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June 30, 2009

TO: Supervisor Don Knabe, Chairman
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FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

Patricia S. Ploehn, L.C.S.W.
Director, Children and Family Services

SUBJECT: **KATIE A. QUARTERLY STATUS REPORT**

On October 14, 2008, your Board approved the Katie A. Strategic Plan, a single comprehensive and overarching vision of the current and planned delivery of mental health services to children under the supervision and care of child welfare. The Strategic Plan provides a single roadmap for the Countywide implementation of an integrated child welfare and mental health system, in fulfillment of the objectives identified in the Katie A. Settlement Agreement, to be accomplished over a five-year period, and offers a central reference for incorporating several instructive documents and planning efforts in this regard, including:

- Katie A. Settlement Agreement (2003)
- Enhanced Specialized Foster Care Mental Health Services Plan (2005)
- Findings of Fact and Conclusions of Law ordered by Federal District Court Judge Howard Matz (2006)
- Health Management Associates Report (2007)
- Katie A. Corrective Action Plan (2007)

The Strategic Plan describes a set of overarching values and ongoing objectives, offers seven primary provisions to achieve these objectives, and lays out a timeline by which these strategies and objectives are to be completed. The seven primary provisions include:

- Mental health screening and assessment
- Mental health service delivery
- Funding of services
- Training
- Caseload reduction
- Data/tracking of indicators
- Exit criteria and formal monitoring plan

The Strategic Plan and accompanying Board Letter directed the Department of Mental Health (DMH) and the Department of Children and Family Services (DCFS) to inform your Board of any revisions to the implementation of the Strategic Plan by March 2009, and report quarterly thereafter. Since the Strategic Plan encompasses the initial Enhanced Specialized Foster Care Mental Health Services Plan and the Katie A. Corrective Action Plan, this report will also describe any significant deviations from the planning described in those documents.

The Departments have been directed to conduct an annual assessment in January 2010 to evaluate the effectiveness of Strategic Plan implementation, plan financing, and status of efforts to maximize revenue reimbursement. In the interim, quarterly reports will be submitted on implementation activities by June 30, 2009 and September 30, 2009.

The first update was provided to your Board on March 27, 2009 as requested and this memo will serve as the second update on our progress in implementing the Strategic Plan.

Implementation Support Activities

A number of activities were conducted during this period to support the implementation of the Strategic Plan.

- Dr. Charles Sophy, DCFS Medical Director, Adrienne Olson, DCFS Katie A. Division Chief, Olivia Celis, DMH Deputy Director, and Greg Lecklitner, DMH Child Welfare Division District Chief, have completed their Katie A. Strategic Plan presentations in all 18 DCFS regional offices, providing an overview of the Strategic Plan's basic elements and engaging in dialogue with regional office staff regarding implementation issues. Planned visits remain for staff in Countywide programs, such as Adoptions and Medical Case Management Services.

- This same leadership team also met with DMH contract providers, the Association of Community Human Service Agencies (ACHSA), dependency court

bench officers, and attorney representatives to discuss the Katie A. Strategic Plan during this time period.

- Ongoing workgroup meetings are taking place across 18 major activity domains associated with the Strategic Plan and the progress of these workgroups is being documented in individual Project Data Sheets, which were attached in the last quarterly report.

- DCFS has now hired 58 of the 61 positions allocated for fiscal year (FY) 2008-09, and DMH has hired 2 of the 3 positions allocated for this same time period and has identified a candidate to hire for the final position.

- Just this month, Department representatives participated in a two-day meeting with the Katie A. Advisory Panel discussing training activities, data collection, Treatment Foster Care, and exit criteria.

Additional implementation activities associated with the Strategic Plan, organized according to the basic elements of the Strategic Plan, are described below.

Mental Health Screening and Assessment

The Strategic Plan describes a systematic process by which all children on new and currently open DCFS cases will be screened and, if screened positive for mental health needs, assessed for mental health services. Nine Project Teams comprise the Screening and Assessment component of the Strategic and Implementation Plans as follows: 1) Medical Hubs; 2) Coordinated Services Action Team (CSAT); 3) Multidisciplinary Assessment Team (MAT); 4) Referral Tracking System (RTS); 5) Consent/Release of Information; 6) Benefits Establishment; 7) D-Rate; 8) Team Decision-Making (TDM) and Resource Management Process (RMP); and 9) Specialized Foster Care (SFC). Significant progress continues to be made by each of these project teams.

