



COMMONWEALTH of VIRGINIA

DEPARTMENT OF
MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

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JAMES S. REINHARD, M.D.
COMMISSIONER

September 1, 2008

The Honorable Lacey E. Putney, Chairman
House Appropriations Committee
General Assembly Building
Room 947
P.O. Box 406
Richmond, Virginia 23218

Dear Delegate Putney:

I am pleased to forward to you the Department's Report on the Allocation of Funds in Item 316.KK of the 2008 Appropriation Act. Item 316.KK directs me to submit a report to you on the assumptions and process used to allocate funding in this item and the amount of the allocations.

The Department consulted with the Virginia Association of Community Services Boards and the other stakeholders that were identified in Item 316.KK and has allocated the funds appropriated for FY 2009, as described in the attached report. 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,

A handwritten signature in cursive script that reads "James Reinhard".

James S. Reinhard, M.D.

JSR/prg

Attachment

pc: The Honorable Marilyn B. Tavenner
Robert P. Vaughn
Susan E. Massart
Raymond R. Ratke

Frank L. Tetrick, III
Paul R. Gilding
Ruth Anne Walker
Joy Yeh, Ph.D.



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JAMES S. REINHARD, M.D.
COMMISSIONER

September 1, 2008

The Honorable Charles J. Colgan, Chairman
Senate Finance Committee
General Assembly Building
Room 626
P.O. Box 396
Richmond, Virginia 23218

Dear Senator Colgan:

I am pleased to forward to you the Department's Report on the Allocation of Funds in Item 316.KK of the 2008 Appropriation Act. Item 316.KK directs me to submit a report to you on the assumptions and process used to allocate funding in this item and the amount of the allocations.

The Department consulted with the Virginia Association of Community Services Boards and the other stakeholders that were identified in Item 316.KK and has allocated the funds appropriated for FY 2009, as described in the attached report. 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,

A handwritten signature in black ink that reads "James Reinhard".

James S. Reinhard, M.D.

JSR/prg

Attachment

pc: The Honorable Marilyn B. Tavenner
Betsey Daley
Joe Flores
Raymond R. Ratke

Frank L. Tetrick, III
Paul R. Gilding
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**Report On the Allocation of Funds
in Item 316.KK of the 2008 Appropriation Act**

**To The Governor
and the Chairmen of the House Appropriations and
Senate Finance Committees of the General Assembly**

**Presented By
James S. Reinhard, M.D.
Commissioner**

**Virginia Department of Mental Health, Mental
Retardation and Substance Abuse Services**

September 1, 2008

Report on the Allocation of Funds in Item 316.KK of the 2008 Appropriation Act

Introduction

The 2008 Session of the General Assembly appropriated \$10.3 million in Fiscal Year (FY) 2009 and \$18.0 million in FY 2010 in Item 316.KK of Grants to Localities from the general fund to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to House Bill 559 and Senate Bill 246, 2008 Session of the General Assembly. The item also states that funding provided in it also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 and Senate Bill 246, 2008 Session of the General Assembly; and (ii) attendance at involuntary commitment hearings by community services board staff who have completed the preadmission screening report, pursuant to House Bill 560 and Senate Bill 246, 2008 Session of the General Assembly.

Item 316.KK requires the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services, in consultation with the Virginia Association of Community Services Boards, the Office of the Executive Secretary of the Supreme Court, the Department of Medical Assistance Services, the Virginia Sheriff's Association, the Medical Society of Virginia, and the Virginia Hospital and Healthcare Association, to implement a process for determining the allocation of funding in this item. The item lists several factors for consideration in the allocation process. These factors include an estimate of the number of consumers expected to utilize services, a method for distributing the funding across services to address the mental health treatment needs of consumers with mental illness, funding needed to support the involuntary commitment process, and an estimate of the impact of treatment costs on the Involuntary Mental Commitment Fund at the Department of Medical Assistance Services.

Finally, Item 316.KK requires the Commissioner to report on the assumptions and process used to allocate funding in it across agencies and service categories, as well as the amount of the allocations, to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2008. This report describes the activities of the Department and other stakeholders regarding the allocation of these funds and fulfills the requirement in Item 316.KK.

Process

The process that the Department of Mental Health, Mental Retardation and Substance Abuse Services, hereinafter referred to as the Department, followed to decide on the allocation of funds for mental health law reform appropriated in Item 316.KK included three phases. First, the Department sought input from the Executive Directors Forum of the Virginia Association of Community Services Boards. Then, the Department consulted with the stakeholders identified in Item 316.KK, and this process is continuing. Finally, the Department established a reporting mechanism to track and report on the use of these funds during FY 2009 and FY 2010. The remainder of this report discusses this process and identifies the basis on which the Department allocated these funds for the purposes identified in Item 316.KK.

Consultation with Community Services Boards

Sections 37.2-500 and 37.2-601 of the Code of Virginia establish community services boards and behavioral health authorities, hereinafter referred to as CSBs, as the single points of entry into publicly funded mental health, mental retardation, and substance abuse services. These sections also require CSBs to provide emergency services and, subject to the availability of funds appropriated for them, case management services. Section 37.2-816 of the Code requires CSBs to provide preadmission screening reports for individuals who are the subjects of the involuntary civil commitment process established in Chapter 8 of Title 37.2. Section 37.2-817 requires CSB preadmission screeners to attend involuntary civil commitment hearings. Finally, other provisions in § 37.2-817 establish greatly expanded procedural requirements for mandatory outpatient treatment orders. The funds appropriated in Item 316.KK support the implementation of these statutory provisions by CSBs.

