

 County of Sacramento Department of Health Services Division of Behavioral Health Services Policy and Procedure	Policy Issuer (Unit/Program)	Youth and Family Behavioral Health Services
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	Revision Date	7/1/26
Wraparound Use of Funds		Functional Area: Services

I. Background/Context

This policy is established in accordance with the California High Fidelity Wraparound (HFW) model as defined in All County Letter (ACL) 25-47 and Behavioral Health Information Notice (BHIN) 25-027, which set forth statewide standards for Wraparound implementation, including requirements related to family voice and choice, team-based planning, cultural responsiveness, cross-system collaboration, and fiscal governance. Additional guidance, including ACL 19-70, ACL 17-112, ACL 16-92, and ACIN I-52-15, further informs Wraparound eligibility, program design, and implementation requirements. (*HFW Standards 6.1, 6.2, and 8.1*)

High Fidelity Wraparound (HFW) is a strengths-based, youth and family-centered, needs-driven, service model designed to support youth with complex needs in maintaining stable, family-based living environments. The model requires a Child and Family Team (CFT) to guide team-based planning and develop and implement an individualized Plan of Care. HFW is delivered as a clinical intervention within Sacramento County's Full Service Partnership (FSP) program infrastructure under the Behavioral Health Services Act (BHSA), which serves as the coordinating framework for integrated service planning, coordinated care, and flexible supports. (*HFW Standards 1.3, 1.4, 3.3, 4.1, 4.2*)

In California, Wraparound services are authorized under Senate Bill (SB) 163 (Welfare and Institutions Code §§ 18250–18258), which allows counties to redirect funds that would otherwise be expended on out-of-home placement to provide individualized, community-based services and supports. (*Welf. & Inst. Code §§ 18250–18258; HFW Standards 2.1, 2.2, 6.1, 6.2*)

Wraparound funding consists of two streams: Current Year Wraparound Funds (CYWF), which support active service delivery, and Achieved Savings, which represent unspent prior-year funds held in the County Wraparound Trust Fund in accordance with County Fiscal Letter (CFL) 20/21-94. Both streams are distinct from other County funding sources. (*HFW Standards 8.1, 8.2, 8.5*)

II. Definitions

- 1. Child and Family Team (CFT):** A collaborative, youth- and family-centered team that includes the child or youth, family or chosen supports, formal system partners, and natural supports. The CFT approves all flexible funding requests, which must be reviewed and supported by the CFT.
- 2. Plan of Care (POC):** The individualized, strengths-based plan developed through the CFT that outlines all service delivery and funding decisions.
- 3. Community Leadership Team (CLT):** A cross-system, community-based governance body, including representatives from Child Protective Services, Probation, BHS, and other child-serving entities, contracted providers, caregivers, and clients, that supports High Fidelity Wraparound implementation. The CLT supports system-level collaboration, identifies and addresses cross-agency barriers, and informs policy and practice improvements. The CLT

operates at a system level, does not make individual case-level decisions, and reports to the Interagency Leadership Team (ILT).

4. **Cross-System Governance:** A shared decision-making structure across Behavioral Health Services (BHS), Child Protective Services (CPS), Probation, and system partners through the Interagency Leadership Team (ILT). Cross-system governance requires collaboration and coordinated decision-making among system partners for significant funding allocation and reinvestment decisions. Routine case-level funding decisions remain the responsibility of the department holding fiscal authority for the expenditure.
5. **Interagency Leadership Team (ILT):** A cross-system governance body composed of leadership representatives from the Department of Health Services (DHS), the Department of Child, Family and Adult Services (DCFAS), Probation, Alta California Regional Center, and Sacramento County Office of Education (SCOE), responsible for shared fiscal and programmatic decision-making, reinvestment oversight, and cross-system coordination.
6. **ILT Fiscal Subcommittee:** The fiscal governance body composed of BHS, DCFAS (CPS), and Probation. The ILT Fiscal Subcommittee holds shared authority over Wraparound fiscal decisions, including flexible fund oversight, reinvestment plan approval, and use of Achieved Savings.
7. **Achieved Savings (AS):** Are unspent Current Year Wraparound Funds (CYWF) from prior fiscal years, including accrued interest, held in the County Wraparound Trust Fund pursuant to California Department of Social Services County Fiscal Letter No. 20/21-94 (CFL 20/21-94). Reinvestment of Achieved Savings is the County's responsibility, governed through the ILT Fiscal Subcommittee.

