CPAW FINANCE QUESTIONS

December 12, 2012

$10 Million Operating Reserve for Capital Facilities and Tech Projects:

- What is the rationale for such a large reserve?

The cost of the operation of a Crisis Residential Center (CRC), as well as, managing a new Electronic Medical Record (EMR) and billing system is unknown at this time. The Request of Bid on the Crisis Residential Center has not been finished thus we have not received any bids. The payer mix and MHSA funds required are not yet set. Also unknown is the cost of the operation of the EMR and billing system. Health Services will begin the contract negotiations soon with the vendor. Until these costs are identified, and the fund to pay for them approved, a contingency of dollars is being reserved.

- What would these funds be spent on?

The reserve will be used for direct and indirect costs for services for Mental Health Consumers not covered by any other funding sources (FFP, Realignment etc.) These costs include the match to draw Medi-Cal funds.

- How long would the "reserve" need to be kept in place, vs. eventually folding those funds back into MHSA for other uses?

We need to maintain 10 million dollars of unspent funds until costs for the CRC and EMR are clear and funding (onetime and ongoing) is identified to pay for those costs. It is anticipated that within 12 to24 months after implementation the final amount needed from the reserve will be known.

- Why did this suddenly show up in June of this year--it doesn't appear to be in either the 2010 or 2011 financial packets distributed at the December 6th meeting?

The unspent funds have been accumulating over the past several years. It has been highlighted when I realized that CPAW had questions and concerns on this issue.

- Why should this $10 million be pulled out this year? Jana said it was for $1M per year in the future. This does not seem prudent or called for in light of our additional priorities.

Please see response above

- The community and advocates were assured that these programs would pay for themselves operationally due to Medi-Cal or other reimbursement. What portion of the funds listed for "Capital Facilities and Technology" funds was used for each of these projects?

It was never anticipated that these programs would be cost contained. The CRC will serve consumers who are uninsured or in the process of becoming Medi-Cal eligible. In order to draw down Medi-Cal, the County must provide a match to these funds. The dollar amount that will be actually needed is dependent on the patient financial payor mix.

- Is MHSA fully funding the electronic records system? Are other departments/divisions sharing the cost of these tech projects? If not why not? If so, are each putting in funds proportional to their actual or projected use of the system?

Only the Mental Health portion of the electronic medical record and billing system will be paid with MHSA funds. The AODS portion will be paid from other revenue sources.

- Is the amount listed on the "Fund Balance" sheet distributed at the meeting for the line item "Expended funds transferred out for capital" the same as discussed and approved by CPAW as coming from MHSA? If not, why not?

The Transfer of $2.5 M was from Capital Facilities for a partial payment for the building of the Crisis Residential Center and Wellness Center at 20 Allen.

Unfilled County Positions vs. the Approved 12/13 Plan Priorities:

- It sounded like filling the previously approved positions is taking precedence over fulfilling the goals contained in the approved 12-13 Plan; is that the case? If so, what is the rationale?

In preparing the projection for the fiscal year 2012-2013, the vacant positions were included, however it has not been determined that they will be filled for current programming or reassigned for new programs.

- What specific positions have been filled? Is this where the 20% increase has gone?

As of 12/13/2012 there are 35 vacant positions in the MHSA Programs. If they all filled it would cost $2.9 M annually.

They are:
11 MH Clinical Specialist
5 Community Support workers I
4 Community Support workers II
3 Family Nurse Practitioner

3 MHSA Program Supervisors
1 Employment Placement Specialist
1 MH Project Manager
1 Utilization Review Coordinator
1 Clerk- Experienced Level

1 Family Services Coordinator
1 Planner Evaluator
1 Provider Services Coordinator
1 MH Specialist II
1 Admin Analyst

- Are all of those staff positions vitally needed, or can they be triaged in some way so that some funds could still be used to fund approved 12-13 Plan priorities beyond the early psychosis program?

They logistically can be moved to new programming

The Anticipated 20% Increase:

- In previous meetings we were told that the increased allocation was based on taxes already collected--at this meeting we were told is was based on projections for taxes to be collected in April of 2013!? Which is correct?

The method for funding MHSA from the State changed this fiscal year. In prior years the allocation was based on taxes collected in the prior year. In Fiscal Year 2012-2013 the amount each County receives is based on current tax revenue collected.

