Board of Directors Meeting

AGENDA

Thursday, April 9, 2015

2:00 p.m. – 3:00 p.m.

Call-In Information: 1-800-871-6757
Conference Code: 20877467
(Listen in only)

CalMHSA
California Mental Health Services Authority

Meeting Location:

San Luis Obispo County
277 South Street, Suite T
San Luis Obispo, CA 93401

Doubletree Hotel Sacramento
2001 Point West Way
Sacramento, CA 95815

California Mental Health Service Authority
(CalMHSA)
Board of Directors Meeting
Agenda

Thursday, April 9, 2015

2:00 p.m. – 3:00 p.m.

San Luis Obispo County
277 South Street, Suite T
San Luis Obispo, CA 93401

Doubletree Hotel Sacramento
2001 Point West Way
Sacramento, CA 95815

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.

A. BOARD OF DIRECTORS REGULAR MEETING

1. CALL TO ORDER

2. ROLL CALL AND INTRODUCTIONS

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

The Board welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Board concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to

start of item. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item, the Board President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

4. CONSENT CALENDAR 5

A. Routine Matters:
- Minutes from the December 11, 2014 Board of Directors Meeting
- Minutes from the January 15, 2015 Special Board of Directors Meeting

B. Reports / Correspondence
- Treasurer's Report as of December 31, 2014
- Financial Statement Quarter Ending September 30, 2014
- Financial Statement Quarter Ending December 31, 2014

C. Resolution 15-01 Process for Grant Application-Approval
- Draft Resolution 15-01 Process for Grant Application-Approval

Recommendation: Approval of the Consent Calendar.

5. PROGRAM MATTERS

A. Stigma and Discrimination Reduction (SDR) Consortium – Request for Sole Source Contract 32

Recommendation: Authorize Board President and Counsel to negotiate a sole source contract of up to $500,000 per year, based on funding availability, to continue the vital work being done by the Stigma and Discrimination Reduction (SDR) Consortium.

B. Short Doyle Modernization (SDM) Project – Update and Request for Sole Source Contract with Harbage Consulting 36

Recommendation: 1) Authorize proceeding with implementation of the Pilot program. 2) Authorize expenditure of funds committed and received by CalMHSA for the implementation of the pilot program 3) Authorize staff to negotiate a contract with Harbage Consulting for specialized fiscal and delivery system reform services for the Fiscal and Delivery System Pilot Program. 4) Authorize proceeding without competitive selection process based on sole source justification narrative above.

6. GENERAL DISCUSSION

A. Report from CalMHSA President – Maureen Bauman

- CalMHSA, CBHDA, CIBHS Strategic Planning Session *(verbal)*
- Update on State Hospital Bed Program *(verbal)*

B. Report from CalMHSA Executive Director – Wayne Clark

- General

7. PUBLIC COMMENTS

A. Public Comments Non-Agenda Items

This time is reserved for members of the public to address the Board relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and 20 minutes in total. The Board may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

8. CLOSING COMMENTS – This time is reserved for comments by Board members and staff to identify matters for future Board business.

9. ADJOURNMENT

CONSENT CALENDAR
Agenda Item 4.A.

SUBJECT: Routine Matters

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar.

A. Routine Matters:
   - Minutes from the December 11, 2014 Board of Directors Meeting
   - Minutes from the January 15, 2015 Special Board of Directors Meeting

B. Reports / Correspondence
   - Treasurer's Report as of December 31, 2014
   - Financial Statement Quarter Ending September 30, 2014
   - Financial Statement Quarter Ending December 31, 2014

C. Resolution 15-01 Process for Grant Application-Approval
   - Draft Resolution 15-01 Process for Grant Application-Approval

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- Minutes from the December 11, 2014 Board of Directors Meeting
- Minutes from the January 15, 2015 Special Board of Directors Meeting
- Treasurer's Report as of December 31, 2014
- Financial Statement Quarter Ending September 30, 2014

- Financial Statement Quarter Ending December 31, 2014
- Draft Resolution15-01 Process for Grant Application-Approval

"A George Hills Company Administered JPA"

CalMHSA Board of Directors
Meeting Minutes from December 11, 2014

BOARD MEMBERS PRESENT

Maureen F. Bauman, LCSW, CalMHSA President, Placer County
Scott Gruendl, MPA, CalMHSA Vice President, Glenn County
Alfredo Aguirre, LCSW, San Diego County
Ann Robin, LMFT, San Luis Obispo County
Barbara Pierson, Del Norte County
Bill Carter, Napa County
Donnell Ewert, MPH, Shasta County
Dorian Kittrell, Butte County
Jerry Wengerd, LCSW, Riverside County
Joan Beesley, Yolo County
Karen Markland, Fresno County
Linda Morris, Lake County
Madelyn Schlaepfer, PhD, Stanislaus County
Mary Anne Ford Sherman, MA, Kings County
Michele Violett, Nevada County
Nancy Pena, PhD, Santa Clara County
Noel O'Neill, MFT, Trinity County
Patricia Charles-Heather, El Dorado County
Rita Austin, LCSW, Tuolumne County
Sidney M. Smith, PhD, Monterey County
Suzanne Tavano, PHN, PhD, Marin County
Terence M. Rooney, PhD, Colusa County
Tom Pinizzotto, MSW, Mendocino County
Uma Zykofsky, LCSW, Sacramento County
Veronica Kelley, LSCW, San Bernardino County
William Arroyo, MD, Los Angeles County

BOARD MEMBERS ABSENT

Alameda County
Berkeley County
Contra Costa County
Humboldt County
Imperial County
Inyo County
Kern County
Lassen County
Madera County
Mariposa County

Modoc County
Mono County
Orange County
San Benito County
San Francisco County
San Joaquin County
San Mateo County
Santa Barbara County
Santa Cruz
Siskiyou County
Solano County
Sonoma County
Sutter/Yuba County
Tri-City Mental Health Center
Tulare County
Ventura County

STAFF PRESENT
Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn
Allan Rawland, CalMHSA Government Relations Consultant
Ann Collentine, MPPA, CalMHSA Program Director
Armando Bastida, CalMHSA Administrative Assistant
John Chaquica, CPA, MBA, ARM, CalMHSA Executive Director
Kim Santin, CPA, CalMHSA Finance Director
Laura Li, CalMHSA JPA Administrative Manager
Tami Cowgill, CalMHSA Executive Assistant

MEMBERS OF THE PUBLIC PRESENT
Aubrey Lara, Stigma and Discrimination Reduction (SDR) Consortium & Each Mind Matters
Jane Ann LeBlanc, Sacramento County
Jeremy Wilson, Butte County
John Liddle, Morgan Stanley Smith Barney
Joseph Robinson, Stigma and Discrimination Reduction (SDR) Consortium & Each Mind Matters
Michael Manduca, James Marta & Co.
Nicole Jarred, Runyon, Saltzman & Einhorn
Paul Muller, Bay Area Suicide Crisis Intervention Alliance
Robert Oakes, CBHDA

CALL TO ORDER

President Maureen F. Bauman, LCSW, called the Board of Directors of the California Mental Health Services Authority (CalMHSA) to order at 2:15 p.m. on December 11, 2014, at the Doubletree Hotel Sacramento, located at 2001 Point West Way, Sacramento, California. President Bauman welcomed those in attendance as well as those listening in on the phone.

President Bauman asked Laura Li, CalMHSA JPA Administrative Manager, to call roll in order to confirm a quorum of the Board.

1. ROLL CALL AND INTRODUCTIONS

Ms. Li called roll and informed President Bauman a quorum had not been reached, and proceeded to do a roll call for the Executive Committee. Ms. Li confirmed that a quorum was established for the Executive Committee.

2. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn, reviewed the instructions for public comment, including the process of public comment cards, and noted items not on the agenda would be reserved for public comment at the end of the agenda. President Bauman then asked members of the public to introduce themselves.

3. CBHDA STANDING REPORT

This item was addressed after Item 10.B.

Robert reported to the Board that he was involved in conversations with CBHDA and Pat Ryan, Executive Consultant, to find sustainable funding sources in addition to what counties can commit.

Action: ***None, information only.***

Public comment was heard from the following individual(s):

None

4. CONSENT CALENDAR

President Bauman acknowledged the consent calendar and asked for comment from Board members. Hearing none, President Bauman entertained a motion to approve the consent calendar.

Action: ***The Board Approved the Consent Calendar.***

Motion: ***William Arroyo, MD, Los Angeles County***
Second: ***Scott Gruendl, MPA, CalMHSA Vice President, Glenn County***

Executive Committee Member	Aye/No	Alternate	Aye/No
Maureen Bauman, Placer County – President	Aye		
Scott Gruendl, Glenn County – Vice President	Aye		

CaSonya Thomas, San Bernardino County - Secretary	Absent		
VACANT, CMHDA At-Large Member	N/A		
Mary Hale, Orange County	Absent	Alfredo Aguirre, San Diego	Aye
Michael Kennedy, Sonoma County	Absent	Jo Robinson, San Francisco	Absent
Vic Singh, San Joaquin County	Absent	Rita Austin, Tuolumne	Aye
Marvin Southard, Los Angeles County	Absent	William Arroyo, Los Angeles	Aye
Karen Stockton, Modoc County	Absent	Donnell Ewert, Shasta County	Aye

Motion passed with six (6) ayes, zero objections, and zero abstentions.

Public comment was heard from the following individual(s):
None

5. STATEWIDE PEI PROGRAM(S) PRESENTATION

A. Each Mind Matters Program and Resource Catalogue Website – Joseph Robinson.
This item was addressed after Item 4.A.

Joseph Robinson, Stigma and Discrimination Reduction (SDR) Consortium & Each Mind Matters (EMM) provided an update to the Board on the Each Mind Matters Store.

- Between 4/2013 and 3/2014, total sales of $32,600. From 4/2014 through 11/2014 total sales of $68,400.
- A slight markup on sales has permitted them to purchase additional ribbons; and they have given out over 200,000 to date.

They recently started training with smaller groups of individuals called Change Agents, shifting from Sacramento-based to community-based exhibition on behalf of EMM.

Aubrey Lara, Stigma and Discrimination Reduction (SDR) Consortium & Each Mind Matters, demonstrated the location and use of the new Each Mind Matters online Catalogue to the Board. Ms. Welch added that the website is a stand-alone website so that it could be added to other websites as an additional source.

Ms. Collentine encouraged the members to share the website as a source to find important materials for their own communities.

Action: None, information only.

Public comment was heard from the following individual(s):
None

6. MEMBERSHIP

A. County Outreach Report – Allan Rawland, Associate Administrator – Government Relations

Allan Rawland, CalMHSA Government Relations Consultant directed the Board to page 61 in the agenda packet and provided an update on the Letters of Acknowledgement (LOA) received.

