COMMONWEALTH of VIRGINIA

DEPARTMENT OF
MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

JAMES S. REINHARD, M.D.
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January 10, 2007

The Honorable Vincent F. Callahan, Chairman
House Appropriations Committee
General Assembly Building, Room 947
P.O. Box 406
Richmond, Virginia 23218

Dear Delegate Callahan:

I am pleased to forward to you the Department's First Quarter Status Report on System Transformation Initiative. Item 312 DD of the Appropriation Act directs me to quarterly reports to you regarding the activities associated with the most recent investment in community services, including the types and settings of services provided, the number of individuals served, the number of individuals placed in the community through the Mental Retardation Home and Community-Based Waiver Program, reduction in census at state facilities related to proposed facility replacements, changes in staffing at facilities that are proposed for replacement, and progress made in the construction of replacement facilities.

I hope that you and your staff find the information in this report helpful. My staff and I are available at your convenience to answer any questions you may have about this report.

Sincerely,

James S. Reinhard, M.D.

JSR/prg
Attachment

cc: The Honorable Marilyn Tavenner
The Honorable Phillip A. Hamilton
Susan E. Massart
Ray Ratke
Frank L. Tetrick
Paul Gilding
Martha Mead

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January 10, 2007

The Honorable John H. Chichester, Chairman
Senate Finance Committee
General Assembly Building, Room 626
P.O. Box 396
Richmond, Virginia 23218

Dear Senator Chichester:

I am pleased to forward to you the Department's First Quarter Status Report on the System Transformation Initiative. Item 312 DD of the Appropriation Act directs me to quarterly reports to you regarding the activities associated with the most recent investment in community services, including the types and settings of services provided, the number of individuals served, the number of individuals placed in the community through the Mental Retardation Home and Community-Based Waiver Program, reduction in census at state facilities related to proposed facility replacements, changes in staffing at facilities that are proposed for replacement, and progress made in the construction of replacement facilities.

I hope that you and your staff find the information in this report helpful. My staff and I are available at your convenience to answer any questions you may have about this report.

Sincerely,

James S. Reinhard, M.D.

JSR/prg
Attachment

Cc: The Honorable Marilyn Tavenner
The Honorable William C. Wampler, Jr.
Joe Flores
Ray Ratke
Frank L. Tetrick
Paul Gilding
Martha Mead

First Quarter Status Report on System Transformation Initiative
Department of MH, MR and SA Services
January 10, 2007

I. INTRODUCTION

Item 312, paragraph DD of the Appropriations Act includes the following language in reference to the package of appropriations hereinafter identified as the System Transformation Initiative:

The Department of Mental Health, Mental Retardation and Substance Abuse Services shall report on a quarterly basis to the Office of the Governor, the Office of the Secretary of Health and Human Resources, the Chairmen of the House Appropriations and Senate Finance Committees, and the Department of Planning and Budget on expanded community-based services made available in paragraphs R through CC of this item [the System Transformation Initiative]. *The report shall include the types and settings of services provided, the number of individuals served, the number of individuals placed in the community through the Mental Retardation Home and Community-Based Waiver Program, reduction in census at state facilities related to proposed facility replacements, changes in staffing at facilities that are proposed for replacement, and progress made in the construction of replacement facilities.*

This document is the First Quarter Status Report on the System Transformation Initiative, and includes information for the period July 1, 2006 through September 30, 2006.

II. SYSTEM TRANSFORMATION - CHANGING THE CULTURE OF SERVICE DELIVERY

Transforming Virginia's system of behavioral health care in a fundamental manner is similar to addressing the challenges of our transportation system. System leaders, service providers, consumers, family members and advocates all have to find ways to work with and within the structure at hand, achieving consensus on strategies to accomplish meaningful improvement, while at the same time ensuring ongoing capacity to meet the day-to-day needs of service recipients, families and primary stakeholders. During a recent National Technical Assistance "Peer Review" site visit, this process was described as "building the road while we walk on it."

Having actively engaged in system transformation activities since 2002, the Department and community leadership are familiar with the nature of the system transformation task and the challenges. Efforts have been underway for several years to embed mental health and substance abuse services more firmly within a recovery-oriented and community-based system of care while moving toward smaller and more focused state psychiatric facilities. Additionally, efforts have focused on increasing the level of self-determination for individuals with intellectual disabilities and creating services and supports that maximize their community integration, while ensuring access to intensive support through training centers.

