Part Two of a Two-Part Webinar Series

Local BHSF Accounting and BHSA Financial Management: A County Guide

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CalMHSA

Part Two Roadmap

Part Two: Reconciliation, Reporting, and Applied Working Papers

1	**A Question we want to elevate** BHSA revenue recognition
2	**General Fund and Local BHSF settlement** Section VI: reconciliation, reimbursements and transfers, year-end control file
3	**Countywide BHOATR classification** Section VII: Care Continuum, funding sources, and the countywide crosswalk
4	**EHR and service-data connections, with a worked example** Appendix A: North County Supportive Housing working papers
5	**Additional BHOATR working-paper requirements** Appendix B: non-federal share, FFP, unduplicated individuals, administrative costs

Where Part One Left Us

The accounting foundation that Part Two builds on.

1	One Local BHSF with appropriate subsidiary accounting detail
2	General Fund costs organized through locally adaptable coding structures
3	Clear component, suballocation, prudent reserve, and receipt-year visibility
4	Accounting records designed to support reconciliation and BHOATR reporting

Part Two begins with the next operational question: how do the General Fund and Local BHSF settle, reconcile, and support countywide reporting?

When to Recognize BHSA Revenue

Possible reversion does not make BHSA distributions unearned until spent. Recognize them under modified accrual.

The question we heard: "Should we treat BHSA distributions as unearned revenue until they are spent? And does the State Controller's FTR report that revenue when it is deposited or when it is spent?"

The short answer: No. Recognize BHSA revenue under modified accrual, not when the funds are spent.

BHSA is not a reimbursement grant

DHCS sets each county's allocation and the SCO distributes it to the Local BHSF. You do not have to incur allowable costs first to qualify.

Purpose restrictions do not delay revenue

Under GASB 33, eligibility requirements drive timing. Component percentages, eligible uses, deadlines, and reversion mostly act as purpose restrictions.

A possible return is a separate event

Possible reversion does not defer the original revenue. If reclaiming funds becomes probable, evaluate a liability or other adjustment then.

How it shows up on the FTR

Recognize when eligibility and time requirements are met and amounts are measurable and available, not on deposit or spend dates. Use "Aid for Mental Health."

Key Point: Each county applies its own modified accrual and availability policies to set the year of recognition and any year-end accrual.

Sources: GASB Statement No. 33; SCO County FTR Instructions; SCO Accounting Standards and Procedures for Counties Manual.

SECTION

VI

The Relationship Between the General Fund and the Local BHSF

How General Fund costs are settled with Local BHSF revenues (drawing down the Local BHSF) through quarterly reconciliation and year-end closeout.

Part Two | Reconciliation, Reporting, and Applied Working Papers

Periodic Settlement and Year-End Reconciliation

At a minimum, counties should consider a quarterly, formal reconciliation and a final closeout at year-end.

ONGOING	QUARTERLY	YEAR-END
Monthly Monitoring	**Formal Reconciliation**	**Annual Closeout**
Recommended when transaction volume, program complexity, revenue-offset activity, or allocation activity is significant.	Validate cost coding, identify corrections, update allocation workpapers, review revenue offsets, and estimate settlement entries.	Finalize accruals, allocation true-ups, funding-source classifications, Local BHSF settlement entries, prudent reserve activity, and BHOATR support schedules.

The periodic process begins with General Fund expenditure and revenue detail and should identify:

Direct charges	**Allocated support costs**	**Revenue offsets**	**Coding corrections**	**Funding-source classifications**	**Preliminary reimbursement or transfer amounts**

Key Point: The settlement file is the record of every entry that settles General Fund costs with the Local BHSF. Component, suballocation, fiscal-year receipt, reserve, and administrative classifications are documented there, not embedded in every General Fund transaction.

Interfund Reimbursements and Transfers

The settlement file should identify each entry as a reimbursement, transfer, revenue offset, or other adjusting entry, so expenditures are not double-counted and the audit trail is clear.

Settling General Fund Costs with the Local BHSF

Interfund Reimbursement

When to use:
The General Fund incurred allowable BHSA-related costs, and the Local BHSF reimburses the General Fund for those costs.

Required support:
General Fund expenditure detail, revenue offset schedule, allocation workpaper, eligibility support, approval, reconciliation.

How it is reported:
Expenditure of the Local BHSF; reduction of expenditure in the General Fund. The cost is reported once. This is financial statement presentation; journal entries follow county procedures.

Interfund Transfer

When to use:
The county is moving revenues between funds for a documented funding purpose or reserve action, such as to a Local Prudent Reserve held in a separate fund, not reimbursing one General Fund expenditure.

Required support:
Purpose, authority, amount, affected funds, timing, approval, accounting entry, and documentation of funding activity.

