

# The County of Santa Cruz

## Integrated Community Health Center Commission

### AGENDA

August 9, 2018 @ 11:00 am

Meeting Location: 1080 Emeline Avenue, DOC Conference Room (Second Floor), Santa Cruz, CA 95060  
 5901 Christie Ave., Suite 502, Emeryville, CA 94608  
 1939 Harrison Street, Suite 211, Oakland, CA 94612

**ORAL COMMUNICATIONS** - Any person may address the Commission during its Oral Communications period. Presentations must not exceed three (3) minutes in length, and individuals may speak only once during Oral Communications. All Oral Communications must be directed to an item not listed on today's Agenda, and must be within the jurisdiction of the Commission. Commission members will not take actions or respond immediately to any Oral Communications presented, but may choose to follow up at a later time, either individually, or on a subsequent Commission Agenda.

1. Welcome/Introductions
2. Oral Communications
3. July 12, 2018 Meeting Minutes – Recommend for Approval
4. Policy Discussion – Recommend for Approval

Policy #	Policy Name
640.14	Definition – Health Care Industry
100.03	Billing Department and Front Office Operations Policies and Procedures

5. Quality Management Committee Update
  - a. Quality Management Plan Revisions – Recommend for Approval
6. Financial Update
7. CEO Update

**Action Items from Previous Meetings:**

Action Item	Person(s) Responsible	Date Completed	Comments
#1 Len Finocchio requested follow-up from Dr. Leff regarding the process of identifying Physicians in question of charging fee for service from Medi-Cal patients.			
#2 Len Finocchio requested additional time with Jenn Phan regarding her presentation of Service Area Review data.			
#3 Brown Act information to be sent out with next months agenda.			
#4 Current Patient Satisfaction Survey questions to be provided to members with next months agenda. The questions will be discussed for possible editing prior to distribution next January. Members would like to know where the survey questions originated.	Raquei		

<b>#5 Dinah requested a breakdown of data per site for the Patient Satisfaction Survey. Len requested a breakdown of same survey per the demographic data.</b>			
<b>#6 Send to Commissioners schedule for regular meetings. Let the Chair/Co-Chair know how many commissioners will be attending the meeting ahead of time.</b>			
<b>#7 Len to come back at next meeting with definition of Health Care Industry.</b>			

Next meeting: September 13, 2018 11:00 am- 1:00 pm  
1080 Emeline Ave, Building D, DOC Conference Room, Second Floor, Santa Cruz, CA

## Schedule 2018 Meetings

<b>Date</b>	<b>Time</b>	<b>Place</b>
August 9, 2018	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
August 16, 2018 (Back Up Date)	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
September 13, 2018	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
September 20, 2018 (Back Up Date)	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
October 11, 2018	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
October 18, 2018 (Back Up Date)	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
November 8, 2018	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
November 15, 2018 (Back Up Date)	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
December 13, 2018	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room
December 20, 2018 (Back Up Date)	11:00 am-1:00 pm	10080 Emeline Ave., Bldg D, DOC Conf Room

# The County of Santa Cruz Integrated Community Health Center Commission

Minute Taker: Mary Olivares

Minutes of the meeting held July 12, 2018

**1. Attendance**

Rahn Garcia	Chair
Christina Berberich	Member
Rama Khalsa	Member- Call In
Kristin Meyer	Member
Pam Hammond	Member
Gustavo Mendoza	Member
Dinah Phillips	Member
Len Finocchio	Member
Marco Martinez-Galarce	Member
Amy Peeler	County of Santa Cruz, Health Services, CEO of Clinic Services Division
Raquel Ramirez Ruz	County of Santa Cruz, Senior Health Services Manager
Mary Olivares	County of Santa Cruz, Health Services, Admin Aide
Meeting Commenced at 12:34 pm and Concluded at 2:03 pm	

**2. Excused/Absent:**

Absent: Holly Shelton  
Absent: Nicole Pfeil

**3. Oral Communications:**

Review of May 10, 2018 minutes - Recommended for Approval. Rahn motioned for the acceptance of the minutes, the rest of the members present were in favour.

**4. Meeting time and attendance**

In order to meet HRSA's program requirement of a monthly quorum, Commission discussed other possible dates and times to hold their meetings. Some suggestions were 1) having dual meetings in Santa Cruz/Watsonville 2) video conferencing 3) hold south County meetings. After long discussion there was unanimous motion on 7/12/18 @ 1:15 p.m. that meetings will be held every 2<sup>nd</sup> Thursday of the month beginning at 11:00 a.m. In order to minimize traffic for commissioners. If no quorum is met, the meeting will be re-scheduled to the following Thursday. In addition, text reminders will go out to all commissioners the week prior to the meetings.

Direction: Send to Commissioners schedule for regular meetings and back up meeting dates and times. Let the Chair/Co Chair know how many commissioners will be attending the meeting ahead of time.

**5. HRSA Operation Site Visit discussion**

Amy handed out Operational Site Visit findings. Amy stated they have 90 days to fix changes. There was discussion on item # 3 Board Authority, Len to come back at next meeting with a few different definitions of Health Care Industry.

**6. Policy Discussion – Recommended for Approval**

Unanimous vote Rahn Garcia motioned for the acceptance of policies 1-13. The rest of the members present were in favour.

	Policy #	Policy Name	Approved
1	640.01	Health Resources and Services Administration Legislative Mandates Limiting the Use of Funds on HRSA Grants	Yes
2	640.02	Salary Limitation	Yes
3	640.03	Gun Control	Yes
4	640.04	Anti-Lobbying and Legislative Advocacy Policy	Yes
5	640.05	Acknowledgement of Federal Funding and Branding Policy	Yes
6	640.06	Restriction on Abortions and Women's Reproductive Health Services	Yes

7	640.07	Exceptions to Restriction on Abortions	Yes
8	640.08	Ban on Funding of Human Embryo Research	Yes
9	640.09	Limitation on Use of Funds for Promotion of Legalization of Controlled Substances	Yes
10	640.10	Restriction on Distribution of Sterile Needles	Yes
11	640.11	Restriction of Pornography on Computer Networks	Yes
12	640.12	Restriction of Funding ACORN	Yes
13	640.13	Confidentiality Agreements	Yes
14	640.14	Definition – Health Care Industry	NO

**7. Quality Management Committee Update – Recommend for Approval**

Raquel handed out 'Quality Management Plan' with edits that need to be made for the purposes of Patient Centered Medical Home recognition. She recommended for approval. Commission members had no questions or comments, unanimously approved as submitted. Patient Satisfaction Survey was discussed. Raquel reported that a new question has been added to determine affordability of the nominal fee on our sliding fee scale. Len asked if we could use statewide benchmarks. Amy responded that HRSA requires that we ask our own patients, specifically, if they find the fee affordable. Current Patient Satisfaction Survey questions to be provided to members with next month's agenda. The questions will be discussed for possible editing prior to distribution next January. Members would like to know where the survey questions originated. Dinah requested a breakdown of data per site for the Patient Satisfaction Survey. Len requested a breakdown of same survey per the demographic data.

