

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

Fiscal Year 2016-17	Business Unit 4560	Department Mental Health Services Oversight & Accountability Commission	Priority No. 1
Budget Request Name 4560-001-BCP-BR-2016-GB		Program 15	Subprogram

Budget Request Description
 Innovation Plan Reviews

Budget Request Summary

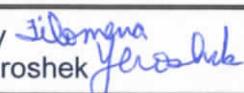
The Mental Health Services Oversight and Accountability Commission (Commission) is requesting additional funding from the Mental Health Services Fund (MHSF) to support administration of regulatory authority under Assembly Bill (AB) 82 (Chapter 23, Statutes of 2013) The Commission requests three permanent, full-time positions to support this work, for a request of \$396,000 for the 2016-17 and ongoing budget years.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
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

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:

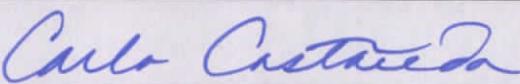
If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Norma Patev 	Date 9/2/15	Reviewed By Filomena Yeroshek 	Date 9/2/15
Department Director Toby Ewing 	Date 9/2/15	Agency Secretary	Date

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 	Date submitted to the Legislature 1-8-16
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Analysis of Problem

A. Budget Request Summary

The Mental Health Services Oversight and Accountability Commission is requesting \$396,000 and three positions additional funding from the Mental Health Services Fund (MHSF) to support administration of regulatory authority under Assembly Bill (AB) 82 (Chapter 23, Statutes of 2013), and to provide technical assistance to counties for program improvement. AB 82 mandated the Commission to promulgate and implement regulations for Prevention and Early Intervention Programs (PEI) and Innovation Programs (INN). This request will allow the Commission to fulfil its mandate under AB 82 by supporting program implementation, providing technical assistance and training for new data collection and reporting requirements and ensure counties are fully leveraging innovation funds to improve California's mental health system.

B. Background/History

In June of 2013, the Governor signed AB 82, a budget trailer bill that modified the Mental Health Services Act and directed the Mental Health Services Oversight and Accountability Commission to issue regulations for prevention and early intervention programs and innovation programs that were initially authorized under Proposition 63.

In the summer of 2015, the Commission adopted regulations governing county implementation of prevention and early intervention programs and innovation programs. For this first phase of regulatory work, the Commission redirected administrative, program and legal staff for the development, review and adoption of regulations. The Commission absorbed this workload by delaying other work, reducing its short-term commitments in some areas, such as plan review, contract monitoring and recruitment.

For the second phase of its obligations under AB 82, the Commission is directed to monitor implementation of the regulations and to provide technical assistance to counties under both prevention and early intervention programs and innovation programs. The Commission is proposing to deploy two existing positions for this work – a Consulting Psychologist and a Staff Mental Health Specialist – and is requesting three additional positions – two Health Program Specialist I/II positions, and one Research Program Specialist I/II position. (See attached work load analysis.)

The Commission also will dedicate, on a temporary basis, a second Staff Mental Health Specialist to support initial implementation of PEI regulations.

Current Workload Measures

The Commission does not have current workload measures for INN and PEI regulations as this is a new mandate following implementation of AB 82 (Chapter 23, Statutes of 2013). For Commission approval of innovation plans and the provision of technical assistance for this program, the Commission currently tracks county requests for Commission approval of innovation plans and spending. In FY 2014-15, the Commission approved 27 innovation plans totaling \$129 million in spending. During the first two months of FY 2015-16, the Commission has reviewed and approved 5 innovation plans, totaling \$24 million in spending. The Commission anticipates an increase in requests for innovation spending, in part because the Commission is working to improve awareness of the availability of innovation funding through the use of an Innovation Balance Calculator on our website, which will allow the public, policymakers and mental health advocates to determine the availability of unallocated innovation funds.

C. State Level Considerations

The overall design and implementation of the MHSA is consistent with the principles of subsidiarity. Counties have primary authority and responsibility for the design, implementation and program decisions related to community mental health programs. Additionally, the MHSA directs counties to

Analysis of Problem

pursue community consultation process. The MHSA and the work of the Commission also supports improvements in monitoring and reporting on outcomes, performance metrics, and evaluations.