The Virginia Association of Community Services Boards (VACSB), the statewide organization that represents the 40 CSBs, includes the VACSB Executive Directors Forum, which consists of all 40 CSB executive directors. The Department consults regularly with the VACSB Executive Directors Forum on policy issues, accountability enhancements, budget proposals, and the implementation of new initiatives. Department staff met several times during and after the 2008 Session of the General Assembly with the VACSB Executive Directors Forum to solicit input on ways to allocate funds identified in the Governor's introduced budget and appropriated in Item 316.KK. The Forum presented a proposal for allocating the funds, based on the Governor's initiative in his introduced budget, and the Department reviewed this proposal. After the Appropriation Act was passed and signed, the Department developed its first proposed allocation method, based on the VACSB proposal. This proposal allocated funds to CSBs at three levels, based on their population sizes, for emergency services, case management, and outpatient staff positions and psychiatric consultation.

After further dialogue with the VACSB Executive Directors Forum and additional internal discussions, the Department developed a draft allocation proposal that reflected the greater flexibility incorporated in Item 316.KK and presented it to the VACSB Executive Directors Forum in early May 2008 for review and comment. This draft grouped CSBs into four levels by population size and allocated funds in lump sums, based on a hypothetical assignment of increasing numbers of full time equivalent (FTE) positions to CSBs, to be used for the purposes in Item 316.KK. The draft proposal, which contains a description of the rationale for this approach and a detailed projection of the allocations in FY 2009 and FY 2010 for each funding level, is attached to this report as Appendix A.

Consultation with Stakeholders

In accordance with provisions in Item 316.KK, the Commissioner convened a meeting of representatives of the Virginia Association of Community Services Boards, the Office of the Executive Secretary of the Supreme Court, the Department of Medical Assistance Services, the Virginia Sheriff's Association, the Medical Society of Virginia, and the Virginia Hospital and Healthcare Association on June 2. The individuals who attended this meeting are listed in Appendix B.

At this June 2 meeting, Frank Tetrick, the Assistant Commissioner for Community Services, presented the draft proposal to the group and responded to several questions from representatives of the Medical Society of Virginia. These questions included (i) the rationale for allocating funds to Region 6 (Danville-Pittsylvania Community Services, Piedmont Community Services, Southside CSB, and Southern Virginia Mental Health Institute) for developing a residential crisis stabilization program; (ii) increased CSB accountability in Exhibit B of the FY 2009 community services performance contract, which contains a number of continuous quality improvement performance expectations and measures related to emergency and case management services and data quality; and (iii) additional reporting by CSBs on the use of the new funds.

While several stakeholders identified possible needs for additional funds, all participants agreed that sufficient information about the implementation costs of statutory changes in the involuntary commitment process was not available yet. Consequently, the group did not propose any uses of funds appropriated for FY 2009 at that time. For example, a stakeholder noted that enough information did not exist at this point regarding the effect of the changes on the Involuntary Mental Commitment Fund or other Medicaid costs to determine whether any of the new funds should be allocated to these programs. Similarly, another stakeholder acknowledged that his organization had little or no data about additional funds needed to implement the statutory changes at this time. Some of the possible fiscal impacts appeared to be related to ongoing responsibilities and might be considered to be part of the normal cost of business. Another stakeholder suggested using the funds to support the outpatient and psychiatric services proposed in the Governor's introduced budget and agreed that the draft funding allocation document (Appendix A) provided sufficient flexibility for CSBs to use some of the new funds for these purposes. A couple of stakeholders urged funding two initiatives that appeared to be outside the scope of Item 316.KK. Several stakeholders shared their concerns about the possible impact of the extensive new requirements for the independent examinations required in § 37.2-815 on the availability of independent examiners. However, again, the lack of adequate data about this concern made projecting a specific fiscal impact and need for additional funds difficult.

As noted, the consensus of stakeholders at this first meeting was that sufficient information did not exist now to estimate the potential fiscal impacts on their organizations or systems or to identify uses for the funds appropriated in Item 316.KK other than those contained in the draft proposal. The group agreed that it would be helpful to meet again in August, when there might be more information about the actual effects of the statutory changes, to continue its discussions and consider possible budget amendments for the 2009 Session of the General Assembly.

The Department convened a second meeting of stakeholders on August 15; the individuals who attended this meeting are listed in Appendix B. Department staff reviewed the Commissioner's allocation memorandum, which was distributed to the stakeholders when it was sent to CSBs. One participant discussed a survey of sheriffs that identified the need for additional funds to cover transportation costs related to the involuntary commitment process. However, it was noted that the survey was conducted before the statutory changes took effect and were probably more related to ongoing costs associated with existing statutory requirements. Several representatives expressed interest in or support for the three-tiered transportation proposal being developed by the Commission on Mental Health Law Reform, which could address some of the concerns about the costs of the current transportation provisions in Chapter 8 of Title 37.2.

Participants discussed some of the implementation challenges that have begun to be reported. Again, stakeholders acknowledged the absence of usable data; all of the challenges identified were based on anecdotes, primarily from CSBs or the court system. The concern about the availability of independent examiners had yet to materialize; courts have not reported difficulties in identifying examiners. It was noted that, if problems materialize, CSB staff can serve as independent examiners, if they meet the credential requirements in the Code and are not involved directly in the care of the individual for whom an examination is needed. Several participants reported an apparent absence of any increase in mandatory outpatient treatment (MOT) orders; in fact, in some areas, there appeared to be a decrease in the use of MOT orders. Anecdotal evidence suggested this decline might be linked to the concerns of special justices about the significant increase in procedures required in § 37.2-817 for the use of MOT orders. Finally, there appears to be no clear trend yet in the numbers of temporary detention orders (TDOs) issued or inpatient psychiatric beds used.