**8. Financial Update:**

Amy announced Jeanette Garcia, Administrative Services Manager is no longer with Health Services Agency and she'll have a financial report at our next meeting.

**9. CEO update:**

Amy announced that Holly Shelton has resigned and that we expect additional funding from HRSA for expanding substance use disorder and behavioral health services, Pam stated she would like to see chiropractor added.

**Previous action items:**


From 4/12/18: Len Finocchlo requested additional time with Jenn Phan regarding her presentation of Service Area Review data.

**Action items:**

- Brown Act information to be sent out with next months agenda.
- Current Patient Satisfaction Survey questions to be provided to members with next month's agenda. The questions will be discussed for possible editing prior to distribution next January. Members would like to know where the survey questions originated.
- Dinah requested a breakdown of data per site for the Patient Satisfaction Survey. Len requested a breakdown of same survey per the demographic data.

**Next Meeting: August 9, 2018 11:00 am -12:30 pm**  
 1080 Emeline Ave Building D (DOC Conference Room, Second Floor), Santa Cruz, CA

Minutes approved \_\_\_\_\_ / / \_\_\_\_\_  
 (Signature of Board Chair or Co-Chair) (Date)

<p><b>SUBJECT:</b> Commission Composition</p> <p><b>SERIES: 600</b> Medical/Legal</p> <p><b>APPROVED BY:</b> Amy Peeler, Chief of Clinic Services</p>	<p><b>POLICY NO.:</b></p> <p><b>640.14</b></p> <p><b>PAGE: 1 OF 1</b></p> <p><b>EFFECTIVE DATE:</b> 6/01/2018</p> <p><b>REVISED:</b></p>	 <p>COUNTY OF SANTA CRUZ HEALTH SERVICES AGENCY</p> <hr/> <p><b>Clinics and Ancillary Services</b></p>
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**POLICY STATEMENT:**

The Health Services Agency's (HSA) Integrated Community Health Center Commission (ICHCC) must consist of at least nine and no more than 25 members. The majority [at least 51 percent] of the health center commission members must be patients served by the health center. These health center patient commission members must, as a group, represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender. Non-patient health center commission members must be representative of the community served by the health center and must be selected for their expertise in relevant subject areas, such as community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community. A health center commission member may not be an employee of the HSA, or spouse or child, parent, brother or sister by blood or marriage of such an employee. The project director (Chief Executive Officer (CEO) may be a non-voting, ex-officio member of the commission.


Of the non-patient health center commission members, no more than one-half may derive more than 10 percent of their annual income from the health care industry.

**DEFINITION:**

For the purposes of the ICHCC, health care industry is defined as providing direct medical services to patients (e.g. physician, nurse) and/or working on local, state, or federal policies that directly apply to Federally Qualified Health Centers.

**REFERENCE:**

Section 330(k)(3)(H) of the PHS Act; and 42 CFR 51c.304 and 42 CFR 56.304

<p><b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures</p> <p><b>SERIES: 100</b> Administration</p> <p><b>APPROVED BY:</b> Amy Peeler, Chief of Clinic Services</p>	<p><b>POLICY NO.:</b>  <b>100.03</b></p> <p><b>PAGE: 1 OF 13</b></p> <p><b>EFFECTIVE DATE:</b> October 2014</p> <p><b>REVISED:</b> August 2018</p>	<div style="text-align: center;">  <p>COUNTY OF SANTA CRUZ HEALTH SERVICES AGENCY</p> <hr/> <p><b>Clinics and Ancillary Services</b></p> </div>
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**POLICY STATEMENT:**

The Health Services Agency (HSA) Clinic Services Division operates Santa Cruz County-run community health centers. The purpose of this policy is to describe all billing policies and procedures currently in use for ensuring assets are safeguarded, guidelines of grantors are complied with, and finances are managed with accuracy, efficiency, and transparency.

HSA staff with a role in the management of billing operations are expected to comply with the policies and procedures in this manual.


These policies will be reviewed annually and revised as needed by the staff and approved by the Chief of Clinic Services.

**PROCEDURE:**

A. Billing Overview: Clinic Services Division will provide methods for appropriate and sensitive evaluation of each patient's ability to pay for services rendered.

1. Financial screening of each patient shall not impact health care delivery.
2. The Ability to Pay program will be uniformly applicable to all patients.
3. Screening will include exploration of patient's possible qualification for specialized payer programs. Staff will encourage but not require patients to apply for appropriate funding programs and facilitate an application when appropriate.
4. The Business Office Manager and Health Center Managers are authorized to waive patient fees due to expressed financial hardship or disputes.

B. General Payers


<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 2 OF 13</b>	
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1. Medi-Cal: Most Medi-Cal patients are insured through Santa Cruz County's local managed care provider, Central California Alliance for Health (CAAH). CCAH members must be:
  - a. Assigned to HSA for their primary care; or
  - b. Within their first 30 days of CCAH membership and therefore not yet formally assigned to a care provider (administrative member); or
  - c. Pre-authorized to be seen by an HSA provider.
2. Patients who have State Medi-Cal are generally patients with restricted benefits or transitioning to the managed care program.
3. Medicare: (non-managed care type) Recipients may qualify due to age and/or disability or may be a dependent of an aged and/or disabled person.
4. Private Insurance: Contracted with Blue Shield PPO. Courtesy billing for other PPO insurances is available, however, patient is responsible for any costs not covered by non-contracted insurance providers.

#### C. Specialized Payers

1. The following payer types are government funded program and require application screening to determine eligibility:
  - a. Family Planning, Access, Care and Treatment (Family PACT) program: State program for family planning services. Covers annual exams, sexually transmitted infection (STI) checks, birth control methods and emergency contraception.
  - b. Every Woman Counts (EWC): Breast and cervical cancer screening and diagnostic services. Covers clinical breast exam, screening and diagnostic mammogram, pelvic exam and pap.
  - c. Child Health and Disability Prevention (CHDP) Program: Well care visits, including immunizations, for children who are uninsured/underinsured. The age limit is 18 years and 11 months. Grants 60 days of full Medi-Cal benefits while the family formally applies for on-going insurance.



<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 3 OF 13</b>	
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- d. MediCruz: Locally funded program that provides specialty care to patients who fall at or below 100% of the Federal Poverty Level and are not eligible for Medi-Cal. Patients fill out an application and provide verification documents.

#### D. Self-Pay Payers

1. Uninsured patients, or patients with non-contracted insurance types, are responsible to pay for visit costs, including ancillary services. Uninsured patients are encouraged to apply for the Ability to Pay (Sliding Fee) Program, if eligible.

#### E. Verification of Eligibility and Benefits Determination by Payer


##### 1. Medi-Cal

- a. Eligibility Verification: Verification of coverage, restrictions, and cost share must be obtained through the Medi-Cal website. Patients who may be eligible for Medi-Cal, but are not enrolled, will be encouraged to apply
- b. Benefits Determination: Once the eligibility is verified, benefit type must be reviewed. There are several types of Medi-Cal benefits, ranging from full scope to restricted services. For additional information, the Medi-Cal provider manual can be referenced for benefit rulings. If coverage indicates that the patient is a member of CCAH, then eligibility and assignment must be verified via the CCAH website.