Achieved Savings shall be used to expand or enhance services and supports for youth and families and shall be reinvested in accordance with State and County policy and cross-system governance requirements.

8. **Current Year Wraparound Funds (CYWF):** The child's existing foster care funding stream, redirected to support Wraparound services in lieu of higher-level placements such as Short-Term Residential Therapeutic Program (STRTP). Funds are used for non-Medi-Cal services, supports, or goods approved by the CFT and documented in the Plan of Care.
9. **Flexible Funding:** Funds used to purchase non-Medi-Cal services, supports, or goods identified through the CFT process and documented in the Plan of Care. Flexible funding may be used only when other funding sources are unavailable, insufficient, or inaccessible in a timely manner. Flexible funding sources include CYWF (SB 163), BHSA allocations, WIN (when available), the state activities fund (when available), drawn in priority order.
10. **Full Services Partnership (FSP):** The primary infrastructure under BHSA for delivering coordinated, integrated services and flexible supports to youth and families. HFW is one clinical intervention delivered within the FSP framework alongside other evidence-based practices. All youth receiving HFW are served within this infrastructure.
11. **Wraparound Trust Fund:** The County-managed accounts used to hold and administer Current Year Wraparound Funds, Achieved Savings, and Aftercare funds, including accrued interest.
12. **Expenditure:** The use of Wraparound funds to pay for services, supports, or goods for youth and families through an approved Plan of Care or Reinvestment Plan.
13. **Managing, Monitoring and Reporting:** The tracking and monitoring of Wraparound funds, including requests, expenditures, balances, and outcomes, by BHS, CPS, and Probation to ensure accountability and compliance.

14. Reinvestment Plan: The formal mechanism used to allocate Achieved Savings for expanded services and supports for youth and families served, including defined goals, budgets, and expected outcomes.

15. Supplantation: The prohibited use of Wraparound funds to replace or substitute for other available or required funding sources, including Medi-Cal or other federal, state, or local funds.

III. Purpose

To establish requirements for the transparent, accountable, and compliant use, expenditure, and reporting of Current Year Wraparound Funds (CYWF) and Achieved Savings. It applies to Sacramento County BHS, CPS, Probation, and all contracted Wraparound providers. It is established in accordance with ACL 25-47, BHIN 25-027, CFL 20/21-94, and WIC §§ 18250–18258 and is designed to ensure compliance with California HFW Standards 7.2 and 8.1 through 8.6.

IV. Authority and Governance Framework

Wraparound funds are authorized under Senate Bill 163 (WIC §§ 18250–18258) and governed by ACL 25-47, BHIN 25-027, and CFL 20/21-94. Fiscal authority over Wraparound funds is held jointly by BHS, DCFAS (CPS), Federal payer-of-last-resort requirements established in 42 Code of Federal Regulations section 433.139, and Probation through the ILT Fiscal Subcommittee. Significant changes to funding allocation or reinvestment strategy shall be reviewed through the cross-system governance structure. Significant funding allocation, reinvestment, and policy-level fiscal decisions shall flow through the cross-system governance structure.

Governance Structure

Sacramento County operates a governance structure for HFW:

Body	Membership	Primary Function
Interagency Leadership Team	DHS, DCFAS, Probation, Alta Regional Center, SCOE	Shared programmatic decision-making and cross-system coordination
Interagency Leadership Team Subcommittee	BHS, DCFAS (CPS), Probation	Shared fiscal authority: flex fund oversight, reinvestment decisions, use of Achieved Savings
Community Leadership Team	BHS, DCFAS, Probation, providers, caregivers, clients, other child-serving entities	System coordination, cross-agency collaboration, barrier removal, family plan review at systems level. No fiscal authority over Wraparound funds.