The participants agreed to defer any discussion about possible budget proposals at this point, due to the lack of sufficient data on the impact of the statutory changes. The group agreed to continue meeting and scheduled its next meeting for mid-October, when enough information may be available to identify any actual fiscal impacts related to the implementation of the statutory changes and consider the need for budget amendments for FY 2009 or FY 2010.

Assumptions for Allocating Funds Appropriated in Item 316.KK

There was a dearth of usable data about the existing civil commitment process, and this lack of systematic data continues to make it very difficult to project fiscal impacts for implementing the statutory changes in the involuntary commitment process. The Department and the Office of the Executive Secretary are working to increase and improve the quality of data about the process. This lack of usable data made considering several of the factors identified in Item 316.KK for allocating these funds problematic. The number of individuals expected to utilize services is affected by numerous, often unrelated, influences, including seasonal weather patterns and the availability and accessibility of CSB or other public or private services. Projecting service utilization related to the civil commitment process also is affected by other factors that are impossible to quantify, such as the practices of individual magistrates and special justices and how local sheriffs and police officers respond to individuals with mental illnesses. As noted in the preceding section, to date, there appears to be no increase or there may even be a decrease in MOT orders. Also, there are no reported difficulties in obtaining independent examinations, and no clear trend is evident in the numbers of TDOs issued or inpatient psychiatric beds used related to changes in the statutes. Similarly, as noted earlier, there is insufficient data so far to identify an impact on the Involuntary Mental Commitment Fund. Consequently, the Department decided to base its allocation of these funds primarily on the population sizes of CSBs.

The Proposed FY 2009 and FY 2010 CSB Allocations of Mental Health Law Reform Funds (Appendix A) contains the rationale that the Department used to allocate these funds. The Department proposed allocating most of the \$28,306,164 appropriated in item 316.KK of the 2008 Appropriation Act as individual allocations to CSBs based on their population sizes, since their populations will have a reasonable relationship to their increased workload in implementing the mental health law reforms enacted by the 2008 General Assembly.

A straight per capita allocation of these funds would not be practical because CSBs with small populations would not receive sufficient funds to add enough capacity to their organizations for the purpose of implementing the involuntary commitment statutory changes. Instead, the Department proposed a base amount of resources that would be provided to all CSBs, expressed as a minimum floor of three new positions, with larger CSBs receiving proportionately greater allocations. For purposes of this allocation, the Department constructed four groupings of CSBs, based on the populations of their service areas. Small-population CSBs include those with populations up to almost 85,000 people. Medium-small population CSBs range from almost 85,000 to slightly more than 169,000 people. Medium-large population CSBs range from slightly more than 169,000 to almost 254,000 people. Large-population CSBs include those with populations over about 254,000 people. The total number of positions allocated to CSBs in these population groupings, three positions for small, four for medium-small, five for medium-large, and six for large CSBs, totaled 181 positions. The total funds identified for individual CSB allocations divided by the total number of positions equaled an amount per position. The amount per position was multiplied by the number of positions allocated to the CSB in each population grouping to calculate the allocation for each CSB. However, it is important to understand that the numbers of positions are merely a construct, a mechanism for apportioning the funds among CSBs; there is no requirement or expectation that a CSB will hire a specific number or type of positions with its allocation. The details of the population groupings and the calculation of the allocation for each size of CSB are contained in Appendix A.

Allocation of Funds Appropriated in Item 316.KK

The Department adopted the draft proposal that had been shared with the VACSB Executive Directors Forum and the stakeholders group, and the Commissioner communicated it to CSBs in a memorandum dated June 30, 2008. The Commissioner’s memorandum is attached to this report as Appendix C. The memorandum lists the allocation for each population group, which is displayed in the following table.

| FY 2009 and FY 2010 Item 316.KK CSB Allocations | | |
|--|----------------|----------------|
| CSB Population Group | FY 2009 | FY 2010 |
| Small-Population CSB | \$162,430 | \$198,895 |
| Medium-Small Population CSB | \$216,575 | \$265,194 |
| Medium-Large Population CSB | \$270,718 | \$331,492 |
| Large Population CSB | \$324,862 | \$397,790 |
| Total Allocations for All 40 CSBs | \$9,799,999 | \$12,000,000 |

An attachment to the Commissioner’s memorandum includes a specific allocation of these FY 2009 funds for each CSB. The proposal adopted by the Department also allocates \$250,000 in FY 2009 for implementation of a residential crisis stabilization program in Region 6, the only region without a program, and sets aside \$250,000 to address unforeseen situations related to implementation of the statutory changes. As noted in earlier parts of this report, to date, no uses of this set aside have been identified. If none are subsequently identified for FY 2009, those funds will be added to the Region 6 allocation for its residential crisis stabilization program, the annual cost of which is \$750,000. All of the FY 2009 allocations total \$10,299,999.

The proposal adopted by the Department and the memorandum continue the FY 2009 CSB allocations, annualized to full-year funding at \$12,000,000, in FY 2010. The proposal also allocates the full amount for the Region 6 residential crisis stabilization program in FY 2010 and reserves \$250,000 for absorbing documented unanticipated costs associated with implementation of the involuntary commitment statutory changes. The proposal for FY 2010 leaves \$5,006,164 unallocated at this time, but it is anticipated that these funds would be used for the following purposes:

- augment the existing residential crisis stabilization programs to enable them to accept individuals with more challenging service needs and some TDOs, thus diverting some inpatient admissions from state hospitals or local psychiatric beds;
- add new residential crisis stabilization programs;
- provide additional individual allocations to CSBs related to the statutory changes; or
- address other purposes listed in Item 316.KK.