Medical Hubs: As of February 2009, 69 percent of newly detained children received an initial medical examination at a Medical Hub. A comprehensive plan has been developed to ensure 100 percent of the newly detained population is served by the Medical Hubs. The opening of the Satellite Medical Hub in El Monte on June 15, 2009 will serve the eastern part of Los Angeles, significantly reducing travel time for many caregivers. Soon to be released Medical Hub policy will include mandatory timeframes for submission of the Medical Hub Referral Form. Subsequent to the policy's release, a letter from the DCFS Director and Medical Director will be delivered to all DCFS staff mandating the referral of all newly detained children to a Medical Hub for medical and forensic evaluations. In accordance with the rollout of the CSAT and RTS in each office, Medical Hub referrals will be tracked to ensure compliance with the mandate.

Additionally, a web-based medical records system called E-mHub will allow the Medical Hub referrals to be submitted from DCFS to the Medical Hubs electronically as well as health and mental health information. Finally, a detailed review of each Medical Hub's capacity was completed in April 2009. A proposal to enhance Medical Hub capacity has been developed and is under review to determine the most feasible method for funding.

CSAT: On May 1, 2009, CSAT was implemented in Service Planning Area (SPA) 7 (the Belvedere and Santa Fe Springs offices). Training to support implementation in SPA 6 (the Compton, Wateridge and Vermont Corridor offices) is currently underway, with the official kickoff scheduled to occur on August 1, 2009. SPA 1 (Lancaster and Palmdale offices) will implement CSAT on September 1, 2009. By September 2009, all Phase I offices will have implemented CSAT and will begin hiring 20 additional staff to support the CSAT process in the Phase II offices scheduled to begin in January 2010. It is important to note that the 20 positions, originally budgeted to be hired in July 2009, will be hired in a more staggered approach over the fiscal year three months prior to CSAT implementation in those offices. DCFS expects to have full implementation of CSAT in all offices by December 31, 2010.

MAT: Experienced MAT operations in SPAs 3 and 6 are referring between 80-90 percent of all the eligible MAT cases for a MAT assessment, whereas newly implemented MAT operations in SPAs 1 and 7, which began in January of this year, are referring between 50-60 percent of all the eligible MAT cases as additional provider capacity is developed. During the period of time between July 2008 and April 2009, 1,405 children were referred to MAT and 1,180 MAT assessments were completed. During the month of April 2009, a total of 164 children were referred to MAT and 137 MAT assessments were completed.

MAT implementation has been limited in SPA 1 due to capacity issues in the SPA 1 area. SPAs 2, 4 and 8 will implement MAT in June 2009, following the training of the MAT providers, and SPA 5 will implement shortly thereafter. Once MAT is implemented in these SPAs, MAT referral capacity will build slowly consistent with expanding MAT provider capacity.

RTS: The RTS became operational on May 1, 2009 in the SPA 7 offices. DCFS and DMH continue to make refinements to the system as the need for additional business rules are identified. Use of the tracking system will expand in conjunction with the implementation of CSAT in each DCFS office. Beginning May 30, 2009, the Departments were directed to produce detailed summary data reports to your Board on a monthly basis. The next report will be submitted in June and will report on the screenings, referrals and linkages to mental health services that occurred for newly opened and existing cases in SPA 7 offices between May 1 – 31, 2009.

Consent/Release of Information: DCFS and DMH, in concert with their respective County Counsels, have developed procedures and forms to provide consent for mental

health services for referred children as well as the authorization to release protected health information for purposes of the child's care and coordination of services. Finalization of these procedures and forms is imminent, once concurrence has been obtained from the children's and parent's attorney groups.

Benefits Establishment: A process for benefits determination for all new and existing cases has been established in support of CSAT implementation.