Virginia's Vision Statement represents our shared commitment to this effort, affirming that the voices of consumers, families, service providers at all levels and various other constituents must be heard as changes are contemplated and implemented in the current system.

DMHMRSAS Vision of System Transformation: *We envision a consumer-driven system of services and supports that promotes self-determination, empowerment, recovery, resilience, health and the highest possible level of consumer participation in all aspects of community life, including work, school, family and other meaningful relationships. This Vision also includes the principles of inclusion, participation and recovery.*

A. Promoting Collaboration, Training and Accountability

Our ability to effectively manage broad transformation efforts depends greatly on the knowledge and commitment of all stakeholders to maximum fulfillment of the principles of recovery, including consumer-driven decision making in developing, delivering and evaluating services. This knowledge and commitment to a recovery-oriented and person-centered system of services and supports is an essential first step and it has been a primary focus of the Department and the community services boards during this first quarter. In support of this effort, the Department established three workgroups focused on maximizing collaboration; supporting training and education; and identifying meaningful measures of system transformation.

Service Development Workgroup: Central Office, community service board, consumer, family and advocacy representatives are working collaboratively to promote the regional partnership planning process and to identify successful models that can be replicated in other localities or regions.

Training and Education Workgroup: Central Office, community service board, consumer, family and advocacy representatives are working collaboratively to identify and support recovery oriented training or education activities.

Data Outcomes/Measures Workgroup: This group, comprised of community representatives, DMHMRSAS staff, service recipients, and service providers completed a report in August 2006 that recommended three types of outcome measures

- *Recovery, Resilience, Empowerment and Self-Determination Outcomes* – To what extent does the service system promote and support recovery, resilience, empowerment, and self-determination?
- *Service System Transformation Outcomes* –Are there differences in the service system's culture and operations?
- *Transformation Initiative Implementation Outcomes* – What new services have been brought on line through the initiative? How many individuals are receiving these services? Are efforts to replace selected state hospitals and training centers moving forward?

B. Involvement of consumers

A core principle of transformation is consumer involvement in all aspects of system operations. Consumers are members of the above three workgroups, as well as the seven Regional Partnership Planning Groups and the special population workgroups. Many CSBs plan to hire consumer peers (and some already have), but they identified the need for training. In response to this need the Department plans to offer a RFP allocating $150,000 for three Peer Support Training sessions. The Department is also working with the Virginia Organization of Consumers Asserting Leadership (VOCAL), a peer-run program, to support training, advocacy and organization efforts. During the first quarter VOCAL conducted Wellness-Recovery-Action-Plan (WRAP) classes in several communities. Two of the seven regions have developed peer programs that service recipients consider to be models for replication in other areas of the Commonwealth.

C. Transformation Initiative Training

In addition to the WRAP training provided by VOCAL, a number of community services boards and Department facilities have arranged training to familiarize all their staff with the principles of recovery. To date, all regions have conducted regional training and a number of individual boards have followed with additional training and focused consultation activities. The Department has also established a Person-Centered Planning Workgroup to develop a strategy for advancing self-determination in community and facilities that serve individuals with intellectual disabilities.

D. Challenges

The challenges encountered in the first quarter of implementing the transformation initiative would be common to any effort seeking to impact the culture of a complex system and some ongoing challenges existing in the day-to-day business world of community services. Local and regional planning requirements, workforce capacity and training, engaging consumers in the service delivery system, contracting and local government approval timelines were among these challenges.

- Planning: While the Department initiated preliminary planning efforts in advance of the June 6 final approval date, local and regional plans needed to be refined and approved in advance of funding allocations. Funding for the FY'07 DAP (Civil and NGRI) was not received by the Regional Fiscal Agents until September 1, 2006 due to delays in the budgetary approval process. It must be noted that NGRI DAP plan implementation is linked to privileging process and the granting of conditional release in relation to the local courts and the Forensic Review Panel.
- Workforce: The transformation initiative led to over 140 plans for new or expanded service capacity. In most instances this required recruitment and hiring of staff or training, a process that could not be initiated until funding allocations were completed.

The transformation focus on promoting a recovery orientation also required coordination of training and education efforts within regions and at local boards. While educating current service providers is very important, it's also helpful to better prepare new workers coming into the field to do recovery-oriented work and the Department is pursing partnership opportunities with schools of social work, counseling, psychology, psychiatry, and nursing to assist with curriculum development and specialized courses.