- Phase I Funding collected, $3.9M of the $5M
- Phase II Funding LOAs - Received from 10 counties; totaling $2.2M as of December 10th
- Mr. Rawland and Ms. Patricia Ryan, CalMHSA Executive Consultant, continue to encourage counties to support CalMHSA.

Noel O'Neill, Trinity County stated the LOA form sent to counties was confusing. It would be simpler to estimate a rounded number that counties can commit to, within the percentage their boards have approved.

Dorian Kittrell, Butte County, questioned the distinction between counties with whom the allocation is blank and those that say zero percent. Mr. Rawland replied that those counties with zeros could not commit to Phase I, while the counties with blanks have not committed yet.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

7. FINANCIAL MATTERS

A. Report from the CalMHSA Finance Committee – Scott Gruendl Chairperson

Kim Santin, CalMHSA Finance Director, provided a brief update regarding the Finance Committee meeting of December 1, 2014.

Donnell Ewert, Shasta County requested as a future agenda topic, to consider amending the investment policy to include a wellness component prohibiting investment in companies that produce tobacco, alcohol, or sugar sweetened beverages.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

B. Financial Audit June 30, 2014 and 2013 – Michael Manduca, James Marta & Co.

Kim Santin, introduced Michael Manduca, James Marta & Co., to present the Financial Audit for June 30, 2014 and 2013. Mr. Manduca provided the Board with an update on CalMHSA's revenues, investment income, and the Short-Doyle Modernization Project. Mr. Manduca explained any issues found would have been noted in the Internal Control Review

and Communication with Those Charged with Governance, and at this time, there were no identified weaknesses.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

8. REPORT FROM CALMHSA SEARCH COMMITTEE

A. A. Search Committee Update on New Executive Director Recruitment – Maureen Bauman

President Bauman provided an update to the Board on the Search Committee for the Executive Director position. The committee received 56 applications, with 11 applicants meeting the minimum requirements. The total number to be interviewed has yet to be determined. A future Special Board Meeting will be scheduled later in the month.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

A. PROGRAMS MATTERS

A. Report from CalMHSA Program Director – Ann Collentine

Ann Collentine, MPPA, CalMHSA Program Director, referred the Board to page 119 in the agenda packet and provided a brief update on Know The Signs: Cultural Adaptations.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

B. Phase Two Plan – Alfredo Aguirre

This item was addressed after the Consent Calendar.

President Bauman introduced Mr. Alfredo Aguirre to present the Phase Two Plan PEI Funded Activities PowerPoint presentation and lead discussion with the Board.

- Targeted goal for the fiscal year 15/16 and for 16/17 in terms of raising revenues from the counties is $10M.
- The county commitment range is 4% to 7%.
- The current contribution average is about 3%, which falls short for reaching our funding goals.

Additionally, Mr. Aguirre gave an overview of detail to be included in Phase Two RFP's.

Ms. Collentine added that the ranks of the RFP's and how funding will be allocated is dependent on how much funding is received.

- To date funding received from counties was $2.2M.

President Bauman added that timing has to be considered as counties are still working on getting funding for current and future funding. President Bauman entertained a motion to approve the following actions:

Action:

1. ***The Board adopted the Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015–2017.***
2. ***The Board adopted the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation, as endorsed by the Sustainability Taskforce and Finance Committee.***
3. ***The Board authorized the Sustainability Taskforce to further refine the RFP's based on the funding available and define specific criteria within the RFP's such as match requirements.***

Motion: ***William Arroyo, MD, Los Angeles County***
Second: ***Scott Gruendl, MPA, CalMHSA Vice President, Glenn County***

Executive Committee Member	Aye/No	Alternate	Aye/No
Maureen Bauman, Placer County – President	Aye		
Scott Gruendl, Glenn County – Vice President	Aye		
CaSonya Thomas, San Bernardino County - Secretary	Absent		
VACANT, CMHDA At-Large Member	N/A		
Mary Hale, Orange County	Absent	Alfredo Aguirre, San Diego	Aye
Michael Kennedy, Sonoma County	Absent	Jo Robinson, San Francisco	Absent
Vic Singh, San Joaquin County	Absent	Rita Austin, Tuolumne	Aye
Marvin Southard, Los Angeles County	Absent	William Arroyo, Los Angeles	Aye
Karen Stockton, Modoc County	Absent	Donnell Ewert, Shasta County	Aye

Motion passed with six (6) ayes, zero objections, and zero abstentions.

Public comment was heard from the following individual(s):
Anara Guard sent her public comment via email.
Rusty Selix commented via teleconference.

C. State Hospital Bed Program Update – John Chaquica
This item was addressed after Item 10.A.

John Chaquica, CalMHSA Executive Director, provided an update to the Board regarding the status of the State Hospital Bed Program.

- MOU update: language will be finalized in January 2015; successful in freezing current rates through next year FY 15/16.
- RFI update: sent out RFI to see if any agencies would entertain providing services for LPS patients. Two responses have been received; third submitted late but is

being considered. The Committee is currently establishing a scoring tool for reviewing proposals submitted.

- Prop 47 update: Staff indicated a survey would be distributed to all members to determine impact and options for addressing concerns.

Members asked for clarification regarding the coverage of state hospitals by Medicare, and Prop 47. President Bauman responded as it relates to Prop 47, that restoration is county responsibility for misdemeanors and state responsibility for felonies. Regarding Medicare, counties are paying the full amount and state hospitals are being reimbursed. At some point, they will owe us the money that is being reimbursed for.

Members also asked if counties will continue to receive the Exhibit B from DSH indicating their bed commitment. Mr. Chaquica indicated Exhibit B would still be required in order to estimate the number of beds DHS will need to reserve for counties.

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

D. Together Against Stigma International Conference – Stephanie Welch
This item was addressed after Item 10.B.

President Bauman asked Stephanie Welch to introduce the topic on the Stigma and Discrimination Reduction (SDR) International Conference. Ms. Welch previewed the conference program and selection of the presenters:

- Over 40 different reviewers from 10 different countries helped select the program content from almost 200 submissions from
- 14 different countries and a dozen states on the agenda.

Ms. Welch further encouraged members to reach out to others to register and attend the conference. Staff is working with Mental Health Association of San Francisco, to put on a Change Agent Fellowship Program in accordance with the conference. Nominations are required to be selected for the program; therefore, Members are encouraged to nominate someone on their staff or from their local communities.

Mr. John Chaquica provided an overview of the $120K in funds needed for cash flow purposes relating to the International Conference. The hotel needs the funds in advance of the collection of registration fees. There is a reasonable expectation that we will get 400 registrants. Currently as of this date, we have 123 registered attendees, with 20 counties represented. President Bauman added that time is a factor when getting more registered attendees. Mr. Chaquica said that he had been informed that this conference typically receives 600 to 700 registrants.

President Bauman entertained a motion to approve the following action item:

Action: ***The Board approved an additional $120,000.00 to provide cash needed for hard costs for the Together Against Stigma International Conference.***

Motion: ***Jerry Wengerd, Riverside County***
Second: ***Scott Gruendl, MPA, CalMHSA Vice President, Glenn County***

Executive Committee Member	Aye/No	Alternate	Aye/No
Maureen Bauman, Placer County – President	Aye		
Scott Gruendl, Glenn County – Vice President	Aye		
CaSonya Thomas, San Bernardino County - Secretary	Absent		
VACANT, CMHDA At-Large Member	N/A		
Mary Hale, Orange County	Absent	Alfredo Aguirre, San Diego	Aye
Michael Kennedy, Sonoma County	Absent	Jo Robinson, San Francisco	Absent
Vic Singh, San Joaquin County	Absent	Rita Austin, Tuolumne	Aye
Marvin Southard, Los Angeles County	Absent	William Arroyo, Los Angeles	Aye
Karen Stockton, Modoc County	Absent	Donnell Ewert, Shasta County	Aye

Motion passed with six (6) ayes, zero objections, and zero abstentions.

Public comment was heard from the following individual(s):
None

E. E. Short Doyle Modernization (SDM) Project – Kim Santin
This item was addressed after Item 10.C.

Kim Santin, CPA, CalMHSA Finance Director, provided a brief update on the Short-Doyle Modernization Project to the Board. Sarah Brichler, CalMHSA Consultant, attended a Fiscal Leadership meeting, and discussed the Pilot Program for the counties.

- County update call scheduled for December 15, 2014, 3:00PM

Action: ***None, information only.***

Public comment was heard from the following individual(s):
None

9. GENERAL DISCUSSION

A. Report from CalMHSA President – Maureen Bauman
President Bauman did not have anything to report.

Public comment was heard from the following individual(s):
None

B. Report from CalMHSA Executive Director – John Chaquica
Mr. John Chaquica did not have anything to report.

Public comment was heard from the following individual(s):
None

10. PUBLIC COMMENTS

A. Public Comments Non- Agenda Items

President Bauman invited members of the public to make comments on non-agenda items.

Public comment was heard from the following individual(s):
None

11. NEW BUSINESS AND CLOSING COMMENTS

President Bauman asked the Board if there was any new business or closing comments.

Public comment was heard from the following individual(s):
None

12. ADJOURNMENT

Public comment was heard from the following individual(s):
None

Hearing no further comments, the meeting was adjourned at 3:47 p.m.

Respectfully submitted,

_____ _____

CaSonya Thomas, MPA, CHC Date
Secretary, CalMHSA

"A George Hills Company Administered JPA"

CalMHSA Board of Directors
Meeting Minutes from January 15, 2015

BOARD MEMBERS PRESENT

Maureen F. Bauman, LCSW, CalMHSA President, Placer County
Scott Gruendl, MPA, CalMHSA Vice President, Glenn County
Adrienne Yancey, San Diego County
Andrea Kuhlen, MPA, Imperial County
Ann Robin, LMFT, San Luis Obispo County
Anne Lagorio, Trinity County
Bill Brennenman, LCSW, Riverside County
Bill Walker, Kern County
Bruce Copley, Santa Clara County
CaSonya Thomas, MPA, CHC, San Bernardino County
Dennis P. Koch, MPA, Madera County
Donnell Ewert, MPH, Shasta County
Dorian Kittrell, Butte County
Halsey Simmons, MFT, Solano County
Jei Africa, San Mateo County
Jo Robinson, San Francisco and County
Karen Stockton, PhD, MSW, Modoc County
Linda Morris, Lake County
Madelyn Schlaepfer, PhD, Stanislaus County
Mary Hale, Orange County
Michael Kennedy, MFT, Sonoma County
Pamela Grosso, Lassen County
Rita Austin, LCSW, Tuolumne County
Suzanne Tavano, PHN, PhD, Marin County
Takashi Wada, MD, MPH, Santa Barbara County
Tom Pinizzotto, MSW, Mendocino County
Tony Hobson, Sutter/Yuba County
Uma Zykofsky, LCSW, Sacramento County
Vic Singh, LCSW, San Joaquin County
William Arroyo, MD, Los Angeles County

BOARD MEMBERS ABSENT

Alameda County
Berkeley County
Colusa County
Contra Costa County
Del Norte County
Fresno County

Humboldt County
Inyo County
Kings County
Mariposa County
Mendocino County
Mono County
Monterey County
Napa County
Nevada County
San Benito County
Santa Cruz
Siskiyou County
Tri-City Mental Health Center
Tulare County
Ventura County
Yolo County

STAFF PRESENT
Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn
John Chaquica, CPA, MBA, ARM, CalMHSA Executive Director
Laura Li, CalMHSA JPA Administrative Manager

ANNOUNCEMENT OF CLOSED SESSION ITEMS

1. CLOSED SESSION CALL TO ORDER

President Maureen F. Bauman, LCSW, called the Board of Directors of the California Mental Health Services Authority (CalMHSA) to order at 2:08 p.m. on January 15, 2015, at the Doubletree Hotel Sacramento, located at 2001 Point West Way, Sacramento, California. President Bauman welcomed those in attendance as well as those listening in on the phone.