The ILT Fiscal Subcommittee structure reflects the statutory fiscal authority framework under SB 163: Wraparound funds are administered exclusively by BHS, DCFAS, and Probation, each of which holds legal responsibility for their expenditure and accountability. Fiscal oversight decisions are appropriately held within the ILT Fiscal Subcommittee to ensure accountability and prevent entities without statutory fiscal authority from participating in spending or allocation decisions.

(California Welfare and Institutions Code section 18253)

V. Policy/Procedures:

Section 1: Fiscal Alignment with High Fidelity Wraparound Standards [Standard 8.1]

Fiscal practices at both the County and provider level shall align with HFW values, principles, and standards. Budgets and contracts shall allocate funding for:

1. Required Wraparound staffing at levels sufficient to meet HFW standards
2. Staff training and ongoing workforce development
3. Required data collection and management systems necessary for reporting and continuous quality improvement
4. Direct services and flexible supports necessary to meet individualized family needs

The CFT identifies needs and recommends services and supports. All client related funding decisions shall flow through the CFT process and, where applicable, the cross-system governance structure.

Final determination of funding source and fiscal allowability remains the responsibility of the County in accordance with applicable state and federal requirements.

(HFW Standards 4.1, 4.2, and 8.1; BHIN 25-027)

Section 2: Equitable Funding Across System Partners [Standard 8.2]

The County shall ensure that all available federal, state, local, and private funding sources are leveraged to the maximum extent to meet the needs of youth and families served by HFW.

System partners, including DHS, DCFAS, and Probation, shall contribute equitably to HFW funding in proportion to their legal authority, service responsibility, and involvement in the care of enrolled youth and families. The County shall document the allocation methodology and review contributions annually to ensure fiscal equity and adequacy.

Medi-Cal shall be leveraged as the payor of first resort for all covered services when youth are eligible. Wraparound funds shall not supplant Medi-Cal reimbursement where Medi-Cal services are available and billable. Wraparound funds may supplement services or address needs not covered by Medi-Cal, as identified through the CFT process and documented in the Plan of Care.

Section 3: Allowable Use of Current Year Wraparound Funds (CYWF) [Standard 8.1, 8.2]

CYWF are available to support the full range of services, supports, and fiscal functions necessary to deliver High Fidelity Wraparound. CYWF may be used for any of the following purposes, subject to the constraints and approval requirements established in this policy:

Allowable Uses

1. Non-Medi-Cal services and supports: CYWF may be used to fund services, supports, and goods that are not reimbursable by Medi-Cal, identified through the CFT process, and documented in the Plan of Care.
2. Flexible goods and supports: CYWF may be used to purchase goods and community-based supports identified through the CFT process that address barriers to youth and family stability and are documented in the Plan of Care.

Governing Constraint, No Supplantation

CYWF shall not be used to replace or substitute for any other available funding entitlement. When another funding source, including Medi-Cal services, CalAIM Community Supports, or other federal, state, or local entitlement programs, is available and appropriate to meet the identified need, that source shall be used prior to CYWF when applicable.

CYWF shall be the primary flexible funding source for eligible foster youth when entitlement funding is unavailable, insufficient, or cannot be accessed in a timely manner. Behavioral Health Services Act (BHSA) flexible funding shall be used as the funding source of last resort after all other available funding sources, including CYWF, have been considered.

CYWF may supplement but not supplant available funding.

Additional Use Requirements

All CYWF expenditures, regardless of purpose, shall:

1. Be tied to the CFT process and documented in the Plan of Care
2. Support identified needs and the team's mission
3. Build on family strengths and be culturally relevant
4. Prioritize natural and community-based supports before authorizing flexible fund expenditures
5. Consider sustainability when appropriate to the identified need

Flexible supports shall be used in a targeted, time-limited manner and shall not provide ongoing or open-ended financial assistance. CYWF shall not be used for non-Wraparound purposes or general system operations.