D-Rate: In addition to the D-rate program's continued work to review and ensure mental health services for at least 90 percent of D-rate children, the duties of the DCFS D-rate Evaluators (DREs) have been expanded to include psychotropic medication monitoring for all DCFS children, psychiatric hospital discharge planning and service coordination for other high-need children.

TDM/RMP: Eight TDM facilitators were hired in the last quarter, now totaling 84 facilitators available at DCFS to coordinate TDMs and RMPs. DCFS also mandated replacement TDMs, otherwise known as RMP/TDMs, for all youth entering or exiting a residential care level 6-14 placement.

SFC: DMH currently has 146 staff co-located in 20 DCFS Regional Offices, providing Specialized Foster Care services and an additional 10 positions that are presently vacant will be used for this purpose. An additional 29 positions will be filled in the beginning of FY 2009-10 to support co-located operations.

Mental Health Service Delivery

The County is preparing an expansion of the existing Wraparound program by 2,800 additional slots, as approved by your Board on October 14, 2008, to be accomplished over the course of the next five years, using a two-tiered model. Tier One represents the current Wraparound Program, while Tier Two, with somewhat more flexible referral requirements, is funded with a case rate, an Early Periodic Screening, Diagnosis, and Treatment (EPSDT) allotment, and Mental Health Services Act (MHSA) Full Service Partnership funds.

The timeline for the Tier Two rollout began in May 2009 with the provision of 25 slots per month. An additional 50 Tier Two slots per month will be available beginning in July 2009, at which time the rollout formula will include a total of 75 slots per month.

DMH is currently in the process of amending the contracts of existing Wraparound providers to enhance their EPSDT allocations for Tier One Wraparound services and to provide Tier Two Wraparound services, while the DCFS Wraparound contracts have already been extended.

Another intensive mental health service program, originally discussed in the Corrective Action Plan, where planned rollout of services has been slower than expected, is the County's Treatment Foster Care (TFC) program. Pursuant to the Findings of Fact and Conclusions of Law ordered by Judge Howard Matz of the Federal District Court, the County was directed to develop 300 Treatment Foster Care beds by January 2008. Presently, the County has contracted for 152 beds, but as of June 11, 2009, only 31 Treatment Foster Care homes have been certified and currently only 20 children are placed in these homes.

DCFS has issued a Request for Interest (RFI) to Foster Family Agencies with current mental health contracts to determine their interest in providing Treatment Foster Care and as a result of this process, expects to increase the number of Treatment Foster Care providers and the total number of available beds.

DMH and DCFS have discussed partnering with UCLA on a MacArthur Foundation funded project, pending Board approval, that will provide training for providers in evidence-based mental health practices, ongoing supervision of trained clinicians, the tracking of service provision and client outcomes, and a research-based comparison of outcomes for children receiving the evidence-based services and children who receive more traditional services. This three-year program will provide valuable insight into potentially significant practice changes that can improve the quality of mental health services delivered to children across the county.

Funding of Services/Legislative Activities

The Departments are closely monitoring expenditures this fiscal year and anticipate one-time savings for FY 2008-09 of approximately $15 million. We recommend transferring these funds into Provisional Financial Uses (PFU) to fund a list of priority uses identified for the savings in FY 2009-10 and subsequent years to help offset program costs. The priority uses for the funds consist primarily of Plaintiff/Panel fees, payment for consulting and data matching, evaluation services, Hub capacity expansion, and training on Trauma-Focused Cognitive Behavioral Therapy. A formal request to transfer the FY 2008-09 close-out savings into PFU will be submitted during the supplemental budget process.

DMH, County Counsel and the CEO have been working very closely together to maximize revenue reimbursement to the County and recently drafted a letter to Rick Saletta, the Special Master in the State portion of the Katie A. case. The letter is a follow-up to the County's Declaration submitted, at the request of the Court, and provides the County's recommended clarifications to State DMH Letter No. 08-07 issued in October 2008 regarding Medi-Cal billing for specialty mental health services, such as Wraparound, provided to children in foster care. The letter to Mr. Saletta provides detailed analyses of where the State has too narrowly defined reimbursable Medi-Cal activities and further recommends that the State formally adopt the California

Institute of Mental Health (CIMH) EPSDT Chart Documentation Manual as the official authority on acceptable standards for documenting EPSDT services. Olivia Celis, DMH Deputy Director, expects to submit the letter to the Special Master in the next two weeks for discussion at the next meeting with the Special Master, State, and Plaintiffs' attorneys. The letter will be submitted to your Board from County Counsel under separate cover as confidential information.