How it is reported:
Other financing source in the receiving fund and other financing use in the sending fund. Expenditures stay in the fund where they were incurred.

Revenue offsets: the revenue offset schedule shows that Medi-Cal and other applicable payer revenue were applied before BHSA, consistent with DHCS billing expectations and the BHSA non-supplantation requirement.
Reclassification: moves between Local BHSF subaccounts, including the Prudent Reserve, are fund balance reclassifications, not transfers.

Key Point: A transfer does not replace General Fund expenditure support for costs ultimately funded with BHSA revenues.

Examples of Interfund Reimbursements and Transfers

Each entry type has its own required support.

Interfund reimbursement

Example

The General Fund pays salaries, benefits, provider invoices, or allocated support costs during the quarter. After revenue offsets, the Local BHSF reimburses the allowable net BHSA-related cost.

Required support

- General Fund expenditure detail
- Revenue offset schedule
- Allocation working paper
- Eligibility support and approval
- Reconciliation to the reimbursement entry

Interfund transfer

Example

The county moves revenues between the Local BHSF and a separate fund (such as a Local Prudent Reserve fund, WET and CFTN, or encumbered MHSA Innovation funds) for a documented funding purpose or reserve action.

Required support

- Purpose and authority
- Amount, affected funds, and timing
- Approval and accounting entry
- Documentation that it is funding activity, not an expenditure

Prudent Reserve Considerations for General Fund Settlement

Settlement entries move reserve amounts out of available spending and track them separately.

1 Transferred in

- Separately identified
- Removed from component-level and fiscal-year receipt tracking for available spending
- Maintained as prudent reserve activity, not the original component's spending authority
- Within the Local BHSF, recorded as a reclassification of fund balance, not an interfund transfer

2 Subsidiary records

- Additions and releases
- Balances compared to the DHCS-calculated maximum
- Authority for each reserve action
- Related accounting entries

3 Released

- Assigned to the component subaccount where the funds will be spent
- Attribution to a fiscal-year receipt is not prescribed; DHCS has indicated the reversion period begins when funds are released
- Keep records that can support whatever receipt-year and reversion treatment DHCS ultimately directs

Key Point: DHCS has indicated it will issue additional guidance on release procedures and expenditure timeframes. Counties may release reserve funds under the statutory conditions now; in the interim, assign released amounts to the component subaccount where they will be spent and keep records to support DHCS's eventual receipt-year and reversion treatment.

Recommended Year-End Control File

The objective is to create and maintain a clear and auditable bridge between where costs are incurred and managed operationally and where BHSA revenues are reported at the fund level.

Year-End Control File – Ties the General Fund and Local BHSF Together		
General Fund Records	**Local BHSF Records**	**Settlement & Reserve Activity**
Expenditure extracts	Revenue and expenditure summaries	Interfund reimbursement / transfer entries
Allocation workpapers	Component and suballocation crosswalks	Prudent reserve activity schedules
EHR / service-data extracts	Fiscal-year receipt support	Administrative cost schedules
Medi-Cal claims & remittance support	Funding-source support	BHOATR reconciliation schedules

The BHOATR is due each January 30; DHCS may withhold 25 percent of monthly distributions until a complete and accurate report is submitted. Schedule the year-end close to support that deadline.

Key Point: A well-supported year-end reconciliation helps the county demonstrate that General Fund expenditures funded by the Local BHSF were accumulated, allocated, charged, reimbursed, transferred, and reported consistently with the county's chart-of-accounts structure and BHOATR support needs.

SECTION

VII

Part Two | Reconciliation, Reporting, and Applied Working Papers

Countywide BHOATR Expenditure Classification

Extending the Section V cost accounting framework to countywide BHOATR reporting: what services were provided, and what funding source paid for them.

Extending the Cost Accounting Framework Beyond BHSA

The BHOATR covers behavioral health expenditures across the full Care Continuum, not only BHSA.

From BHSA to countywide

- Section V helps organize expenditures that may be funded by the Local BHSF
- The same cost accounting concepts can support the countywide BHOATR expenditure reporting requirements
- Counties should consider whether their broader cost accounting structure supports the Care Continuum view classifications
- The BHOATR template is still being finalized, so this guide refers to sections by view name

Care Continuum view: a matrix

	Columns: Funding Sources			
	1991 Realignment	*2011 Realignment*	*Patient Care Revenue*	*…*
Rows: Care Continuum Service Categories				

Rows answer: What type of service, support, or housing activity was provided?

Columns answer: What funding source paid for that activity?

Key Point: Together, these classifications establish the county's behavioral health expenditure base. Counties should consider whether their General Fund accounting environment can support both dimensions of reporting.

Designing Cost Centers to Support Care Continuum Reporting

Organize cost centers around how services are delivered so they can be crosswalked to Care Continuum service areas.