Prohibited Uses of Current Year Wraparound Funds

Current Year Wraparound Funds shall not be used for:

1. Routine placement costs, including board and care or ongoing room and board
2. Placement rate enhancements or provider reimbursement increases
3. Program staffing, administrative overhead, or general operating expenses
4. Services or goods reimbursable through Medi-Cal, CalAIM, BHSA, or other entitlement programs
5. Goods or services not directly linked to a documented barrier to treatment engagement, placement stability, or safety

Use of CYWF must be individualized, clinically justified, and consistent with County policy and applicable state and federal requirements.

(HFW Standards 3.3, 5.2, 8.1, and 8.2; Welf. & Inst. Code § 18254; BHIN 25-027)

Section 4: Access and Approval of Flexible Funds [Standard 8.4]

This policy governs the use of flexible funds by the County and contracted Wraparound providers. The County shall ensure that families have timely access to flexible funds to meet urgent and individualized needs that are not readily met by other resources. When services or supports may be available through CalAIM Community Supports or Enhanced Care Management, providers shall coordinate with the Managed Care Plan to determine eligibility and authorization while ensuring that necessary services are not delayed pending plan determination.

Provider Flex Fund Policy Requirement

Each contracted Wraparound provider shall maintain a written internal flexible fund policy consistent with this policy. At minimum, each provider's policy shall address:

1. Eligibility criteria and allowable uses of flexible funds
2. The internal approval process, including staff roles and decision-making authority
3. Documentation requirements and timeframes
4. How requests are evaluated against the CFT process and Plan of Care
5. Procedures for urgent and emergent situations
6. Coordination with County approval requirements

Provider flex fund policies shall be made available to the County upon request and are subject to County review as part of program oversight.

County Approval Threshold

When flexible fund expenditures for an individual youth total, or are expected to total, more than \$5,000 within any 30-day period, the provider shall submit the request to the assigned County Program Coordinator for County review and approval of the full amount or any portion thereof. County approval applies to the cumulative total within the 30-day period, not per individual transaction.

Approval Process

All flexible fund requests shall:

1. Be based on the CFT process and documented in the individualized Plan of Care
2. Clearly identify the need, purpose, and expected outcome
3. Be reviewed and recommended by the Child and Family Team
4. Be submitted to the County Program Coordinator when cumulative expenditures meet or are expected to meet the 30-day threshold
5. Be documented in the County Electronic Health Record (Smart Care)

Evaluation Criteria

Each request shall be evaluated based on whether the proposed use:

1. Adds value to the team mission and supports the individualized Plan of Care
2. Builds on family strengths
3. Meets identified youth and family needs
4. Is culturally relevant and responsive
5. Builds upon natural supports and/or community capacity
6. Represents a reasonable and cost-effective use of funds
7. Considers sustainability when appropriate to the identified need

Appeal of Denied Flexible Fund Requests

If a flexible fund request is denied, the youth, family, or Child and Family Team (CFT) may request reconsideration of the decision.

The appeal process shall include:

1. Submission of the reconsideration request within five (5) business days of notification of denial
2. Review of the request by a designated County supervisor or Program Manager not involved in the original decision
3. Written communication of the final determination to the youth, family, and CFT within ten (10) business days
4. Documentation of the appeal and final decision in the youth's record and flex fund tracking system

The purpose of the appeal process is to ensure transparency, fairness, and consistent application of funding criteria.

Urgent and Emergent Situations

In urgent or emergent situations, providers may proceed based on the CFT determination and Plan of Care when necessary to address immediate health or safety needs. The County shall be notified and required documentation submitted on the next business day. If the County does not respond to a request in a timely manner, providers shall follow established escalation procedures, including contacting the designee identified in the staff auto-reply and/or a BHS Supervisor.

Indian Child Provision

In the case of an Indian child, flexible funds may be used to pay the Tribe directly for services or activities addressing the youth's and family's identified needs, consistent with the individualized Plan of Care.

(HFW Standards 4.1, 4.2, 7.2, 8.1, 8.2, 8.4; BHIN 25-027)

Section 5: Collaborative Oversight of Flexible Funds [Standards 7.2, 8.5]

Oversight of flexible funds operates at two distinct levels: aggregate data review to inform service delivery and practice improvement, and fiscal governance over fund use and reinvestment decisions. These functions are intentionally separated to ensure that entities without direct fiscal authority over Wraparound funds do not participate in spending or allocation decisions.

