



C A L I F O R N I A   D E P A R T M E N T   O F  
**Mental Health**

1600 9th Street,, Sacramento, CA 95814  
(916) 654-2309

October 3, 2008

DMH INFORMATION NOTICE NO.: 08-28

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: PROPOSED GUIDELINES FOR THE MENTAL HEALTH  
SERVICES ACT (MHSA) FISCAL YEAR (FY) 2009/2010 ANNUAL  
UPDATE TO THE THREE-YEAR PROGRAM AND EXPENDITURE  
PLAN

REFERENCE WELFARE AND INSTITUTIONS CODE (WIC) Section 5847(a)

This Department of Mental Health (DMH) Information Notice provides proposed guidelines for Counties<sup>1</sup> to submit the FY 2009/10 annual update to their MHSA Three-Year Program and Expenditure Plan (Three-Year Plan, Plan). Proposed guidelines and formats for funding requests for FY 2009/10 are provided for all MHSA components, and include instructions for reporting on Community Services and Supports (CSS) FY 07/08 activities. This annual update provides for continuation of previously approved programs/projects/actions and enables requests for new Work Plans. Initial requests for individual component funding must continue to meet the proposed guidelines for each component previously provided in DMH Information Notices. In addition, this Information Notice provides a brief description of the next steps in development of the integrated Three-Year Program and Expenditure Plan guidelines.

Previously, the terminology used to describe the MHSA funded services and supports varied by component. The term "Work Plan" will now be used to describe programs, projects, and actions which were terms previously used.

- "Programs" for CSS and Innovation were one or more services used in an organized manner to provide strategies for services and supports to an individual to achieve positive outcomes.

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<sup>1</sup> "County" means the County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or city-operated programs receiving funds per WIC Section 5701.5.

- A Prevention and Early Intervention (PEI) "Project" consisted of one or more prevention and/or early intervention programs with a common goal that were designed to address one or more PEI Key Community Mental Health Needs and one or more PEI Priority Populations, consistent with PEI Principles, in order to meet outcomes identified through the County's Community Program Planning Process.
- Workforce Education and Training "actions" described strategies to address workforce shortages and train the public mental health workforce.
- Capital Facilities and Technological Needs components were organized by "project."

## **I. INTEGRATED THREE-YEAR PROGRAM AND EXPENDITURE PLAN**

In accordance with the MHPA, it is DMH's intention that every three years, Counties will develop an integrated Three-Year Plan by conducting an inclusive and strategic planning process within a quality improvement framework in which all MHPA components support the County's mental health service system. Annual updates will build on that process. The initial integrated Three-Year Plan is expected for FY 2010/11 through FY 2012/13. The Community Program Planning Process for development of this plan should occur in FY 2009/10.

## **II. FY 2009/10 ANNUAL UPDATE**

The FY 2009/10 annual update shall be developed with the participation of stakeholders, in accordance with Title 9, California Code of Regulations (CCR) Sections 3300, 3310(d) and 3315(a). The Community Program Planning Process should build on previous and ongoing engagement of stakeholders. A draft of the FY 2009/10 annual update shall be circulated for 30 days to stakeholders for review and comment, and a public hearing by the local mental health board or commission is required. All input shall be considered with adjustments made, as appropriate to the annual update.

To receive MHPA funding for FY 2009/10, the County should submit the FY 2009/10 Annual Update consistent with the guidelines in this notice, and receive approval from the State consistent with the guidelines in this Information Notice. The Mental Health Services Oversight and Accountability Commission (MHSOAC) has authority to approve expenditures for the Prevention and Early Intervention (PEI) and Innovation components of the Three-Year Plan. DMH has the approval authority for the balance of the components.

Counties that have not yet submitted their initial component Work Plans may include the applicable Exhibit E--Funding Requests for FY 2009/10 of this Information Notice as part of their initial component plan submission.

A complete FY 2009/10 annual update submission includes Exhibits A-G. However, Exhibit F is only needed when the submission includes proposed New Work Plans.

### **Exhibit A--County Certification**

Exhibit A is a signed statement by the County Mental Health Director that the County will comply with the requirements of the MHSA, including the Community Program Planning Process of Title 9, CCR Section 3300 and non-supplant requirements of Title 9, CCR Section 3410. It also indicates that the information included in the documents submitted is true and correct.

### **Exhibit B--Description of Community Program Planning and Local Review Processes**

On Exhibit B include a brief description of the Community Program Planning and Local Review Processes for development and review of the FY 2009/10 annual update. It shall include the methods for obtaining input and identification of stakeholder entities involved. The dates of the 30-day stakeholder review and public hearing should be included. A summary of substantive input received during the stakeholder review and public hearing, and responses to those comments should be included in this section of the FY 2009/10 Annual Update. The County should indicate if no substantive comments were received. Counties should maintain copies or a log of all comments that were submitted during this process, including those submitted anonymously.