- If the 20% (or more) is based on projections for April of 2013, what was the increase this year (taxes paid in April of 2012) and how is it being spent?

That has yet to be determined; CPAW will be making that decision soon.

- Based on what Jana reported, it appears the State has expressed strong confidence that the funding increase for 12-13 will be at least 20%. Since the approved 12-13 Plan likewise assumes a 20% increase in funding, why can't all of the approved priorities in that Plan be funded?

There are not enough funds to sustain the current programs and fund new projects.

- If the answer is that programs approved from past years now must be funded from this year's dollars, the question becomes, why weren't prior years' funds set aside for those approved allocations?

Those dollars are built into the Projection for 2012-2013

- If MHSA allocations are based on tax revenues collected two years ago, why would the state's recent switch to monthly allocations create uncertainty regarding ultimate annual allocation amounts? (i.e., the taxes have already been collected and counted, so the state/county knows how much will ultimately be distributed this year, right?)

The allocation that is being received in fiscal year 2012-2013 is based on 2011-2012 tax estimates to be paid in this fiscal year. The method of allocation MHSA dollars on revenue already collected was changed for the fiscal year 2012-2013.

- At least one program with State MHSA funding is currently receiving a contract augmentation with the increase in MHSA funds already received by the State. If the State has received these funds, hasn't the County as well? If so, where are they?

Cannot respond since the contract was not identified.

Specific Expenditures

- The total allocation to Contra Costa is $156,319, 385. Of that $9,130,800 is listed for housing. Is that amount supposed to be spent in Contra Costa? How many additional funds from our County allocation are, or are planned to be, spent on housing programs in the County?

Contra Costa County deposited $9,130,800 with DMH who has partnered with California Housing Finance Agency (CalHFA) to develop new housing in Contra Costa County. Additional dollars set aside for Housing has yet to be determined by CPAW.

- FY 11/12 CSS and PEI funds not received are subtracted from our allocation. Why weren't they weren't spent? Or if were they forfeited to the State?

These funds were not approved, thus there were not drawn from the State. We are to receive these funds this fiscal year. They are not forfeited to the State.

CPAW's & Admin's Roles in Financial Decision-Making Related to MHSA

- Why was the Operational Reserve for Capital Facilities and Tech Projects never run by CPAW? We were asked to approve the original spending; why were we not included in this decision?

It is unclear why this did not occur. The review of the process undertaken by the prior administration is inconclusive. In any advent it is the intent now and in the future to insure that these items are fully highlighted.

- Why weren't the full needs analysis, RFP, and plans for the tech projects shared with CPAW, since this is such a large sum of MHSA money?

IT programs were vetted with CPAW in the past.

- Who gave the Behavior Health Division administration authority to reject CPAW's voted-upon Innovations Grants?

No approved programs have been rejected.

- Does the administration see our concerns? If they override us in a unilateral and secretive way without giving us notice and transparency they engender distrust. I want them to understand their actions are giving us reasons not to believe them and to prefer an audit to more conversation.

It is very clear that many stakeholders have concerns about transparency of the process. The goal of giving new financial information is to better inform CPAW, not to undermine the important role of the stakeholders in the MHSA funding process.

Unspent Funds Request

Community Services & Supports (CSS)

Over the span of several years, the actual CSS expenditures have been less than the planned CSS budget resulting in a savings of funds which have been set aside for future use. As of FY 11-12, the unspent funds balance was $12,691,753. It is important to use these funds for short-term projects, one-time expenses, or for projects capitalized over several years to ensure the money is being utilized to support the system of care and those who access the services.

The following is a list of strategies, supported by stakeholders, for which unspent funds will be used:

Item:	**Budget: (Up to)**
Vehicles for programs within the system of care	$338,000
Infrastructure and space	$394,120
Additional support staff for programming	$270,067
Increased allocation strategies requiring additional funding	$1,278,327
Total funds requested	***$2,280,514***
Unspent fund balance	**$10,411,239**

Prevention and Early Intervention (PEI)

The Prevention and Early Intervention budget has an unspent funds balance of $7,948,439. The following is a list of strategies, supported by stakeholders, for which unspent PEI funds will be used during FY 12-13.

Item:	**Budget: (Up to)**
PEI Programming - Children	$392,744
PEI Programming – All Other Ages	$105,727
Existing PEI Programs #1-10*	$3,430,361
Total funds requested	***$3,928,832***
Unspent fund balance	**$4,019,607**

*For additional information please reference the document referenced "Plan for Increased Allocation by Component".