Monitoring Mechanism for Funds Appropriated in Item 316.KK

The Commissioner's memorandum also distributes forms for CSBs to propose their uses of these allocations and to report on their proposals after they have been reviewed and approved by the Department. The Department has received proposals from the CSBs and is now reviewing and approving or negotiating changes in those proposals. Once the Department approves a CSB's proposal, the funds are added to the regular semi-monthly disbursements of state funds to the CSB. Since the allocations for FY 2009 are not for an entire fiscal year, CSBs have a two month period to begin implementation of their proposals, for example hiring staff, which often takes several months. All proposals should be approved and funded by September.

The forms attached to the Commissioner's memorandum have been converted into an Excel spreadsheet, which CSBs will use to report quarterly on their use of these allocations and the implementation of their proposals. The Department will review these reports and use them to monitor the implementation of CSB proposals and work with individual CSBs to address implementation delays or problems. The Department will use the information in these quarterly reports to report on the overall implementation of services funded through Item 316.KK.

Conclusion

The Department deeply appreciates the support and commitment of the Governor and the General Assembly, evidenced by the funds appropriated in Item 316.KK despite the Commonwealth's fiscal difficulties, to improving and expanding the mental health, mental retardation, and substance abuse services provided by CSBs and their contractors to individuals with mental health or substance use disorders or intellectual disability (mental retardation) and to reforming the civil involuntary commitment process to reflect a recovery orientation that is more person-centered and empowers individuals in need of or receiving services as partners in that process. The Department looks forward to working with the Governor and the General Assembly to continue this mental health law reform initiative in the coming years, building on this very significant down payment to achieve a more effective, accountable, responsive, and person-centered services system.

Appendices

Appendix A: Proposed FY 2009 and FY 2010 CSB Allocations of Mental Health Law Reform Funds

Appendix B: Attendees at Item 316.KK Stakeholder Meetings

Appendix C: Allocations of FY 2009 Mental Health Law Reform, Mental Health Child and Adolescent Services, and Jail Diversion Funds

Appendix A: Proposed FY 2009 and FY 2010 CSB Allocations of Mental Health Law Reform Funds

The Department proposes allocating most of the \$28,306,164 appropriated in item 316.KK of the 2008 Appropriation Act as individual allocations to CSBs based on their population sizes, since their populations will have a reasonable relationship to their increased workload in implementing the mental health law reforms enacted by the 2008 General Assembly.

| 2008 Classification of Community Services Boards by Population Size | | | | | | | |
|---|---------|-------------------------|-----------|------------------------|-----------|----------------------|-----------|
| Small CSBs (6) | | Medium Small CSBs (15) | | Medium Large CSBs (11) | | Large CSBs (8) | |
| 0 - 84,579 | | 84,580 - 169,158 | | 169,159 - 253,737 | | 253,738 + | |
| Highlands | 69,705 | Colonial | 147,518 | Blue Ridge | 245,673 | Fairfax-Falls Church | 1,043,092 |
| Eastern Shore | 52,109 | Piedmont | 140,581 | Central Virginia | 239,528 | Virginia Beach | 431,820 |
| Goochland-Powhatan | 46,581 | Western Tidewater | 139,229 | Norfolk | 234,219 | Prince William Co. | 415,998 |
| Rockbridge Area | 40,565 | Middle Peninsula | 138,894 | Region Ten | 220,946 | Hampton-NN | 326,880 |
| Alleghany Highlands | 22,879 | Alexandria | 135,385 | Chesapeake | 215,271 | Henrico Area | 309,952 |
| Dickenson County | 15,841 | Mount Rogers | 120,060 | Northwestern | 210,714 | Rappahannock Area | 306,359 |
| | | Harrisonburg-Rockingham | 117,247 | Arlington County | 198,557 | Chesterfield | 294,453 |
| | | Valley | 115,457 | RBHA | 193,882 | Loudoun County | 268,924 |
| | | Danville-Pittsylvania | 106,984 | District 19 | 169,938 | | |
| | | Crossroads | 101,506 | New River Valley | 169,812 | | |
| | | Portsmouth | 98,318 | Rappahannock-Rap | 161,352 | | |
| | | Hanover County | 96,374 | | | | |
| | | Cumberland Mountain | 96,311 | | | | |
| | | Planning District One | 93,193 | | | | |
| | | Southside | 88,139 | | | | |
| Totals | 247,680 | Totals | 1,735,196 | Totals | 2,259,892 | Totals | 3,397,478 |

Methodology: Total state population minus Fairfax-Falls Church (extreme outlier): $7,640,246 - 1,043,092 = 6,597,154$
 $6,597,154 \div 39 \text{ CSBs} = 169,158$ which is the average population per CSB
 $169,158 \times 0.5 = 84,579$ and $169,158 + 84,579 = 253,737$ for the boundaries for $\frac{1}{4}$ and $\frac{3}{4}$ boundaries to create four population groups: small, medium-small, medium-large, and large

There are significant gaps in the populations of the CSBs on the boundaries of these four classifications: between Highlands and Southside (18,434), Colonial and Rappahannock-Rapidan (13,834), and Blue Ridge and Loudoun County (23,251).