Counties should describe how Full Service Partnership (FSP) data reports provided by DMH and any additional information provided by the Counties regarding the CSS implementation was shared with their stakeholders and include any substantive comments received about that information.

### **Exhibit C--Report on FY 2007/08 Community Services and Supports Activities**

On Exhibit C provide a brief narrative description of progress in providing service through CSS to unserved and underserved populations, with emphasis on reducing racial/ethnic disparities. Since the CSS Implementation Progress Report was submitted under separate cover for calendar year 2007 and there was not sufficient activity in any other components in FY 07/08 to warrant a report, this section of the FY 2009/10 Annual Update is abbreviated.

### **Exhibit D--Work Plan Description**

On Exhibit D provide a one-half page description of each approved and proposed CSS and PEI Work Plan. This information will be posted on the DMH website. The County should specify on the form the MHSA component, the name of the Work Plan, a description of the population to be served, number of annual clients or individuals to be served by funding category or type of prevention, and brief description of the Work Plan including services to be provided and features of the Work Plan that further the goals of the MHSA. The population description should include information about targeted age, gender, race/ethnicity and language spoken as well as situational characteristic of the population to be served.

**Exhibit E--Funding Request for FY 2009/10**

Counties should request approval of funding for FY 2009/10 from unapproved amounts from prior year planning estimates and/or from the FY 2009/10 planning estimate for approved components, through the process specified below. This funding request also functions as a request to modify the County's MHPA Agreement, i.e. performance contract, with DMH.

A County's initial submission for an MHPA component must follow the guidelines previously provided by DMH for that component. For components that have not yet been approved, Counties may include Exhibit E--FY 2009/10 Funding Requests for the applicable component from this notice with their initial component submissions.

Counties may combine/consolidate previously approved Work Plans in their annual update by listing the newly consolidated Work Plans on that the applicable component's FY 2009/10 Funding Request, with an attachment listing which previously approved Work Plans are consolidated. The consolidated Work Plan must continue to meet the guidelines for the initial submission of the Work Plan (program/project/activity) for the applicable component. Counties may discontinue previously approved Work Plans by notifying the state within 30 days of the decision to terminate a Work Plan. The notification should include the basis for the decision and an explanation of the stakeholder involvement/input in that decision.

For each component, there is an Exhibit E, which is the FY 2009/10 Funding Request. List each Work Plan that exists, i.e., those previously approved and those that are new and proposed for approval. Previously approved Work Plans remain approved by the State.

The funding request from each County should equal the amount of MHPA funds needed to implement the requested Work Plans (including any non-recurring costs) less any unspent available funds. Unspent funds are based on the FY 2007/08 MHPA Revenue and Expenditure Report. Projections of additional funding needed for FY 2008/09 and can be included for decreased revenue or increased expenditures over the approved funding levels.

County administrative costs are separately identified on this exhibit.

An operating reserve of 10% of the total MHPA funds requested for this component may be budgeted. (The operating reserve may be used by Counties at any time to provide funding for unexpected increases in costs or decreases in revenues associated with already approved programs, consistent with the requirements of that component and the MHPA.)

An Exhibit E summary and a separate form for each component are provided. More detailed instructions are included with the exhibits.

### **Exhibit E--Summary Funding Request**

Under subdivision (b) of Section 5892 of the MHPA, in any year after 2007-08, Counties may use a portion of their CSS funds for Capital Facilities and Technological Needs, human resource needs now called Workforce Education and Training, and a prudent reserve in an amount not to exceed twenty percent of the average amount of funds allocated to that County for the previous five years. This exhibit documents these irrevocable transfers from CSS to the other allowable components: Workforce Education and Training and Capital Facilities and Technological Needs. It also summarizes information from the component-specific Exhibit E's. In addition, the exhibit specifies the use of unexpended funds from FY 2007/08 and adjustments to that amount. The net available unspent funds are expected to be used to fund FY 2009/10 services and supports to the extent that such funds exist.

### **Exhibit E1--CSS Funding Request**

Estimates of the funding for each Work Plan by service category and by age are requested (Full Service Partnership, General System Development, Outreach and Engagement and MHPA Housing Program).

As required by Title 9, CCR Section 3620(c), a County should direct the majority of its CSS funding to Full Service Partnerships (FSPs). Exhibit E1--CSS Funding Request includes a calculation to show the percentage of funds estimated to be expended on FSPs. If not demonstrated through calculation on this form, the County should explain how it meets this regulatory requirement. Title 9, CCR Section 3620(j) requires Counties to provide FSPs for all ages. If the County is not currently meeting this requirement, the County should describe how and when it will achieve compliance consistent with Title 9, CCR Section 3620(j)(1). As per Title 9, CCR Section 3620(c)(3), funds for the MHPA Housing Program are excluded from determinations of whether the County has directed the majority of its CSS funds to FSPs.