Stronger foundation	Weaker foundation
Cost centers organized around clinics, clinical teams, initiatives, service models, housing interventions, or other identifiable operating units	Cost centers organized around funding sources

As counties evaluate their accounting structures, they should consider:

1 Association	2 Consistency	3 Support	4 Visibility
Can each behavioral health cost center be reasonably associated with a Care Continuum category?	Do expenditures in a cost center generally represent a consistent service or operational purpose?	When a cost center spans multiple categories, do data sources support a reasonable, defensible allocation methodology for working papers?	Do future cost center design decisions improve or reduce reporting visibility?

Key Point: The objective is not necessarily a separate cost center for every Care Continuum category, but sufficient information to support a reasonable and auditable methodology for assigning expenditures to the categories reported through the BHOATR.

Designing Cost Centers to Support Funding Source Reporting

BHOATR reporting also asks: what funding source was used to finance those services?

After organizing cost centers around operational and service-delivery objectives, funding source attribution can be layered onto those expenditures through **revenue source coding**.

At a minimum, counties should be able to identify expenditures financed by the following funding sources:

BHSA	**Medi-Cal Patient Care Revenue**	**1991 Realignment**	**2011 Realignment**	**County General Fund**
State General Fund	**SAMHSA PATH**	**MHBG**	**SUBG**	**Opioid Settlement**
Commercial Insurance	**Other Federal Grants**	**Other State Funding**	**Other County Mental Health or SUD Funding**	**Other Foundation Funding**

Key Point: Cost centers answer what services were provided; revenue source coding answers what funding source paid for them.

Establishing a Countywide Expenditure Crosswalk

A crosswalk links General Fund accounting structures to BHOATR reporting classifications.

General Fund
accounting structures

At a minimum, document:

1 **The Care Continuum Service** Category or Categories associated with each cost center

2 **Any allocation** methodology used when costs are distributed across multiple categories

3 **The methodology** used to identify funding sources supporting reported expenditures

4 **Supporting data** sources for allocations: EHR records, ISL submissions, claims data, utilization records, staff time studies, or other operational data

BHOATR
reporting classifications

Key Point: Review the crosswalk periodically and update it whenever cost centers are created, retired, reorganized, merged, or materially changed.

Next Steps

Counties can build these structures now, ahead of the draft FY 2026-27 BHOATR due January 30, 2028.

1 Set up the Local BHSF

- Establish the special revenue fund and its subaccounts
- Define receipt-year and Prudent Reserve tracking
- Confirm how investment income is allocated

2 Align General Fund coding

- Choose a chart of accounts design
- Create cost centers and activity codes for each component
- Crosswalk EHR programs to cost centers

3 Document the rules

- Allocation methodologies
- Settlement method: reimbursement or transfer
- Age calculation, unduplication, and cost attribution

4 Run the cycle

- Begin quarterly reconciliations
- Build the year-end control file
- Map cost centers to BHOATR categories and funding sources

Key Point: Building the structure on FY 2026-27 activity lets the county test it through the draft BHOATR before the first final report is due January 30, 2029.

APPENDIX

A

Part Two | Reconciliation, Reporting, and Applied Working Papers

Connecting EHR Program Data to Cost Accounting and BHOATR Reporting

Using Medi-Cal claims and ISL encounter data to support documented working papers that allocate expenditures across BHOATR reporting classifications.

EHR Program Data Connects Service Delivery to the Accounting Structure

The General Ledger shows where costs are accumulated; claims and ISL data supply the service-level detail the BHOATR needs.

General Ledger

Where expenditures are accumulated

Payroll, benefits, provider payments, facility costs, supplies, and other expenditures

Does not always contain the service-level information needed to distribute expenditures across BHOATR reporting categories

Medi-Cal Claims + ISL Encounters

The foundational resource

Should serve as the foundation for cost allocation-based working papers that support BHOATR reporting

ISL data is not required to be managed in the county's EHR, but CalMHSA believes this is the best practice

EHR Program Name Crosswalk

The operational link

Consistently structured Program Names, connected to claims and ISL records, link service delivery to the accounting structure

Program Names may be crosswalked to cost centers, activity codes, project codes, contracts, or other accounting dimensions

Key Point: Whether the county maintains a highly detailed accounting structure or a broader cost center framework, a maintained Program Name crosswalk provides a consistent basis for connecting operational and financial data.

Program Inventory Results as the Connection Between Service and Cost Data

The completed program inventory becomes fiscal staff's reference point for linking EHR programs to the accounting structure.

1 Inventory programs

CalMHSA's Stop, Start, Continue Program Inventory process identifies the services and activities associated with each EHR program.

2 Align to classifications

Evaluate how programs align with Care Continuum and BHSA reporting classifications, and whether configurations should be modified to better support annual BHOATR reporting.