- Engaging Consumers in Service Delivery: This transformation focus on expanding peer provided service opportunities created a supply and demand challenge for community service boards during this quarter. Boards worked with the Department, VOCAL and other consumer advocacy groups to identify individuals that would be interested and qualified to serve in a peer provider role. The Peer Support Training sessions previously referenced will improve the capacity of boards to move forward with these plans.

- Contracting and Local Government Approval Timelines: Once funding allocations were completed, boards needed to work with their government governing bodies to secure approval of local funding plans. Additionally, boards encountered delays as services involving contracting external to the board required regulatory compliance.

III. Types and Settings of Services Provided - MH and MH/SA

Due the extensive variation in the range of community-based services as noted in the prior workforce challenges section, services for adult MH and the MH/SA Co-Occurring consumer population are reported within core-service areas.

Service	Target Served	First Quarter
Emergency Services	1290	149
Acute Psychiatric Inpatient Services	45	28
Outpatient Services	3,934	196
Community-Based SA Medical Detox Services	600	158
Case Management Services	2,998	319
Day Treatment/Partial Hospitalization	36	
Rehabilitation	177	
Individual Supported Employment	77	
Highly Intensive Residential Services	651	81
Intensive Residential Services	350	116
Supervised Residential Services	157	1
Supportive Residential Services	318	26
Consumer Monitoring Services	56	
Discharge Assistance Project Plans	102	24
Consumer-Run Services	422	19
Totals	11,213	1,117

IV. MENTAL RETARDATION SERVICES

The initiative is a comprehensive effort to shift Virginia's behavioral health care system and the transformation efforts includes investment strategies that are impacting services for individuals with intellectual disabilities.

A. Community Integration

To date, there have been a total of nine 2007 slots used at Central Virginia Training Center (CVTC) with an additional three community slots used for individuals who were admitted from the community and returned within six months. It is noted that the number of CVTC slots approved in the original budget have been reduced to reflect more accurately the rate of the transitioning process for the training center to the community. Eight of the slots assigned to the Southeastern Virginia Training Center (SEVTC) have been used to date. All 115 Community Waiver slots have been assigned to individuals on the Urgent Wait List. As of December 31, 2006 **$131,245** of funds were distributed to Community Services Boards and private providers who have provided community placements for 44 consumers through use of the slots made available in 2007.

B. Impact of MR Waiver Rate Increases

The Health and Community Based Waiver rates increased on July 1, 2006 with a 10% increase for congregate residential services and a 5% increase for all other MR Waiver services. These increases have been used to help shore up infrastructure through increases in direct staff pay and other measures by providers to better stabilize the community-based services.

C. Waiver Services for Children

All 110 Waiver slots for children under the age of 6 that were on the Urgent Wait list were distributed in July of 2006 and services have been initiated.

D. Guardianship

The DMHMRSAS entered into an agreement with the Virginia Department of Aging to develop public guardianship services for persons living in state training centers and persons living in the community who have need of public guardianship services. The DMHMRSAS transferred $462,000 to the VDA for the purpose of sponsoring ongoing public guardianship services to these selected individuals. The DMHMRSAS retained the balance of the allocated funds to provide assistance to CSB in covering the costs associated with petitioning the courts for guardianship. In addition to the referrals to established guardianship service providers, the VDA has engaged in an RFP process to generate more local public guardianship providers across the state. These new services will be contracted for by the middle of February 2007 and updates included in the third quarter report.

V. SERVICES FOR CHILDREN AND ADOLESCENT

The transformation initiative investments in services for children and adolescents is a continuation of a strategy that began with funding provided in the prior General Assembly session. Recommendations from key advocacy groups prioritized (1) funding of System of Care Programs that utilized evidenced based practices to provide wrap around services to youth and (2) providing services to youth while they reside in secure juvenile detention centers.

A. **System of Care:** The **Alexandria and Cumberland Mountain Community Services Boards** have been funded to provide Functional Family Therapy (FFT) within a system of care context. The two projects began in September 06 and are currently in the initial implementation phase. Each site has completed the initial contract negotiations with the evidence-based practice vendor and has hired staff. Both sites are currently receiving the clinical training required by the FFT vendor prior to serving children. At full capacity, which can take six to twelve months, each program will provide wrap-around services to 65 youth.