MHSA Prudent Reserve Request

Through the community planning process, MHSA stakeholders recommended to the Health Services Department that the Department construct a 16-bed Crisis Residential Facility (CRF) with integrated dual diagnosis services. After the construction proposals were received, it was determined that up to an additional $3,000,000 would be needed to complete the building of the CRF. With stakeholder support, Contra Costa County is moving forward with the building and will use up to $3,000,000 from the prudent reserve. This recommendation represents the culmination of community planning and input as outlined in the October 2011 Capital Facilities Update to the FY 11-12 Annual MHSA Plan Update.

Prudent Reserve (FY 11-12)	$10,125,250
Allocation to building the Crisis Residential Facility	$3,000,000 (up to)
Prudent Reserve Balance	$7,125,250

The new facility is needed to provide new mental health resources in Contra Costa in order to better provide required care to mental health consumers and their family members.

CSS – Housing
Total available: $797,627--- Total Planned: $150,000

Component	1st Priority		2nd Priority	
	Strategy	**Action**	***Strategy***	**Action**
CSS Housing	*Allocate **30%** of all new MHSA revenue to housing*	✓ Residential aspect of the TAY Transitional Residential - **$150k**	*N/A*	N/A

PEI - Children
Total available: $254,244 --- Total Planned: $646,988

Component	1st Priority		2nd Priority		3rd Priority	
	Strategy	**Action**	***Strategy***	**Action**	**Strategy**	**Action**
PEI Children	*Expansion of alternative education programs that integrate mental health and substance abuse treatment into the school program*	✓ **Up to $50k**	*Increase independent living skills programs for those approaching their 18th birthday*	✓ **Up to $350k** ✓ Work with ILSP to expand the service they provide for foster youth ✓ Integrate this service into the contract for the Transitional Residential program at Oak Grove	*Behaviorist in ambulatory care to screen, provide short term treatment and refer to appropriate treatment services or groups as indicated*	✓ **$246,988** ✓ 2 MH Clinical Specialists

PEI – Other Ages
Total available: $244,273--- Total Planned: $350,000

Component	1st Priority		2nd Priority	
	Strategy	**Action**	***Strategy***	**Action**
PEI – All other programming	*Additional support for families accessing PES services*	✓ **Up to $200k**	*Improve physical health outcomes for individuals with SMI through peer supported service models*	✓ **Up to $150k**

Innovation
Total available: $166,172--- Total Planned: $0

Component	1st Priority		Additional Considerations	
	Strategy	**Action**	**Transportation**	**Employment**
Innovation	*Top Priority: Integration*	N/A	*Consider exploring ideas to improve transportation through innovation funding*	*Consider proposals for programs to improve employment outcomes for TAY and Adult FSPs*

WET
Total available: $0 --- Total Planned: $0

Component	1st Priority		2nd Priority	
	Strategy	**Action**	***Strategy***	**Action**
WET	*Training for behavioral health staff in co-occurring AOD treatment and assessment*	✓ This is part of the approved WET plan	*Clinical supervisors in each regional clinic to monitor fidelity to EBPs*	✓ 3 MH clinical Specialists - $370,482 ✓ Use CSS unspent funds for these positions

Mental Health Services Act (MHSA)
Plan for Increased Allocation by Component

CSS – Full Service Partnerships Total available: $949,176 --- Total Planned: $949,176				
Component	**1st Priority**		**2nd Priority**	
	Strategy	**Action**	***Strategy***	**Action**
TAY FSP	*Expansion of TAY FSP to all regions of the County*	✓ **Up to $379,670**	*Increase employment opportunities for TAY*	✓ $200-450k ✓ Consider funding through innovation ✓ Make available to all FSPs
Adult FSP	*Expansion of Adult FSP to all regions of the County*	✓ **Up to $569,506**	*Addition of "step-down" Personal Service Coordinators to FSP Programs*	✓ No additional funding. ✓ Incorporate this concept into all new FSP programs ✓ Work towards integrating into existing contracts