For additional funding to be dedicated to the MHPA Housing Program, the County only needs to specify the total funding level and provide an Assignment to DMH consistent with DMH Information Notice 08-11.

Counties may request an irrevocable transfer of CSS funding to Capital Facilities and Technological Needs, Workforce Education and Training and Prudent Reserve. This amount cannot exceed the 20% limit specified in WIC 5892(b).

### **Exhibit E2--Workforce Education and Training Funding Request**

Estimates of the funding for each Work Plan by type of funding category are also requested.

### **Exhibit E3--Capital Facilities and Technological Needs Funding Request**

For each Work Plan, specify whether it is Capital Facilities or Technological Needs.

### **Exhibit E4--Prevention and Early Intervention Funding Request**

Estimates of the funding for each Work Plan by type of intervention and by age group are requested. Only existing approved Work Plans may be included with the FY 2009/10 annual update. See Section F below for additional instructions on requesting funds for new Work Plans.

Consistent with the direction from the MHSOAC, at least 51% of the funding must be dedicated to populations under age 25 and the County's PEI component must include programs that address all age groups. Small counties are excluded from these requirements.) If the PEI Funding Request does not demonstrate that the County meets the funding minimum for populations under 25 years, the County should explain how it meets this requirement.

### **Exhibit E5--Innovation Funding Request**

Estimates of the funding for each Work Plan by age group are requested.

### **Exhibit F(a)--New Work Plan Narrative and Exhibit F(b) Projected Revenues and Expenditures for New Work Plans for FY 2009/10**

Counties may request approval of New Work Plans following the initial component approval for CSS, Workforce Education and Training, and/or Capital Facilities and Technological Needs through the FY 2009/10 Annual Update by submitting Exhibit F(a) and (b) for each applicable component. These Work Plans should be listed on Exhibit E.

New Work Plans for Prevention and Early Intervention must follow guidance in previous DMH Information Notices. Innovation guidelines will specify the process for that component.

A County may not implement any New Work Plan until written approval has been issued.

### **Exhibit F1(a) and (b)--Community Services and Supports New Work Plan**

- 1) Submit Exhibit F1(a)--Community Services and Support New Work Plan Narrative.
  - a) Identifying Number and Title of Work Plan
  - b) An explanation of how the New Work Plan relates to the priorities identified in the Community Planning Process.
  - c) A description of how the proposed Work Plan relates to the General Standards (Title 9, CCR, Section 3320) of the MHSA which include community

collaboration, cultural competence, client driven, family driven, and integrated service experiences.

- d) For project-based housing expenditures using General System Development funding, include a brief description outlining the type of housing (e.g., temporary, respite, transitional, etc.), whether the expenditure will be for master leasing of units, acquisition/rehabilitation of an existing housing structure or construction of new housing and identify the number of units to be acquired.

Note: A brief narrative description of the proposed Work Plan and the population to be served as well as the annual number of clients estimated to be served are included as Exhibit D.

- 2) Line item budget consistent with Exhibit F1(b)--CSS Projected Revenues and Expenditures for New Work Plans.

### **Exhibit F2(a) and (b)--Workforce Education and Training New Work Plan**

- 1) Submit Exhibit F2(a)--Workforce Education and Training New Work Plan Narrative.
  - a) Identifying Number, Title and brief narrative description of the New Work Plan.
  - b) Objectives to be achieved, such as days of training, number of scholarships awarded, major milestones to be reached.
  - c) Funding category of Work Plan (Workforce Staffing Support, Training and Technical Assistance, Mental Health Career Pathway Programs, Residency, Internship Programs, and Financial Incentive Programs).
  - d) An explanation of how the new Work Plan relates to the County's workforce needs as identified in the Community Program Planning Process.
  - e) A description of how the proposed Work Plan relates to the General Standards (Title 9, CCR, Section 3320) of the MHSA.
- 2) Line item budget consistent with Exhibit F2(b)--Workforce Education and Training Projected Revenues and Expenditures for New Work Plans.