This proposal also is consistent with the Commission's strategic plan, which calls for the collection of county level data to support ongoing evaluation of California's mental health system. The INN and PEI regulations require for the first time counties to report to the OAC on their achievement of performance outcomes for INN and PEI projects. This information, along with detailed reporting on persons served and the nature of those services, will allow the Commission to enhance its oversight activities. That information also will allow the OAC to work with the counties to identify and disseminate information on best practices.

Welfare and Institutions Code section 5892(d) states that funds from the Mental Health Services Fund shall be reserved for the OAC to implement its duties. While there is no direct impact to other state entities because of these responsibilities and proposed staff augmentations, it would reduce MHSA funding available within the five percent administrative cap.

This proposal provides improved access to information on effective programs, improved transparency on available funds and services and information on the effectiveness of innovative approaches.

D. Justification

The Commission is requesting expenditure and position authority to support implementation of both PEI and INN regulations and to augment existing efforts to review, approve, monitor and report on MHSA innovation programs as directed under AB 82. (Please see attached organizational chart incorporating the requested positions.)

AB 82 (Chapter 23, Statutes of 2013) modified the Mental Health Services Act and directed the OAC to adopt regulations for programs and expenditures under both the Prevention and Early Intervention component and the Innovation component and to continue providing technical assistance to counties to improve public mental health programs. The Commission adopted regulations in the summer of 2015, effective 2015. Those regulations specify data collection and reporting requirements for the counties under the MHSA. The Commission is working to provide technical assistance and training to the counties on the new regulatory requirements. However, the newly issued regulations will increase the need for technical assistance. In 2015, counties must begin collecting newly required outcome performance measurements and must begin annual and periodic reporting to the Commission in 2017.

The Commission has limited ability to provide assistance to counties pursuing innovation and prevention and early intervention programs pursuant to the regulations. In general, the Commission currently provides consultation on a case-by-case basis in response to requests for assistance or as part of the Commission's review of an innovation spending proposal. As mentioned above, the Commission currently has 1 Consulting Psychologist position dedicated to reviewing innovation plans and providing technical assistance on innovation programs, and working to draft, develop and provide technical assistance on PEI and INN regulations. In addition, the Commission has two Staff Mental Health Specialist positions that work on innovation plan reviews as well as other county plan reviews, contract monitoring, the development of outreach and community forums and other duties.

Under this proposal, the Commission would maintain the Consulting Psychologist position for this obligation and reallocate one Staff Mental Health Specialist position full time to work on innovation projects, including review of county requirements under innovation regulations.

The additional three positions, paired with two existing positions, will allow the Commission to develop an integrated approach to guiding, monitoring and reporting on the impact of innovation of California's mental health system. This approach, under the direction of a sub-committee of commissioners, will allow the Commission to pursue four goals for innovation:

Providing Strategic Guidance. The Commission currently receives requests from counties for review and approval of innovation programs and spending plans. Individual counties, in consultation with local stakeholders, determine how best to allocate innovation funds. While many counties are making

Analysis of Problem

strategic investments in innovation, the counties are not collectively strategic. As a result, the counties forgo the opportunity to jointly explore improved approaches to address shared challenges.

An augmented innovation team, working within the regulatory framework required by AB 82, will allow the OAC to work with the counties to identify areas of shared concern and develop joint, regional or other shared approaches to innovation that allow California to make best use of innovation as a strategy for system improvement.

Technical Assistance and Training. As mentioned above, the Commission has limited ability to provide assistance to counties pursuing innovation. There is tremendous variation in how counties are leveraging innovation funding to guide improvements to California's mental health system. For instance, all counties are required to conduct community consultation processes, and every county is required to conduct evaluations of their innovation plans. Preliminary work on an assessment of county evaluations of innovation plans indicated wide variation in the quality of evaluations and the ability of counties to conduct evaluations that provide valid and reliable information appropriate for determining whether to sustain innovative approaches to delivering services.

This proposal will allow the Commission to augment its technical assistance and training and increase the utility of innovation programs for improving county mental health programs and California's overall approach to mental health care.

Monitoring and Oversight. There is a small number of counties that have not yet invested any innovation funds in their counties. Existing staff can provide limited monitoring of county innovation expenditures or investigations associated with inappropriate use of innovation funding.

The Commission is committed to leveraging innovation funding to improve services, and using its regulatory authority and innovation approval authority to ensure that innovation plans are developed in accordance with the law, that innovation programs adhere to approved proposals and that innovative programs are adequately evaluated.