##### 2. Central California Alliance for Health (CAAH)

- a. Eligibility Verification: Information regarding eligibility of coverage must be obtained through the CCAH provider web portal.
- b. Benefits Determination: All Medi-Cal benefit rulings apply to CCAH patients assigned to HSA; however, CCAH may offer more benefits than State Medi-Cal (see CCAH provider manual). If patient is assigned to another provider, they may only be seen by our office for a sensitive service or under authorization from their assigned primary care provider. A list of sensitive services can be found on the CCAH website.

##### 3. Medicare

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 4 OF 13</b>	
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- a. **Eligibility Verification:** Medicare eligibility may be verified on-line through the Trizetto Gateway EDI website or by phone. Some Medicare patients have supplemental insurance coverage that may include commercial insurance or Medi-Cal coverage.
- b. **Benefits Determination:** Co-insurances are due on the date of service. Normally Medicare requires an annual deductible that must be met prior to accessing benefits, however, HSA's Federally Qualified Health Center status allows waiver of the deductible.

#### 4. Other Government Funded Programs

- a. **Eligibility Verification:** Government Funded Programs have eligibility period limitations, ranging from one day to one year. Eligibility periods for Family PACT, EWC, and CHDP Medi-Cal can be obtained through the Medi-Cal eligibility portal. MediCruz eligibility may be determined via the County's MediCruz Office.
- b. **Benefits Determination**
  - i. **Family PACT:** covers all birth control methods offered at the HSA clinics, STI screenings and treatments as part of the primary benefits. For secondary benefits, review Family PACT Benefits Grid located on the Medi-Cal website.
  - ii. **EWC:** covers annual cervical and breast cancer screenings as part of the primary benefits. For secondary benefits, review the covered procedure list located on the Medi-Cal website.
  - iii. **CHDP:** grants full scope Medi-Cal benefits on a temporary basis to allow application processing for Medi-Cal.
  - iv. **MediCruz** covers specialty care on a temporary and episodic basis.

#### 5. Commercial Insurance

- a. **Eligibility Verification:** Eligibility will be verified with contracted insurances using the insurance company's website or via the telephone number provided on the patient's insurance card.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 5 OF 13</b>	
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- b. **Benefits Determination:** As insurance plan benefits vary significantly, it is the patient’s responsibility to understand their insurance benefits prior to obtaining services. Since understanding health insurance benefits can be challenging, as a courtesy, HSA staff may assist patients with obtaining coverage information.

**F. Enrollment: Other State Funded Programs**


HSA is a Qualified Provider allowed to screen, verify, and enroll uninsured and underinsured patients in State Funded Programs using the guidelines set forth by each of the following programs:

**1. CHDP**

- a. The CHDP program provides complete health assessments for the early detection and prevention of disease and disabilities for low-income children and youth. A health assessment consists of a health history, physical examination, developmental assessment, nutritional assessment, dental assessment, vision and hearing tests, a tuberculin test, laboratory tests, immunizations, health education/anticipatory guidance, and referral for any needed diagnosis and treatment.
- b. In accordance with current CHDP guidelines, HSA staff will pre-screen patients for program eligibility and provide a program application to eligible patients. Staff enters the completed application via the CHDP Gateway and prints two paper cards, with one card signed by the participant’s parent and retained at HSA. The other card is provided to the participant’s parent, along with a verbal explanation from HSA staff that the child is fully covered by Medi-Cal until the expiration date printed on the card. It is the parent’s responsibility to follow-up with County Human Services regarding further application requirements for ongoing Medi-Cal eligibility.

**2. Family PACT**

- a. Family PACT clients are residents of California that demonstrate a need for family planning services, but have no other source of family planning coverage, and qualify for the program based on family income. Medi-Cal clients with an unmet cost share may also be eligible. In accordance with Family PACT guidelines, eligibility determination and enrollment are conducted by HSA staff (patient completes an application) with point of service activation, granting the applicant up to one year of benefits for family planning and reproductive health services.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 6 OF 13</b>	
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Qualified applicants are given a membership card and informed about program benefits, state-wide access, as well as the renewal process.

3. Every Woman Counts (EWC)

- a. EWC provides free clinical breast exams, mammograms, pelvic exams, and Pap tests to California's underserved women. The mission of the EWC is to save lives by preventing and reducing the devastating effects of cancer for Californians through education, early detection, diagnosis and treatment, and integrated preventive services, with special emphasis on the underserved. Income qualification and age related service information are available at the EWC website.
- b. HSA Clinics staff will screen patients for eligibility in accordance with program guidelines. The EWC application packet is completed by the patient, and the completed application is processed by HSA staff via the online portal. Patients are issued a paper membership card granting up to one year of benefits for breast and/or cervical services, and given information regarding program benefits and the program renewal process. They are also instructed to present their membership card when obtaining services outside of HSA, such as a mammogram.

4. Ryan White HIV/AIDS Program (RWHAP)


- a. For patients receiving Ryan White HIV/AIDS Program funded services the following annual cap on charges related to HIV care will be followed:

<b>Individual Income</b>	<b>Maximum Charge</b>
At or below 100 percent of FPL	\$0
101 to 200 percent of FPL	No more than 5 percent of annual gross income
201 to 300 percent of FPL	No more than 7 percent of annual gross income
Over 300 percent of FPL	No more than 10 percent of annual gross income

G. Patient Information Policy

1. Exchange of Information

- a. Registration forms are maintained by Registration staff. Patients are either offered forms or questions are asked verbally, depending on patient preference. Information is collected on all new patients and updated at least every 12 months. All information on the registration form must be collected. Patient address/phone number must be confirmed at each visit. The registration form is also used to

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 7 OF 13</b>	
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collect demographic information necessary for program and agency wide reporting purposes.

2. Patient Scheduling

- a. Appointment requests may be made in person or over the phone. At the time of an appointment request, staff will confirm the patient's name, date of birth, and phone number. The patient's reason for the appointment should be requested to determine appointment type and duration.

3. No Show and Late Cancels Defined


- a. No Show Appointment: Patient does not arrive for a scheduled appointment.
- b. Late Cancel Appointment: Patient cancels appointment less than 24 hours prior.

4. Follow-up

- a. If deemed necessary by the medical provider, HSA staff will follow up with patients unable to attend a previously scheduled appointment in order to schedule another appointment or determine if the health issue has been resolved.

