

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 4260	Department Health Care Services	Priority No.
Budget Request Name 4260-023-BCP-DP-2016-GB		Program 3960010	Subprogram

Budget Request Description  
 Short-Term Residential Treatment Center Licensing (AB 403)

Budget Request Summary

The Department of Health Care Services (DHCS), Mental Health Services Division, requests the following resources to implement Assembly Bill (AB) 403, Chapter 773, Statutes of 2015. The intent of AB 403 is to establish Short-Term Residential Treatment Centers (STRTC) as new category of community care licensure.

- 1.0 permanent position and expenditure authority of \$118,000.
- Three-year, limited-term funding (phased-in) of \$251,000 for staffing resources.
- Total Funding Requested: Year 1 \$350,000 (\$175,000 General Fund/\$175,000 Federal Fund), Year 2 \$369,000 (\$185,000 General Fund/\$184,000 Federal Fund)

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?     Yes       No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>Helen Baylra</i>	Date 1-5-16	Reviewed By <i>[Signature]</i>	Date 1/7/16
Department Director <i>[Signature]</i>	Date 1/7/16	Agency Secretary <i>[Signature]</i>	Date 1-7-16

**Department of Finance Use Only**

Additional Review:     Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA <i>Carla Castaneda</i>	Date submitted to the Legislature 1-8-16
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# BCP Fiscal Detail Sheet

BCP Title: Short-Term Residential Treatment Center Licensing (AB 403)

DP Name: 4260-023-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Temporary	0.0	1.0	1.0	1.0	1.0	1.0
<b>Total Positions</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Salaries and Wages						
Earnings - Permanent	0	165	196	196	93	62
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$165</b>	<b>\$196</b>	<b>\$196</b>	<b>\$93</b>	<b>\$62</b>
Total Staff Benefits	0	80	95	95	45	30
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$245</b>	<b>\$291</b>	<b>\$291</b>	<b>\$138</b>	<b>\$92</b>
Operating Expenses and Equipment						
5301 - General Expense	0	18	12	12	8	4
5302 - Printing	0	6	6	6	4	2
5304 - Communications	0	6	6	6	4	2
5320 - Travel: In-State	0	21	21	21	14	7
5322 - Training	0	3	3	3	2	1
5324 - Facilities Operation	0	27	27	27	18	9
5344 - Consolidated Data Centers	0	3	3	3	2	1
539X - Other	0	21	0	0	0	0
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$105</b>	<b>\$78</b>	<b>\$78</b>	<b>\$52</b>	<b>\$26</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$350</b>	<b>\$369</b>	<b>\$369</b>	<b>\$190</b>	<b>\$118</b>

## Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	175	185	185	95	59
0890 - Federal Trust Fund	0	175	184	184	95	59
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$350</b>	<b>\$369</b>	<b>\$369</b>	<b>\$190</b>	<b>\$118</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$350</b>	<b>\$369</b>	<b>\$369</b>	<b>\$190</b>	<b>\$118</b>

## Program Summary

Program Funding						
3960010 - Medical Care Services (Medi-Cal)	0	350	369	369	190	118
<b>Total All Programs</b>	<b>\$0</b>	<b>\$350</b>	<b>\$369</b>	<b>\$369</b>	<b>\$190</b>	<b>\$118</b>

**Personal Services Details**

		Salary Information								
Positions		Min	Mid	Max	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
TH00	- Temporary Help (Eff. 01-01-2017)(LT 06-30-2019)				0.0	0.0	0.0	0.0	0.0	0.0
TH00	- Temporary Help (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
TH00	- Temporary Help (Eff. 07-01-2016)(LT 06-30-2019)				0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Positions</b>					<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Salaries and Wages		<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>			
TH00	- Temporary Help (Eff. 01-01-2017)(LT 06-30-2019)	0	31	62	62	31	0			
TH00	- Temporary Help (Eff. 07-01-2016)	0	62	62	62	62	62			
TH00	- Temporary Help (Eff. 07-01-2016)(LT 06-30-2019)	0	72	72	72	0	0			
<b>Total Salaries and Wages</b>		<b>\$0</b>	<b>\$165</b>	<b>\$196</b>	<b>\$196</b>	<b>\$93</b>	<b>\$62</b>			
Staff Benefits										
5150350	- Health Insurance	0	40	47	47	22	14			
5150600	- Retirement - General	0	40	48	48	23	16			
<b>Total Staff Benefits</b>		<b>\$0</b>	<b>\$80</b>	<b>\$95</b>	<b>\$95</b>	<b>\$45</b>	<b>\$30</b>			
<b>Total Personal Services</b>		<b>\$0</b>	<b>\$245</b>	<b>\$291</b>	<b>\$291</b>	<b>\$138</b>	<b>\$92</b>			