Source: Weldon Cooper Center for Public Service (UVA) Final 2006 Population Estimates

Appendix A: Proposed FY 2009 and FY 2010 CSB Allocations of Mental Health Law Reform Funds

Allocation Methodology: A minimum floor of three new positions forms the base of this proposed allocation mechanism, with larger CSBs receiving proportionately greater allocations. The total number of positions allocated to CSBs in the population groupings from the previous page (three positions for small, four for medium-small, five for medium-large, and six for large CSBs) totals 181 positions. The total funds identified for individual CSB allocations divided by the total number of positions equals an amount per position. The amount per position is multiplied by the number of positions allocated to the CSB in each population grouping to calculate the individual allocation for each CSB. However, it is important to understand that the numbers of positions are merely a construct, a mechanism for apportioning the funds among CSBs; there is no requirement or expectation that a CSB hire a specific number or type of positions with its allocation.

| Proposed FY 2009 Individual CSB Allocations | | | |
|---|--|--|--|
| 6 Small CSBs | 15 Medium-Small CSBs | 11 Medium-Large CSBs | 8 Large CSBs |
| 3 positions x 6 CSBs = 18 | 4 positions x 15 CSBs = 60 | 5 positions x 11 CSBs = 55 | 6 positions x 8 CSBs = 48 |
| $\$9,800,000 \div 181 \text{ total positions} = \$54,143.65 \text{ per position}$ | | | |
| $\$54,143.65 \times 3 \text{ positions}$ | $\$54,143.65 \times 4 \text{ positions}$ | $\$54,143.65 \times 5 \text{ positions}$ | $\$54,143.65 \times 6 \text{ positions}$ |
| \$162,430 per CSB | \$216,575 per CSB | \$270,718 per CSB | \$324,862 per CSB |
| \$974,580 Total | \$3,248,625 Total | \$2,977,898 | \$2,598,896 Total |

Notes: Total allocations for the four sizes of CSBs equal \$9,799,999. This amount plus \$250,000 for one residential crisis stabilization program in Region 6 (the one region without a residential crisis stabilization program) and a \$250,000 set aside to cope with unforeseen situations equal \$10,299,999. Individual CSB allocations are based on a phased implementation of the FY 2010 allocations over nine to 10 months in FY 2009. The residential crisis stabilization program allocation is based on a phased implementation of the FY 2010 allocation of \$750,000 over three months in FY 2009.

| Proposed FY 2010 Individual CSB Allocations | | | |
|--|--|--|--|
| 6 Small CSBs | 15 Medium-Small CSBs | 11 Medium-Large CSBs | 8 Large CSBs |
| 3 positions x 6 CSBs = 18 | 4 positions x 15 CSBs = 60 | 5 positions x 11 CSBs = 55 | 6 positions x 8 CSBs = 48 |
| $\$12,000,000 \div 181 \text{ total positions} = \$66,298.34 \text{ per position}$ | | | |
| $\$66,298.34 \times 3 \text{ positions}$ | $\$66,298.34 \times 4 \text{ positions}$ | $\$66,298.34 \times 5 \text{ positions}$ | $\$66,298.34 \times 6 \text{ positions}$ |
| \$198,895 per CSB | \$265,193.36 per CSB | \$331,492 per CSB | \$397,790 per CSB |
| \$1,193,370 Total | \$3,977,900 Total | \$3,646,410 | \$3,182,320 Total |

Notes: The total allocations for the four sizes of CSBs equal \$12,000,000. This amount plus \$750,000 for full-year funding for the Region 6 crisis stabilization program and \$250,000 reserved for potential transfers to other agencies (e.g., Office of the Executive Secretary of the Supreme Court or DMAS) to assist them in absorbing documented increased costs associated with implementation of HB 499/SB 246 leaves \$5,006,164 to be allocated in FY 2010 for other residential crisis stabilization programs, additional individual allocations to CSBs, or other purposes listed in item 316#2c related to implementing HB 499/SB 246 and associated legislation. The documented increased costs

Appendix A: Proposed FY 2009 and FY 2010 CSB Allocations of Mental Health Law Reform Funds

identified by other agencies must be associated directly with implementing the mental health reform legislation, rather than increased costs associated with normal growth in the operations of those agencies (e.g., related to increased demands associated with population growth or inflationary increases in operating costs).

The individual CSB allocations do not earmark any funds for particular services, such as emergency services, case management services, or residential crisis stabilization programs or for specific positions (FTEs). The language in item 316.KK about the uses for these funds is fairly broad; the amendment states that these funds shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to HB 559 and SB 246. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment pursuant to HB 499 and SB 246; and (ii) attendance at involuntary commitment hearings by CSB staff who have completed the preadmission screening report, pursuant to HB 560 and SB 246. Generally speaking, CSBs need to use their individual allocations for the purposes specified in this item, particularly emergency services, psychiatric consultation, case management services, and outpatient services related to the civil commitment process and crisis stabilization services. Individual CSBs could pool some or all of their individual allocations on a sub-regional or regional basis to address the purposes stated in item 316#2c if they wish to implement regional programs, such as residential crisis stabilization programs.

CSBs must use their individual allocations to:

1. address the changes in Chapter 8 of Title 37.2 of the *Code of Virginia* related to the civil involuntary commitment process, such as attendance at all commitment hearings and initiation of treatment during the temporary detention period,
2. address the Emergency Services and Case Management Services Performance Expectations and Goals in Exhibit B of the FY 2009 performance contract, and
3. increase their mandatory outpatient treatment (MOT) capacity.