3 Connect to accounting

Once program mapping concludes, fiscal staff use the completed inventory as a reference point for connecting operational activity to the accounting structure.

The specific approach may vary by county

Counties organize accounting structures with different combinations of cost centers, activity codes, project codes, and other dimensions. Regardless of configuration, EHR claims and ISL encounter data can establish a supportable connection between service delivery and accumulated expenditures, supporting documented working papers and allocation methodologies.

Key Point: Documenting these relationships helps establish a clear connection between service delivery activity and the expenditures accumulated within the General Ledger.

How EHR Data Supports Different Cost Accounting Structures

Service data supports expenditure classification decisions for BHOATR reporting; it does not replace the General Ledger.

General Ledger	Claims and ISL Encounter Data
The authoritative source of actual expenditures	**Operational information that supports expenditure classification decisions** *What services were delivered, and through which programs*

How counties use the data depends on how their accounting structures are organized:

1 Cost centers only

Service data supports year-end classification of costs accumulated within broader cost centers

2 Cost centers, activity codes, and project code strings

Service data informs how costs are coded, distributed, and monitored throughout the year

Key Point: Claims and ISL encounter data do not replace the General Ledger and should not be expected to reconcile directly to actual expenditures: they measure service activity rather than cost, follow a different basis and timing, and miss costs not tied to a specific service.

Counties Primarily Using Cost Centers

Cost centers may contain expenditures for multiple programs, services, populations, or reporting categories.

1 Accumulate actual expenditures

Salaries, benefits, provider payments, supplies, facility costs, and other expenditures are accumulated within the applicable cost center.

2 Identify the associated EHR programs and ISL encounters

The county maintains documentation identifying which EHR programs, including those that record ISL encounters, are represented within the cost center.

3 Extract relevant operational data

The county obtains claims, ISL encounter data, or other supporting information associated with the applicable programs.

4 Develop an allocation methodology

The county selects an allocable basis that bears a reasonable relationship to the expenditures being distributed.

5 Prepare supporting working papers

The county develops documentation supporting the distribution of expenditures across applicable reporting classifications.

6 Reconcile the allocation

The allocated amounts reconcile to the cost pool being distributed, subject to documented exclusions or adjustments.

Key Point: Claims, ISL encounter data, and other operational information help counties evaluate how expenditures accumulated within a broader cost center should be classified at year end for reporting purposes.

Counties Using Additional Accounting Dimensions

Activity codes, project codes, and contracts build reporting distinctions into the record.

Supporting payroll coding and time studies

- Claims and ISL data may help employees complete timecards across cost center and activity code combinations based on recorded service activities
- Use the data as a reconciling backdrop: compare payroll distributed over a defined period (e.g., quarterly or semi-annually) against EHR activity

Example: A clinician time-studies to 5300-A302 (BHSS – Adult System of Care), but the data shows services only to clients open to FSP-ICM programs, a signal that timecard entries and payroll allocations may be off.

Informing provider invoice processing

- When a provider operates multiple programs under one contract, service activity during the invoicing period informs how invoice costs are assigned
- Periodically compare provider expenditures against service activity to evaluate whether costs reasonably reflect the services delivered

Example: A provider's costs are charged mostly to Adult System of Care, but most encounters are in FSP programs, so revisions to coding, the allocation methodology, or the program-to-accounting crosswalk may be warranted.

Key Point: Even when accounting dimensions align with reporting categories, operational data helps validate that expenditures were assigned to the objectives most representative of the services delivered.

Common Theme Across Accounting Structures

The role of EHR data differs by accounting structure, but the underlying objective remains the same.

Counties primarily using cost centers

EHR data primarily supports periodic cost allocation methodologies after expenditures have accumulated within broader cost centers.

Counties using additional dimensions

EHR data helps inform more real-time, ongoing payroll coding, invoice processing, expenditure classification, and reconciliation activities throughout the fiscal year.

General Ledger
The authoritative source of actual expenditures

EHR claims and ISL encounter data
What services were delivered, through which programs, and how expenditures may be reasonably attributed to BHOATR classifications

Key Point: In either case, the General Ledger remains authoritative, while claims and ISL data provide the operational information that supports BHOATR classification.

Example: North County Supportive Housing Program

One set of working papers supports both BHOATR reporting and Local BHSF reimbursement.

Cost Center 5520

North County Supportive Housing Program

$3,000,000

actual expenditures

No activity or project codes

Three connected questions, one integrated set of working papers

1 Expenditure classification

What portion of the cost center's expenditures is attributable to Housing Interventions, and what portion to BHSS?

2 Funding source attribution

What funding sources are financing those expenditures?

3 Local BHSF reimbursement

How much should be reimbursed from the Local BHSF to the General Fund through an interfund reimbursement?