President Bauman asked Laura Li, CalMHSA JPA Administrative Manager, to call roll in order to confirm a quorum of the Board.

A. ROLL CALL AND INTRODUCTIONS

Ms. Li called roll and informed President Bauman a quorum had been reached.

B. GENERAL DISCUSSION

C. PUBLIC EMPLOYEE APPOINTMENT [Section 54957(b)]

a. Title: Executive Director

D. RECONVENE TO OPEN SESSION

2. OPEN SESSION

A. DISCLOSURE OF ACTION TAKEN IN THE CLOSED SESSION [Session 54957.1(a)(5)]

Board Counsel Alliston confirmed the following action had been taken during closed session:

The Board of Directors approved the appointment of a new Executive Director of CalMHSA, and also authorized Maureen F. Bauman, LCSW, CalMHSA President, Placer County, and Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn, to negotiate a contract with George Hills Company to employ the executive director.

Public comment was heard from the following individual(s):
None

3. ADJOURNMENT

Public comment was heard from the following individual(s):
None

Hearing no further comments, the meeting was adjourned at 2:25 p.m.

Respectfully submitted,

_____ _____

CaSonya Thomas, MPA, CHC Date
Secretary, CalMHSA

CalMHSA

"A George Hills Company Administered JPA"

Treasurer's Report

As of December 31, 2014

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	$9,674,697	$9,674,507	0.25%
Morgan Stanley Smith Barney	18,791,029	18,647,834	0.66%
Cash with California Bank & Trust	(160,185)	(160,185)	0.00%
Total Cash and Investments	**$28,305,541**	**$28,162,156**	

Attached are the Local Agency Investment Fund (LAIF) statements detailing all investment transactions.

The LAIF market value was derived by applying the December 2014 fair value factor of 0.99998038 to the book balance.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

The negative balance with California Bank & Trust is due to outstanding checks. The bank balance at December 31, 2014 is $795,970.

Respectfully submitted,

Kim Santin, Finance Director

Accepted,

Maureen F. Bauman, President

CALMHSA
TREASURER'S REPORT
AS OF DECEMBER 31, 2014

Investments	Date of Purchase	Date of Maturity	Par Value	Original Cost	Market Value	YTM (at Cost)	YTM (at Market)	Unrealized Gains/ (Losses)
Corporate Bonds:								
Wells Fargo Company	05/17/13	02/13/15	4,000,000	4,046,280	4,003,840	0.62%	0.62%	699
Pepsico Inc	12/09/13	03/05/15	2,485,000	2,495,760	2,486,292	0.37%	0.37%	(254)
Coca-Cola Co	12/13/12	03/13/15	4,667,000	4,692,902	4,671,714	0.37%	0.37%	2,387
Toyota Motor	12/04/13	06/17/15	2,365,000	2,464,590	2,394,492	1.54%	1.58%	(741)
Total Corporate Bonds			13,517,000	13,699,532	13,556,337			2,092
Total Portfolio Investments			13,517,000	13,699,532	13,556,337			2,092
Local Agency Investment Fund (LAIF)				9,674,697	9,674,507			
Morgan Stanley AA Money Trust				5,091,497	5,091,497			
Checking Account				(160,185)	(160,185)			
Total Cash and Investments			13,517,000	28,305,541	28,162,156			2,092

Inception to Date Activity	
Fair Market Value 7/1/12	90,699,394
Purchases	79,229,997
Sales/Maturities	(154,455,038)
Net Unrealized Gains/(Losses)	(1,918,016)
Fair Market Value 12/31/14	13,556,337

Maturity Distribution of Investments	
0 - 1 year	13,556,337

Notes

All investments are in compliance with CalMHSA's current investment policy. CalMHSA has sufficient funds to meet its expenditure requirements for the next six months. The negative balance in the checking account is due to outstanding checks. The bank balance at December 31, 2014 is $795,970.

Market values and Yields are from the following source: Morgan Stanley Smith Barney Financial Management Account Summaries.

Market Value is an approximation of the total worth of the asset, and fluctuates on a daily basis depending on market factors. YTM at Cost is the constant interest rate that makes the net present value of future principal & interest cash flows equal the purchase price of the security on the acquisition date. YTM at Market is the constant interest rate that makes the net present value of future principal & interest cash flows equal the current market price of the security.

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

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January 15, 2015

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
STAFF
3043 GOLD CANAL DRIVE, SUITE 200
RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number: [redacted]

< strong="">
Tran Type Definitions<>

December 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/1/2014	11/26/2014	RD	1451915	KIM SANTIN	650,000.00
12/15/2014	12/12/2014	RD	1452802	KIM SANTIN	2,000,000.00

Account Summary

Total Deposit:	2,650,000.00	Beginning Balance:	7,024,697.43
Total Withdrawal:	0.00	Ending Balance:	9,674,697.43

Local Agency Investment Fund
P.O. Box 942809
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RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number: [redacted]

< strong="">
Tran Type Definitions<>

November 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/20/2014	11/19/2014	RW	1451311	KIM SANTIN	-1,800,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	8,824,697.43
Total Withdrawal:	-1,800,000.00	Ending Balance:	7,024,697.43

Local Agency Investment Fund
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January 15, 2015

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
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RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number: [redacted]

< strong="">
Tran Type Definitions<>

October 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/1/2014	10/1/2014	RD	1445542	KIM SANTIN	200,000.00
10/10/2014	10/9/2014	RW	1446122	KIM SANTIN	-5,100,000.00
10/15/2014	10/14/2014	QRD	1448109	SYSTEM	2,724.88
10/21/2014	10/20/2014	RD	1449233	KIM SANTIN	650,000.00
10/28/2014	10/27/2014	RW	1449710	KIM SANTIN	-5,050,000.00

Account Summary

Total Deposit:	852,724.88	Beginning Balance:	18,121,972.55
Total Withdrawal:	-10,150,000.00	Ending Balance:	8,824,697.43

California Mental Health Services Authority
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SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

BALANCE SHEET:

Cash and Investment – Overall cash and investments are $41.2 million as of September 30, 2014. This is a decrease of $3.6 million compared to the $44.8 million in cash as of June 30, 2014. The decrease in cash relates to issuance of final payments to program partners for June 30, 2014, fiscal reconciliations offset by the receipt of Phase I Sustainability funding.

Investments – Current Portion – See Treasurer's Report

Receivables – $3,999,503

• Phase I Sustainability	$3,545,618
• State Hospital Beds Program	320,325
• Feasibility Study	132,310
• Application Fees	1,250
	$3,999,503

Interest receivable – Total interest receivable of $45,422 is for accrued bond interest.

Accounts Payable – The balance in account payable as of September 30, 2014 is $13.4 million. The payables are primarily related to final payments to program partners. The vendors with the most significant balances are:

• CA County Superintendents Education	$3,478,155
• The Regents of the University of California	1,370,845
• Runyon Saltzman & Einhorn	1,322,072
• Foundation for CA Community Colleges	1,269,184
	$7,440,256

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the three months ended September 30, 2014 was $6,470,355 consisting of revenue for Phase I Sustainability and the State Hospital Beds Program.

Expenses – Overall expenses for the three months ended September 30, 2014 were $5.4 million. The expenses for these three months consisted mainly of contract expenses for the PEI Program no-cost extension as well as contract expenses for Phase I sustainability.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED

BALANCE SHEET

	September 30, 2014	June 30, 2014
ASSETS		
Current Assets:		
Cash & Cash Equivalents	$ 18,641,765	$ 875,222
Investments - Current Portion	22,597,879	43,931,766
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	320,325	180,817
Feasibility Study	132,310	135,794
Tech Asst/Capacity Building		482,000
Phase I Sustainability	3,545,618	
Application Fees	1,250	1,250
Interest	45,422	179,906
Total Current Assets	45,284,568	45,786,755
Noncurrent Assets:		
Investments		
Total Assets	$ 45,284,568	$ 45,786,755
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 10,696,587	$ 12,050,580
Program Partner Holdbacks	2,709,914	2,942,042
Deferred Revenue		39,185
WET Program Funding		
Total Current Liabilities	13,406,501	15,031,807
Net Assets:		
Operations	874,918	884,805
Tech Asst/Capacity Building	199,684	239,597
WET Program Funding	148,470	148,470
Feasibility Study	271,124	271,134
SHB Program Funding	603,554	194,310
PEI Program Funding	15,928,468	29,016,633
Phase I Sustainability Funding	13,851,849	
Total Net Assets	31,878,067	30,754,948
Total Liabilities and Net Assets	$ 45,284,568	$ 45,786,755

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For The Three Months Ended September 30, 2014