## Analysis of Problem

### A. Budget Request Summary

The Department of Health Care Services (DHCS), Mental Health Services Division, requests the following resources to implement Assembly Bill (AB) 403, Chapter 773, Statutes of 2015:

- Permanent position and expenditure authority of \$118,000 for 1.0 Associate Governmental Program Analyst (AGPA).
- Three-year funding (phased-in) of \$251,000 for staffing resources equivalent to 1.0 Staff Services Manager I and 1.0 AGPA
- Total Funding Requested: Year 1 \$350,000 (\$175,000 General Fund/\$175,000 Federal Fund), Year 2 \$369,000 (\$185,000 General Fund/\$184,000 Federal Fund)

AB 403 decreases the usage of group homes and establishes Short-Term Residential Treatment Centers (STRTCs) as a new type of a community care facility licensed and regulated by the California Department of Social Services (CDSS). The services provided through STRTCs include mental health treatment for children assessed as seriously emotionally disturbed (SED) or that meet the medical necessity criteria for Medi-Cal Early and Periodic Screening, Diagnosis, and Treatment (EPSDT).

AB 403 requires DHCS or its Mental Health Plans (MHPs) to certify mental health programs for STRTCs. This process includes an on-site review of operations, clinical practice standards, policies and procedures, and treatment modalities. Currently, DHCS is responsible for the certification of Rate Classification Level (RCL) 13 and 14 group homes under the county MHPs. Under AB 403, the STRTCs will replace the RCL scheme and it is anticipated that a portion of the currently identified 679 RCL group homes will transition to STRTCs. Prior to AB 403, DHCS and MHPs were responsible for certification of 54 RCL 13/14 group homes. Therefore, AB 403 is projected to result in an initial increase in the volume of mental health service centers that must be certified as STRTCs.

In addition to the increased certifications, AB 403 requires DHCS to develop program standards so that intensive mental health treatment services are provided to children housed in STRTCs. Therefore, DHCS will need to promulgate regulations, provide legal consultation and opinion, and develop clear policies and procedures to implement these requirements.

### B. Background/History

DHCS, or a delegated MHP, certifies the mental health program for RCL 13/14 group homes, pursuant to Welfare and Institutions Code (WIC) Section 11462.01(a). DHCS, or a delegated MHP, uses the criteria for certification to evaluate whether or not the program meets the needs of SED youth. AB 403 replaces the existing scheme for RCL 13/14 group homes with STRTCs. Presently, RCL 13/14 group homes are not required to provide intensive treatment services, as is required for STRTCs. The intensive treatment services that foster children and youth would have access to in STRTCs include, but are not limited to clinical treatment such as psychiatric and psychological services, which could include specialty mental health services; learning disability assessment and educational services; pre-vocational and vocational counseling; development of independent living, self-help and social skills; and community outreach to develop linkages with other local support and service systems.

### Analysis of Problem

DHCS or a delegated MHP will continue to conduct annual onsite reviews to ensure compliance with program standards; however, it is anticipated that there will be an increase in the number of onsite reviews. These reviews will continue to include, but are not limited to, a review of client charts, staff in-service training records, program staff resumes, groups/activities, outside resource contracts, program logs and documents, financial records, and policies regarding the operation of the program.