H. Ability to Pay Program


1. Ability to Pay is a sliding fee program available to uninsured or underinsured patients who qualify based solely on household size and income verification (individuals/families living at or below 200% of the Federal Poverty Level (FPL)). Patients will be encouraged but not required to be screened for other public insurance eligibility.
2. Definitions: Household size is defined as a person living alone or living with others or group of people who live together and normally buy and prepare their food together. Adults and their children under age 22 who live together are also considered a household. Income verification is defined as gross income from any source that isn't exempt. Excluded income includes: money earned from college work study, Job Training Partnership Act (JTPA), Independent Living Program (ILP), Relocation Assistance Benefit, or any award or scholarship provided to or on behalf of a dependent child based on the child's academic or extracurricular activity.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 8 OF 13</b>	
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3. Nominal fee charges apply to individuals and families with annual incomes at or below 100% of the Federal Poverty Guidelines. Nominal fees shall be waived for patients who are experiencing homelessness. Twice yearly, data will be collected to assess the effectiveness of the ATP program in reducing financial barriers to care. Patients will be asked in a patient satisfaction survey if the nominal fee is nominal from their perspective and if the sliding scale is structured to meet patient's actual ability to pay. Nominal fees shall not be based on the actual cost of a service.
  
4. Patients interested in applying for this program are required to complete an application and provide proof of household income. Registration staff collects preliminary income and family size documentation for each applicant, then enters the information into the appropriate EPIC module for payment range determination in accordance with FPL. Self-declaration of income and household information will be accepted for the first 30 days; however, supporting documentation must be submitted for full qualification (one year). If required documentation is not submitted within 30 days, full visit charges will be applied.
  
5. For full program qualification, patients must provide income verification documents to support their application, such as:
  - a. Most recent Federal tax return
  - b. IRS form W-2 or 1099
  - c. 2 recent consecutive paystubs
  - d. Social Security, disability or pension benefit statements
  - e. Documentation of other governmental assistance
  - f. Verification of Student status and FAFSA form
  - g. Unemployment Benefits / Worker's Compensation

## I. Financial Policies

### 1. Accepted Forms of Payment

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 9 OF 13</b>	
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- a. **Cash:** Cash is counted in front of the patient, payments are posted on the patient account (via Epic), and a receipt is printed for the patient.
  - b. **Credit/Debit Card:** Charge information is submitted via the credit card merchant services portal. Payment is then posted on the patient account (via Epic), and a receipt is printed for the patient.
  - c. **Personal Checks:** Checks are verified with the patient's name, the back of the check is stamped with the Santa Cruz County Bank account information for deposit. Payments are posted on the patient account (via Epic), and a receipt is printed for the patient.
  - d. **Money Orders:** Money order backside is stamped with HSA Bank account information for deposit. Payments are posted on the patient account (via Epic), and a receipt is printed for the patient.
2. **Payment Agreements:** Payment agreements may be negotiated between the patient and BO staff, providing up to three payment installments for past due charges (over 30 days).
  3. **Refunds:** Patient refunds are requested by BO staff using the appropriate County form and require BO Manager approval. Once approved, the request for a refund check is submitted to HSA Finance. Once prepared, the check is forwarded to the BO for delivery coordination with the patient. BO staff documents the refund in the patient account.
  4. **Non-sufficient Funds (NSF) Returned Checks:** NSF Returned Checks are received by mail, email, or identified via bank account review by HSA Finance. The payment is reversed on the patient's account; a new billing claim is created and the County's NSF fee charge of \$40 is posted and billed to the patient.
  5. **Insurance Payments:** HSA receives insurance payments in two forms: electronic funds transfer and paper checks. All payments are reconciled to Explanation of Benefits (EOB), Remittance Advice (RA), or Electronic Remittance Advice (ERA). EOB, RA, and ERA all provide detailed information about the payment.
  6. **Payments Received by Mail:** BO staff are responsible for opening and sorting business office mail. Insurance checks received by mail will be distributed to appropriate BO staff members for processing and deposit preparation, following established County procedures. Payment detail may be posted manually using the correlated EOB via upload to the practice management system through an ERA. The final daily deposit should be completed by a different BO staff member.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 10 OF 13</b>	
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7. Direct Deposits: Most direct deposits from third party insurances are accompanied by an ERA uploaded to the practice management system. The biller will reconcile the bank account direct deposits with the ERAs received.

## J. Billing Procedures

### 1. Encounter Development and Management

- a. ICD, CPT, and HCPCS Code Upgrades: ICD and CPT codes are updated as needed by HSA's practice management system vendor. Periodic manual updates are made by BO staff as necessary, and at the request of the medical team. Fees are updated at the beginning of each fiscal year, as applicable, following Board of Supervisors approval of the Unified Fee Schedule.


### 2. Encounter to Claim Process

- a. HSA Medical Providers consist of physicians, nurse practitioners, physician assistants, and registered nurses. Providers select CPT and ICD codes for every outpatient face-to-face encounter. CPT codes include, but are not limited to: evaluation and management (E&M) codes, preventative care codes, and/or procedure codes depending on the type of service provided. Additional information regarding coding, including program/payer specifications, can be found in HSA's BO Operations Manual. Once providers complete documentation of an encounter, a claim is generated.
- b. Claims that do not automatically transmit are retained in a billing work queue for review by the BO. Following review, the claim is either corrected by a biller or coder as appropriate, or returned to the provider for consideration of chart level correction. Following these reviews and possible changes, the claim is then submitted for processing.
- c. Claims are submitted through the payment clearinghouse in batches grouped by payer type. The clearinghouse then forwards claims to the prospective payers. Claim batches are tracked weekly for transmission and payer acceptance.


3. Collections: HSA makes every reasonable effort to collect reimbursement for services provided to patients. This includes collection at time of service, as well as follow-up collection methods including statement dispatch and account notes.

### 4. Denial Management Procedure




<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 11 OF 13</b>	
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- a. Information regarding denied claims are uploaded into the practice management system electronically or entered manually. BO staff are responsible for researching, correcting, and resubmitting (or appealing) clean claims within a 30 day period upon receipt of denial information. Researching may involve contact with the payer, patient, or clearinghouse. Review of the payer provider manual may also serve as a resource for denied claims.
  - b. Discoveries may include: patient responsibility for all or part of the charges; incorrect or incomplete information originally submitted to payer; claim and EOB information must be forwarded to another insurance through a crossover claim process. Correcting the claim may require provider review, CPT or ICD code update within the practice management system, and/or submission to a secondary or tertiary insurance. As soon as the claim is corrected it may be resubmitted with the next batch of claims. If a crossover claim, then required documentation is submitted to the secondary payer.
5. Patient Account Balances: Patient's with account balances of \$15 or more are sent a monthly statement. Patients with unpaid balances are flagged during the appointment registration process and directed to the Business Office.
  6. Uncollectable and Bad Debt Adjustments
    - a. Under direction of the Business Office Manager, staff will adhere to the following write-off guidelines. Write-offs will be measured after the month end close and accounts will be audited as part of standard fiscal year end practice.
      - Write off balances over one year from Date of Service (DOS) when Medicare is primary.
      - Write off balances over 18 months from DOS when Medicare is secondary.
  7. Write-off Adjustments by Payer
    - a. Medicare - Use uncollectible adjustment code
      - Write off balances over one year from Date of Service (DOS) when Medicare is primary.
      - Write off balances over 18 months from DOS when Medicare is secondary.
    - b. Commercial Insurance - Use uncollectible adjustment code
      - Write off balances over one year from the DOS when insurance is primary.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 12 OF 13</b>	
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- Write off balances over 18 months from the DOS when insurance is secondary.
- c. EWC - Use uncollectible adjustment code
  - Write off any balance over a year from DOS.
- d. Family PACT - Use uncollectible adjustment code
  - Write off any balance over one year from DOS.
  - Write off any unpaid lab work balance over 6 months.
- e. CHDP - Use uncollectible adjustment code
  - Write off any balance over a year from DOS.
  - Write off any unpaid lab work balance over 6 months.
- f. Medi-Cal - Use uncollectible adjustment code
  - Write off any balance over a year old.
- g. CCAH - Use uncollectible adjustment code
  - Write off any unpaid lab work balance over 6 months old.
  - Write off any balance over a year from DOS.
  - Write off any balance over 18 months from the DOS when Alliance is secondary.
- h. Self-Pay - Use bad debt adjustment code
  - Write off any balance over one year old.