At the invitation of the Special Master, Ms. Celis has recently been representing Los Angeles County in a series of weekly facilitated discussions that include the Plaintiffs and Defendants in the State Katie A. case. The meetings will continue over the next ten weeks with the goal of reaching agreement on mutual interests by the parties which would ultimately serve as the basis for a roadmap to the settlement of the State case. Key to the discussion is the reimbursement of the nine components of Wraparound that the plaintiffs' attorneys advocate should be Medi-Cal reimbursable service activities by the State, once the Medi-Cal criteria have been met. Ms. Celis is a key player in these negotiations and has been sharing her perspectives and experiences of managing contracted agencies providing these mental health services, particularly the struggles interpreting the vague guidelines from the State to determine reimbursable services and how this impacts overall service delivery. It is the hope that Ms. Celis' participation in the negotiations will help to further this dialogue and will eventually result in some fiscal relief to counties, in the form of clear guidelines issued by State DMH regarding Medi-Cal reimbursement for the nine components of Wraparound service activities.

There is another related effort underway to maximize revenue reimbursement to the County, which is the pursuit of higher reimbursement rates within the Medi-Cal Schedule of Maximum Allowances (SMA) to cover the higher administrative costs of providing Wraparound related services. The State has been contacted to determine whether a Medi-Cal State Plan Amendment is required to issue a higher reimbursement rate structure. Should the State decline to consider such a request, a legislative approach would be required to set the rate by statute, which would be much more difficult to achieve. That said, the County recently learned of a Civil Action in the State of Massachusetts in which that State was ordered to make a number of improvements in relation to the provision of Medicaid EPSDT services, most notably, to provide ESPDT services within a Wraparound-like continuum of care to children with serious emotional disturbance. We are informed that these improvements are being made with support from the Federal Government and we will be following up to see if an opportunity exists to incorporate lessons learned there about maximizing federal funding for Wraparound services.

Training

DMH and DCFS have worked closely together to develop and implement a number of necessary training components relating to the Strategic Plan, including:

- The development of training materials to support the rollout of the CSAT, including a variety of new policies and practice guidelines associated with mental health screening, obtaining mental health consent and authorization to release information, and the referral of positively screened cases to DMH co-located staff.
- During this time period, DCFS and DMH staff in the Regional Offices in SPAs 6 and 7 were provided training in these Strategic Plan elements and this training will next be provided to the DCFS and DMH staff in SPA 1 starting in July.
- Wraparound training was provided for DCFS Supervising Children's Social Workers to promote the identification and referral of children appropriate for this service.
- MAT training was provided for new MAT providers in SPAs 2, 4, and 8.
- DMH provided training related to AB 3632 for DCFS staff.
- Training in best practices was provided to all of the Wraparound agencies to promote service quality and fidelity to the Wraparound model.

Progress continues to be made on the development of a Core Practice Model, infused with shared practice principles for child welfare and mental health staff associated with the identification of children's needs and strengths, teaming across traditional role boundaries to support the provision of services to meet the needs of children and families, and a coaching/mentoring model to support practice improvement consistent with the elements of the Qualitative Service Review (QSR).

Caseload Reduction

The Strategic Plan outlines a number of initiatives, one in particular lead by DCFS, to support the Department's strong interest in reducing the caseloads of Children's Social Workers (CSWs). We are pleased to report that the progress described in our earlier quarterly update toward achieving the goals outlined in the Strategic Plan continues. Additional reductions have been made in both the screen in rate and the immediate response referral rate. The total number of children in Permanent Placement (PP) has been reduced by over 10 percent and as of April 30, 2009, the PP caseload was at 13,199 children. Generic caseloads have been reduced from an average of 26 children per worker to 23 children per worker as of April 2009, while the Emergency Response (ER) caseload has been reduced from an average of 24 children per worker to 21 children per worker.