Information Dissemination. The MHSA includes a requirement for all counties to innovate as a way to improve California's mental health system. Successful innovations in one county can inform and guide investments across all counties. To capture the benefits of innovation, California must improve its ability to recognize and learn from the lessons of innovation, both successes and setbacks. There currently are no efforts to disseminate information on best practices developed and evaluated through an innovation agenda.

The Commission, because of its regulatory oversight and the current approval process, is the appropriate entity to gather and report information on innovations and lessons learned. This proposal will better equip the Commission to pursue that opportunity.

Under this proposal, the Commission intends to work closely with the counties to develop and support peer-to-peer strategies for each of the four goals outlined above. A peer-to-peer approach among counties, with support and facilitation from the Commission, will allow the Commission to minimize additional costs, ensure the relevance of strategic decision-making, training, monitoring and information dissemination for counties and deliver on its goals for innovation.

Innovation is a strategic component of the MHSA, which includes specific goals for reducing homelessness, incarceration, suicide, unemployment and related challenges. This proposed investment in improving California's use of innovation funding will help guide county efforts to achieve those goals which are intended to reduce costs for the counties as well as the state, through both cost avoidance and reduction in unit costs.

Additionally, the Mental Health Services Act charges the Commission with improving public awareness of mental illness, the importance of mental health and the potential to improve California's service delivery system. Increasing the visibility of California's investment in innovation will allow the state to improve understanding of both the challenges facing local mental health systems, and opportunities for improvement.

Analysis of Problem

No legal or statutory change is required to support this BCP. As outlined above, this request is in response to recently enacted legislation and regulations that impact the Commission.

Additional information on fiscal implications of this proposal is included below.

E. Outcomes and Accountability

Per its statutory authority, and in conjunction with DHCS and the Mental Health Planning Council, the Commission is working to develop outcome and performance metrics for California's mental health system. Those measures and metrics are intended to apply at the individual, population and system level for California.

Consistent with that work, the Commission is developing strategies to deploy activity-based costing for its work. Activity-based costing will allow the Commission to assign a cost value to its activities, including staffing costs.

Additionally, the Commission is working to secure training and experience with Return-on-Investment and Cost-Avoidance analysis to improve our understanding of the cost-effectiveness of different mental health programs and interventions.

These efforts will allow the Commission to document its investment in innovation, along with county investments, and the cost-effectiveness of those approaches over time. For instance, Commission approval of an innovation may allow a single county to reduce the cost of an intervention. That cost reduction, for a single county, might produce direct savings that match or exceed the cost of the initial investment in innovation plus evaluation costs. Efforts by the Commission to validate the evaluation and cost savings, and disseminate results to more counties, would have the effect of magnifying the costs savings by the number of counties that adopted that improved approach. Thus a small investment in innovation in a single county can have magnified impact on California's overall mental health system.

The Commission is working to develop the tools to document those costs and cost savings in ways that are both valid and reliable. There are a limited number of states that are conducting this type of analysis, the most advanced is work being done by the Washington Institute for Public Policy, which outlines cost savings associated with the adoption of specific programmatic interventions.

Aside from reporting both costs and savings, the Commission will continue to monitor and report on the number of innovation plans reviewed and approved, as well as county compliance with regulatory annual reporting. The Commission is currently revising its web site to include detailed information on its activities, and county activities, such as innovation programs and spending. We also are exploring options to provide the public with access to detailed financial information, including county innovation expenditures, to support and improve public accountability and transparency. The requested resources will contribute to that effort.

Equally important, the information gathered through annual county reporting as required under both PEI and INN regulations will allow the Commission to augment its research and evaluation efforts. Specifically, the administration, Legislature, and the public will be able to monitor Commission workload on innovation as well as county pursuit of the MHSA's innovation component, the extent that innovation efforts result in improvements to the mental health system and those areas where innovation has not been pursued.

F. Analysis of All Feasible Alternatives

Alternative #1

Increase Commission budget and staffing authority by three positions with associated operating funds.

Analysis of Problem

Cost: \$396,000 annually, ongoing.

Pro: Provide the resources for the Commission to fulfil its mandates under AB 82 and related provisions of the MHSA.

Con: Increases state workforce by three positions and ongoing financial obligations from the MHSF.

Alternative #2

No staffing change/absorb additional workload.

Cost: No additional costs.

Pro: Requires no additional staffing or funding.