(California Welfare and Institutions Code section 18253)

ILT Fiscal Subcommittee Aggregate Data Review

The ILT Fiscal Subcommittee (BHS, DCFAS, and Probation) shall maintain an ongoing process to regularly review aggregate flexible fund data at the organizational and systems levels. This review focuses on understanding patterns of use: what categories of services and supports are being delivered, whether access is equitable across families served, and whether the approval process is functioning as intended. Findings inform CQI and practice improvement. This review does not constitute case-level or individual fiscal decision-making.

Note on Standard 7.2, Element 5: California HFW Standard 7.2 assigns this aggregate review function to the Community Leadership Team (CLT). Sacramento County assigns this function to the ILT Fiscal Subcommittee because Wraparound funds are administered exclusively by BHS, DCFAS, and Probation, each of which holds statutory fiscal accountability for these funds. This structure ensures that aggregate fund-use review remains within the entities responsible for fiscal accountability, while preventing entities without that authority from participating in spending decisions. The CLT continues to fulfill its Standard 7.2 functions related to system coordination, cross-agency collaboration, barrier removal, and family plan review at the systems level.

Tracking and Accounting, Contractor Obligations

All flexible fund requests, including those denied, shall be documented in accordance with County documentation standards training and policies, whether approved or denied, in the County EHR (Smart Care). Documentation shall include, at minimum:

1. Amount requested
2. Amount approved or denied
3. Purpose of request
4. CFT recommendation
5. Funding source
6. Reason for denial, when applicable

When applicable, the County shall conduct periodic reviews, reconciliations, or audits to ensure compliance with HFW Standards and fiscal accountability requirements.

(HFW Standards 7.2, 8.5; BHIN 25-027)

Section 6: Funding Source Requirements Do Not Limit Flexible Funds [Standard 8.6]

The requirements or restrictions of any single funding source (e.g., CYWF) shall not limit the availability of flexible funds or the resources developed to meet the needs of youth, families, Tribes, and communities served by HFW.

Where a funding source limitation applies, the Contractor shall notify the County and coordinate alternative funding consistent with County policy. Access to plan-identified services shall not be denied solely because of restrictions associated with a single funding source.

(HFW Standard 8.6; BHIN 25-027)

Section 7: Cost Savings and Reinvestment of Achieved Savings [Standard 8.3]

Achieved Savings are defined as unspent Current Year Wraparound Funds (CYWF) at the end of each fiscal year, including any accrued interest, held in the County Wraparound Trust Fund pursuant to CFL 20/21-94. Consistent with SB 163 (WIC §§ 18250–18258) and HFW Standard 8.3, Achieved Savings shall be reinvested to expand or enhance services and resources for youth and families. All reinvestment decisions shall be coordinated through the ILT Fiscal Subcommittee in accordance with the County's cross-system governance structure. Significant changes to Achieved Savings funding allocation or reinvestment strategy shall be reviewed through the cross-system governance structure.

Pooled Fund Structure

Current Year Wraparound Funds (CYWF) are held by the County as a program-level pool, available to support all foster youth enrolled in Wraparound regardless of whether an individual Wraparound payment has been received for a specific youth. This pooled structure ensures that no eligible foster youth is denied access to Wraparound services or supports due to a gap or delay in their individual payment stream. CYWF expenditures, whether for direct services or flexible goods and supports identified through the CFT process, are drawn from this pool and tracked per-youth for reporting and accountability purposes.

Achieved Savings, representing unspent CYWF from prior fiscal years, are similarly held by the County in the Wraparound Trust Fund as a program-level resource available for reinvestment consistent with Section 7 of this policy.

The ILT Fiscal Subcommittee holds shared fiscal authority over the CYWF pool and Achieved Savings. Significant changes to Achieved Savings funding allocation or reinvestment strategy shall be reviewed through the cross-system governance structure. Funds shall not be restricted to individual providers except as required by law or funding source limitations.