Scope of This Example

Illustrated	Not illustrated
BHSA component view reporting and Local BHSF drawdown	Care Continuum view mapping (Section VII): also required; the same concepts apply

Key Point: The example also shows that a single cost center may be financed by more than one funding source, each of which must be separately identified and reported.

Scenario and Assumptions

North County Example · Cost Center 5520

The Site is a county-operated permanent supportive housing location, managed as one unit and recorded in one cost center.

The Site

- County-operated supportive housing
- Serving adults with serious mental illness and co-occurring substance use disorders
- Combined on-site housing with on-site behavioral health care, consistent with a Housing First, recovery-oriented model
- Permanent supportive housing; tenancy is not time-limited, which distinguishes it from an interim or bridge housing setting for BHOATR reporting
- One site director, one budget, co-located staff
- No activity codes or project codes; all costs accumulate in cost center 5520

$3,000,000 Actual Expenditures

- Salaries and benefits for property management, housing navigation, and clinical staff
- Facility costs, utilities, property maintenance, and security
- Cost-reimbursement CBO contract for homeless outreach and engagement
- Participant assistance
- Administrative support

Space and Staff

- 10,000 sq ft: 3,000 sq ft behavioral health wing (therapy rooms, group room, clinical documentation space); 7,000 sq ft housing operations (resident units, common areas, housing administrative space)
- 10.0 FTE clinical and behavioral health staff deliver BHSS activities
- 5.0 FTE housing navigators deliver Housing Transition Navigation and Tenancy Sustaining Services
- FTE counts also serve as the allocation basis for administrative support staff costs

Key Point: Facilities, maintenance, and security staff map directly to one BHOATR line; clinical staff and housing navigators divide their time across both components, so their costs require service-level data.

Scenario and Assumptions (continued)

North County Example · Cost Center 5520

The Site operates as one unit, but the BHOATR requires its expenditures split across two components and four funding sources.

Four funding sources finance cost center 5520

1
BHSA Housing Interventions

2
BHSA Behavioral Health Services and Supports (BHSS)

3
Medi-Cal Patient Care Revenue
From Medi-Cal claims for billable activities at the Site

4
SAMHSA PATH
Passed through to a contracted CBO

Housing Interventions

Operating Subsidies (permanent setting), Participant Assistance, Housing Transition Navigation and Tenancy Sustaining Services, and Housing Outreach and Engagement

BHSS: Adult and Older Adult System of Care

Peer Support Services, Rehabilitation, Group Services, Individual Services, Case Management, and Recovery Supports

Note on PATH funds: PATH funds a narrow menu (primarily street outreach, engagement, and case management) for individuals with serious mental illness who are experiencing or at risk of homelessness. It is not a general-purpose revenue source and should not fund rent or ongoing clinical treatment. The CBO's contract, invoices, and PATH grant reporting keep it separately identifiable within the cost center.

Data assumptions

- Each activity, including the CBO's outreach and engagement, is crosswalked to the EHR programs that capture its service activity
- The CBO submits its PATH-funded activity through the county's EHR using ISL encounter records
- The General Ledger is authoritative; claims and ISL data are used only as an allocation basis and are not expected to reconcile to expenditures

Step 1: Identify and Organize the Cost Pools Within the Cost Center

North County Example · Cost Center 5520

The county organizes the $3,000,000 in cost center 5520 into six pools; only one requires claims and ISL data.

Directly identified $850,000	Allocated by space or headcount $800,000	Claims and ISL data $1,350,000
PATH-Funded Outreach and Engagement Contract **$300,000** *By contract (CBO invoices and payments)*	**Facility Costs** **$500,000** *Square footage (7,000 housing / 3,000 BH wing)*	**Program Services Staff** **$1,350,000** *Service minutes from claims and ISL encounters; navigators and clinical staff divide time across both components*
Property Management and Housing Operations Staff **$400,000** *Distinct job classifications · Operating Subsidies, permanent setting*	**Administrative Support Staff** **$300,000** *FTE headcount (5.0 navigators / 10.0 clinical)*	
Participant Assistance **$150,000** *By object code*		

Key Point: Each shared cost pool should be allocated using the basis that best reflects the underlying cost driver: space, headcount, or service time.

Step 2: Extract and Prepare Medi-Cal Claims and ISL Encounter Data

North County Example · Cost Center 5520

For the Program Services Staff pool, the county extracts two data sets from the crosswalked EHR programs.

Applies to: Program Services Staff pool · $1,350,000 | The only pool that requires claims and ISL data

Medi-Cal Claims Data

BHSS services claimed to Medi-Cal on a fee-for-service basis:

- Individual services
- Group services
- Rehabilitation
- Case management
- Peer support

ISL Encounter Data

Activities that are not claimed to Medi-Cal:

- **BHSS:** recovery supports and non-billable peer support
- **Housing Interventions:** Housing Transition Navigation and Tenancy Sustaining Services

Each record includes

Client identifier	Date of service	EHR program	Service minutes

Key Point: Because the Program Services Staff pool is driven primarily by staff time, the county selects service minutes as its allocation basis, consistent with the approach used for similar staff-driven cost pools elsewhere in this guide.