The following table summarizes the proposed allocations of the funds in item 316#2c in the 2008 Appropriation Act.

| Summary of Proposed FY 2009 and FY 2010 Allocations of Item 316.KK Funds | | |
|---|---------------------|---------------------|
| Purposes/Uses | FY 2009 | FY 2010 |
| Individual CSB Allocations | \$9,799,999 | \$12,000,000 |
| Region 6 Residential Crisis Stabilization Program | \$250,000 | \$750,000 |
| Additional Funds Available in FY 2010 | \$0 | \$5,006,164 |
| Funds Reserved for Unforeseen Situations and Transfers to Other Agencies | \$250,000 | \$250,000 |
| Total Funds | \$10,299,999 | \$18,006,164 |

Appendix B: Attendees at Item 316.KK Stakeholder Meetings

June 2, 2008 Meeting

Karin Addison, Virginia Chapter of the American Academy of Pediatrics
Mary Ann Bergeron, Virginia Association of Community Services Boards (VACSB)
George E. Braunstein, VACSB
Jennifer Faison, VACSB
Paul Gilding, Department of Mental Health, Mental Retardation and Substance Abuse Services
Karl R. Hade, Executive Secretary, Office, Supreme Court of Virginia
W. Scott Johnson, Hancock, Daniel & Nagle, P.C, representing the Medical Society of Virginia
John Jones, Virginia Sheriff's Association
Elizabeth S. Long, Virginia Hospital and Healthcare Association
Gregory Lucyk, Executive Secretary's Office, Supreme Court of Virginia
Catherine Hancock, Department of Medical Assistance Services
James M. Martinez, Department
James S. Reinhard, M.D, Department
John Rickman, Executive Secretary's Office, Supreme Court of Virginia
Aimee Seibert, Virginia College of Emergency Physicians
Joel Silverman, M.D., Medical Society of Virginia
Teja Stokes, Department
Frank L. Tetrick, III, Department
Ruth Anne Walker, Department
Cal Whitehead, Psychiatric Society of Virginia
Joy Yeh, Ph.D., Department

August 15, 2008 Meeting

Karin Addison, Virginia Chapter of the American Academy of Pediatrics
George E. Braunstein, Virginia Association of Community Services Boards (VACSB)
Jennifer Faison, VACSB
Paul Gilding, Department
John Jones, Virginia Sheriff's Association
Elizabeth S. Long, Virginia Hospital and Healthcare Association
Gregory Lucyk, Executive Secretary's Office, Supreme Court of Virginia
James M. Martinez, Department
Raymond R. Ratke, Department
James S. Reinhard, M.D, Department
Joy Yeh, Ph.D., Department

Appendix C: Allocations of FY 2009 Mental Health Law Reform, Mental Health Child and Adolescent Services, and Jail Diversion Funds

MEMORANDUM

TO: Community Services Board, Behavioral Health Authority, and Local Government Department Executive Directors

FROM: James S. Reinhard, M.D.

SUBJECT: **Allocations of FY 2009 Mental Health Law Reform, Mental Health Child and Adolescent Services, and Jail Diversion Funds**

DATE: June 30, 2008

This memorandum communicates information about several allocations of FY 2009 state funds to Community Services Boards, Behavioral Health Authorities, and Local Government Departments with Policy-Advisory Community Services Boards, hereinafter referred to as CSBs.

Mental Health Law Reform Funds

An attached table provides each CSB's FY 2009 allocation of state general funds appropriated in item 316.KK of the 2008 Appropriation Act for mental health law reform activities. I shared preliminary information about how the Department intended to allocate these funds with you last month, and the basis for these allocations has not changed. The Department is allocating most of the FY 2009 appropriation of \$10,300,000 as individual allocations to CSBs based on their population sizes, since their populations will have a reasonable relationship to their increased workload in implementing the mental health law reforms enacted by the 2008 General Assembly.

The Department's allocation methodology is based on a minimum floor of three new positions for all CSBs, with larger CSBs receiving proportionately greater allocations. The number of positions allocated to CSBs in four population groupings (three positions for small, four for medium small, five for medium large, and six for large population CSBs) totals 181 positions. The total funds identified for individual CSB allocations divided by the total number of positions equals \$54,143.56 per position. This amount is multiplied by the number of positions allocated to CSBs in each population grouping to calculate the allocation for each CSB. It is important to understand that the numbers of positions are merely a mechanism for apportioning the funds among CSBs; there is no requirement or expectation that a CSB will hire a specific number or type of positions with its allocation. FY 2009 allocations for each population group are: \$162,430 for small population CSBs, \$216,575 for medium small CSBs, \$270,718 for medium large CSBs, and \$324,862 for large CSBs, a total of \$9,799,999. These allocations assume a phased in implementation of the annualized allocations in FY 2010 of \$198,895 for small CSBs, \$265,194 for medium small CSBs, \$331,492 for medium large CSBs, and \$397,790 for large CSBs, a total of \$12,000,000.

Allocations of FY 2009 Funds

June 30, 2008

Page 2

Individual CSB allocations do not earmark any funds for particular services, such as emergency services, case management services, or residential crisis stabilization programs or for specific positions (FTEs). The language in item 316.KK about the uses for these funds is fairly broad; the item states that these funds shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to HB 559 and SB 246. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment pursuant to HB 499 and SB 246; and (ii) attendance at involuntary commitment hearings by CSB staff who have completed the preadmission screening report, pursuant to HB 560 and SB 246. Generally speaking, CSBs need to use their individual allocations for the purposes specified in this item, particularly emergency services, psychiatric consultation, case management services, and outpatient services related to the civil commitment process and crisis stabilization services. The Department encourages individual CSBs to pool some or all of their individual allocations on a sub-regional or regional basis to address the purposes stated in item 316.KK whenever this would increase the effective use of these funds, for example, if they wish to implement regional programs, such as residential crisis stabilization programs, or to increase their capacity to attend commitment hearings.