Con: Would result in delays in Commission review of PEI and INN plans, approval of additional innovation spending proposals and monitoring of county mental health plans. Commission response to requests for technical assistance may also be delayed.

Alternative #3.

Redirect existing staff from other responsibilities to work on regulations and provide technical assistance.

Cost: No additional costs.

Pro: Requires no additional staffing or funding.

Con: Would result in delays in other priorities established by the Legislature and Governor. Commission staff are primarily dedicated to research and evaluation, administration of Triage grants, administering existing workload for innovation spending review and approval, contract monitoring, supporting Commission meetings, and administration. Each of these functions is either a specific mandate directed by current law.

Alternative #4.

Contracting out oversight and technical assistance for PEI and INN.

Cost: Unknown cost, potentially comparable to request.

Pro: Requires no additional staffing, allows flexibility over time.

Con: Proposition 63 established the Commission to ensure independent oversight of the implementation of the MHSA. Statutory restrictions limit contracting for services that can be provided by civil service classifications.

Alternative #5.

Delay implementation.

Cost: No additional costs.

Pro: Requires no additional staffing or funding.

Con: Does not address concerns identified by the Bureau of State Audits and the Little Hoover Commission to improve transparency, increase public awareness of the contributions of the MHSA and improve service delivery.

Analysis of Problem

G. Implementation Plan

The Commission anticipates using statewide and/or department specific lists for these positions. As such, Commission will obtain approval from departments that have existing exams for the positions. In addition, the Commission plans on recruiting from local universities for these positions.

H. Supplemental Information

There are no special resources needed to support the proposal.

I. Recommendation

Adopt Alternative #1.

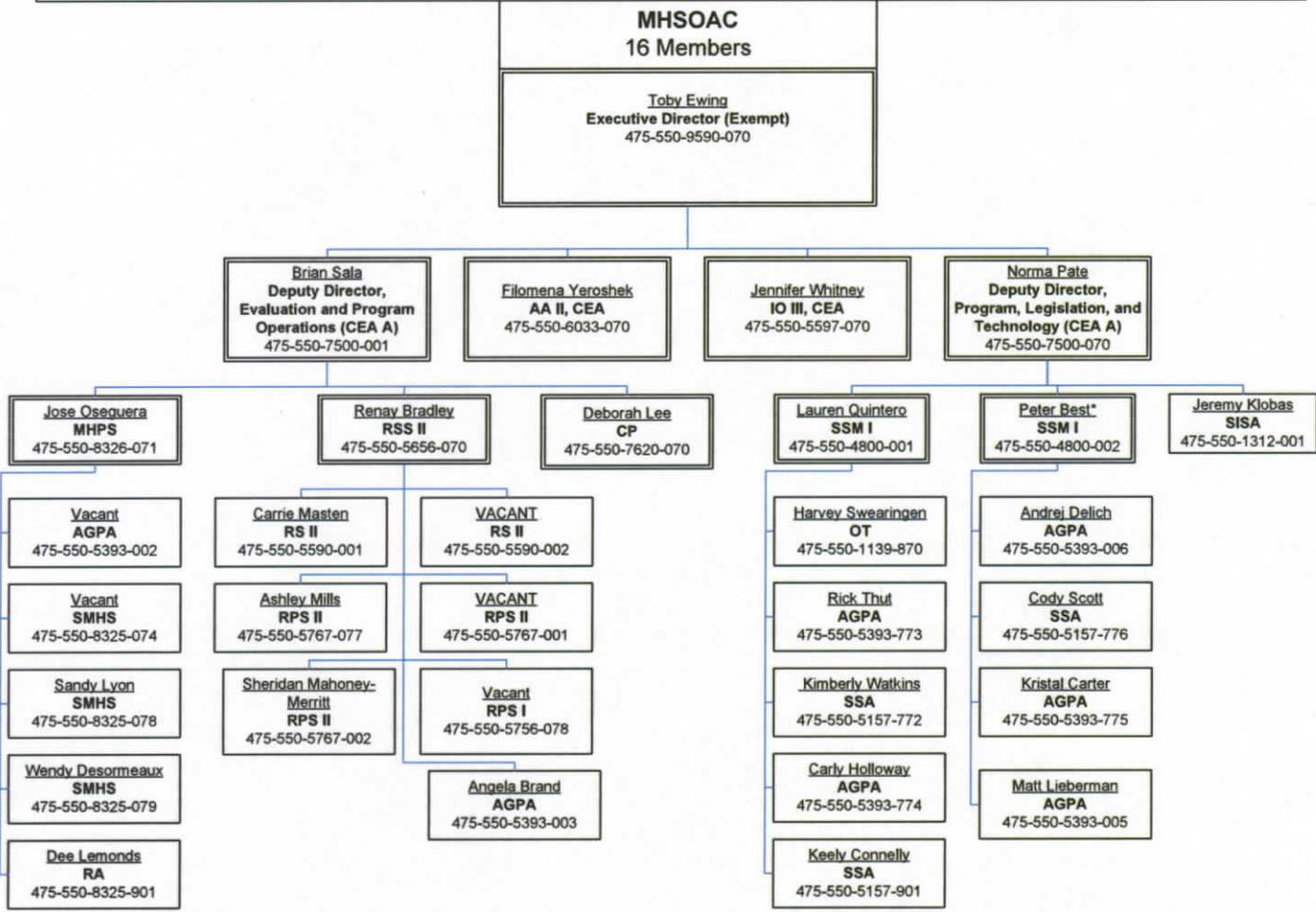
This recommendation would allow the Commission to implement recently promulgated regulations for Prevention and Early Intervention Programs (PEI) and Innovation Programs (INN) and to augment its efforts to guide, monitor and promote innovation as a strategy to support the transformation of California's mental health system.