Mid-Year and Supplemental Uses of Achieved Savings, ILT Fiscal Subcommittee Authority

Because Achieved Savings represent post-reconciliation, county-held funds that have completed the annual fiscal year-end process, they are administered as county-controlled funds following fiscal reconciliation and are used in accordance with applicable state and federal fiscal requirements. This gives the ILT Fiscal Subcommittee authority to deploy Achieved Savings for supplemental purposes beyond planned annual reinvestment, subject to the governance requirements established in this policy. Authorized supplemental uses include:

- **Mid-Year Flex Fund Pool Transfers:** When all provider-accessible funding sources in the flexible supports waterfall (Section 8) are exhausted or insufficient to meet a youth's CFT-identified needs, the ILT Fiscal Subcommittee may authorize a mid-year transfer of Achieved Savings into the active CYWF pool to cover those supports. Providers shall not access Achieved Savings directly. All transfers require ILT Fiscal Subcommittee approval prior to expenditure and shall be documented consistent with County record retention requirements.
- **Non-Federal Match for Medi-Cal:** Achieved Savings may be used as the non-federal share (match) to support Medi-Cal claiming for Wraparound-related and other eligible services. This use is permissible because the federal nexus applicable to active CYWF does not extend to Achieved Savings. Use of Achieved Savings as match shall be consistent with CFL 20/21-94

and applicable Medi-Cal claiming requirements and shall be subject to ILT Fiscal Subcommittee review.

Planned Annual Reinvestment, Reinvestment Plan

The ILT Fiscal Subcommittee shall develop and approve annual reinvestment plans for the expanded use of Achieved Savings. Reinvestment plans shall include, at minimum:

1. Goals and measurable objectives
2. Target population
3. Budget and proposed expenditures
4. Expected and achieved outcomes

The ILT Fiscal Subcommittee shall regularly review reinvestment plans and shall also review expenditures and revenues, monitor outcomes, oversee flexible fund utilization, address system barriers, and coordinate cross-agency activities.

(HFW Standards 8.3 and 8.5; CFL 20/21-94; BHIN 25-027; 2 Code of Federal Regulations Part 200, as applicable to federally funded expenditures) (California Welfare and Institutions Code section 18253)

Section 8: Non-Medi-Cal Service Reimbursement and Flexible Supports Funding [Standards 8.1, 8.2]

Effective with the implementation of the Medi-Cal High Fidelity Wraparound bundled monthly rate established by the Department of Health Care Services (DHCS), reimbursement for HFW clinical services shall occur through the bundled monthly rate structure in accordance with applicable state guidance.

The bundled monthly rate compensates providers for covered HFW clinical and coordination activities. This rate structure replaces prior reimbursement approaches used by some programs and is distinct from flexible funding used to purchase non-Medi-Cal goods and supports identified through the Child and Family Team process.

Flexible funding described in this policy refers exclusively to non-Medi-Cal goods and supports and is not part of the Medi-Cal reimbursement methodology.

Program Structure, Full Service Partnership

High Fidelity Wraparound is delivered as a clinical intervention within Sacramento County's Full Service Partnership (FSP) program infrastructure under BHSA. FSP provides the coordinating framework, including integrated service planning, coordinated care, and flexible services, supports, and immediate needs, within which HFW and other evidence-based interventions are delivered. Funding for HFW services and flexible supports flows through the applicable funding streams described below, consistent with each youth's eligibility and the priority waterfall established in this section.

Medi-Cal HFW Bundled Monthly Rate

For youth eligible for Medi-Cal Specialty Mental Health Services, the bundled HFW monthly rate established by DHCS is the primary reimbursement mechanism for HFW clinical services. Counties must also deliver or arrange for additional medically necessary SMHS not covered by the monthly rate; those services continue to be reimbursed through existing SMHS procedure codes. The bundled rate and any associated SMHS billing shall be submitted consistent with HFW BHIN and subsequent DHCS guidance. The bundled rate covers HFW clinical and coordination activities and is distinct from the flexible supports funding waterfall described below.