CSBs must use their individual allocations of these funds to:

1. address the changes in Chapter 8 of Title 37.2 of the *Code of Virginia* related to the civil involuntary commitment process, such as attendance at all commitment hearings and initiation of treatment during the temporary detention period,
2. address the Emergency Services and Case Management Services Performance Expectations and Goals in Exhibit B of the FY 2009 performance contract, and
3. increase their mandatory outpatient treatment (MOT) capacity.

Also attached to this memorandum is the Mental Health Law Reform Proposal and Quarterly Status Report form and instructions. Each CSB must complete this form showing its proposed uses of its FY2009 allocation, including the link between the proposed activities and the three objectives above, and submit it to James Martinez at jim.martinez@co.dmhmrzas.virginia.gov in the Office of Mental Health by July 31. Once that office approves the proposal, disbursements of the allocation will be included in the CSB's semi-monthly payments. Each CSB also must submit a quarterly status report to Joel Rothenberg at joel.rothenberg@co.dmhmrzas.virginia.gov in the Office of Community Contracting using this form to report on its implementation of approved proposals.

Mental Health Child and Adolescent Services Funds

Item 316.II of the 2008 Appropriation Act provides \$2.8M in FY 2009 and \$3.0M in FY 2010 to provide outpatient clinician services to children with mental health needs. The Department is allocating \$70,000 to each CSB in FY 2009 and \$75,000 in FY 2010 to increase the availability of specialized mental health services for children in its service area. These funds are intended to address gaps in the continuum of mental health services and supports for children. While the needs may vary in each CSB depending on the existing array of services and supports for children, item 316.II requires each CSB to cooperate with Court Services Units in its service area to provide services to mandated and non-mandated children in their communities who have been brought before Juvenile and Domestic Relations Courts and for whom treatment services are needed to

Allocations of FY 2009 Funds

June 30, 2008

Page 3

reduce the risk these children pose to themselves and their communities or who have been referred for services through family assessment and planning teams under the Comprehensive Services Act for At-Risk Youth and Families. A CSB may choose to collaborate with one or more CSBs within its region in order to increase the availability of specialized services for children, provided the aforementioned cooperation with other stakeholders is addressed.

Each CSB must submit a brief description of its proposed use of these funds, including how it will cooperate with its Court Services Units, to Janet Lung at janet.lung@co.dmhmrsas.virginia.gov in the Office of Child and Family Services by July 31. Once that office approves the proposal, the Department will begin disbursing these funds as part of the CSB's regular semi-monthly payments. Please contact Janet Lung if you have any questions about this allocation.

Mental Health Jail Diversion and Reentry Funds

The Department is continuing to work with various stakeholders on the potential use of the \$3.0 million appropriated in item 315.Y of the 2008 Appropriation Act for FY 2009 and is considering a variety of alternatives to develop and expand jail diversion and reentry services, including jail-based diversion and reentry programs, statewide CIT training, competitive grants, and community-based adult competency restoration programs. Item 315.Y is in the Department's budget rather than in item 316 (Grants to Localities), and it states that funds shall be distributed to community-based contractors based on need and community preparedness as determined by the Commissioner. Dr. James Morris, the Director of Forensic Services, is working with regional jail administrators and representatives of some CSBs on possible proposals for the use of these funds. As more specific information becomes available, the Department will communicate it to you.

I appreciate your continued cooperation and support as we work together to expand quality community services with these appropriations for individuals with mental illnesses and substance use disorders.

Enclosures (2)

pc: Kenneth B. Batten
Sharon Becker
Arthur W. Byrd, Jr.
Wilma Finney
Nancy Ford
Paul R. Gilding
Arlene G. Good
Janet S. Lung, L.C.S.W.
James M. Martinez, Jr.
David McGinnis
Meghan W. McGuire

James J. Morris, Ph.D.
Raymond R. Ratke
Joel B. Rothenberg
Rosanna Van Bodegom Smith
Teja Stokes
Frank L. Tetrick, III
Ruth Anne Walker
Joy Yeh, Ph.D.
Mary Ann Bergeron
Joe Flores
Susan Massart

| FY 2009 Mental Health Law Reform Individual CSB Allocations (Item 316.KK) | | |
|--|------------------------|--------------------|
| CSB | Population Size | Allocation |
| Alexandria Community Services Board | Medium Small | \$216,575 |
| Alleghany Highlands Community Services Board | Small | \$162,430 |
| Arlington County Community Services Board | Medium Large | \$270,718 |
| Blue Ridge Behavioral Healthcare | Medium Large | \$270,718 |
| Central Virginia Community Services | Medium Large | \$270,718 |
| Chesapeake Community Services Board | Medium Large | \$270,718 |
| Chesterfield Community Services Board | Large | \$324,862 |
| Colonial Services Board | Medium Small | \$216,575 |
| Crossroads Community Services Board | Medium Small | \$216,575 |
| Cumberland Mountain Community Services Board | Medium Small | \$216,575 |
| Danville-Pittsylvania Community Services | Medium Small | \$216,575 |
| Dickenson County Behavioral Health Services | Small | \$162,430 |
| District 19 Community Services Board | Medium Large | \$270,718 |
| Eastern Shore Community Services Board | Small | \$162,430 |
| Fairfax-Falls Church Community Services Board | Large | \$324,862 |
| Goochland-Powhatan Community Services | Small | \$162,430 |
| Hampton-Newport News Community Services Board | Large | \$324,862 |
| Hanover County Community Services Board | Medium Small | \$216,575 |
| Harrisonburg-Rockingham Community Services Board | Medium Small | \$216,575 |
| Henrico Area Mental Health & Retardation Services Board | Large | \$324,862 |
| Highlands Community Services | Small | \$162,430 |
| Loudoun County Community Services Board | Large | \$324,862 |
| Middle Peninsula-Northern Neck Community Services Board | Medium Small | \$216,575 |
| Mount Rogers Community MH and MR Services Board | Medium Small | \$216,575 |
| New River Valley Community Services | Medium Large | \$270,718 |
| Norfolk Community Services Board | Medium Large | \$270,718 |
| Northwestern Community Services | Medium Large | \$270,718 |
| Piedmont Community Services | Medium Small | \$216,575 |
| Planning District One MH and MR Services Board | Medium Small | \$216,575 |
| Portsmouth Department of Behavioral Healthcare Services | Medium Small | \$216,575 |
| Prince William County Community Services Board | Large | \$324,862 |
| Rappahannock Area Community Services Board | Large | \$324,862 |
| Rappahannock-Rapidan Community Services Board | Medium Large | \$270,718 |
| Region Ten Community Services Board | Medium Large | \$270,718 |
| Richmond Behavioral Health Authority | Medium Large | \$270,718 |
| Rockbridge Area Community Services | Small | \$162,430 |
| Southside Community Services Board | Medium Small | \$216,575 |
| Valley Community Services Board | Medium Small | \$216,575 |
| Virginia Beach Community Services Board | Large | \$324,862 |
| Western Tidewater Community Services Board | Medium Small | \$216,575 |
| Total Amount for 40 CSBs | | \$9,799,999 |