INNOVATION WORK LOAD ANALYSIS

Activities	Health Program Specialist II (2.0)	Research Program Specialist II (1.0)	Total Percentages
Monitoring and Oversight	30%	30%	60%
<ul style="list-style-type: none"> Innovation Program and Budget Review Program Evaluation Review 			
County Technical Assistance and Training	40%	30%	70%
Consultation on: <ul style="list-style-type: none"> regulatory compliance work plan composition ongoing evaluations sustainability 			
Statewide Strategic Guidance and Information Dissemination	30%	40%	70%
<ul style="list-style-type: none"> Innovative Program Showcases Annual Trends Report Annual Policy Paper Subcommittee Support, briefing materials and site visits of ongoing evaluation projects 			
	100%	100%	200%

Current

Mental Health Services Oversight and Accountability Commission



- KEY**
- AGPA – Associate Governmental Program Analyst
 - AA II, CEA – Administrative Adviser II, CEA
 - CEA – Career Executive Assignment
 - CP – Consulting Psychologist
 - IO III, CEA – Information Officer II, CEA
 - MHPS – Mental Health Program Supervisor
 - OT – Office Technician
 - RA – Retired Annuitant
 - RPS I – Research Program Specialist I
 - RPS II – Research Program Specialist II
 - RS II – Research Scientist II
 - RSS II – Research Scientist Supervisor II
 - SISA – Staff Information Systems Analyst (Specialist)
 - SMHS – Staff Mental Health Specialist
 - SSA – Staff Services Analyst
 - SSM I – Staff Services Manager I