CSS – Systems Development Strategies Total available: $911,953 --- Total Planned: $2,190,280				
Component	**1st Priority**		**2nd Priority**	
	Strategy	**Action**	***Strategy***	**Action**
Children SDS	*Implementation of evidence based dual diagnosis treatment program*	✓ Included as part of the Children's FSP contract for MDFT	*Individualized service for those between the ages of 0-5*	✓ **Up to $200k**
TAY SDS	*Transitional residential program at the Oak Grove facility*	✓ **Up to $500k**	*Implementation of evidence-based dual diagnosis treatment program*	✓ **Up to $150,000** ✓ Provide training for County employees and contract agencies on EBPs to treat co-occurring individuals (Example: SAMHSA's EBP for Integrated Services)
Adult SDS	*Rapid Access in each of the adult Mental Health Clinics*	✓ 3 MH Clinical Specialists - **$370,482** ✓ 1.5FTE Registered Nurse – Experienced (0.5FTE for each region) - **$228,834**	*Structured community and crisis response teams*	✓ Use approved/ funded, vacant positions to establish the crisis response for Adults ✓ 3 MH Clinical Specialists
Older Adult SDS	*Increase access to transportation*	✓ Create an Innovation proposal for funding ✓ Consider transportation for all age groups	*Increase capacity of the Intensive Care Management Teams in all regions*	✓ 3 MH Clinical Specialists - **$370,482**

MHSA 2011-2012 Actuals

CSS		2011-2012 Actuals	2012-2013 Projection
Children		2,425,867	2,138,294
TAY		1,299,652	1,569,282
Adult		4,363,440	4,198,925
Older Adult		2,440,682	2,749,149
Systems Development		2,512,522	4,287,411
Housing		4,104,513	4,197,143
CSS Total		$ 17,146,676	$ 19,140,204
PEI		4,985,917	6,849,062
WE & T		702,432	580,872
Innovation		1,008,004	2,362,478
Sub Total		$ 6,696,352	$ 9,792,412
Total		$ 23,843,029	$ 28,932,616
Projected Revenue		(2,220,316)	(2,220,316)
Grand Total		$ 21,622,713	$ 26,712,300
Allocation		22,156,300	22,156,300
	20%		4,431,260
Total Allocation		22,156,300	$ 26,587,560
Balance		$ 533,587	$ (124,740)

QUORUM RECOMMENDATION

There are 32 people listed on our current roster. The individuals who are inactive include:

On-leave: 1 (Lisa Bruce)
Resigned: **10** (Peggy Harris, Beatrice Lee, Candace Kuntz-Tao, Lori Larks, Connie Steers, Nayyirah Sahib, Wayne Thurston, Tony Sanders, Tom Sponsler, Steve Grolnic-McClurg)

Of the 21 active members, the breakout of voting privileges at each attendance threshold would be:

As of Jan 17th meeting:

	50 %	60 %	70%	75 %
Active Voting	**18**	**18**	**12**	**8**
Active Non-voting	**3**	**3**	**9**	**13**
Quorum at 50% +1	**10**	**10**	**7**	**5**

Step One: Voting Privileges
In order to have influence on CPAW's recommendations to the MH Director, an individual member must be committed and actively engaged in the work.

We have 21 active members with between 8 and 18 potentially qualifying for voting privileges (using a 50-75% requirement).

What's the right percentage of meeting attendance for a CPAW member to be an engaged and informed voting member?

50%? 60%? 70%? 75%?

Step Two: Quorum
In order to make recommendations to the MH Director and forward the work of CPAW, the group must maintain an engaged membership.

Using the 50% + 1 standard for quorum recommended by the Planning Committee, at our last meeting we would have achieved a quorum under ANY of these scenarios, but the number of people voting would have differed. Therefore, a quorum would range from 5-10, depending on the threshold required for voting privileges.

Is 50% + 1 the right threshold for a valid vote?

CONVERSATION BETWEEN CPAW / MH DIRECTOR
Requests & Offers

Name (Optional): _____

PART 1: Individual Work

- What are your hopes for this new partnership?

- What do you want to avoid?

- What practices can you and other CPAW members engage in to promote the kind of partnership want?

- What practices would you like to see the MH Director engage in to support an effective partnership?

PART 2: Small Group Discussion & Report Out

a. Discuss your responses with fellow CPAW Members.
b. On the piece of flip chart paper provided, please list your group's responses to the following:
    - What are your REQUESTS of Steve as the new Mental Health Director?
    - What do you OFFER as a CPAW member to Steve as the new Mental Health Director?