	Operations	Tech Asst/ Capacity Building	WET Program Funding	Feasibility Study Funding	SHB Program Funding	PEI Program Funding	Phase I Sustainability	September 2014 Total	June 2014 Total
OPERATING REVENUES:									
Technical Assistance/Capacity Building								$ -	$ 668,600
Community Planning (5%)								-	11,080
PEI State Wide Program Funding								-	210,520
WET Program Funding								-	-
SHB Funding					442,848			442,848	272,257
Feasibility Study Funding								-	299,171
Phase I Sustainability Funding							$ 6,027,507	6,027,507	
Donations								-	200
Application Fee								-	1,250
Total Operating Revenue	-	-	-	-	442,848	-	6,027,507	6,470,355	1,463,078
PROGRAM EXPENSES:									
Technical Assistance/Capacity Building									
Program Contract		39,913						39,913	417,469
Program Implementation & Oversight					29,920			29,920	49,665
Other Contract Services					225			225	-
Legal								-	-
Meeting and Other								-	601
WET Program Funding:								-	
Program Contract								-	-
Program Mgmt. & Oversight								-	-
Legal								-	-
Meeting and Other								-	-
SHB Program Funding:								-	
Program Contract								-	62,040
Program Mgmt. & Oversight								-	-
Other Contract Services								-	-
Legal					2,905			2,905	12,488
Meeting and Other					554			554	3,499
Feasibility Study Funding								-	
Program Contract								-	27,368
Program Mgmt. & Oversight								-	-
Other Contract Services								-	-
Legal								-	629
Meeting and Other				10				10	40
PEI State Wide Program Funding:									
Program Expense:									
Program Contract						3,135,775	804,528	3,940,303	55,468,900
Program Mgmt. & Oversight						131,402	73,611	205,013	915,871
Other Contract Services								-	10,200
Legal						3,695		3,695	19,952
Meeting and Other						16,730		16,730	89,366
Evaluation Expense:									
Program Contract						640,863		640,863	2,989,170
Program Mgmt. & Oversight						7,643	6,944	14,587	49,767
Meeting and Other						487		487	10,760
Planning Expense:									
Program Mgmt. & Oversight						87,005		87,005	184,961
Other Contract Services						62,856		62,856	96,159
Legal						5,798		5,798	-
Dissemination Materials						19,907		19,907	71,324
Meeting and Other						15,565		15,565	20,582
Total Program Expense	-	39,913	-	10	33,604	4,127,726	885,083	5,086,336	60,500,811
INDIRECT EXPENSES:									
General Management						135,061	58,333	193,394	814,580
Other Contract Services						8,245		8,245	22,087
Legal Services						12,838		12,838	46,621
Insurance						31,431		31,431	33,209
Investment Management Fees	20,584							20,584	100,616
Financial Audit								-	-
Dissemination Materials								-	-
Meeting and Other	5,274					5,106		10,380	72,160
Formation Fees- Refund to Founding Members						-		-	-
Total General And Administrative	25,859	-	-	-	-	192,681	58,333	276,873	1,089,273
Total Expenses	25,859	39,913	-	10	33,604	4,320,407	943,416	5,363,209	61,590,083
(Loss) Income from Operations	(25,859)	(39,913)	-	(10)	409,244	(4,320,407)	5,084,091	1,107,146	(60,127,005)
OPERATING TRANSFER						(8,767,758)	8,767,758	-	-
NONOPERATING INCOME:									
Investment Income	109,984					-		109,984	945,376
Change in Investment Value	(94,012)					-		(94,012)	(641,078)
Total Nonoperating Income	15,971	-	-	-	-	-		15,971	304,298
Change in Net Assets	(9,887)	(39,913)	-	(10)	409,244	(13,088,165)	13,851,849	1,123,118	(59,822,708)
Beginning Net Assets	884,805	239,597	148,470	271,134	194,310	29,016,633	-	30,754,949	90,577,656
Ending Net Assets	$ 874,918	$ 199,684	$ 148,470	$ 271,124	$ 603,554	$ 15,928,468	$ 13,851,849	$ 31,878,067	$ 30,754,948

California Mental Health Services Authority
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SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

BALANCE SHEET:

Cash and Investment – Overall cash and investments are $28.2 million as of December 31, 2014. This is a decrease of $13.0 million compared to the $41.2 million in cash as of September 30, 2014. The decrease in cash relates to issuance of final payments to program partners for contracts ending June 30, 2014, as well as payments for PEI Program no-cost extension and Phase I/Sustainability.

Investments – Current Portion – See Treasurer's Report

Receivables – $2,468,545

• Phase I Sustainability	$2,192,376
• State Hospital Beds Program	167,477
• Feasibility Study	107,472
• Application Fees	1,250
	$2,468,545

Interest receivable – Total interest receivable of $45,300 is for accrued bond interest.

Accounts Payable – The balance in account payable as of December 31, 2014 is $7.2 million. The payables are primarily related to payments to program partners. The vendors with the most significant balances are:

• California State University Office of the Chancellor	$1,911,153
• The Regents of the University of California	1,427,607
• Foundation for CA Community Colleges	488,940
• Runyon Saltzman & Einhorn	451,260
• RAND	428,022
	$4,706,982

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the six months ended December 31, 2014 was $6,559,421 consisting primarily of revenue for Phase I Sustainability and the State Hospital Beds Program.

Expenses – Overall expenses for the six months ended December 31, 2014 were $13.9 million. The expenses for these six months consisted mainly of contract expenses for the PEI Program no-cost extension as well as contract expenses for Phase I sustainability.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED

BALANCE SHEET

	December 30, 2014	June 30, 2014
ASSETS		
Current Assets:		
Cash & Cash Equivalents	$ 14,606,009	$ 875,222
Investments - Current Portion	13,556,337	43,931,766
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	167,447	180,817
Feasibility Study	107,472	135,794
Tech Asst/Capacity Building		482,000
Phase I Sustainability	2,192,376	
Application Fees	1,250	1,250
Interest	45,300	179,906
Total Current Assets	30,676,192	45,786,755
Noncurrent Assets:		
Investments		
Total Assets	$ 30,676,192	$ 45,786,755
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 6,477,145	$ 12,050,580
Program Partner Holdbacks	762,379	2,942,042
Deferred Revenue		39,185
WET Program Funding		
Total Current Liabilities	7,239,524	15,031,807
Net Assets:		
Operations	904,834	884,805
International SDR Conference	(31,650)	
Tech Asst/Capacity Building	204,064	239,597
WET Program Funding	148,470	148,470
Feasibility Study	269,972	271,134
SHB Program Funding	569,401	194,310
PEI Program Funding	9,423,503	29,016,633
Phase I Sustainability Funding	11,948,074	
Total Net Assets	23,436,668	30,754,948
Total Liabilities and Net Assets	$ 30,676,192	$ 45,786,755

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For The Six Months Ended December 31, 2014

	Operations	International SDR Conference	Tech Asst/ Capacity Building	WET Program Funding	Feasibility Study Funding	SHB Program Funding	PEI Program Funding	Phase I Sustainability	December 2014 Total	June 2014 Total
OPERATING REVENUES:										
Technical Assistance/Capacity Building									$ -	$ 668,600
Community Planning (5%)									-	11,080
PEI State Wide Program Funding									-	210,520
SHB Funding						$ 438,642			438,642	272,257
Feasibility Study Funding									-	299,171
Phase I Sustainability Funding								$ 6,082,429	6,082,429	
Conference Registration		33,350							33,350	
Donations		5,000							5,000	200
Application Fee									-	1,250
Total Operating Revenue	-	38,350	-	-	-	438,642	-	6,082,429	6,559,421	1,463,078
PROGRAM EXPENSES:										
SDR Conference		70,000							70,000	
Technical Assistance/Capacity Building										
Program Contract			35,533						35,533	417,469
Program Implementation & Oversight									-	49,665
Other Contract Services									-	-
Legal									-	-
Meeting and Other									-	601
SHB Program Funding:									-	
Program Contract									-	62,040
Program Mgmt. & Oversight						56,672			56,672	-
Other Contract Services						612			612	-
Legal						5,254			5,254	12,488
Meeting and Other						1,013			1,013	3,499
Feasibility Study Funding									-	
Program Contract									-	27,368
Program Mgmt. & Oversight									-	-
Other Contract Services					1,152				1,152	-
Legal									-	629
Meeting and Other					10				10	40
PEI State Wide Program Funding:										
Program Expense:										
Program Contract							8,325,733	2,624,335	10,950,068	55,468,900
Program Mgmt. & Oversight							236,648	147,222	383,870	915,871
Other Contract Services							8,200		8,200	10,200
Legal							7,306		7,306	19,952
Meeting and Other							29,877		29,877	89,366
Evaluation Expense:										
Program Contract							1,468,945	13,889	1,482,834	2,989,170
Program Mgmt. & Oversight							10,648		10,648	49,767
Meeting and Other									-	10,760
Planning Expense:										
Program Mgmt. & Oversight							160,242		160,242	184,961
Other Contract Services							86,928		86,928	96,159
Legal							5,817		5,817	-
Dissemination Materials							38,158		38,158	71,324
Meeting and Other							38,964		38,964	20,582
Total Program Expense	-	70,000	35,533	-	1,162	63,551	10,417,466	2,785,446	13,373,158	60,500,811
INDIRECT EXPENSES:										
General Management							314,684	116,667	431,351	814,580
Other Contract Services							15,577		15,577	22,087
Legal Services							29,392		29,392	46,621
Insurance							31,431		31,431	33,209
Investment Management Fees	28,481								28,481	100,616
Financial Audit									-	-
Dissemination Materials									-	-
Meeting and Other	9,647						16,822		26,469	72,160
Formation Fees- Refund to Founding Members							-		-	-
Total General And Administrative	38,128	-	-	-	-	-	407,906	116,667	562,701	1,089,273
Total Expenses	38,128	70,000	35,533	-	1,162	63,551	10,825,372	2,902,113	13,935,859	61,590,083
(Loss) Income from Operations	(38,128)	(31,650)	(35,533)	-	(1,162)	375,091	(10,825,372)	3,180,316	(7,376,438)	(60,127,005)
OPERATING TRANSFER							(8,767,758)	8,767,758	-	-
NONOPERATING INCOME:										
Investment Income	193,712						-		193,712	945,376
Change in Investment Value	(135,554)						-		(135,554)	(641,078)
Total Nonoperating Income	58,158		-	-	-	-	-		58,158	304,298
Change in Net Assets	20,029	(31,650)	(35,533)	-	(1,162)	375,091	(19,593,130)	11,948,074	(7,318,281)	(59,822,708)
Beginning Net Assets	884,805	-	239,597	148,470	271,134	194,310	29,016,633	-	30,754,949	90,577,656
Ending Net Assets	$ 904,834	$ (31,650)	$ 204,064	$ 148,470	$ 269,972	$ 569,401	$ 9,423,503	$ 11,948,074	$ 23,436,668	$ 30,754,948

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Resolution 15-01

Process for Grant Application-Approval

WHEREAS, the California Mental Health Services Authority (CalMHSA) seeks grant funding from diverse sources to support CalMHSA [public benefit] projects.

WHEREAS, CalMHSA has applied for grants in the past on a case by case basis.

WHEREAS, grants may be available for short amounts of time, so that seeking authorization to apply for grants on a case by case basis may lead to lost opportunities.

NOW THEREFORE, CalMHSA Board of Directors resolves that effective immediately:

1) Authority to submit a grant application on behalf of CalMHSA is delegated to the CalMHSA Executive Director.

2) Acceptance of grant awards is subject to CalMHSA Board action.

PASSED AND ADOPTED, by the Board of Directors of CalMHSA on _____.