Proposed

Mental Health Services Oversight and Accountability Commission

MHSOAC
16 Members

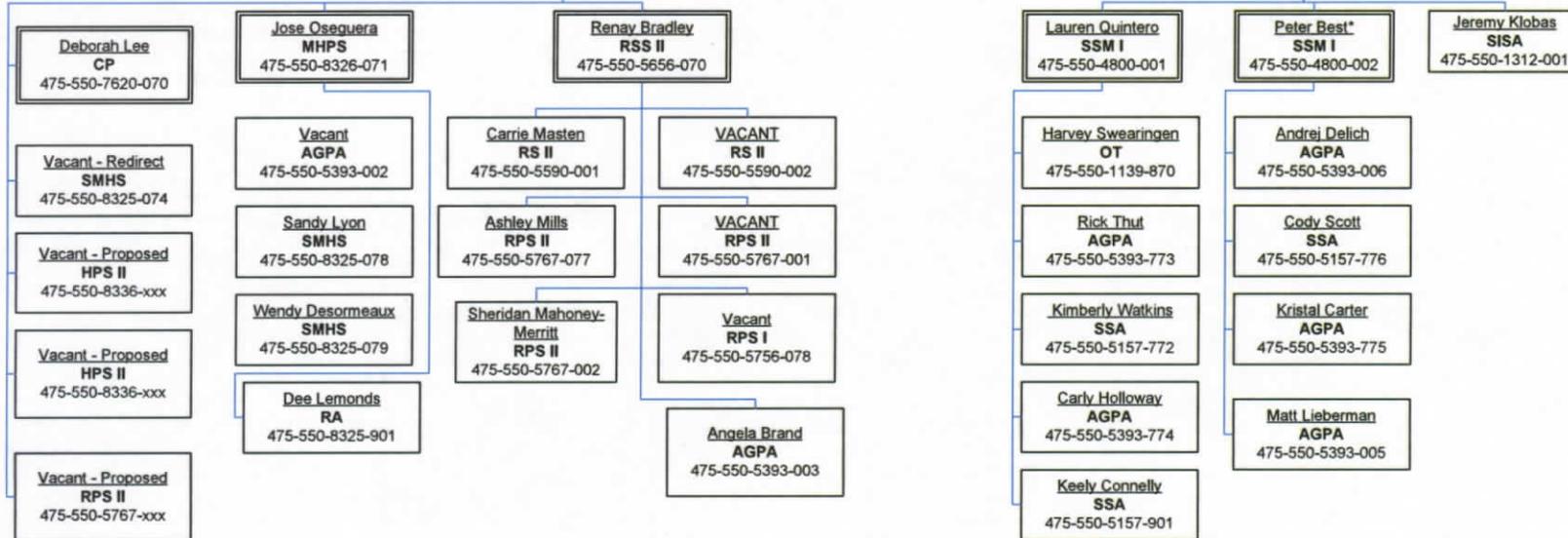
Toby Ewing
Executive Director (Exempt)
475-550-9590-070

Brian Sala
Deputy Director,
Evaluation and Program
Operations (CEA A)
475-550-7500-001

Filomena Yeroshek
AA II, CEA
475-550-6033-070

Jennifer Whitney
IO III, CEA
475-550-5597-070

Norma Pate
Deputy Director,
Program, Legislation, and
Technology (CEA A)
475-550-7500-070



KEY

AGPA – Associate Governmental Program Analyst

AA II, CEA – Administrative Adviser II, CEA

CEA – Career Executive Assignment

CP – Consulting Psychologist

HPS II – Health Program Specialist II

IO III, CEA – Information Officer II, CEA

MHPS – Mental Health Program Supervisor

OT – Office Technician

RA – Retired Annuitant

RPS I – Research Program Specialist I

RPS II – Research Program Specialist II

RS II – Research Scientist II

RSS II – Research Scientist Supervisor II

SISA – Staff Information Systems Analyst (Specialist)

SMHS – Staff Mental Health Specialist

SSA – Staff Services Analyst

SSM I – Staff Services Manager I

BCP Fiscal Detail Sheet

BCP Title: Innovation Plan Reviews

DP Name: 4560-001-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	3.0	3.0	3.0	3.0	3.0
Total Positions	0.0	3.0	3.0	3.0	3.0	3.0
Salaries and Wages						
Earnings - Permanent	0	225	225	225	225	225
Total Salaries and Wages	\$0	\$225	\$225	\$225	\$225	\$225
Total Staff Benefits	0	101	101	101	101	101
Total Personal Services	\$0	\$326	\$326	\$326	\$326	\$326
Operating Expenses and Equipment						
5301 - General Expense	0	3	3	3	3	3
5302 - Printing	0	12	12	12	12	12
5304 - Communications	0	10	10	10	10	10
5320 - Travel: In-State	0	14	14	14	14	14
5322 - Training	0	5	5	5	5	5
5324 - Facilities Operation	0	5	5	5	5	5
5346 - Information Technology	0	19	19	19	19	19
5368 - Non-Capital Asset Purchases - Equipment	0	2	2	2	2	2
Total Operating Expenses and Equipment	\$0	\$70	\$70	\$70	\$70	\$70
Total Budget Request	\$0	\$396	\$396	\$396	\$396	\$396

Fund Summary

Fund Source - State Operations						
3085 - Mental Health Services Fund	0	396	396	396	396	396
Total State Operations Expenditures	\$0	\$396	\$396	\$396	\$396	\$396
Total All Funds	\$0	\$396	\$396	\$396	\$396	\$396

Program Summary

Program Funding						
4170 - Mental Health Services Oversight and Accountability Commission	0	396	396	396	396	396
Total All Programs	\$0	\$396	\$396	\$396	\$396	\$396