Oversight activities also will continue to include interviews with clients and clinical staff and a review of staff qualifications, as well as any complaint files. When applicable, DHCS will continue to take administrative actions against programs, including the denial, suspension, or revocation of program certifications, or imposition of sanctions and/or plans of correction. DHCS will need to develop a tracking system for initial and annual certifications of STRTCs completed by counties. DHCS will need to coordinate program, fiscal, and health and safety reviews jointly with CDSS' Children and Family Services Division and Community Care Licensing Division.

Previously all of the RCL 13/14 group homes were certified by delegated MHPs. With the new requirements of AB 403, the number of group homes to certify is expected to increase. There are currently 54 RCL 13/14 group homes certified by the MHP delegates, for which DHCS maintains overall responsibility and oversight. Prior to the transition of group homes to STRTCs, DHCS will develop and implement policies and regulations. During the transition and post-transition, DHCS will be responsible for reviewing appeals and waiver requests, providing specialized training to staff, and providing technical assistance to improve the quality and effectiveness of treatment in the STRTCs. This proposal requests resources to address the initial workload anticipated during the transition of RCLs to STRTCs.

Under AB 403, an STRTC becomes a "blended" facility; both a community residential treatment facility, falling under the regulatory authority of CDSS, and an intensive mental health treatment program, under the auspices of DHCS or a delegated MHP. DHCS or its MHP delegate currently certifies and oversees all aspects of the residents' mental health treatment program. AB 403 requires DHCS or its MHP delegate and CDSS to conduct joint annual onsite reviews. This collaborative approach will improve the oversight and monitoring of the foster care system, since the majority of the youth who will live in these facilities need services delivered by both the mental health and the social service systems. This collaborative effort will be less administratively burdensome on counties and providers. The overall approach is consistent with the system of care philosophy that has driven children's mental health services in California for the last decade - to provide a comprehensive array of services planned and delivered in collaboration with the individuals and agencies involved in the lives of the children who are being served.

**Short-Term Residential Treatment Center Licensing (AB 403)  
4260-023-BCP-DP-2016-GB**

**Analysis of Problem**

**Resource History**  
*(Dollars in thousands)*

**Mental Health Services Division**

<b>Program Budget</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Authorized Expenditures	DMH*	DMH*	23,898	23,295	25,284
Actual Expenditures	DMH*	DMH*	19,578	21,696	23,736
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	DMH*	DMH*	95.0	125.0	138.0
Filled Positions	DMH*	DMH*	73.3	105.6	138.0
Vacancies	DMH*	DMH*	21.7	19.4	0.0

*\*Mental Health Services Division transitioned from the former Department of Mental Health (DMH) to DHCS in FY 2011-12. Budget details are not currently available for the pre-transition period.*

**Workload History- MHSD**

<b>Workload Measure</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
POCB Program Certification of RCL 13/14 group homes	N/A	N/A	N/A	Call Volume: 30	Certification Approval Letter Rec'd: 54  Approval Letters Processed: 54  Call Volume: 80 Update of RCL 13/14 group homes	Certification Approval Letter Rec'd: 54  Approval Letters Processed: 54 Call Volume: 120 Update of RCL 13/14 group homes  Processed Information Notice

**C. State Level Considerations**

This proposal supports the goals of AB 403 and is consistent with the DHCS Strategic Plan to provide a viable health care safety net. By providing the necessary resources to carry out the mental health program certification functions, this proposal reflects and supports the goal of AB 403, which requires DHCS to certify intensive and rehabilitative programs for children and youth recovering from mental illness or in mental health crisis. This certification is required as a component of licensure by CDSS. With DHCS certifying intensive mental health programs, children and youth admitted into a STRTC receive access to mental health programs with individualized treatment to assist them in managing their illness, achieving their personal goals, and developing skills and support in leading the most constructive and satisfying lives possible in the least restrictive settings.

**Analysis of Problem**

The proposal improves the continuum of care and provides access to care and availability of services to individuals in need by certifying programs to provide specialty mental health services in STRTCs. These services strengthen local capacity to stabilize and treat individuals with mental illness. However, increased levels of intensive mental health programs necessitate hiring additional staff to meet the increased workload associated with the expanded joint monitoring and oversight roles and responsibilities of DHCS, CDSS, and county behavioral health departments. AB403 requires that DHCS certify STRTCs before granting them a license. Therefore, additional positions are necessary for DHCS to certify STRTCs in a timely manner, allowing CDSS to complete the licensing process.