Flexible Supports Funding, Priority Waterfall

Non-Medi-Cal goods and supports identified through the CFT process and documented in the Plan of Care shall be funded through the following sources in priority order. The waterfall below governs flexible supports and non-Medi-Cal service funding specifically. Providers shall exhaust each available source before drawing on the next. No single funding source restriction shall limit access to flexible supports; if a source is unavailable or insufficient for a given youth, the next source in the waterfall governs in alignment with regulations. CalAIM Community Supports and Enhanced Care Management services, when authorized and available, shall be utilized prior to County discretionary funding sources. Coordination with Managed Care Plans shall occur to ensure appropriate use of available CalAIM benefits.

1. Current Year Wraparound Funds

For foster youth with an open dependency or delinquency case, CYWF pursuant to SB 163 (WIC §§ 18250–18258) is the primary funding source for non-Medi-Cal goods and flexible supports. CYWF shall be drawn before BHSA or any other county discretionary funds. Access to and approval of CYWF is governed by Sections 4 and 5 of this policy.

2. Wraparound Immediate Need (WIN) Funding

WIN funding will be available in the next fiscal year as an additional flexible supports source for foster youth. When WIN is operationalized, Sacramento County will issue supplemental guidance governing WIN fund access, approval, and documentation requirements consistent with state direction. Until that guidance is issued, the waterfall described here governs.

3. State Activities or Strengths Funding

The state activities fund, when available, will support smaller flexible purchases across populations served by HFW within the FSP infrastructure. Sacramento County will issue supplemental guidance on activities fund access and approval procedures upon receipt of final state implementation direction. All expenditures from this source shall comply with the CFT approval process, evaluation criteria, and documentation requirements established in Sections 4 and 5 of this policy.

4. BHSA Flexible Supports Funding

BHSA funding is the funding source of last resort in the waterfall, used when all other sources are unavailable, insufficient, or inapplicable for a given youth including those non foster youth. BHSA flexible supports are available to all youth receiving HFW within the FSP infrastructure, consistent with the County's BHSA Integrated Plan. All BHSA flexible fund expenditures are subject to the CFT approval process, evaluation criteria, and documentation requirements established in Sections 4 and 5 of this policy.

Non-Medi-Cal Service Reimbursement - Fee for Service

Non-Medi-Cal services delivered by HFW providers and identified through the CFT process shall be reimbursed on a fee-for-service basis. Providers shall enter all non-Medi-Cal service activity into Smart Care using applicable service codes and time spent. Reimbursement rates are established by the County through the applicable contract and are subject to annual review. Rates shall not exceed the applicable state-established Medi-Cal reimbursement rate for equivalent services. At no time shall non-Medi-Cal service reimbursement be used to cover salaries, benefits, operating overhead, or costs unrelated to direct client services identified in the Plan of Care.

Flexible Goods and Supports Reimbursement - Cost Reimbursement

Flexible goods and supports identified through the CFT process and documented in the Plan of Care shall be reimbursed at actual cost. Providers shall enter flexible goods and supports as dollar-value units in Smart Care reflecting the actual purchase amount. Smart Care entries constitute the

expenditure record and must correspond to an approved CFT recommendation documented in the Plan of Care. Reimbursement shall not exceed actual cost and shall not be used to cover overhead or costs unrelated to the specific good or support identified for the youth.

Reconciliation and Reporting

Reconciliation and reporting requirements applicable to contracted Wraparound providers are governed by the applicable contract exhibits. In the event of conflict between contract terms and this policy, this policy shall govern.

(HFW Standards 4.1, 4.2, 8.1, 8.2; WIC §§ 18250–18258; WIC § 5887; BHIN 25-027; BHIN 26-XXX; 2 Code of Federal Regulations Part 200, as applicable to federally funded expenditures)

Section 9: Submission of Funding Proposals

When invited, community based organizations may submit proposals for reinvestment funding consideration. Proposals shall include:

1. Goals and measurable objectives
2. Description of services or programs
3. Number of clients or families to be served
4. Budget and proposed expenditures

All proposals shall align with Wraparound principles and program requirements and shall be reviewed and approved through the ILT Fiscal Subcommittee governance process.

(HFW Standards 7.2, 8.2, 8.3; BHIN 25-027)

Section 10: Contractual Compliance

Use of CYWF and Achieved Savings shall comply with applicable contractual requirements, including those outlined in each Contractor's Exhibit C, provided such requirements remain consistent with Wraparound program standards and County policy. In the event of conflict between contract terms and this policy, this policy shall govern.

(HFW Standards 8.1, 8.2; BHIN 25-027) (California Welfare and Institutions Code section 18253)

VI. Reporting Requirements

Reporting under this policy serves the fiscal governance function of the ILT Fiscal Subcommittee and is distinct from documentation requirements governing individual service delivery, which are addressed in applicable contract exhibits and County documentation policies. Two reporting tiers apply: monthly contractor reporting to BHS, and semi-annual comprehensive reporting to the ILT Fiscal Subcommittee. Flex fund reporting is a BHS function exclusively, as BHS holds all Wraparound provider contracts through which flex funds are spent. Achieved Savings reinvestment reporting spans all three departments, as may be reinvested into programs held by any of the three contract-holding departments.

Monthly Contractor Reporting, Flex Funds (BHS)

As part of existing monthly contract monitoring, contracted Wraparound providers shall submit aggregate flexible fund expenditure information to BHS. Monthly reports shall include, at minimum:

1. Total flexible fund expenditures for the reporting month by funding source
2. Aggregate expenditure by category of support or service
3. Any individual youth whose flexible fund expenditures represent a significant outlier relative to program norms

4. Any youth or situations where flexible fund spending is significantly below expected levels given documented Plan of Care needs

Monthly reports are reviewed by BHS Program Coordinators as part of routine contract oversight. They do not constitute reconciliation and are not submitted to the ILT Fiscal Subcommittee directly. Significant concerns identified through monthly review shall be escalated to BHS leadership and flagged for inclusion in the semi-annual report.

Semi-Annual Comprehensive Reporting, ILT Fiscal Subcommittee Review

Semi-annually, BHS shall compile and present a comprehensive flex fund report to the ILT Fiscal Subcommittee, and each contract-holding department (BHS, DCFAS, and Probation) shall report on any Achieved Savings reinvestment spending under contracts it holds. BHS shall facilitate and convene the ILT Fiscal Subcommittee meeting at which all reports are reviewed.

BHS Semi-Annual Flex Fund Report

BHS shall report on flexible fund expenditures across its Wraparound contractor portfolio. This report shall address, at minimum:

1. Aggregate flexible fund expenditures for the reporting period by funding source and category
2. Trends in flex fund use, including categories of supports most frequently purchased and populations served
3. Outliers and underspending: providers or situations where flex fund utilization is significantly above or below expected levels, with contributing factors identified where known
4. Any mid-year ILT Fiscal Subcommittee-authorized transfers of Achieved Savings into the CYWF pool made during the reporting period, including the need addressed and amount transferred
5. System-level barriers or access issues identified through contract monitoring

All Departments Semi-Annual Achieved Savings Reinvestment Report

Each contract-holding department shall report on the status of any Achieved Savings reinvestment plans for programs under contracts it holds, regardless of whether those programs are Wraparound or Wraparound-adjacent. Reports shall address, at minimum:

1. Programs funded through AS reinvestment, including program description and target population
2. Amounts authorized and amounts expended during the reporting period
3. Progress toward reinvestment plan goals and expected outcomes
4. Any barriers to effective reinvestment identified during the period

Following all department report-outs, the ILT Fiscal Subcommittee shall review the aggregated picture across all three departments to identify cross-system trends, equity concerns, and opportunities to improve flexible fund access and reinvestment effectiveness. Findings shall inform CQI activities and, where appropriate, policy or practice updates.

(HFW Standards 7.2, 8.3, 8.5; BHIN 25-027) (California Welfare and Institutions Code section 18253)

Authority and References:

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Contact Information: BHS-DHS@saccounty.gov

Signed by:


 Jamal Rowe
 County Probation Officer
 Sacramento County Probation

Signed by:


 Shelby Boston
 Director of Child Family and Adult Services
 Sacramento County Child, Family, and Adult Services

Signed by:


 Tim Lutz
 Director of Health Services
 Sacramento County Health Services