DCFS has also made significant strides in hiring new CSWs, with 348 new CSWs hired from June 2008 through April 2009, exceeding the goal of 160 new hires described in the Strategic Plan. As of April 2009, the CSW vacancy rate was at only three percent.

Data/Tracking of Indicators

DMH and DCFS continue to work toward hiring staff to support the development of an electronic system for tracking and reporting on data indicators. DMH and DCFS, each have one Information Technology position left to fill. In the meantime, as previously mentioned on page 4, DCFS has developed an interim RTS to track the systematic implementation of mental health screenings per SPA and DCFS offices according to the three tracks for screening: newly detained cases; newly opened non-detained cases; and existing open cases. This interim system is part of a larger automated effort to comprehensively store and track, without violating Statewide Automated Child Welfare Information System (SACWIS) regulations, child welfare and mental health service information regarding mental health screenings, referral to DMH for positive screens, and receipt of mental health service. The RTS is in the early design phase and greater functionality and expanded access for DMH clinicians will be sought from the California Department of Social Services in the next few months, and if granted, will culminate in the solicitation for consultant services to enhance the DCFS system and to better integrate the provision of DMH services into one central location.

Exit Criteria and Formal Monitoring Plan

The Strategic Plan identifies three formal exit criteria, including the successful adoption by the Board of Supervisors of the Strategic Plan, acceptable progress on a discrete set of agreed upon data indicators, and a passing score on the QSR measure.

The conceptual framework of the Katie A. five-year Strategic Plan has been approved by the Board, Katie A. advisory panel, and plaintiffs' attorneys. The Federal Court has received a copy of the Strategic Plan, but further discussion of the related data exit conditions is needed before Court action. We anticipate provisional exit conditions will be reached within the next few months and we are hopeful Court approval of the Strategic Plan will occur around the same time.

DMH and DCFS, in conjunction with the Katie A. Advisory Panel, County Counsel, CEO and plaintiffs' attorneys have developed a discrete set of data indicators targeting Safety, Permanency, and timelines/percent standards for completing mental health screenings, referring positive screens to mental health services, and tracking receipt of mental health services. Several of the exit indicators are Child and Family Services Review (CFSR) measures that will be tracked as either formal exit criteria or contextual information for monitoring compliance with the Settlement Agreement. The County is currently discussing with the panel and plaintiff's attorneys the DCFS population subset(s) to be tracked, proposing to track some of these exit criteria for a period of six months in order to establish a performance baseline from which to negotiate a final set of exit criteria.

As discussed in the last quarterly update, DCFS has hired a Children's Services Administrator II (CSA) to head a Quality Improvement Section that will have lead responsibility in implementing the QSR process. DMH has just hired a Mental Health Counselor, Registered Nurse, who will serve as the DMH liaison for this effort. With staff now in place, the development of a contract for a tailored QSR instrument, testing of the instrument, recalibrations to the instrument based on the testing, protocol for administering the instrument, training of reviewers, and QSR implementation planning will get underway.

Summary

In the last six months there have been significant strides in the implementation of the Strategic Plan, including:

- Delivering Katie A. Strategic Plan presentations in all DCFS Regional Offices, in addition to DMH contract providers, ACHSA, dependency court judicial officers, and attorney representatives;
- Opening of the Satellite Medical Hub in El Monte;
- Development and provision of CSAT training curriculum on mental health screening, consent, authorization to release protected health information, and service linkage for SPA 7 and 6 offices and Wraparound training countywide;
- Implementation of the CSAT in SPA 7 offices;
- Launching of the RTS on May 1, 2009;
- Implementing the MAT Program in all regional offices except SPA 5;
- Developing procedures and forms for mental health consent and the authorization to release protected health information;
- Extension of DCFS Wraparound contracts;
- Drafting a letter to the State's Special Master clarifying allowable Medi-Cal billing for mental health services provided in a Wraparound continuum; and
- Continued progress in caseload reductions.

The next quarterly report detailing our progress will be provided to your Board on September 30, 2009.

Please let us know if you have any questions regarding the information contained in this report, or your staff may contact Olivia Celis, DMH Deputy Director, at (213)738-2147 or ocelis@dmh.lacounty.gov .

MJS:OC:GL

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors