

Board Workshop Agenda

The Cost of Success: Fiscal Stabilization and Reform Readiness

Lake County Behavioral Health Services

Workshop Purpose

This workshop will provide the Board with an updated fiscal stabilization overview for Lake County Behavioral Health Services. The presentation frames the current issue as a governance and risk-management decision: LCBHS has expanded services and is trending toward stabilization, but cash timing, provider-payment lag, and IGT/CFA requirements continue to create liquidity pressure.

Proposed Format

Format	Focused Board workshop / study session
Estimated length	Approximately 2 hours, with flexibility for Board questions
Primary focus	Fiscal stabilization, provider-payment timing, IGT/CFA requirements, and remaining General Fund loan resolution
Decision posture	No additional General Fund borrowing is proposed. The remaining \$2M balance requires either full/partial forgiveness or an affordable repayment plan.

Proposed Participants

Board of Supervisors; County Administration; Lake County Behavioral Health Services; Auditor-Controller/Treasury representatives as appropriate; County Counsel, Behavioral Health Advisory Board members, as needed.

Key Board Discussion Questions

- Does the Board agree that the remaining issue is primarily liquidity, cash timing, and risk management rather than a simple budget variance?
- Does the Board want to consider full or partial forgiveness of the remaining \$2M General Fund loan balance?
- If repayment is preferred, what payment plan is affordable without destabilizing payroll, provider payments, IGT/CFA requirements, or core services?
- What level of ongoing fiscal reporting would the Board like to receive during the stabilization period?

Workshop Agenda

Time	Topic	Purpose
0:00-0:10	Opening and workshop purpose	Set the frame: service expansion, stabilization progress, and the governance decision before the Board.
0:10-0:30	The cost of success	Review how LCBHS expanded access, implemented State reforms, and received recognition for rural behavioral health leadership.
0:30-0:50	Fiscal picture and service growth	Present the high-level relationship between service growth, budget/expenditures, and current-year stabilization.
0:50-1:15	Cash timing, IGT/CFA, and provider payments	Explain the current liquidity issue, DHCS CFA warning, IGT requirements, and 5-6 month contractor/payment lag.
1:15-1:35	Corrective actions underway	Review actions to strengthen cash visibility, claiming, contract discipline, payment timing, and fiscal controls.
1:35-1:55	Board discussion: remaining \$2M loan balance	Discuss viable resolution options: full/partial forgiveness or an affordable repayment plan tied to actual cash capacity.
1:55-2:00	Next steps	Confirm Board direction, reporting expectations, and any follow-up item for formal action.

Anticipated Workshop Materials

- Fiscal stabilization presentation deck
- High-level executive summary slide with current cash, provider-payment, and IGT/CFA indicators
- Loan-resolution options for Board discussion
- Supporting fiscal detail as needed for Board questions

Procedural Note

The workshop is intended to support Board discussion and direction. Any specific fiscal approval, budget adjustment, loan forgiveness, repayment plan, or related action should return to the Board as a separately agendized item unless expressly noticed for action.