### **Exhibit F3(a) and (b)--Capital Facilities New Work Plan**

- 1) Submit Exhibit F3(a)--Capital Facilities New Work Plan Narrative.
  - a) Identifying Number, Title and brief narrative description of the new Work Plan, including the intended purpose and address of the Capital Facility, if known. Indicate whether it is an acquisition, construction, or renovation.
    - i) If the facility will not be exclusively used for public mental health services, describe the proportion assigned to other uses and the methodology for distributing the costs.
  - b) Consistent with WIC Section 5847(a)(5), a description of how the proposed Work Plan is needed to provide services under the CSS and/or PEI components.
    - i) If the Work Plan proposes to purchase land without plan to build, provide explanation of the rationale and plans for future support services.
    - ii) If the Work Plan proposes "lease/rent to own," provide an explanation of the situation and assurance that the terms of the lease include a clause that at conclusion of the payments, the County owns the building.
    - iii) If the Work Plan proposes a project with a restrictive setting, all of the following issues need to be addressed: (1) unmet need within the County for

- restrictive facility to adequately serve clients with serious mental illness and/or emotional disorder, (2) specific reasons the County cannot meet the needs in a less restrictive setting, (3) why it is not feasible to build the needed facility using non-MHSA funds, (4) description of other funds the County has pursued and been unable to obtain, and (5) description of the Community Program Planning Process involved in the development of the proposed Work Plan.
- c) Owner of facility. If privately owned, County must describe the method for protecting its capital interest for required length of time, if allowed by statute.
  - d) Statement indicating that the facility will be used to support the public mental health system for 20 years.
  - e) Projected timeline until occupancy.
- 2) Exhibit F3(b)--Capital Facilities Projected Revenues and Expenditures for New Work Plans.

#### **Exhibit F4(a) and (b)--Technological Needs New Work Plan**

- 1) Submit Exhibit F4(a)--Technological Needs New Work Plan Narrative including
  - a) Identifying Number, Title and brief narrative description of the New Work Plan
  - b) An explanation of how the Technological Needs Work Plan meets the goals of:
    - i) Increasing Client and Family Empowerment.
    - ii) Modernizing and Transforming Information Systems.
  - c) An updated Technological Need Roadmap implementation timeline with major milestones for achieving an Integrated Information Systems Infrastructure. Only one roadmap update is needed for all proposed Work Plans listed in Exhibit E3--Capital Facilities and Technological Needs Funding Request for FY 2009/10. The milestones should address the model roadmap phases as described in DMH Information Notice 08-09, which are:
    - i) Infrastructure, Security, Privacy
    - ii) Practice Management
    - iii) EHR Lite: Clinical Data Management
    - iv) Computerized Provider Order Entry (ordering and viewing e-Prescribing and Lab)
    - v) Full Electronic Health Records (EHR) with interoperability components (for example, standard data exchanges with other counties, contract providers, labs, and pharmacies)
    - vi) Full Integrated EHR and Personal Health Records (PHR)
  - d) Statement indicating that the County's implementation of an EHR or PHR system or related components will adhere to the "CA DMH EHR and PHR Standards and Requirements" (DMH Information Notice No.: 08-09, Enclosure 3, Appendix B) and related updates. This certification is only required for proposed EHR/PHR Work Plans.
  - e) Signature of County information officer, or related County mental health director designee, indicating approval of the Technological Needs Work Plan.
- 2) Line item budget consistent with Exhibit F4(b)--Technological Needs Projected Revenues and Expenditures for New Work Plans.



**Exhibit G--Community Services Supports Prudent Reserve Plan**

Consistent with DMH Information Notices 07-25 and 08-01, the local prudent reserve level shall be 50% of the most recent annual approved CSS funding level, excluding non-recurring expenditures. Each County should fully fund the prudent reserve by July 1, 2010, unless the County would have to reduce MHSA services below the level funded in FY 2007/08 in order to reach the 50 percent prudent reserve. Exhibit G provides the format to describe the County's plan to achieve the prudent reserve of 50% of the approved funding level for ongoing CSS services by July 2010.

**III. Submission**

One original copy should be submitted to the County Operations liaison. In addition, one hard copy and one electronic copy that is a single document in pdf format should be submitted to both the County Operations liaison and to the MHSOAC.

The address for County Operations is:

Mailing address: County Operations  
Department of Mental Health  
1600 9th Street, Room 100  
Sacramento, CA 95814

Email: [ccta@dmh.ca.gov](mailto:ccta@dmh.ca.gov)

MHSOAC copies should be sent to:

Mailing Address: MHSOAC  
1300 17th St., Suite 1000  
Sacramento, CA 95811  
Attn: Sheri Whitt

E-mail: [MHSOAC@dmh.ca.gov](mailto:MHSOAC@dmh.ca.gov)

To ensure timely initial payment for FY 2009/10, the County must submit its annual update by March 1, 2009.

If you have further questions, please contact your DMH County Operations liaison found at <http://www.dmh.ca.gov/CountyOps/contact.asp> or MHSOAC liaison.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosures