Vouchers (HCV) closing. They have sent in over 200 applications.
- Bridgette Dean: HCV is not permanently closing; they are temporarily closing to catch up on the backlog.
- Lisa Chan-Sawin: That is useful, we have not done any messaging with partners. It has been SHRA messaging to partners but that is good to know.
- Bridgette Dean: I will work with SHRA on messaging but let us be careful with messaging.
- Lisa Chan-Sawin: We are working on data clean up and other items with SHRA and it is going really well, so we can provide updates for you if necessary.
- Bridgette Dean: Great, let me know if you have any speedbumps on this.
- Lisa Chan-Sawin: Thank you Bridgette. This is where we get into the numbers. This is one scenario that considers monthly costs and services for the course of 2021. DHCS has directed us to extend all our contracts at least 12 months and plan on operating the program as is for the first three months of the year.
- Leyne Milstein: Is there any chance, if it is extended, that there will be a ramp down outside of the 12 months?
- Lisa Chan-Sawin: I asked DHCS and they said we should plan to transition everyone in 2021 so that the health plans have time to transition on individuals. We will have to decide how steep of a ramp down we want to do.
- Leyne Milstein: Okay.
- Gretchen Schroeder: These numbers are projections, as a caveat, we do not actually have firm numbers at this time. But the projected May IGT amount is \$19 million, so the gap would be \$3.6 million, if we decide not to fill this gap after we pay back City costs we would have a \$1.7 or \$1.8 million dollars to use for a local bridge, but the costs of our contract would leave us with a half million dollar gap. If we did fill this, we would more than enough money to fill a 12-month bridge and the City would have \$3.5 million left over after we fund the bridge in that scenario.
- Lisa Chan-Sawin: You may remember that in the past May IGT we earned additional revenue but did not have enough local match. That is what this additional \$266,000 represents; these are the dollars that we left on the table. The State said we can claim this \$266,000 in October or in May next year. The scenario you see on the screen does not contemplate the additional \$266,000 that the City has already earned. This next slide adds back this amount into the IGT amount.
- Gretchen Schroeder: This is the same scenario but includes the \$266,000 amount.
- Leyne Milstein: Do future slides have scenarios on how to fill the gap?
- Lisa Chan-Sawin: Yes. As you can see that is going to be a threshold question: first, does the City want to fill the gap and if you do, do you want to claim the \$266,000? Before we get into this discussion, we wanted to report some stakeholder feedback. Here is what we have heard from different stakeholders, we had an anonymous survey and asked them about their concerns around transition and how they define success. This is a summary of their responses. We can share that with you all and Emily will include this

full summary in the staff report for City Council. Their main concerns are funding gaps, data sharing capabilities, keeping enrollee engagement and housing placements. Every single partner voted for the 12-month scenario not the six- or nine-month scenario. This is an overview of the slides we presented at Steering and this timeline is what we have presented the budget upon. Here is the timeline--there will be a temporary federal extension period we are not sure how long this will be, but we will not be planning to make any programmatic changes until April 2021.