Step 3: Develop the Allocation Methodology

North County Example · Cost Center 5520

Medi-Cal claims and ISL encounters combine into one service-minute basis for allocation.

Medi-Cal Claims

270,000 service minutes

Individual services, group services, rehabilitation, case management, and peer support

ISL Encounters

180,000 service minutes

Housing Transition Navigation & Tenancy Sustaining Services
108,000 min · 60% of ISL

Recovery Supports & Non-Billable Peer Support
72,000 min · 40% of ISL

Total Service Activity

450,000 service minutes

270,000 claims minutes + 180,000 ISL minutes = 450,000

Program Services Staff Cost Pool

$1,350,000

÷ 450,000 minutes =

$3.00 per service minute

Service minutes are documented as the allocation basis because they bear a reasonable relationship to staff effort, which drives the cost of this pool, and because a single basis across the pool keeps the methodology consistent and easier to reconcile. Because one cost per minute applies to every minute, each type's share of total minutes gives the same result: 60% ($810,000) Medi-Cal claims, 24% ($324,000) housing navigation, and 16% ($216,000) recovery supports and non-billable peer support.

Step 4: Allocate Expenditures Between Housing Interventions and BHSS

North County Example · Cost Center 5520

All six cost pools are classified or allocated using a driver tied to the underlying cost.

Cost Pool	Amount	Allocation Basis	Housing Interventions	BHSS
PATH-Funded Outreach and Engagement Contract	$300,000	Directly identified by contract	**$300,000**	**$0**
Property Management and Housing Operations Staff	$400,000	Directly identified by position type	**$400,000**	**$0**
Facility Costs	$500,000	Sq ft: 7,000/10,000 HI = $350,000; 3,000/10,000 BHSS = $150,000	**$350,000**	**$150,000**
Participant Assistance	$150,000	Directly identified by object code	**$150,000**	**$0**
Program Services Staff	$1,350,000	Minutes: 108,000 × $3.00 = $324,000 HI; 342,000 × $3.00 = $1,026,000 BHSS	**$324,000**	**$1,026,000**
Administrative Support Staff	$300,000	FTEs: 5/15 HI = $100,000; 10/15 BHSS = $200,000	**$100,000**	**$200,000**

Housing Interventions
$1,624,000

BHSS
$1,376,000

$1,624,000 + $1,376,000 = $3,000,000

Step 5: Identify and Attribute Funding Sources

North County Example · Cost Center 5520

With expenditures classified by BHSA component, the county next identifies which funding source financed each dollar.

Housing Interventions · $1,624,000

Funding Source 4 · PATH $300,000

Finances the entire CBO contract: a distinct, separately budgeted contract dedicated to PATH-eligible outreach and engagement services.

Funding Source 1 · BHSA Housing Interventions $1,324,000

Finances all remaining Housing Interventions expenditures not supported by PATH: $1,624,000 − $300,000 = $1,324,000.

BHSS · $1,376,000

Funding Source 3 · Medi-Cal Patient Care Revenue $270,000

Generated by the Program Services Staff pool's Medi-Cal claimed services; for this illustration, the full amount is applied as a revenue offset against BHSS expenditures.

Funding Source 2 · BHSA BHSS $1,106,000

Finances all remaining BHSS expenditures not supported by Medi-Cal Patient Care Revenue: $1,376,000 − $270,000 = $1,106,000.