**D. Justification**

Enactment of AB 403 initiates a comprehensive reform effort so that youth in foster care have their day-to-day physical, mental, and emotional needs met; that they have the greatest chance to grow up in permanent and supportive homes; and that they have the opportunity to grow into self-sufficient, successful adults. AB 403 will advance California’s long-standing goal to move away from long-term group home care by increasing youth placement in family settings and by transforming existing group home care into STRTCs where youth who are not ready to be placed with families can receive short-term, intensive treatment services.

This legislation creates a structure to transition children placed in STRTCs to family-based settings as quickly as possible, providing a more coordinated care approach for SED and EPSDT-eligible children. This proposal is intended to give DHCS or its MHP delegate the capacity to implement the necessary increased program oversight and monitoring of STRTCs.

**E. Outcomes and Accountability**

If the proposed position and funding are approved, the following outcomes will be achieved:

- Requirements will be clarified through regulations, policies and procedures, and increased technical assistance, resulting in improved provision of service.
- Annual onsite certification reviews of STRTCs will be conducted to monitor compliance with programmatic regulations and statutes.
- Collaboration between DHCS and CDSS will increase, resulting in joint onsite facility reviews.

**Projected Outcomes**

<b>Workload Measure</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Group homes converted to STRTCs and annual certifications	54 RCL 13/14	STRTCs: 114	129	144	159	174

## Analysis of Problem

### F. Analysis of All Feasible Alternatives

**Alternative 1:** Approve 1.0 permanent authorized position and expenditure authority, and three-year limited-term expenditure authority to implement AB 403. (Cost: \$350,000 (\$175,000 General Fund/\$175,000 Federal Fund))

**Pros:**

- DHCS will have the necessary resources to address the increased workload.
- DHCS will be able to promulgate necessary regulations and clarify policies and procedures.
- DHCS will be able to increase provision of technical assistance to MHPs related to STRTCs.
- Quality monitoring will increase and program integrity will improve.

**Con:**

- There will be increased General Fund expenditures and additional state staff.

**Alternative 2:** Do Nothing/Status quo (leave staffing as is with no additional resources for the increased workload)

**Pro:**

- No General Fund impact or additional state staff.

**Cons:**

- Potential delays in certifying facilities to provide specialty mental health services in STRTCs delaying improvements from the continuum of care.
- DHCS would not have sufficient staff to maintain its required oversight and monitoring functions for STRTCs.
- Annual onsite reviews in STRTCs may not be completed in a timely manner.

### G. Implementation Plan

Once the proposal is approved, recruitment efforts will begin with a plan to fill the position within 6-8 weeks of the vacancy postings.

Upon hire, the resources will be fully trained to conduct the core business functions they are assigned, including classroom-style training and on-the-job training. Performance will be evaluated by the relevant supervisor on an ongoing basis.

### H. Recommendation: Alternative 1

Approve funding for the 1.0 permanent authorized position and expenditure authority, and three-year limited-term expenditure authority to fulfill the legislative mandates of AB 403.

The positive aspects of approving this recommendation include:

- Providing a more comprehensive continuum of services to address short-term crisis and acute care needs.
- Improving treatment and access to care for SED and EPSDT-eligible children.

**Analysis of Problem**

- Providing the necessary resources to timely address the increased workload that will result from AB 403.
- Improving outcomes for foster and probation youth.
- Reducing group home placements and duration of stays by increasing foster family homes and placements.