Ayes: _____ Noes: _____ Abstains: _____ Absent: _____

Maureen F. Bauman		**Vacant**	**CaSonya Thomas**
PRESIDENT	**VICE PRESIDENT**	**TREASURER**	**SECRETARY**
SIGNATURE	**SIGNATURE**	**SIGNATURE**	**SIGNATURE**

Program Matters
Agenda Item 5.A.

SUBJECT: Stigma and Discrimination Reduction (SDR) Consortium – Request for Sole Source Contract

ACTION FOR CONSIDERATION:

Authorize the Board President and counsel to negotiate a sole source contract of up to $500,000 per year, based on funding availability, to continue the vital work being done by the Stigma and Discrimination Reduction (SDR) Consortium.

BACKGROUND:

During the initial implementation of the Prevention and Early Intervention (PEI) Statewide Programs the purpose of the SDR Consortium program focused on using a stakeholder membership body to bring together diverse perspectives to review efforts of the overall SDR component to support consistent messaging that reflects the values of resilience, recovery and wellness. In addition, due to the diversity of membership this body could assist in reaching and networking with other key partners in SDR efforts such as educators, primary care providers, law enforcement, and veterans. Consortium stakeholder members were from all over the state and were able to provide input from local communities as well as support the local dissemination of SDR efforts and tools. The consortium stakeholders provided recommendations and took action to support smaller scaled efforts at local and regional levels. All of this work was guided by a Strategic Workplan which was successfully implemented and completed in December 2014.

During early implementation the SDR consortium was challenged by stable administration. In May 2013, the CalMHSA board approved that the SDR Consortium be administered by George Hills Company (GHC) under the close supervision of CalMHSA staff. This strategy was supported by the Board as a critical solution to ensure the success of this program in which two previous contractors were unable to fulfill. This solution has proven to be significantly successful. Accomplishments since the May 2013 transition include:

- Completed the deliverables within the SDR Consortium Strategic Workplan (insert link to where this is posted).
- Developed and maintained the Each Mind Matters Program Resource Catalogue.
- Provided statewide voice on the critical impact of stigma, resulting discrimination, and disparities experienced by individuals, families and communities.
- Administered the CalMHSA funded Speaker Bureau and Community Dialogue Grant Programs.
- Developed and implemented a Community Outreach Plan, including the establishment of a statewide volunteer program, to expand the impact of Each Mind Matters tools and

resources to groups such as Schools and Universities, Community Based Organizations, Professional Guilds, and other entities throughout California.

- Developed and maintained the Each Mind Matters online store where educational materials and items can be purchased at cost from the public.

The Phase I Plan for activities to support the objectives of the PEI Statewide Programs for fiscal year (FY) 2014-2015 represented a needed shift in the primary function of the SDR consortium. The focus of these activities for the SDR consortium include:

- Supporting Each Mind Matters Community Outreach either directly through a network of locally-based change agents or indirectly with technical assistance to other partners of EMM across the state,

- Providing a wide array of diverse perspectives, primarily from those with lived experienced, to support the messaging and program focus of Each Mind Matters, and

- Acting as the primary contact for dissemination of Each Mind Matters tools, resources and materials.

Request for Sole Source Approval of the SDR Consortium – George Hills Company

As a result of the successful launch and implementation of the SDR Initiative, the SDR Consortium has become the hub of Each Mind Matters, California's Mental Health Awareness Movement. As the hub of the EMM Initiative, the existing SDR Consortium staff provide critical linkage and technical assistance to counties and a large number of community providers and other partner organizations on the use of EMM resources to complement local efforts. Existing CalMHSA staff does not have the capacity to fulfill these role with the adequacy that is needed for successful wide dissemination and local adoption. Rationale for sole source approval is below.

The *CalMHSA Purchasing and Procurement Policy, Section 8: Competitive Selection Process Exceptions* details several exceptions to the competitive selection process for services, of which the following apply to this particular project and provider:

a. *The uniqueness of a vendor's capabilities or goods offered to meet the needs of CalMHSA as compared to other contractors.*

The consortium staff, and their elaborate networks of stakeholders and key informants across the lifespan and from diverse communities, have played an essential role in providing input and guidance for Each Mind Matters (EMM) messaging, branding, and other social marketing/community engagement activities that reflect the values of CalMHSA and its members. They have been involved since the inception of EMM and are committed to ensuring that lived experience across a wide range of groups and regions is reflected in EMM's work. For FY 2015-16 and 2016-17 this capability for statewide reach to provide on-going input to EMM from local communities is unique and critical.

b. The prior experience of the proposed vendor is vital to the goods or services.

Since May 2013, consortium staff have been developing a network of partnerships and relationships that are vital to the dissemination of EMM tools and resources – including but not limited to - guilds and trade associations, provider organizations, and various smaller community-based and consumer-run organizations across the state through their administration of CalMHSA's mini-grant programs. As the lead entity for Mental Health Matters Day 2014, consortium staff generated new relationships across the state. If CalMHSA were required to RPF these services, the investment made to date to establish, build, and sustain these necessary networks to and from the community may have to begin anew. This would greatly stall and delay the successful and wide reach, dissemination, and adoption of EMM tools and resources.

c. Whether the contractor has a substantial investment that would have to be duplicated at the expense of CalMHSA if another vendor provided services.

Since May 2013, the Consortium has been closely supervised and supported by CalMHSA staff. This strategy was approved by the Board as a critical solution to ensure the success of this program in which two previous contractors were unable to fulfill. Since this time consortium staff have developed and contributed vital dissemination, coordination and technical assistance services to counties, their stakeholders and constituents. There has been a significant investment in training and supporting staff development and success, including those with lived experience, to obtain outcomes including the establishment of the EMM store that provides educational materials at cost to the community with any proceeds going directly back into stigma reduction programming. In addition, the Consortium plays a key role in managing the CalMHSA Program Resource Catalogue which is an online clearinghouse that contains the majority of CalMHSA produced tools and resources from the PEI statewide projects. Having to reinvest in a new contractor to fulfill these roles would result in significant duplication at the expense of CalMHSA for the implementation of Phase II activities.

d. The vendor's ability to provide goods or services in the required time frame.

Phase II represents a significantly shorten timeframe to achieve results. The plan also acknowledges that the most critical focus to our funders and their constituencies, is to ensure that the initial and substantial statewide investment is realized through dissemination and technical assistance to support local adoption and use of existing tools and resources. Moreover, if there are any new tools and resources developed in Phase II, the consortium is best positioned to expedite dissemination and local adoption. In order to best achieve thes objectives it is essential that we continue to use and expand upon the investment that has been made in the consortium staff and their networks for the dissemination, adoption, and local use of EMM tools and resources. In addition, the consortium has created protocols and have successfully managed CalMHSA's mini-grant programs and the EMM store. Transferring these responsibilities to another contractor would risk their expedient execution putting in jeopardy the successful achievement of CalMHSA's goal in phase II to broadly reach communities with tools and resources, many of which are delivered locally by mini-grant recipients.

FISCAL IMPACT:

The requested annual contract amount of up to $500,000 per year, based on funding availability, represents over a 50% reduction in the current year contract. This reduction is consistent with the overall reduced level of funding available for Phase II activities. This funding level will allow for maintenance of the most critical work of the SDR consortium which includes:

- Maintaining and improving the CalMHSA Program Resource Catalogue,
- Building community outreach efforts which include sharing community feedback on how to strengthen EMM efforts and administration of community mini-grant programs,
- Supporting dissemination and local use and adoption of tools and resources, and
- Managing the EMM store.

RECOMMENDATION:

Authorize Board President and counsel to negotiate a sole source contract of up to $500,000 per year, based on funding availability, to continue the vital work being done by the Stigma and Discrimination Reduction (SDR) Consortium.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

PROGRAM MATTERS
Agenda Item 5.B.

SUBJECT: Short Doyle Modernization (SDM) Project – Update and Request for Sole Source Contract with Harbage Consulting

BACKGROUND AND STATUS:

The Department of Health Care Services (DHCS) has indicated the need to explore options to transition from Short-Doyle 2 to a new billing system. In response, the County Behavioral Health Directors Association of California (CBHDA) Financial Services and Information Technology (IT) Committee members and staff proposed a migration from the state-operated Short-Doyle 2 system to HIPAA-compliant, county-based encounter data systems that use certified vendors/systems to collect and store encounter information locally. This solution is intended to simplify the federal reimbursement process for the state and counties, and allow counties and their vendors to fully implement the federal information coding and exchange requirements. Since the Short Doyle Modernization (SDM) project began in 2013, the scope has changed from solely an information technology project to a project that is inclusive of fiscal and delivery system considerations.

Counties have taken action on this topic through both CBHDA and CalMHSA:

2013: At the May 9, 2013 CBHDA All Directors Meeting, members voted to approve the IT Committee's CBHDA/DHCS Short-Doyle 3 Feasibility Study Partnership Proposal. At the July 25, 2013 CalMHSA Executive Committee Meeting, staff was authorized to work with CBHDA and DHCS to implement the Feasibility Study. At the August 15, 2013 CalMHSA Board Meeting, the allocation methodology outlined in MHSD Information Notice 13-15 was approved as the methodology to be used in determining each county's share for the feasibility study.

2014: At the October 9, 2014 CalMHSA Board meeting, members adopted a New Project Scope as approved by the Project Steering Committee and the Governance Team Committee (with staff and leadership from DHCS and counties). The attached revised Short Doyle Modernization (SDM) Project Charter includes short and long term strategies: Short Doyle 2 enhancements, Fiscal and Delivery System Pilot Study and long range Medicaid Information Technology Architecture (MITA) Planning.

2015: At the February 19, 2015 CBHDA Governing Board meeting, members voted to support the Fiscal and Delivery System Pilot Study as described in the attached document. Counties also voted in support of CalMHSA serving as the lead organization for the fiscal pilot.

PROJECT UPDATES:

1. Short Doyle 2 Enhancement Project

   In May 2014, county staff from Behavioral Health Departments were asked to indicate their priorities for improving the Short-Doyle 2 claims processing system by responding to a

survey. The survey was designed with input from the counties through CBHDA committees, the counties that participate in the SWAT team, and CBHDA, CalMHSA and DHCS staff. Survey responses were received from 71 individuals representing 41 counties of varying sizes.

Survey results will inform any potential county-funded enhancements to Short Doyle 2, with a goal of maximizing available state and county resources. CalMHSA, CBHDA and DHCS staff underwent an extensive review process of each potential area for enhancement to understand DHCS priorities and mandates in these priority areas. The action required to resolve Short Doyle 2 issues was also discussed (e.g. which require an information technology fix, which require policy change, etc.) DHCS is currently completing work in many of these priority areas and the disposition of each county priority area is provided in the attached document "Priority Enhancements to Short-Doyle 2".