Funding source waterfall

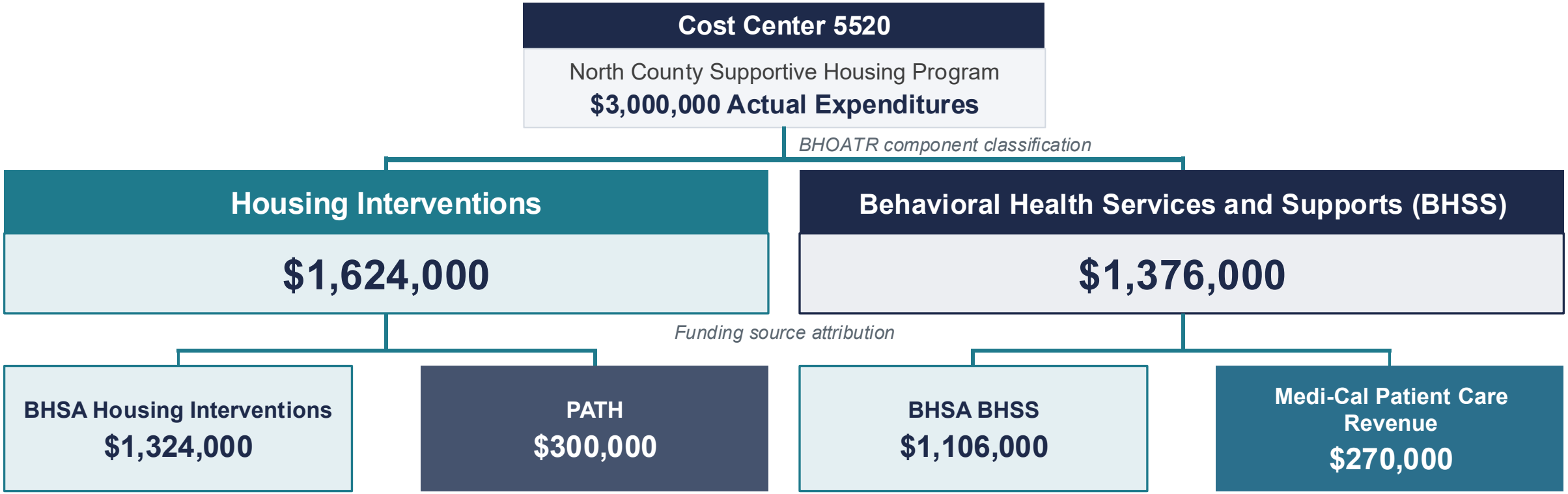
$300,000 PATH + $270,000 Medi-Cal + $1,106,000 BHSA BHSS + $1,324,000 BHSA Housing Interventions = $3,000,000

Step 5 (continued): Identify and Attribute Funding Sources

North County Example · Cost Center 5520

One Cost Center, Two Reporting Components, Four Funding Sources

Cost center 5520 is classified into two BHOATR components and financed by four funding sources.



Figures are illustrative for the North County Supportive Housing Program example.

$1,324,000 + $300,000 + $1,106,000 + $270,000 = $3,000,000

Step 6: Determine Local BHSF Reimbursement Amounts

North County Example · Cost Center 5520

PATH and Medi-Cal Patient Care Revenue are recorded as General Fund revenue offsets; the Local BHSF reimburses the remaining BHSA-funded cost.

General Fund

Cost Center 5520

$3,000,000

Initially paid

Payroll, benefits, contracts, facility costs, participant assistance, and administrative support

PATH Revenue
$300,000
(direct General Fund revenue offset)

Medi-Cal Patient Care Revenue
$270,000
(direct General Fund revenue offset)

$3,000,000 − ($300,000 PATH + $270,000 Medi-Cal Patient Care Revenue) = $2,430,000 remaining BHSA-funded cost

Local BHSF

Housing Interventions Component Subaccount
Interfund Reimbursement: $1,324,000

BHSS Component Subaccount
Interfund Reimbursement: $1,106,000

Total Local BHSF Interfund Reimbursement:
$2,430,000

$300,000 + $270,000 direct revenue offsets + $2,430,000 Local BHSF reimbursement = $3,000,000

The county is not preparing one calculation to support the BHOATR and a separate calculation to support its Local BHSF drawdown. The working papers developed in Steps 1 through 5 serve both purposes.

Step 7: Prepare Reconciliation Workpapers

North County Example · Cost Center 5520

Before amounts are used for interfund reimbursement or reporting, each view must reconcile to the $3,000,000 in cost center 5520.

Three views, one total

BHOATR component view

$1,624,000 HI + $1,376,000 BHSS

= $3,000,000

Funding source attribution

$1,324,000 + $300,000 + $1,106,000 + $270,000

= $3,000,000

Local BHSF reimbursement

$300,000 PATH + $270,000 Medi-Cal offsets + $2,430,000 reimbursed

= $3,000,000

The working papers should document

- Data sources used, extract dates, and fiscal year parameters
- EHR programs crosswalked to the cost center, including the CBO's PATH-funded outreach and engagement program
- Pools identified directly from the General Ledger and the basis for treating them as directly identifiable
- Allocation basis for each shared pool (square footage, FTE headcount, service minutes) and why it fits
- BHOATR component classification applied to each cost pool and data source
- Basis for classifying Site's Operating Subsidies as a permanent setting rather than interim setting (the BHOATR requires this distinction)
- Funding source attribution, including the federal share assumption used to draw down Medi-Cal Patient Care Revenue
- Resulting interfund reimbursement amounts and their agreement with BHOATR component totals
- Exclusions or adjustments, such as records with missing identifiers, and their treatment

Step 8: Populate the BHOATR

North County Example · Cost Center 5520

The county reports the figures developed in Steps 4 through 6 on each BHOATR component view.