<b>SUBJECT:</b> Billing Department and Front Office Operations Policies and Procedures	<b>POLICY NO.:</b>  <b>100.03</b>  <b>PAGE: 13 OF 13</b>	
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- Write off any balance for patients not assigned to HSA following RAF denial or denial for out of county managed care.

8. Other Adjustments


- a. Billing Error (BE) – For duplicate claims, when a non-payable charge is billed to an insurance, or a split claim is erroneously created.
- b. Professional Courtesy (PC) – For charges disputed by patients or hardship waiver.

9. Month End Closing Procedure: The month end closing is performed at the end of each month and involves the reconciliation of payments and charges for that period.

- a. Reconciliation: For every insurance payment received, BO staff will log the payment on a spreadsheet titled Record of Receipt (ROR) and E-remittance tracking prior to posting the payment in the practice management system. At the end of the month, assigned staff will reconcile the payments deposited into HSA's bank account with the ROR entered onto the spreadsheet, and the payments posted in the practice management system. Discrepancies will be reported to HSA Fiscal staff assigned to HSA.
- b. All patient payments will be collected by BO staff and reconciled on a daily basis in the practice management prior to deposit. Any discrepancies will be reported to the Business Office Manager and HSA Fiscal.
- c. Claim dates will be reconciled by date of service. All charges to third party insurances must be submitted prior to the month end closing.

**County of Santa Cruz (HSA)**  
**FY 17/18 (All) CLINIC(All)**  
**As of 06/30/18**

<b>Row Labels</b>	<b>Sum of Budget</b>	<b>Sum of Actual</b>
<b>EXPENDITURE</b>	<b>40,231,167</b>	<b>33,878,330</b>
CLINIC ADMINISTRATION	5,593,502	5,791,228
CORAL STREET CLINIC (HPHP)	3,883,311	3,317,413
EMELINE CLINIC	8,385,596	7,501,492
FORENSIC SERVICES	0	347
MENTAL HEALTH FQHC	13,436,639	9,342,540
WATSONVILLE CLINIC	7,332,119	6,559,983
WATSONVILLE DENTAL	1,600,000	1,365,327
<b>REVENUE</b>	<b>(37,883,508)</b>	<b>(31,530,671)</b>
CLINIC ADMINISTRATION	(1,733,532)	(1,934,625)
CORAL STREET CLINIC (HPHP)	(2,794,849)	(3,063,873)
EMELINE CLINIC	(8,753,331)	(5,914,318)
MENTAL HEALTH FQHC	(14,536,639)	(10,442,540)
WATSONVILLE CLINIC	(7,865,157)	(8,062,766)
WATSONVILLE DENTAL	(2,200,000)	(2,112,549)
<b>Grand Total</b>	<b>2,347,659</b>	<b>2,347,659</b>

<p><b>SUBJECT:</b> Commission Composition</p> <p><b>SERIES: 600</b> Medical/Legal</p> <p><b>APPROVED BY:</b> Amy Peeler, Chief of Clinic Services</p>	<p><b>POLICY NO.:</b></p> <p><b>630.14</b></p> <p><b>PAGE: 1 OF 1</b></p> <p><b>EFFECTIVE DATE:</b> 6/01/2018</p> <p><b>REVISED:</b></p>	 <p>COUNTY OF SANTA CRUZ HEALTH SERVICES AGENCY</p> <hr/> <p><b>Clinics and Ancillary Services</b></p>
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**POLICY STATEMENT:**

The Health Services Agency's (HSA) Integrated Community Health Center Commission (ICHCC) must consist of at least nine and no more than 25 members. The majority [at least 51 percent] of the health center commission members must be patients served by the health center. These health center patient commission members must, as a group, represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender. Non-patient health center commission members must be representative of the community served by the health center and must be selected for their expertise in relevant subject areas, such as community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community. A health center commission member may not be an employee of the HSA, or spouse or child, parent, brother or sister by blood or marriage of such an employee. The project director (Chief Executive Officer (CEO) may be a non-voting, ex-officio member of the commission.


Of the non-patient health center commission members, no more than two may derive more than 10 percent of their annual income from the health care industry.

**DEFINITION:**

For the purposes of the ICHCC, health care industry is limited to those sectors within the medical economic system that require persons licensed by the State of California as physicians or dentists to provide direct clinical services. For the purposes of the ICHCC composition, only non-patient licensed physicians and dentists providing clinical services will be considered as having income in the health care industry.

**REFERENCE:**

Section 330(k)(3)(H) of the PHS Act; and 42 CFR 51c.304 and 42 CFR 56.304

<p><b>SUBJECT:</b> Commission Composition</p> <p><b>SERIES: 600</b> Medical/Legal</p> <p><b>APPROVED BY:</b> Amy Peeler, Chief of Clinic Services</p>	<p><b>POLICY NO.:</b></p> <p><b>630.14</b></p> <p><b>PAGE: 1 OF 1</b></p> <p><b>EFFECTIVE DATE:</b> 6/01/2018</p> <p><b>REVISED:</b></p>	 <p>COUNTY OF SANTA CRUZ HEALTH SERVICES AGENCY</p> <hr/> <p><b>Clinics and Ancillary Services</b></p>
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**POLICY STATEMENT:**

The Health Services Agency's (HSA) Integrated Community Health Center Commission (ICHCC) must consist of at least nine and no more than 25 members. The majority [at least 51 percent] of the health center commission members must be patients served by the health center. These health center patient commission members must, as a group, represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender. Non-patient health center commission members must be representative of the community served by the health center and must be selected for their expertise in relevant subject areas, such as community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community. A health center commission member may not be an employee of the HSA, or spouse or child, parent, brother or sister by blood or marriage of such an employee. The project director (Chief Executive Officer (CEO) may be a non-voting, ex-officio member of the commission.

Of the non-patient health center commission members, no more than two may derive more than 10 percent of their annual income from the health care industry.

**DEFINITION:**

For the purposes of the ICHCC, health care industry is limited to those persons licensed by the State of California to provider direct clinical services.