Population Size: Small = 0 - 84,579; Medium Small = 84,580 -169,158;

Medium Large = 169,159 - 253,737; Large = 253,738 +

Source: Weldon Cooper Center for Public Service (UVA) Final 2006 Population Estimates

| | | | | | | |
|--|------------------------|-------------------------|-------------------------|--------------------|---|---------------------|
| Mental Health Law Reform <input type="checkbox"/> Proposal <input type="checkbox"/> Quarterly Status Report: Page 1 | | | | | Quarter: <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th | |
| Name of CSB: | | | | | Report Date: | |
| Contact Person: | | | E-Mail: | | Phone: | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Activity and Core Service | Static Capacity | Units of Service | Consumers Served | State Funds | Total Funds | Expenditures |
| 1.a. | | | | | | |
| 1.b. | | | | | | |
| 2.a. | | | | | | |
| 2.b. | | | | | | |
| 3.a. | | | | | | |
| 3.b. | | | | | | |
| 4.a. | | | | | | |
| 4.b. | | | | | | |
| 5.a. | | | | | | |
| 5.b. | | | | | | |
| Totals (a.): | | | | | | |
| Totals (b): | | | | | | |

Name of CSB:

Report Date:

| 1. | 2. | 3. |
|-----|---------------------------|--|
| No. | Activity and Core Service | Proposed or Actual Implementation Activities |
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |

Instructions Page 1

First Line: Submit this document with **Proposal** checked to reflect the CSB's proposed usages of the MH Law Reform funds. Submit this proposal to James Martinez at jim.martinez@co.dmhmrsas.virginia.gov in the Office of Mental Health Services by July 31, 2008. After the Department approves or negotiates changes in the proposed usages, submit this document with **Status Report** and the applicable quarter checked to report on the CSB's implementation of the approved usages within 45 day of the end of the quarter to Joel Rothenberg in the Office of Community Contracting at joel.rothenberg@co.dmhmrsas.virginia.gov.

Column 1: Enter the name of the activity (e.g., hearing attendance, preadmission screening, independent examination, crisis counseling, case management) that the CSB will deliver on the first line (e.g., 1.a) and the core service (e.g., Emergency Services, Case Management Services, Outpatient Services, Residential Crisis Stabilization) that the CSB classifies the activity as on the second line (e.g., 1.b). For example, a CSB might list attendance at commitment hearings on line 1.a and Emergency Services on line 1.b. In the columns for that numbered line, enter the **projected information** in columns 2 through 7 on the first line (e.g., 1.a) for the proposed activity and the **actual information** in those columns on the second line (e.g., 1.b) for each activity and core service listed in column 1.

Column 2: Enter the amount and type of static capacity, defined in Core Services Taxonomy 7.1 (e.g., 1.5 FTEs or 2 beds).

Column 3: Enter the units of service, defined in Core Services Taxonomy 7.1, provided by the service listed in column 1. In the **Proposal** submitted by the CSB to the Department for its review and approval, **do not enter the proposed Units of Service**; this information should only be submitted in the quarterly Reports. Do not list the types of units, this will be apparent from the core service.

Column 4: Enter the projected (line a) or actual (line b) number of consumers served by the service listed on column 1.

Column 5: Enter the projected (line a) or actual (line b) state funds received by the CSB for the service listed in column 1.

Column 6: Enter the projected (line a) or actual (line b) total funds (including state funds, local matching funds, fees, and other revenues) received by the CSB for the service listed in column 1.

Column 7: Enter the projected (line a) or actual (line b) total expenditures made by the CSB for the service listed in column 1.

Instructions Page 2

Column 2: For each activity and core service on page 1, enter the same activity and core service on the same numbered line on page 2.

Column 3: For each activity and core service entered on the numbered line in column 2, enter a brief description of the proposed service, including the month, day, and year (mm/dd/yy e.g., 12/01/08) when the service when the CSB projects the service will be serving consumers, when the **Proposal** box is checked. When the **Status Report** box is checked, enter a brief update on the actions the CSB has taken in the checked quarter to implement the activity and core service, including the actual date when the service began serving consumers