Housing Interventions section		
Operating Subsidies – Permanent Settings	**$850,000**	*BHSA Housing Interventions*
Participant Assistance	**$150,000**	*BHSA Housing Interventions*
Housing Outreach and Engagement	**$300,000**	*PATH (All Other Funding Sources)*
Housing Transition Navigation and Tenancy Sustaining Services	**$324,000**	*BHSA Housing Interventions*

BHSS component view: Adult and Older Adult System of Care		
Financed by BHSA Behavioral Health Services and Supports	**$1,106,000**	*BHSA BHSS*
Financed by Medi-Cal Patient Care Revenue	**$270,000**	*Medi-Cal (All Other Funding Sources)*
Total BHSS expenditures	**$1,376,000**	

Key Point: The $2,430,000 in BHSA-funded expenditures reported on the BHOATR equals the total interfund reimbursement in Step 6, because both come from the same working papers developed in Steps 4 through 6.

Step 8 (continued): Populate the BHOATR

North County Example · Cost Center 5520

Illustrative BHOATR Reporting Crosswalk: Housing Interventions and BHSS

Housing Interventions Component Expenditures		
Program / Service	**BHSA Actual Expenditures**	**All Other Funding Sources Actual Expenditures**
Non-Time Limited Permanent Settings		
Rental Subsidies	$-	$-
Operating Subsidies	$850,000	$-
Bundled Rental and Operating Subsidies	$-	$-
Time Limited Interim Settings		
Rental Subsidies	$-	$-
Operating Subsidies	$-	$-
Bundled Rental and Operating Subsidies	$-	$-
Other Housing Interventions		
Landlord Outreach and Mitigation Funds	$-	$-
Participant Assistance Funds	$150,000	$-
Housing Transition Navigation Services and Housing Tenancy Sustaining Services	$324,000	$-
Outreach and Engagement	$-	$300,000
Capital Development Projects	$-	$-
BHSA Innovative Housing Intervention Pilots and Projects	$-	$-
MHSA INN Projects	$-	$-
Component Administrative Costs	$-	$-
Total Actual Housing Intervention Expenditures	**$1,324,000**	**$300,000**

PATH

Behavioral Health Services and Supports Component Expenditures		
Program / Service	**BHSA Expenditures**	**All Other Funding Source Expenditures**
Children's System of Care, Non-FSP	$-	$-
Adult and Older Adult System of Care, Non-FSP	$1,106,000	$270,000
Early Intervention Expenditures	$-	$-
Youth-Focused Early Intervention Expenditures	$-	$-
Coordinated Specialty Care for First Episode Psychosis	$-	$-
Outreach and Engagement	$-	$-
Innovative BHSS Pilots and Projects	$-	$-
MHSA INN Projects	$-	$-
Workforce Education and Training	$-	$-
Capital Facilities and Technological Needs	$-	$-
Component Administrative Costs	$-	$-
Total Component Expenditures	**$1,106,000**	**$270,000**

Medi-Cal Patient Care Revenue

Reconciling Service Utilization and Expenditure Distributions

North County Example · Cost Center 5520

The BHOATR also reports unduplicated individuals served, separately from expenditures.

	Housing Interventions	BHSS
Reach *Unduplicated individuals served: how many people received an activity*	**140** Every resident housed at the Site	**95** Peer support, group or individual services, case management, or recovery supports
Effort *Allocation basis: how much staff time they received*	**Housing Transition Navigation and Tenancy Sustaining Services**	**More intensive, longer-duration services per resident**

Do not adjust the expenditure allocation to match utilization. Keep the basis that best reflects the costs being distributed, compare the two distributions each year as a reasonableness check, and explain large differences with program data, such as service intensity, enrollment length, or program design.

Key Point: Counties should expect this kind of difference between service utilization and expenditure distribution. It does not indicate an error in either view.

One Set of Working Papers Serves Both Purposes

North County Example · Cost Center 5520

The same working papers support both BHOATR reporting and the Local BHSF drawdown.

1 Accumulate

The county accumulates expenditures within an operationally organized General Fund cost center, as described in Section V.

2 Classify and attribute

Claims data, ISL encounter data, funding source information, and documented working papers, consistent with Sections VI and VII, determine classification, funding, and reimbursement.

3 Report and reimburse

- BHOATR component view
- Funding source attribution
- Local BHSF interfund reimbursement

Each built from the same underlying working papers

Key Point: A county that maintains these working papers consistently will find that its BHOATR reporting and its Local BHSF drawdown activity are two uses of one set of numbers, not two separate processes.

Part Two of a Two-Part Webinar Series

Thank You

PRESENTED BY:

Ryan Caceres, Director of Behavioral Health Financing

ACCESS THE GUIDE:

A County Guide for Local BHSF Accounting and BHSA Financial Management

CalMHSA