B. **Juvenile Detention Center Service:** Funds have distributed to support development of six (6) additional sites, bringing the total number to 14 sites (of 23 planned sites). The six board providers and detention center locations are:

CSB/BHA	Juvenile Detention Center
Alexandria CSB	Northern VA Detention Home
Blue Ridge Health Authority	Roanoke Valley Juvenile Detention
Charlottesville (Region 10)	Blue Ridge Juvenile Detention Home
Colonial CSB	Merrimac Center
Danville CSB	W.W. Moore Jr. Detention Home
New River Valley CSB	New River Valley Detention Home

Future quarterly reports will include a summary of the programs success in achieving their purpose of providing screening, assessment, and referral to community based services and reduction in the rate of inpatient hospitalization for youth during their residency in the detention center.

C. **Part C Services:** The Department has allocated all appropriated funds to local early intervention systems (local lead agencies) for Virginia's Part C Early Intervention System for infants and toddlers with disabilities. The expanded funding is expected to allow the lead agencies to meet a well-documented growth trend for Part C services. Future quarterly reports will track the expansion in these services.

VI. TARGETED JAIL-BASED SERVICES

No services were provided in the first quarter. The Department has completed allocations to seven Community Services Boards that will support post-booking diversion services for persons involved in the local criminal justice system. Some funding will also support community stakeholder planning to enhance local criminal justice mental health services. Future quarterly reports will track the number of these services and the impact of these services on consumers.

VII. OPIATE ADDICTION SERVICES FUNDS

The appropriation language that requires this report does not specify the need to include funds approved to implement two model projects for Opioid treatment services, but the Department believes these services are directly linked with the broad transformation effort. Appropriation language for these projects does require the department to evaluate the results of these projects for improving treatment outcomes and improving key performance indicators, such as recruitment, retention and maintenance of treatment effects for individuals served by the projects and report the results of the projects to the Chairmen of the House Appropriations and Senate Finance Committees no later than November 1, 2007. Progress toward those ends will be included in future quarterly reports.

To date the department selected Norfolk (Norfolk CSB) as the urban site and the far southwest area of the state as the rural site (Cumberland Mountain, Highlands and Mount Rodgers CSBs). The funds have been split between the two sites and an additional $500,000 in federal targeted capacity grant funds has been added to selected areas in the southwest site. The funds have been allocated and each site is recruiting staff and establishing procedures to demonstrate the enhancement of their service delivery system and document outcome for individuals served by the demonstration projects.

VIII. REDUCTION IN CENSUS AT STATE FACILITIES APPROVED FOR REPLACEMENT

The census at the facilities approved for replacement was fluid during the first quarter as admissions and discharges have yet to be significantly impacted by initiation of new community services. As noted in the Mental Retardation summary, community placements did take place at SEVTC and CVTC for individuals that had been on the ready and willing to be discharged list, but there were admissions during the first quarter as well. The first quarter ended with a reduction of six (6) residents at CVTC.

IX. CHANGES IN STAFFING AT FACILITIES THAT ARE PROPOSED FOR REPLACEMENT

The changes in staffing within the first quarter for facilities proposed for replacement is limited to the Eastern State Hospital (ESH) and CVTC project, with a reduction of twelve (12) staff at ESH and twenty (20) at CVTC. ESH is the only facility with approved funding for replacement and facility staff are presently working with the regional community services board leadership to establish a time-line with linkage of new and expanded community services with a reduction in bed utilization – the primary factor impacting staffing levels.

Each of the other facilities proposed or replacement are active with regional planning to determine how community investments will impact the level of facility services and associated staffing.

X. PROGRESS MADE IN THE CONSTRUCTION OF REPLACEMENT FACILITIES

- **Eastern State Hospital, Williamsburg, VA**

The project is being designed and constructed using the provisions of the Public-Private Education and Infrastructure Act -2002 (PPEA). The developer is GD Williamsburg, LLC, a subsidiary of Gilbane Development Company. It is being constructed in three phases. Phase I is the construction of 150 beds to replace the Hancock Geriatric Treatment Center at a reduced population from its present levels. This project is currently funded at $23M. A request for an additional $5,395,000 for cost overrun and fixtures, furniture and equipment (FFE) was made. The Governor's budget includes a recommendation for $5,000,000 in additional funding.

Phase I is currently under construction with site development nearly complete and foundations due to be started within in January. Final design documents have completed and submitted to the Department of General Services, Bureau of Capital Outlay Management.