**WORKLOAD STANDARDS**  
**Mental Health Services Division**  
**Program Oversight and Compliance Branch**  
**Licensing and Certification Section**  
**1.0 AGPA 805-120-5393-xxx**  
**Full-Time, Permanent**

Activities	Number of Items Annually	Hours per Item	Total Hours
<b>Initial Certification:</b> Review of application and program plan; coordinate with DSS, initial onsite review, travel time, write reports, and issue certificate.	24	8	192
<b>STRTC Annual Certification:</b> Certification onsite review of programs are conducted annually and include chart review, interviews with clients and program staff, attending groups, and review administrative documents, e.g. staff training, resumes, and financial plan. Review of program plan, onsite review, travel time, write reports, and follow-up on plans of correction.	24	16	384
Write reports and approval of STRTC programs.	24	10	240
Conduct STRTC complaint investigations requiring site reviews, and completes all related documentation and correspondence. Investigate and take action as appropriate and necessary to resolve complaints from or concerning recipients of mental health services.  Develop a process for the investigation and disposition of complaints and other certification concerns.	10	20	200
Administrative Tasks including but not limited to maintaining the STRTC certification facility list; legislative analysis and reports; coordination with facility providers, licensing departments, stakeholder groups; and responding to public inquiries via telephone and/or written correspondence. Establish a formal appeal process for facilities denied application approval, denied waivers or exemptions, or whose certification has been suspended or revoked	126	5	630
Consultation with counties regarding STRTC-related topics, application process and applications received, i.e., if more information is needed or incorrect information received. Provide technical assistance and training to providers and counties to improve the quality of client care and treatment.	57	4	228
<b>Total hours worked</b>			1,874
<b>1,800 hours = 1 Position</b>			1.0

**WORKLOAD STANDARDS**  
**Mental Health Services Division**  
**Program Oversight and Compliance Branch**  
**Licensing and Certification Section**  
**1.0 Staff Services Manager I**  
**3-Year Limited-Term Expenditure Authority (7/1/16 – 6/30/19)**

Activities	Number of Items Annually	Hours per Item	Total Hours
<b>Initial Certification:</b> Review of application and program plan; coordinate with DSS, initial onsite review, write reports, and issue certificate.	20	8	160
<b>STRTC Annual Certification:</b> Annual onsite reviews of programs, including chart review, interviews with clients and program staff, attending workgroups, and review administrative documents. Review of program plan, onsite review, travel time, write reports, and follow-up on plans of correction.	20	16	320
Write reports and approval of STRTC programs.	20	10	200
Develop a process for the investigation and disposition of complaints and other certification concerns. Conduct STRTC complaint investigations requiring site reviews, and complete all related documentation and correspondence.	10	20	200
Maintaining the STRTC certification facility list; legislative analysis and reports; coordination with facility providers, licensing departments, stakeholder groups; and responding to public inquiries via telephone and/or written correspondence. Establish a formal appeal process for facilities denied application approval, denied waivers or exemptions, or whose certification has been suspended or revoked. Supervise STRTC certification reviews. Conduct certification reviews for "high-risk" facilities. Responsible for compilation/completion of the STRTC Certification Section of the Monthly/Quarterly Outcome Measures Report and ensures certification data is maintained on an ongoing basis.	150	5	750
Consultation with counties regarding STRTC-related topics, application process and applications received. Provide technical assistance and training to providers and counties to improve the quality of client care and treatment.	62	4	248
<b>Total hours worked</b>			1,878

**WORKLOAD STANDARDS**  
**Mental Health Services Division**  
**Program Oversight and Compliance Branch**  
**Licensing and Certification Section**  
**1.0 AGPA**

**3-Year Limited-Term Expenditure Authority (1/1/17 – 12/31/19)**

<b>Activities</b>	<b>Number of Items Annually</b>	<b>Hours per Item</b>	<b>Total Hours</b>
STRTC initial application and program plan receipt and review, including county STRTC programs.	15	8	120
Conduct onsite reviews (includes travel) of STRTC programs.	15	16	240
Write reports and approval of STRTC programs.	15	10	150
Regulation Development and Review.	1	120	120
Required public comment period; public hearing (preparation / meeting / follow-up).	2	516	722
Preparation of regulation package and submission to OAL for review and OAL review period.	1	240	240
Review and approval processes working with Fiscal Forecasting and other governmental agencies (agency and DOF).	2	140	280
<b>Total hours worked</b>			1,872