At this time, most county priority areas are currently being addressed by DHCS. As a result, few Short Doyle 2 enhancements were identified that may be eligible for counties to fund. Currently, there is an exploration of whether there are any improvements that counties may fund that are consistent with the goals of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing. It is possible that counties will not fund Short Doyle 2 system changes, as many are being addressed with other funding streams.

2. Fiscal and Delivery System Pilot Study

   CBHDA, CalMHSA and DHCS staff have worked together to define and operationalize the Fiscal and Delivery System Pilot Study that was approved as part of the Short Doyle Modernization Project Charter. DHCS representatives have indicated an interest in reviewing a proposal from the counties related to improving the timeliness and accuracy of federal reimbursement to the Mental Health Plans. DHCS leadership has also historically indicated that the Medi-Cal Specialty Mental Health system could benefit from moving from the current non-risk fee for service system to an at risk federal payment structure under the 1915(b) waiver.

   Pilot Study county selection criteria were developed and key activities were identified (please see the attached document "Short Doyle Modernization Project: Information for Counties regarding the Fiscal Pilot"). Participating counties will, with support from subject matter experts including DHCS representatives, develop a methodology to test assumptions and selected reimbursement models using state and local data and information related to cost, utilization and access for county Medi-Cal beneficiaries. Counties will develop an estimated cost of care per year and per member/per month costs for Medicaid beneficiary eligibility groups. This data will be analyzed and compared to other state information to determine cost effectiveness and other fiscal and policy considerations.

   In order to implement the Pilot Study, highly specialized services must be procured (e.g. finance as it pertains to public sector programs, the development of federal waiver

applications). Data analysis will commence following the selection of both a provider to implement the pilot and participating counties, possibly by the end of Fiscal Year 2014-15. The pilot study is anticipated to take 8-10 months to complete, after which the results will be available for county review and discussion and shared through a stakeholder process.

3. Long Range Medicaid Information Technology Architecture (MITA) Planning.

   State MITA planning efforts are currently focused on modernization of the state's Medi-Cal eligibility determination system (MEDs). DHCS staff provide regular updates to the CBHDA Information Technology Committee. If the draft MITA plan is approved by CMS, there will be opportunities for counties to participate in the stakeholder process.

Fiscal and Delivery System Pilot Study: Request for Sole Source Approval – Harbage Consulting

Through action taken by the CBHDA Governing Board on February 19, 2015, counties have expressed a desire to work proactively with DHCS on the Fiscal and Delivery System Pilot Study. The services required to implement the pilot study are of a highly specialized nature. It is critical that a contractor with specific expertise in several areas be selected; this includes but is not limited to finance as it pertains to public sector programs and the development of federal waiver applications. Harbage Consulting has the relevant experience and organizational capacity to staff this project with qualified professionals within the required timeframe.

The *CalMHSA Purchasing and Procurement Policy, Section 8: Competitive Selection Process Exceptions* details several exceptions to the competitive selection process for services, of which the following apply to this particular project and provider:

a. *The uniqueness of a vendor's capabilities or goods offered to meet the needs of CalMHSA as compared to other contractors.*

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c. *The prior experience of the proposed vendor is vital to the goods or services.*

d. *The facilities, staff or equipment the proposed vendor has that are specialized and vital to the services required.*

*****

f. *The vendor's ability to provide goods or services in the required time frame.*

*****

Harbage Consulting specializes in health policy and delivery system reform within the public sector and has extensive experience working in California with DHCS and counties. The organizational capacity of Harbage Consulting is unique and includes a team of subject matter experts with diverse specialties not available elsewhere, including but not limited to Medi-Cal specialty mental health service delivery and Medicaid financing, including federal waiver development.

Harbage Consulting has partnered with counties, states and federal organizations, including substantial work in California, the nations' largest Medicaid program. Harbage Consulting has extensive experience working with the Centers for Medicaid and Medicare Services (CMS) and states to implement delivery system reform and waivers (in which states can apply for program flexibility to test new or existing approaches to financing and delivering Medicaid services). This experience is exemplified in California by their work with DHCS on the 1115 waiver and its renewal. Harbage Consulting also has experience with the implementation of the California Coordinated Care Initiative (CCI, the process of integrating delivery of medical, behavioral, and long-term care services), which required the establishment of capitation rates for both Medicaid and Medicare. The CCI requires collaborative work with counties, health plans, DHCS and CMS; the implementation is ongoing.

Harbage Consulting staff and consultants possess specialized skills that are vital to the services required. Examples include staff and consultants with experience working on behavioral health delivery system reform at the county, state and federal level:

- County and State level fiscal and policy expertise pertaining to specialty mental health services: **Mike Geiss** has extensive experience with the design and implementation of original 1915(b) waiver, the design and implementation of the Mental Health Services Act fiscal provisions, and working with counties regarding cost settlement and reimbursement. His expertise includes Medi-Cal specialty mental health financing and certified public expenditures. **Don Kingdon** has worked in the private and public sectors providing mental health treatment and policy development for more than 20 years. Before moving to Harbage Consulting, he most recently worked for the California Behavioral Health Directors Association, where he worked on these same issues. He has extensive experience with mental health policy development at the county, state and federal levels. Both Mr. Geiss and Dr. Kingdon have been instrumental in the Short Doyle Modernization project since its inception, having partnered on the project as staff and consultants to CBHDA. Their participation through Harbage Consulting ensures continuity of subject matter expertise in the implementation of the project.

- State level delivery system reform expertise: **Toby Douglas** most recently served as the Director of the California Department of Health Care Services (DHCS). He provides expertise in the areas of financing, waivers, and in the development and implementation of delivery system reform strategies.

- Federal health policy and Centers for Medicaid and Medicare Services (CMS) expertise: **Jennifer Ryan** has over twenty years of federal, non-profit and academic health policy experience, with particular emphasis on Medicaid. Her experience includes the development of the concept for the 1115 demonstration waiver renewal.

- Information Technology expertise: **Phil Smith** of PCG & Wiley Fox provides expertise with both the current Short Doyle system and the recent design of the encounter based data system for the health plans.

Counties have expressed the need to commence work on the pilot study quickly. It is anticipated that between 8-10 months is needed to complete the pilot study. Depending on the results of the study and any subsequent action taken locally, one to two fiscal years may be needed for implementation. Thus, time is of the essence. Harbage Consulting has the organizational capacity to staff this project with qualified health policy professionals and is capable of providing services within the required time frame.

In order to provide services within the required timeframe and with the necessary specialized expertise, approval is requested to enter into a sole source contract with Harbage Consulting.

Counsel has reviewed the recommendation and confirmed this justification complies with CalMHSA Purchasing and Procurement Policy, Section 8: Competitive Selection Process Exceptions.

NEXT STEPS:

1. Continue to work with members to collect contributions to support implementation of the project. Update and analyze project budget to 1) determine funds available for any possible Short Doyle 2 system improvements and for a possible contract with Harbage Consulting and 2) determine CalMHSA staffing needs for project implementation.
2. Consider whether there are any Short Doyle 2 system improvements that counties may fund that are consistent with the goals of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing.
3. Procure services and implement the Fiscal and Delivery System Pilot Study.
    a. If sole source approval is obtained, work with Harbage Consulting to negotiate a contract to implement the pilot study.
    b. Begin the county selection process for the pilot study.
4. Continue to participate in MITA planning efforts.

FISCAL IMPACT:

At the onset of the project, the required resources were estimated at up to $300,000. Counties were first billed for their share of cost in August 2013. To date, 46 counties have opted to contribute a total of $194,000 to support this project. Three additional counties have indicated plans to contribute to the project (with a potential contribution of up to $97,500). Five counties have opted out and six have not indicated their plans.

CalMHSA has been asked to assume a substantial administrative and fiscal role in:

- Staff participation in planning efforts with CBHDA and DHCS.
- Contracting with counties to participate in project.
- Planning and development of any necessary procurement along with Steering Committee partners including DHCS and CBHDA.
- Procuring, executing and managing the required contracts.
- Obtaining the advice of legal counsel for county participation, Memorandums of Understanding with partners, procurement and contract documents.

Since 2013, CalMHSA expenses to conduct these activities were about $32,000. It is anticipated that CalMHSA would continue to provide administrative and fiscal support during Quarter 4 of FY 14-15 and throughout FY 15-16, at an estimated cost of $36,000.

The current available funding for the project is about $162,000 (funds received from counties less CalMHSA expenses). If all counties were to support the project, available funds would increase by about $104,000. Any contract negotiated with Harbage Consulting would be limited to the available funding less estimated, ongoing CalMHSA expenses for the administrative and fiscal role described above.

CalMHSA staff time, legal counsel and administrative expenses are allocated across participating counties and align with the indirect and indirect cost guidelines determined by the CalMHSA Finance Committee. Any unused funds would be allocated to future program expenses.

RECOMMENDATION(S):

1. Authorize proceeding with implementation of the pilot program.
2. Authorize expenditure of funds committed and received by CalMHSA for the implementation of the pilot program.
3. Authorize staff to negotiate a contract with Harbage Consulting for specialized fiscal and delivery system reform services for the Fiscal and Delivery System Pilot Program.
4. Authorize proceeding without competitive selection process based on sole source justification narrative above.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- Short Doyle Modernization (SDM) Project Charter
- Short Doyle Modernization Project: Information for Counties regarding the Fiscal Pilot
- Priority Enhancements to Short-Doyle 2
- Short Doyle Modernization County Participation as of 3/26/2015

Project Start Date: April, 2013

Project End Date: June, 2015

Project Steering Committee

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Don Kingdon	CBHDA	(916)
Dan Walters	CBHDA/County	(661) 868-6710

Project Objective Statement

The objective of the SDM project is to explore an alternative payment or reimbursement system starting with a pilot study while concurrently providing direction and resources for enhancing the current system with the goal of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing. During the life of the project, focus will also be given to Medicaid Information Technology Architecture (MITA) long range planning to ensure that the ongoing solution will align with MITA Standards and Conditions and promote a more mature system that meets the needs of all Stakeholders.

Project goals

1. Improve reconciliation of 837's and 835's.
2. Decrease the incidence of inappropriately adjudicated claims by enhancing the current SD2 system.
3. Develop a federal reimbursement methodology to be tested by a small group of counties.
4. Produce a white paper for CMS that supports an alternative payment methodology for reimbursement of Behavioral Health Claims.
5. Provide the opportunity for DHCS, CBDHA, and CalMHSA to form a partnership to proactively collaborate in joint ventures which result in improved Behavioral Health Services and reimbursement of the same.
6. Position the department to advance our MITA maturity.

In Scope

1. Federal Reimbursement Pilot Study
    a. Develop a Federal Reimbursement Pilot Study methodology which includes identification and testing of the variables necessary to develop a risk adjusted specialty mental health capitation formula that could be used by each county MHP to develop a proposed annual per member/per month (PM/PM) payment.
    b. Conduct Pilot Study (with 3-6 counties)
    c. Create a concept and proposed methodology document to present to DHCS for review by CMS
    d. Implement SPA and/or waiver changes along with key stakeholders.
2. Short Doyle 2 Enhancement Project
    a. Design and implement short term adjustments to the SD 2 system with the goal of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing.
    b. The top two areas for system improvement were identified as:
        1. Improve reconciliation between 837's (claims) and 835's (remittance advice):
        2. Fix current, outstanding bugs in system:
3. Long Range MITA Planning
    a. County behavioral health representatives will participate in the federally required MITA process; and provide perspective regarding the behavioral health component as part of the planning process.

Out of Scope

1. Anything outside of Efforts 1-3.
2. Changes, enhancements, or modifications to SD2 that are not included in the SOW.
3. System build resulting from CMS approval to implement new Reimbursement methodology derived from the Pilot Study.

Benefits

1. Measured improvement towards MITA principles and maturity levels that will align with MITA Standards and Conditions and promote a more mature system that meets the needs of all Stakeholders.

Assumptions

1. The short term support for SD 2 claims adjudication will be a priority project component and will require consulting and financial resources contributed by federal, state and county partners.
2. The design and implementation of the federal reimbursement pilot study will require the participation of DHCS policy and fiscal staff in all phases of the project. County selection will be an early priority as will county development of the data sources, information technology, and fiscal changes needed for the participating counties to implement the desired changes to simulate the proposed reimbursement methodology.

Dependencies/Constraints

1. A key initial component of the enhancement effort will be the identification and prioritization of the needed SD 2 enhancements.
2. County Selection will be an early priority
3. Selected Counties will be able to develop data sources and perform IT and Fiscal changes timely.
4. Sufficient access to appropriate levels of SMEs from County and State program areas
5. Timely review and approval of draft and final deliverables
6. Scope – Claiming Process

Risks

1. Scope Creep
2. Stakeholder Expectations

Trade-offs

Dimension	Schedule	Cost	Resources
Constrained (Least Flexible)		X	
Accepted (Somewhat Flexible)			X
Improved (Most Flexible)	X		

Critical Success Factors

1. Continuity in services.
2. More timely and accurate estimate of federal payment to the county for cash flow purposes.
3. County participation in the long term approach to alignment with MITA Maturity Improvement Initiatives DHCS behavioral health enterprise concept of operations.

Roles and Responsibilities

Steering Committee

1. Champion the project at the executive level
2. Provide prompt decisions to keep the project on track

Team Members

1. Execute project tasks
2. Manage project risks and issues
3. Maintain appropriate communication

Governance Team Committee

Member	Role	Email Address
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Charter Approval

Member	Signature	Date
Karen Johnson		
Karen Baylor		
Chris Cruz		
Barney Gomez		
Philip Heinrich		
Robert Oakes		
Maureen Bauman		

Short Doyle Modernization Project:
Information for Counties regarding the Fiscal Pilot

Key activities of the Fiscal Pilot:

- Select representative counties to participate in the pilot, possibly 3-6+ counties including counties of various sizes and populations. The selection process will include input from DHCS, CalMHSA and CBHDA representatives. (See page 2 for selection criteria).
- The participating counties will, with support from consultants and DHCS representatives, develop a methodology to test assumptions and selected reimbursement models using state and local data and information related to cost, utilization and access for county Medi-Cal beneficiaries.
    - DHCS Fiscal Staff are to provide approved Short Doyle outpatient claim data to counties participating in the pilot study over a multi-year period.
    - Participating counties will then validate the approved claims against their claims records and cost reports. The county will augment the DHCS approved claims data with additional claims submission information (837 and 835 files) to arrive at a more complete estimate of the total cost of care per year.
    - Participating counties, with support from consultants, will calculate per member/per month costs for Medicaid beneficiary eligibility groups. This analysis will also include non-Medicaid costs for these beneficiaries (such as MHSA housing and other non-match expenditures, and 1991 Realignment LPS expenditures).
    - With the support of DHCS and project consultants the county calculated PM/PMs for the selected MEGs will be analyzed and compared to other state information to determine the cost effectiveness and other fiscal and coverage policy considerations raised by the review.
- Based on the findings the pilot counties will beta test the most efficient federal payment system for Medi-Cal Specialty Mental Health Services, which may include: capitation or case rates, incentive payments (based on performance), Intergovernmental transfers (IGTs), etc.
- Produce a white paper for DHCS to review and submit to the Centers for Medicaid and Medicare Services that supports an alternative payment methodology for reimbursement of Behavioral Health Claims.

Timeframe: Ideally, data analysis will occur during Q3 and Q4 of FY 2014-15, with a proposed methodology in Q1 or Q2 of FY 2015-16. The goal is to test and then implement a different reimbursement system by FY 2016-17.

Benefits to Counties Participating in the Pilot:

- Receive technical assistance and participate in development of alternative federal payment methodologies

- Receive and produce with support from DHCS and consultants trend data on cost per beneficiary and other variables
- Study the potential impact of new reimbursement methodologies on the counties and state
- Increase knowledge and preparedness for alternative payment methodologies

Effort Requested of Counties Participating in the Pilot: The level of effort required by counties is to be determined based on the level of effort of DHCS staff and county consultants, which is under negotiation at this time.

- Dedicate staff time to:
    - Validate claims data provided by DHCS, provide reconciliation
    - Calculate non-Medicaid costs for Medicaid beneficiaries to understand total cost of services
    - Develop claims using new methodology
    - Provide data to CBHDA staff and consultants
    - Participate in calls for pilot counties

Proposed Short Doyle Modernization Fiscal Pilot County Selection Variables:

1. Select a maximum of six counties for the fiscal pilot and in order to get a representative cross section of counties for pilot purposes;
2. Consider population size and/or total Medi-Cal eligibles in proportion to total population of county
3. Consider Medicaid Eligibility Group (MEG) issues related to expansion and mandatory population percentages in the county
4. Consider geographic and/or regional representation
5. Consider existing county cost per beneficiary data, selecting counties that reflect average, above average and below average per beneficiary costs based on most recent data available
6. Consider county fiscal staff resources and sophistication
7. Consider limiting the fiscal pilot to outpatient services delivered by the county and its contractors
8. Consider status of Medi-Cal Fiscal Year cost reports (timely development and submission)

Questions? Please contact Sarah Brichler at sarah.brichler@calmhsa.org or Don Kingdon at dkingdon@cbhda.org.

Priority Enhancements to Short-Doyle 2

In May 2014, county staff from Behavioral and Mental Health Departments were asked to indicate their priorities for improving the Short-Doyle 2 claims processing system by responding to a survey. The survey was designed with input from the counties through CBHDA committees, the SWAT team, and CBHDA, CalMHSA and DHCS staff. The survey was organized around topical areas for improvement:

- Open issues that were previously identified by DHCS and counties[1]
- Improve reconciliation between 837's (Claims) and 835's (remittance advice)
- Improve 270/271 (Eligibility verification); use modern technology for real-time eligibility checking
- Improvements to Information Technology Web Services (ITWS)
- Improvements in communications between DHCS and the Counties
- Change test environment back to making use of live data – allow Counties to pre-test their production claims
- Annual, Semi-Annual, or Quarterly DHCS trainings re: Short Doyle/Medi-Cal claims

The following is a summary of county feedback to date, which includes responses from 71 individuals representing 41 counties of varying sizes. Survey results are being utilized to drive the direction of Short Doyle 2 Enhancement planning. CalMHSA and CBHDA are working with DHCS staff to understand DHCS priorities and mandates in these priority areas, in order to maximize available state and county resources. Some work is currently underway in these priority areas and it will be important to capitalize on any existing opportunities. In addition, the necessary steps to resolve these identified priority issues are being explored (e.g. which require an IT fix, which are policy changes, etc.) The disposition of each county priority area is provided below.

The top two areas for system improvement were identified as:

- **Improve reconciliation between 837's (claims) and 835's (remittance advice):** 72% of respondents ranked this among the two most important areas to address.
- **Fix current, outstanding bugs in system:** 56% of respondents ranked this among the two most important areas to address.

[1] *Please note that the list of open issues presented here takes into consideration those items that are currently being resolved utilizing DHCS resources.*

Improve reconciliation between 837's (claims) and 835's (remittance advice) (% of counties rating this area as "very important")	Summary of Current Status
Make the SDMC submission deadlines the same for MH and for SA; i.e., 1 year for claims and 15-months for replacements (83% rated this as "very important")	Requires Drug Medi-Cal regulation change (CCR, Title 22).
Include Approved Aid Code info in 835 (73% rated this as "very important")	Approved Aid Code information is already provided on the 835 for paid claims; for clarification on reading the 835, see the 5010 Companion Guide. DHCS is currently working on a fix that would identify the highest paid approvable aid code. Anticipated completion date is Quarter Two of 2015. Enhancement to include all eligible Aid Codes is under review for future release.
Use the same Units of Time or Units of Service definitions on Claims and on Cost Reports (70% rated this as "very important")	Requires long-term enhancement and policy and/or regulatory change.
Identify 837 data fields Counties can populate that will be returned back on 835 (same data sent on 837 is returned on 835). (64% rated this as "very important")	Need County/SWAT input: Need data fields required to confirm HIPAA transaction compliance.
Allow Counties to submit electronic Over-1-year 837 Claims and receive 835 RA; create a separate processing environment, if needed. (60% rated this as "very important")	This requires a major system change (at state and county levels) that is under analysis by DHCS.
Use Level 1 CPT codes instead of HCPCS codes (only 33% rated this as "very important")	Requires policy and/or regulation change.

In addition, individual survey respondents included several suggestions for improvement as write-in responses on the survey. These suggestions may not reflect the wishes of counties overall:

Improve reconciliation between 837's (claims) and 835's (remittance advice)	Summary of Current Status
Reinstate and make available the State report on Acute Hospital Offsets	Access to this report is available through the fiscal intermediary.
Provide total approved units for each FY for use on Cost Report	Reconciliation reports are available for Drug Medi-Cal. Looking into status for Mental Health Medi-Cal.
Include 837 file name on ADP-DMC 835 files	Requires IT solution/coding.

Improve reconciliation between 837's (claims) and 835's (remittance advice)	Summary of Current Status
Provide SDMC Denial reasons crosswalk to CARC/RARC	Information is posted on ITWS and updated as required. Reference Information Notice 14-035: http://www.dhcs.ca.gov/formsandpubs/Pages/MHSUDS-InfoNotices.aspx http://www.dhcs.ca.gov/formsandpubs/Pages/MH-InfoNotices-2014.aspx
For chronological sorting, change the Date segment of the naming convention for posted files to "YYYYMMDD" instead of "MMDDYYYY".	Prior to working on this item, it would be important to confirm county consensus.
Have the EOB/835 Files available to download into Access/Excel like the EOB-eECR database	Additional requirements needed from SWAT/counties.

Fix current, outstanding bugs in system (% of counties rating this area as "very important")	Summary of Current Status
MEDS re-write: with Behavioral Health input; Need real-time access. (71% rated this as "very important")	MEDS Modernization Project is currently underway; this is a multi-year project.
Automated audit checking of 837/835 files to identify and reject duplicate files. (62% rated this as "very important")	Requires information technology/system change.
ADP: Provider file made available much like the MH Provider list is available. (53% rated this as "very important")	This change is unrelated to Short Doyle 2. SUD provider files can be generated by request from counties. Creation of an integrated interface to access provider information is a long term MITA maturity project.
CPT code claiming and crosswalk. (52% rated this as "very important")	The SWAT Crosswalk is currently under DHCS review.
Change to ASW/MSW taxonomy code so they can bill direct to Medi-Cal. (50% rated this as "very important")	This item has been resolved with county consensus.
Test environment that uses production data rather than test data (49% rated this as "very important")	This fix is not possible under current Personal Health Information (PHI) policy.
Greensheet changes (48% rated this as "very important")	EFT Netting/Void process has significantly reduced greensheeting. There will continue to be a greensheet process when funds are not available to net.

Fix current, outstanding bugs in system (% of counties rating this area as "very important")	Summary of Current Status
ICD-10 as it pertains to CSI and OSHPD (41% rated this as "very important")	An Information Notice that addresses ICD-10 related to CSI will be released shortly. More research is needed pertaining to ICD-10 and OSHPD.
Re-visit CARC/RARC codes (43% rated this as "very important")	This item has been resolved in the current implementation of the CARC/RARC update.
Limit size of 835's? EFT process would reduce the average size of the files. Also 835 denials with just one claim (40% rated this as "very important")	Various efforts are underway in this area. Additional county input is needed.
Old CARCs A1-MA133 Services overlap an inpatient stay. (31% rated this as "very important")	This item has been resolved in the current implementation of the CARC/RARC update; see code CO-96-N20.

In addition, individual survey respondents included several suggestions for improvement as write-in responses on the survey. These suggestions may not reflect the wishes of counties overall:

Fix current, outstanding bugs in system	Summary of Current Status
Streamline and simplify claiming for Medi/Medis and OHC/Medi-Cal clients	Significant progress has been made. Process related challenges are being addressed.
ADP - reduce or eliminate long delays in releasing approved 835's and payments	Ongoing work has made several improvements. DHCS released many 835s that were "stuck". Ongoing effort to identify and resolve obstacles to 835 generation. Payment issues have, for the most part, been resolved. Issues are being resolved as they are identified.
LPCC Taxonomy Code and Claiming Requirements	System change was implemented in November 2014.

It is important to note that several counties commented that fixing outstanding bugs and improving communication between DHCS and counties are key activities that are expected to occur, outside of the Short Doyle Modernization project. Due to the fact that several counties responded that improvements in communication should be a given, those results are summarized below, though the item was ranked as a lower priority than those above.

- **Improve Communications between DHCS and the Counties**
  Within this area, respondents prioritized the following activities for improvement:
    - Develop a process to comprehensively address issues across all counties (so that each county doesn't have to individually report issues and so counties can learn of issues that other counties are experiencing. (82% rated this as "very important")
    - Pre-publish technical release notes giving counties and vendors advanced notice (with technical details) of upcoming changes. (82% rated this as "very important")
    - Give Counties at least 90-days' time before implementing system or code changes. (81% rated this as "very important")
    - Treat Counties as Partners and Stakeholders in SDMC - provide planning information; request input, feedback and suggestions; have open communications and dialogue about policy issues. (76% rated this as "very important")
    - Notify Counties at least 1 week in advance and post a Notice on ITWS about scheduled down-time. (52% rated this as "very important")
    - Better communications method – such as a list-serve or bulletin board. (52% rated this as "very important")

DHCS staff are aware of the need to improve communication and continue to work to improve communication. The internal project team has met to evaluate what communication efforts are currently in place, what is and isn't working and how to document the process and post the process so that counties can track changes and updates. In addition, DHCS management is meeting to identify possible solutions.

Distinctions between different types of items that would require "policy" change:

1. Policy: the most feasible change to make in the scope of this project, these changes can be made internally within DHCS.
2. Statutory: Requires a legislative change.
3. Regulatory: Requires a change in the CCR- California Code of Regulations.

It is likely that statutory and/or regulatory changes would be more resource intensive and time consuming than internal policy changes.

Questions? Please contact Sarah Brichler at CalMHSA (sarah.brichler@calmhsa.org) or Don Kingdon at CBHDA (dkingdon@CBHDA.org).

SHORT DOYLE MODERNIZATION PROJECT

County Participation as of 3/26/2015

Please note: this is our best estimate of county participation to date. Please contact Sarah Brichler (sarah.brichler@calmhsa.org or 602-501-8696) to update any of this information.

The allocation for the share of cost was determined by counties at the August 2013 CalMHSA Board meeting. The initial cost estimates assume full participation by counties. If full participation is not achieved, counties may need to increase their level of funding.

Paid invoices received to date: $194,015.94

- Counties (46): Amador, Berkeley City, Butte, Calaveras, Colusa, Contra Costa, Del Norte, Fresno, Glenn, Imperial, Inyo, Kern, Lake, Madera, Marin, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Sutter/Yuba, Tehama, Trinity, Tulare, Tuolumne, Ventura, Yolo

Counties that have indicated plans to participate: $97,516.71

- Counties (3): Alameda, Humboldt, Los Angeles

Counties that indicated that they wish to opt out: $5,893.62

- Counties (5): El Dorado, Lassen, Mariposa, Santa Cruz, Tri-City

Unknown status: $2,991.82

- Counties (5): Alpine, Kings, Mendocino, Plumas, Sierra

Estimated upper limit of the share of cost as of 10/8/13:

Counties have requested that a range of the share of cost be calculated so that they know the upper limits of the financial obligation to participate. The upper limit of the share of cost estimate is based on the following assumptions, and on county contributions as of October 2013:

- Up to $300k total is anticipated to be needed to fund the study
- Of those counties that are unknown, one possible scenario is that half of them decide not to participate ($38,126.85). This amount plus the counties that wish to opt out ($1,319.12) is the amount that would need to made up for with participating counties: $39,445.97.
- If this amount ($39,445.97) were allocated over the counties that have paid, the counties that anticipate paying and half of the counties that are currently unknown, it would represent a cost increase of about 17% from the initial invoice sent to counties.

Attached is a table that includes both the initial amount for which counties were invoiced and the estimated maximum cost under this scenario.

County	MHSA Allocation	Initial Study Cost Estimate	Estimated Maximum Cost
Alameda	3.58%	$10,733.13	$12,557.77
Alpine	0.09%	$273.63	$320.14
Amador	0.16%	$492.54	$576.28
Berkeley City	0.30%	$909.42	$1,064.02
Butte	0.59%	$1,755.50	$2,053.94
Calaveras	0.18%	$532.58	$623.12
Colusa	0.15%	$443.49	$518.89
Contra Costa	2.27%	$6,818.02	$7,977.09
Del Norte	0.16%	$466.82	$546.18
El Dorado	0.41%	$1,220.09	$1,427.51
Fresno	2.46%	$7,382.48	$8,637.50
Glenn	0.16%	$469.34	$549.13
Humboldt	0.36%	$1,082.73	$1,266.79
Imperial	0.50%	$1,491.63	$1,745.21
Inyo	0.11%	$316.56	$370.37
Kern	2.12%	$6,371.39	$7,454.53
Kings	0.42%	$1,253.42	$1,466.50
Lake	0.21%	$620.99	$726.56
Lassen	0.16%	$467.56	$547.04
Los Angeles	28.57%	$85,700.84	$100,269.98
Madera	0.44%	$1,312.78	$1,535.95
Marin	0.57%	$1,700.73	$1,989.85
Mariposa	0.11%	$318.99	$373.21
Mendocino	0.25%	$755.49	$883.93
Merced	0.74%	$2,208.87	$2,584.38
Modoc	0.10%	$297.48	$348.05
Mono	0.10%	$310.25	$362.99

County	MHSA Allocation	Initial Study Cost Estimate	Estimated Maximum Cost
Monterey	1.17%	$3,518.21	$4,116.30
Napa	0.34%	$1,010.72	$1,182.54
Nevada	0.28%	$827.25	$967.89
Orange	8.13%	$24,387.39	$28,533.25
Placer	0.68%	$2,048.42	$2,396.66
Plumas	0.14%	$429.74	$502.79
Riverside	5.21%	$15,642.28	$18,301.47
Sacramento	3.21%	$9,641.33	$11,280.35
San Benito	0.20%	$599.72	$701.68
San Bernardino	5.28%	$15,832.30	$18,523.79
San Diego	8.20%	$24,587.42	$28,767.28
San Francisco	1.86%	$5,570.11	$6,517.03
San Joaquin	1.69%	$5,067.87	$5,929.41
San Luis Obispo	0.68%	$2,044.18	$2,391.69
San Mateo	1.63%	$4,895.21	$5,727.40
Santa Barbara	1.16%	$3,484.48	$4,076.84
Santa Clara	4.60%	$13,789.91	$16,134.19
Santa Cruz	0.74%	$2,214.50	$2,590.97
Shasta	0.49%	$1,456.40	$1,703.98
Sierra	0.09%	$279.54	$327.06
Siskiyou	0.17%	$519.59	$607.92
Solano	1.01%	$3,036.62	$3,552.84
Sonoma	1.14%	$3,411.95	$3,991.98
Stanislaus	1.29%	$3,867.23	$4,524.66
Sutter/Yuba	0.48%	$1,434.18	$1,677.99
Tehama	0.20%	$601.94	$704.27
Tri-City	0.56%	$1,672.48	$1,956.80
Trinity	0.10%	$309.08	$361.62
Tulare	1.22%	$3,661.58	$4,284.04
Tuolumne	0.19%	$575.23	$673.02
Ventura	2.08%	$6,246.30	$7,308.17
Yolo	0.54%	$1,630.11	$1,907.23
Total	100.00%	$300,000.00	
Includes Related Expenses: Feasibility Study Consultant CalMHSA Staff and Administrative Expense, Legal Expenses			
		$250,000.00	
	up to	$50,000.00	
Total		$300,000.00	
	Based on MHSD INFORMATION NOTICE NO.: 13-15		