Phase II consists of a 150-bed adult mental health unit located in proximity to Phase I, and the remaining support and administration buildings as Phase III. Gilbane Development Company has submitted a proposal for the completion of design and construction as a change to the existing PPEA comprehensive agreement for Phase I.

The Department of Mental Health, Mental Retardation and Substance Abuse Services employed NBJ Architects to prepare a feasibility study to determine whether it was both cost and schedule beneficial to amend the current PPEA contract to construct Phase II, as called for in the appropriating budget. This study has been completed and recommended adding Phase II to the Phase I comprehensive agreement as being the more expedient and cost effective method. This matter is currently being considered for authorization to begin final negotiations with the developer. This project is funded at $59,715,000 for total project cost. The developer is estimating completion in December of 2009.

Planning and design continues on Phase II with participation from community service boards in Region V, the staff of Eastern State Hospital, and members the DMHMRSAS central office. Future planning and design will include additional stakeholders.

Phase III planning is complete and addresses the service, administration and support areas for both Phase I and Phase II. These include food services, building and grounds/transportation, patient advocacy, reimbursement and purchasing/warehouse. Funding for Phase III has not yet been requested.

- **Southeastern Virginia Training Center, Chesapeake, VA**

  Planning for the replacement of Southeastern Virginia Training Center at the 100-bed level began with the selection of a planning and design team that is lead by Rodriquez, Ripley, Maddox and Motley (RRMM). Programming and planning has involved a wide spectrum of stakeholders including: parents and guardians of residents, SEVTC staff, Community Service Board representative from Health Planning Region V, DMHMRSAS central office staff, The Advisory Consortium on Intellectual Disabilities (TACID) and others.

  Conceptual design for new residential facilities is nearly complete and list of options for final development is being compiled with the aim toward requesting funding in the next budget. Exact amounts of funding required will depend on the options selected. The options to be selected are heavily dependent on the services available and supports needed in the community. The goal of the construction of this facility is be an integral part of the continuum of care in a system that supports the self-determination, empowerment and choice of the consumers.

- **Central Virginia Training Center, Lynchburg, VA**

  Planning for the replacement of Central Virginia Training Center at the 300-bed level began with the selection of a planning and design team that is lead by Rodriquez, Ripley, Maddox and Motley (RRMM). Programming and planning has included a wide spectrum of stakeholders including: parents and guardians of residents, SEVTC staff, Community Service Board representatives, DMHMRSAS central office staff, The Advisory Consortium on Intellectual Disabilities (TACID) and others.

  Conceptual design for new residential facilities is nearly complete and list of options for final development is being compiled with the aim toward requesting funding in the next budget. Exact amounts of funding required will depend on the options selected. The options to be selected are heavily dependent on the services available and supports needed in the community. The goal of the construction of this facility is be an integral part of the continuum of care in a system that supports the self-determination, empowerment and choice of the consumers.

- **Western State Hospital, Staunton, VA**

  Prior to the enactment of the current budget, an unsolicited proposal under the provisions of the Public-Private Education and Infrastructure Act - 2002 (PPEA) was received from Centex Development. Following enactment of the current budget and the receipt of funds for the planning of a replacement facility for Western State Hospital, the Department accepted the proposal for consideration and advertised for competing proposals. A second proposal has been received from Gilbane Development Company.

On August 31, 2006, the City of Staunton in cooperation with the DMHMRSAS issued a solicitation for the development of surplus property and City of Staunton owned land in proximity to WSH. While interest was shown in the property, no responses were received at the closing of the solicitation.

Also, DMHMRSAS advertised for and selected an architectural team to assist in the validation of programming for the replacement hospital, review of PPEA proposals and assistance in the preparation of a request for proposals for the development of any surplus property in conjunction with the City of Staunton. Negotiations are currently nearing conclusion and agreement reached with this team is expected in January.

XI. SUMMARY

The efforts within the community during the first quarter of the System Transformation Initiative created a sense of excitement and anticipation for providers, consumers, families and other stakeholders. System leaders, service providers, consumers, family members and advocates are working collaboratively to find ways to refine and implement strategies to accomplish meaningful improvement. The challenges exist, but there is recognition that they are learning opportunities and that changing the culture of Virginia's behavioral health care system requires commitment and dedication to "building a road" that makes our Vision a reality.