**REFERENCE:**

Section 330(k)(3)(H) of the PHS Act; and 42 CFR 51c.304 and 42 CFR 56.304

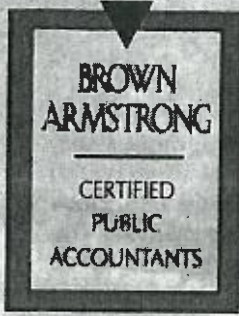
**COUNTY OF SANTA CRUZ**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**COUNTY OF SANTA CRUZ  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>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 <i>Government Auditing Standards</i> .....</b>	<b>1</b>
<b>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....</b>	<b>3</b>
<b>Schedule of Expenditures of Federal Awards .....</b>	<b>6</b>
<b>Notes to Schedule of Expenditures of Federal Awards .....</b>	<b>12</b>
<b>Schedule of Findings and Questioned Costs .....</b>	<b>14</b>
<b>Status of Prior Year Findings and Questioned Costs .....</b>	<b>15</b>





# BROWN ARMSTRONG

*Certified Public Accountants*

## 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 Honorable Board of Supervisors  
of the County of Santa Cruz, California  
Santa Cruz, California

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We have audited, in accordance with the 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Santa Cruz (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

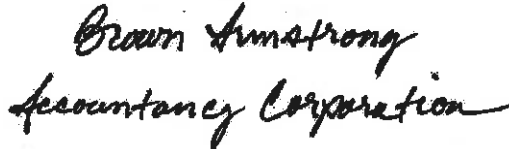
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Handwritten signature in cursive script that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California  
December 28, 2017



# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Board of Supervisors  
of the County of Santa Cruz, California  
Santa Cruz, California

### Report on Compliance for Each Major Federal Program

We have audited the County of Santa Cruz's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2017.

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REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 28, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

**COUNTY OF SANTA CRUZ  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed through California Department of Food and Agriculture				
Plant and Animal Disease, Pest Control, and Animal Care - Phytophthora Ramorum	10.025	16-0402-SF	\$ -	\$ 35,214
Plant and Animal Disease, Pest Control, and Animal Care - Glassy-Winged Sharpshooter	10.025	16-0427-SF	-	57,946
Plant and Animal Disease, Pest Control, and Animal Care - Enhanced Exotic Pest Survey	10.025	16-0060	-	165,198
Subtotal			-	258,358
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFRESH Employment and Training (CFET)				
	10.561	--	-	84,812
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFRESH Enhanced				
	10.561	--	-	85,456
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFRESH and Staff Development				
	10.561	--	-	7,668,478
Passed through the California Department of Public Health				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Nutrition Education and Obesity Prevention				
	10.561	16-10162	374,063	689,070
Subtotal			374,063	8,527,816
Passed through California Department of Forestry and Fire Protection				
Cooperative Forestry Assistance - Volunteer Fire Assistance Grant (VFA)	10.664	7923580950000	-	11,492
Passed through California Department of Education				
National School Lunch Program	10.555	44-3447-90003419-01	-	31,038
Total U.S. Department of Agriculture			374,063	8,828,705
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs				
HUD Supportive Housing Program - Match II	14.235	CA0980L9T081502	-	31,044
HUD Supportive Housing Program - Match III	14.235	CA1074L9T081402	-	12,061
HUD Supportive Housing Program - Match III	14.235	CA1074L9T081503	-	54,902
HUD Supportive Housing Program - Match II	14.235	CA0980L9T081603	-	5,811
Subtotal			-	103,818
Passed through California Department of Housing and Community Development				
Community Development Block Grant	14.228	15-CDBG-10561	186,823	212,412
Home Investment Partnerships Program	14.239	15-HOME-10632	67,269	805,020
Continuum of Care Program - HUD Supportive Housing Program - Match	14.267	CA0231L9T081609	-	174,492
Continuum of Care Program - Supportive Housing Program - Match (Meaningful Answers)	14.267	0231L9T081508	-	300,507
Continuum of Care Program - Homeless Action Partnership	14.267	CA1398L9T081500	-	67,357
Continuum of Care Program - Homeless Action Partnership	14.267	CA1311L9T081400	-	4,228
Subtotal			-	546,584
Total U.S. Department of Housing and Urban Development			253,892	1,667,834

See accompanying notes to the Schedule of Expenditures of Federal Awards.

This report is intended solely for the information and use of management, County Board of Supervisors, others within the County, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 28, 2017

**COUNTY OF SANTA CRUZ  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Justice</b>				
<b>Direct Programs</b>				
State Criminal Alien Assistance Program	16.606	-	-	95,042
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	671,519
Edward Byrne Memorial Justice Assistance Grant Program - JAG Technology Project	16.738		-	16,729
Subtotal			-	783,290
<b>Passed through California Emergency Management Agency</b>				
Crime Victim Assistance - County Victim Services Program	16.575	XC16010440	-	18,779
Crime Victim Assistance - Victim Witness Assistance Program	16.575	VW16350440	-	272,851
Crime Victim Assistance - Victims with Disabilities	16.575	XU15010440	-	36,838
Crime Victim Assistance - Unserved/Underserved Victim Advocacy and Outreach Program	16.575	UV15010440	-	153,001
Subtotal			-	481,469
<b>Passed through Justice Reinvestment Initiative</b>				
Justice Reinvestment Initiative - Technical Assistance and Maximizing Local Reforms	16.827	2015-ZB-BX-0006	-	121,335
<b>Passed through Office for Victims of Crime</b>				
Crime Victim Assistance/Discretionary Grants - Supporting Male Survivors of Violence	16.582	2015-VF-GX-K042	-	270,860
<b>Passed through California Board of State and Community Corrections</b>				
Title II Juvenile Delinquency Prevention and Intervention Grant Program	16.540	PODER	-	191,259
Total U.S. Department of Justice			-	1,848,213
<b>U.S. Department of Labor</b>				
<b>Passed through California Department of Employment Development</b>				
<b>WIA Adult Programs</b>				
<b>Workforce Investment Act (WIA) Adult Programs -</b>				
Title I - A Adult Formula	17.258	-	-	644,283
WIA Youth Activities Programs - Title 1 Youth Formula	17.258	-	861,960	1,205,392
WIA Title I-D Dislocated Worker Formula	17.278	-	-	719,409
WIA Title I Rapid Response for RA&PGM - Business Retention Survey	17.278	-	-	118,616
Subtotal - WIA Cluster			861,960	2,687,700
Total U.S. Department of Labor			861,960	2,687,700