- Emily Halcon: I am struggling with timing for contracts and City Council approval with extension updates. I am thinking about getting approval for the local ramp down since we will not hear back from CMS before the City Council meeting. I want to base the contracts on a local bridge and then go back and adjust the contracts when we hear back on the CMS extension. I do not know how to write this staff report to make it clean and make it clear for the Council, any thoughts?
- Chris Conlin: This is an opportunity where we could ask that the Council to give the City Manager authority to do those contracts with a set amount if it becomes available. What do you think Leyne?
- Leyne Milstein: We also need authority to do other things because there are a lot of budget adjustments that need to happen, but I like the contract authority. It would give us the future authority to extend contracts if the federal program is extended.
- Emily Halcon: I can get you the language for this, I was contemplating that December would give us budget authority for the \$5 million dollars which would allow us to extend the contract. I am happy to talk through it with Marian. Leyne and I like that idea Chris has for the contracts.
- Leyne Milstein: I think that is a great idea.
- Lisa Chan-Sawin: One final thing on the outcome where there is no federal extension, The State expects CMS to pay for program costs at current program levels during the temporary extension period; and pay for a ramp down period. There are a lot of unknowns because we do not know when a decision will be made by CMS, how long the ramp down will last, and the funding level for that ramp-down. So, we do not have a dollar amount in our funding plan. The key decision here is, for a local bridge \$5 million dollars is not enough, so do we want to use the May IGT proceeds? Either way there is money for the City to claim in the May IGT.
- Leyne Milstein: In order to claim the \$5.6 million, you have to spend \$3.8 million?
- Lisa Chan-Sawin: Yes, but if you do not claim the money the State says you are leaving this money on the table.
- Leyne Milstein: So, you find \$3.8 million and it generate \$5.6 million, but you need the full \$5.6 million so it is technically a program augmentation of \$3.8 million. It is not a float.
- Lisa Chan-Sawin: Actually, this contemplates paying back the City the \$3.8 million, so the \$5.6 million is after paying back the \$3.8 million.
- Gretchen Schroeder: That is correct, I did include paying the City back the IGT gap amount.
- Emily Halcon: This goes back to our conversation, about whether we want to spend this money and be out the money for three or four weeks in order to generate it. This is that same conversation.

- Leyne Milstein: I have no issue with this, if we get the money back then we can put this money into the program. We would have to do the process correctly.
- Emily Halcon: Great, and the balance would be available for programming for the Homeless Services.
- Lisa Chan-Sawin: If the answer is yes and we can use the May IGT we would have a \$500,000 gap. We could fill the IGT gap, fundraise or change program service levels. If we fill the gap, we will not have to do the other activities.
- Leyne Milstein: If it is just lending May IGT for a month, we should be able to figure this out with the Treasurers office and do that.
- Chris Conlin: Yes, we can do that.
- Emily Halcon: That is great, so for the October report we cannot include that, but early next year we can go back to Council for that loan from the Treasurer and the budget authority we need. We could do a six- or seven-month contract knowing that the last three or four months are coming from another source.
- Leyne Milstein: I would include something in the financial considerations section saying that we are going to work with a Treasurers office to identify a source temporary funding to fund this in order to make this official.
- Chris Conlin: I agree, we should document this.
- Emily Halcon: Great, I will work with Marian on that.
- Lisa Chan-Sawin: We are also thinking through what services to prioritize, if for some reason the May IGT does not work out. We believe it is more vital to prioritize the housing services.
- Emily Halcon: We might want to do this in a local bridge scenario even if it is not for funding reasons, we might want to increase the PMPM rates for housing because it is vital for our partners.
- Bridgette Dean: I believe we should focus on housing if we have to cut services.
- Chris Conlin: I agree, we want to spend more on housing as opposed to shelter, this program should be a part of this. We will have issues with COVID and motels as we figure out where to place people, it would help at least if we are poised for that.
- Chad Augustin: Have you thought through other options?
- Lisa Chan-Sawin: We could serve fewer people or collaborate with other programs.
- Emily Halcon: We have also talked about targeting people differently and being more selective with the individuals we serve. This does not sit well from a client perspective so I do not think we want to do that, but we can think about that.
- Lisa Chan-Sawin: So, if we have to cut back, we should not shrink the panel size, we should cut back on services and focus on housing. I am hearing no dissent on this.

#### WPC Augmentation Off-Cycle IGT Timing

- Lisa Chan-Sawin: This is confirming the off-cycle IGT and augmentation timing. Are we able to proceed with taking 2021 contracts to Council in December if we get paid via an off-cycle IGT in January?
- Emily Halcon: I am talking this through with Marian, this is about timing for the State approval and budget authority through City Council.
- Lisa Chan Sawin: Okay.