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Transportation</b>				
Passed through California Department of Transportation				
Highway Planning and Construction	20.205	ER-20EO(010)	-	32,579
Highway Planning and Construction	20.205	ER-20EO(011)	-	13,524
Highway Planning and Construction	20.205	ER-20EO(012)	-	9,953
Highway Planning and Construction	20.205	ER-20EO(013)	-	6,124
Highway Planning and Construction	20.205	ER-20EO(014)	-	8,822
Highway Planning and Construction	20.205	ER-20EO(020)	-	4,073
Highway Planning and Construction	20.205	ER-4446-(005)	-	3,507
Highway Planning and Construction	20.205	ER32L0(012) & (049)	-	415,852
Highway Planning and Construction	20.205	ER32L0(009)	-	125,166
Highway Planning and Construction	20.205	ER32L0(002)	-	265,501
Highway Planning and Construction	20.205	ERL0(004)	-	720,840
Highway Planning and Construction	20.205	ER32L0(009)	-	141,383
Highway Planning and Construction	20.205	BPMPPL-5936-(107)	-	4,012
Highway Planning and Construction	20.205	BPMPPL-5936(103)	-	5,206
Highway Planning and Construction	20.205	BPMPPL-5936(113)	-	6,652
Highway Planning and Construction	20.205	BPMPPL-5936(117)	-	15,338
Highway Planning and Construction	20.205	BPMPPL-5936(119)	-	7,501
Highway Planning and Construction	20.205	BRLO-5936(061)	-	3,816
Highway Planning and Construction	20.205	BRLO-5936(086)	-	60,053
Highway Planning and Construction	20.205	BRLO-5936(089)	-	63,380
Highway Planning and Construction	20.205	BRLO-5936(091)	-	64,344
Highway Planning and Construction	20.205	BRLO-5936(092)	-	4,375
Highway Planning and Construction	20.205	BRLO-5936(093)	-	15,519
Highway Planning and Construction	20.205	BRLO-5936(094)	-	14,693
Highway Planning and Construction	20.205	BRLO-5936(095)	-	12,536
Highway Planning and Construction	20.205	BRLO-5936(096)	-	18,437
Highway Planning and Construction	20.205	BRLO-5936(097)	-	297,258
Highway Planning and Construction	20.205	BRLO-5936(111)	-	18,822
Highway Planning and Construction	20.205	BRLO-5936(112)	-	20,829
Highway Planning and Construction	20.205	BRLO-5936(127)	-	35,488
Highway Planning and Construction	20.205	DR-1968-HPMG	-	156,275
Highway Planning and Construction	20.205	HSIPL-5936(099)	-	81
Highway Planning and Construction	20.205	HSIPL-5936(115)	-	8
Highway Planning and Construction	20.205	HSIPL-5936(120)	-	3,930
Highway Planning and Construction	20.205	HSIPL-5936(122)	-	20,028
Highway Planning and Construction	20.205	HSIPL-5936(123)	-	44,044
Highway Planning and Construction	20.205	HSIPL-5936(129)	-	8,466
Highway Planning and Construction	20.205	NHCBPL11-5936 (101)	-	73,396
Highway Planning and Construction	20.205	RPSTPLE-5936(088)	-	558
Highway Planning and Construction	20.205	STRSL-59306 (102)	-	247,520
<b>Subtotal</b>			-	<b>2,969,669</b>
<b>Total U.S. Department of Transportation</b>			-	<b>2,969,669</b>
<b>U.S. National Highway Traffic Safety Administration</b>				
Passed through California Office of Traffic Safety				
State and Community Highway Safety - Santa Cruz County Collaborative	20.600	PS1717	35,229	97,380
National Priority Safety Programs	20.616	OP1712	-	29,121
<b>Subtotal Highway Safety Cluster</b>			-	<b>126,501</b>
National Priority Safety Programs	20.608	AL1730	-	132,198
<b>Total U.S. National Highway Traffic Safety Administration</b>			35,229	<b>258,699</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**COUNTY OF SANTA CRUZ  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
Passed through the California Department of Public Health				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs - Tuberculosis Control Local Assistance	93.116	NU52PS004656	-	28,656
<b>Direct Programs</b>				
Health Center Program	93.224	H80CS00048	65,138	2,602,645
Substance Abuse and Mental Health Services - STOP Act	93.243	5H79SP019090-03	8,400	12,942
Drug Free Communities	93.276	5H79SP018550-06	14,488	124,103
Affordable Care Act Grants for Capital Development in Health Centers	93.526	C8DS29778	-	82,089
Early Intervention Services	93.918	H76HA00153	-	347,828
Passed through California Department of Social Services				
Guardianship Assistance - KinGap IV-E - Administration	93.090		-	10,225
Temporary Assistance for Needy Families - CalWORKS - Assistance	93.558	-	-	2,957,612
Temporary Assistance for Needy Families - Fraud Incentive - Assistance	93.558	-	-	7,767
Temporary Assistance for Needy Families - CalWORKS Program and Staff Development	93.558	-	-	14,259,723
Temporary Assistance for Needy Families - Commercially Exploited Children - CSEC	93.558	-	-	37,926
Temporary Assistance for Needy Families - EA - ER, ESC, CR	93.558	-	-	1,819,215
Temporary Assistance for Needy Families - CalWIN	93.558	-	-	428,946
Subtotal			-	19,511,189
Refugee and Entrant Assistance - State Administered Programs	93.566		-	3,320
Passed through California Department of Social Services				
Foster Care - Assistance	93.658	-	-	1,631,484
Foster Care - Title IV-E - AB2129	93.658	-	-	48,098
Foster Care - Case Record Review	93.658	-	-	148,746
Foster Care - Title IV-E and Staff Development Child Welfare Services	93.658	-	-	608,601
Foster Care - Foster Family Licensing	93.658	-	-	40,830
Foster Care - Title IV-E - Foster Care - Administration	93.658	-	-	111,787
Foster Care - Kinship and Foster Care Emergency Fund	93.658	-	-	5,382
Child Welfare Services - Title IV-E PROBATION Portion - Pass Through	93.658	-	-	2,642
Foster Care - Group Home Monthly Visits	93.658	-	-	21,721
Foster Parent Recruitment Retention and Support	93.658	-	-	45,623
Foster Care Title IV-E - Substance Abuse Disorder	93.658	-	-	16,362
Foster Care - EA - FC Emergency Assistance	93.658	-	-	515,638
Foster Care - Public Agency IV-E Pass-Through (SCCOE)	93.658	-	-	264,223
Foster Care - Probation - FPRRS (Pass through)	93.658	-	-	274
Foster Care - Probation - CSEC (Pass through)	93.658	-	-	50
Foster Care - Probation - CWS - IV-E & GHMV (Pass through)	93.658	-	-	542,788
Foster Care - Probation - CWS - OIP (Pass through)	93.658	-	-	1,502
Foster Care - Resource Family Support	93.658	-	-	98,984
Foster Care - SACWIS-CWS	93.658	-	-	14,352
Foster Care - Child Family Team	93.658	-	-	3,148
Passed through California Department of Health Services				
Foster Care - Child Welfare Services - CWS Title IV-E	93.658	-	-	4,238,303
Foster Care - Family Preservation - DHS Title XIX	93.658	-	-	142,570
Subtotal			-	8,700,108

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>				
Adoption Assistance - Adoption Incentive	93.659	--	-	86
Adoption Assistance - Assistance	93.659	--	-	3,446,281
Adoption Assistance - Social Services	93.659	--	-	240,204
Adoption Assistance - Other Public Assistance	93.659	--	-	117,106
Subtotal			-	3,803,657
Social Services Block Grant - Child Welfare Services - Title XX	93.667	--	-	157,986
Social Services Block Grant - Title XX-FC	93.667	--	-	52,550
Social Services Block Grant - CalWORKS Single (XX)	93.667	--	-	811,688
Subtotal			-	1,022,224
Promoting Safe and Stable Families - PSSF and Staff Development	93.556	--	-	158,275
Promoting Safe and Stable Families - PSSF Case Worker Visits	93.556	--	-	15,712
Subtotal			-	173,987
Child Welfare Services - Title IV-B & Staff Development	93.645	--	-	147,796
Chafee Foster Care Independence Program - Independent Living Program & Staff Development	93.674	--	-	64,314
Passed through California Department of Child Support Services				
Child Support Enforcement - Santa Cruz County	93.563	--	-	4,461,378
Child Support Enforcement - San Benito County	93.563	--	-	1,011,178
Subtotal			-	5,472,556
Passed through California Department of Alcohol and Drug Programs				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	10-NNA44 V1/12-89221 A01	1,071,644	1,533,744
Community Services Block Grant -Adult Protective Services - Title XIX & Staff Development	93.569	--	-	594,223
Passed through California Department of Social Services				
Medical Assistance Program - Public Authority	93.778	--	-	861,668
Passed through California Department of Health Services				
Medical Assistance Program - In Home Support Services - Title XIX and Staff Development	93.778	--	-	2,550,661
Medical Assistance Program - MediCal 50% and Staff Development	93.778	--	-	18,764,646
Medical Assistance Program - Medical Outreach	93.778	--	-	34,378
Passed through the California Department of Mental Health				
Medicaid Assistance Program	93.778	--	-	1,823,806
Medical Assistance Program - MediCal Administrative Activities	93.778	--	50,117	763,362
Subtotal			50,117	24,798,521
Projects for Assistance in Transition from Homelessness (PATH)	93.150	1946001347J5	41,089	41,089
Substance Abuse & Mental Health Services Administration (SAMHSA)	93.958	1946001347J5	22,376	253,982

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program Title	Federal CFDA No.	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed through the California Department of Public Health				
Immunization Cooperative Agreements - Immunization Assistance	93.268	15-10453	-	112,252
Centers for Disease Control and Prevention - Emergency Preparedness	93.283	EPO CDC 07-44	-	399,908
Affordable Care Act - California Personal Responsibilities	93.092	15-10320	-	121,881
HIV Care Program	93.917	15-11077	59,620	509,866
Maternal and Child Health Services Block Grant to the States - Federal Maternal & Child Health Basic Grant	93.994	2016-44	-	243,385
Total U.S. Department of Health and Human Services			1,332,871	70,716,490
<b>U.S. Department of Homeland Security</b>				
Passed through Governor's Office of Homeland Security				
Emergency Management Performance Grants - Homeland Security Grant Program FY2016	97.042	2016-0010	-	170,408
Homeland Security Grant Program FY2015	97.067	2015-00078	-	53,232
Passed through Bay Area UASI Approval Authority				
Homeland Security Grant Program - Urban Area Security Initiative Grant	97.067	2015-00078	-	290,082
Passed through San Diego County Sheriff's Office				
Homeland Security Grant Program - Stonegarden	97.067	--	-	30,454
Subtotal			-	373,768
Passed through California Emergency Management Agency				
Public Assistance Grants				
Hazard Mitigation Grant - Emergency Performance Management	97.039	--	-	64,433
Hazard Mitigation Grant - Department of Homeland Security FEMA	97.039	--	-	188,368
Subtotal			-	252,801
Total U.S. Department of Homeland Security			-	796,977
Total Expenditures of Federal Awards Excluding Loans			\$ 2,858,016	\$ 89,774,087
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>				
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.228			\$ 237,386
Home Investment Partnerships Program	14.239			1,820,169
U.S. Environmental Protection Agency				
Passed through California Environmental Protection Agency				
State Water Resource Control Board	66.458			844,362
Federal Loan Balances With a Continuing Compliance Requirement				2,901,917
Total Expenditures of Federal Awards Including Loans				\$ 92,676,004

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1 – REPORTING ENTITY**

The County of Santa Cruz (County) was established by an act of the State Legislature of California in 1850 and is governed by a five-member elected Board of Supervisors (Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The financial reporting entity consists of: (1) the County; (2) organizations for which the County is financially accountable; and (3) organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The following entities are component units of the County:

**Blended Component Units**

*Santa Cruz Flood Control and Water Conservation District – Zone 7  
Santa Cruz County Public Financing Authority*

**Discretely Presented Component Unit**

*Santa Cruz County Sanitation District*

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Consistent with the County's method of filing federal financial reports, the accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

**A. Basis of Accounting**

Funds received under the various grant programs have been recorded within the general, special revenue, and enterprise funds of the County. The County utilizes the modified accrual basis of accounting for the general fund and special revenue funds. The accrual basis of accounting is used for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**B. Schedule of Expenditures of Federal Awards**

The accompanying Schedule presents the activity of all Federal financial assistance programs of the County. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through from the State of California is included in the Schedule. The Schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the County.

**C. Indirect Cost Rate**

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

Name of Program	CFDA No.	Amount
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Nutrition Education and Obesity Prevention	10.561	\$ 374,063
Community Development Block Grant	14.228	186,623
Home Investment Partnerships Program	14.239	67,269
WIA Youth Activities - Santa Cruz County Office of Education	17.259	861,960
State and Community Highway Safety - Santa Cruz County Collaborative	20.600	35,229
Projects for Assistance in Transition from Homelessness (PATH)	93.150	41,089
Health Center Cluster	93.224	65,138
Substance Abuse and Mental Health Services - STOP Act	93.243	8,400
Drug Free Communities	93.276	14,488
Medical Assistance Program	93.778	50,117
HIV Care Program	93.917	59,620
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1,071,644
Block Grant for Community Mental Health Services (SAMHSA)	93.958	22,376
<b>Total</b>		<b>\$ 2,858,016</b>

**NOTE 4 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBERS**

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

**NOTE 5 – LOANS OUTSTANDING**

The following programs had federally-funded loans outstanding at June 30, 2017:

CFDA No.	Federal Grantor	County Department Administering Loans	Outstanding Balance at June 30, 2017	Outstanding Balance at June 30, 2016
14.228	Community Development Block Grant (CDBG)	Planning	\$ 237,386	\$ 258,549
14.239	Home Investment Partnerships Program (HOME)	Planning	1,820,169	1,261,050
66.458	State Water Resource Control Board (SWRCB)	Public Works	844,362	1,033,934
			<b>\$ 2,901,917</b>	<b>\$ 2,553,533</b>

**COUNTY OF SANTA CRUZ  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements:**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

yes  no

• Significant deficiencies identified

yes  no

not considered to be material weaknesses?

Noncompliance material to financial statements noted?

yes  no

**Federal Awards:**

Internal control over major programs:

• Material weakness(es) identified?

yes  no

• Significant deficiencies identified

yes  no

not considered to be material weaknesses?

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

yes  no

Identification of major programs:

CFDA Number(s)

20.205

93.563

93.778

Name of Federal Program or Cluster

Highway Planning and Construction

Child Support Enforcement

Medi-Cal Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 2,780,280

Auditee qualified as low-risk auditee?

yes  no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**COUNTY OF SANTA CRUZ  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

None.