



**Financial Oversight Committee Meeting
Minutes**

May 15, 2014

10:00 AM – 12:00 PM

**Mental Health Services Oversight and Accountability Commission
1325 J Street, 17th Floor, Suite 1700
Darrell Steinberg Conference Room
Sacramento, CA 95814**

Committee Members:

Staff:

Other Attendees:

Larry Poaster, Chair John Buck, Vice-Chair Carol Langone* Stacie Hiramoto Paul Stansbury* Dave Schroeder Jane Adcock* Joseph Robinson Rusty Selix* Thomas Loats*	Kevin Hoffman Jose Oseguera Peter Best	Michele Curran Donna Ures Lupe Alonzo-Diaz Moses Ndungu Greg Washington*
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*Participation by phone

Committee members absent: Rigel Flaherty, Maureen Mina, Vice-Chair, Robert Oakes, Wayne Clark, James Loftus and Jack Joiner.

Welcome:

Chair Poaster opened the meeting and welcomed those present.

Adoption of the August 1, 2013, October 23, 2013, January 16, 2014 and March 20, 2014, 2014 Meeting Minutes

The August 1, 2013, the October 23, 2013 and the March 20, 2014, 2014 Meeting Minutes were presented to the committee for approval and were approved by consensus. Similarly, the January 16, 2014 Meeting Minutes were approved by consensus with minor changes. The revised meeting minutes will be posted on the MHSOAC website.

Presentation on Use of MHSA Administrative Funds by Office of Statewide Health Planning and Development (OSHPD)

Lupe Alonzo-Diaz, Deputy Director, Healthcare Workforce Development Division, OSHPD, provided a presentation to the Financial Oversight Committee on how OSHPD is utilizing Mental Health Services Act (MHSA) Administrative funds. Her presentation included the following:

Overview:

Total annual amount received (current year): \$3,481,000.

Total of 8.0 positions are funded for the following programs:

Mental Health Loan Assumption Program (MHLAP)

- 6.0 PYs to administer program.
 - General Responsibilities include developing, administering, implementing, and evaluating program.
 - Ensures program operations are in accordance with regulations/statute.
 - Oversees application intake procedures to CalREACH.
 - Conducts meetings with Selection Committee to determine eligibility.
 - Drafts, reviews, approves and monitors contractual agreements.
 - Serves as liaison to the Foundation's awardees, applicants, general public, and facilities.
 - Drafts program reports and outcomes; prepares statistical and written reports.
 - Plans, directs, and oversees marketing and outreach activities.
 - Develops and implements standardized monitoring tools and evaluation procedures.
 - Coordinates budgetary updates including administrative adjustments, mid-year projections and budget change proposals.

- MHLAP increases and retains mental health professionals working or volunteering in the hardest to fill and retain positions within the Public Mental Health System.
 - For FY 2013-14, 2,124 applications were received and 1,320 applications, totaling \$10,678,149, were awarded.

Workforce Education and Training Program

1.0 PY to administer WET program.

General Responsibilities:

- Subject matter expert regarding MHPA WET Program.
- Monitors and reviews current and future five-year plans.
- Serves as liaison and provides technical assistance to contractors, counties, stakeholders and advisory committee members, public mental health agencies, and service providers.
- Develops and monitors statewide contracting program activities.
- Evaluate and documents outcomes.

Shortage Designation Program

1.0 PY to administer mental health professional shortage area designations

General Responsibilities:

- Processes Mental Health Professional Shortage Area (MHPSA) applications.
- From 2009 through the end of 2013, 138 MHPSA applications were received.
- Provides technical assistance to county mental health officials, community clinics, and clinicians regarding the process of applying for MHPSA designations.
- From 2009 through the end of 2013, over 1,200 instances of technical assistance were provided.
- Collaborates with county officials and communities to apply for MHPSA designations on their behalf.
- As of December 2013, there are 153 MHPSA's in California covering

5,967,314 Californians.

Evaluation Contract: \$196,000 (FY 2013-14 Budget)

- One-Time Appropriation.
- OSHPD contracted for assistance in conducting a statewide assessment of the workforce, education and training needs of California's public mental health system.
- Deliverables included:
 - Analysis of current statewide WET administered programs.
 - An analysis of county-reported WET needs assessment.
 - An analysis of feedback received during OSHPD-led stakeholder engagement.
 - An analysis of workforce supply and demand including estimates of long-term workforce needs.
 - A literature review of information currently available on public mental health workforce shortages and corresponding educational and training capacity.
- The findings from the needs assessment had a large impact in evaluating existing statewide WET strategies and assessing future WET statewide priorities which OSHPD then used in the development of the WET Five-Year Plan.

Peer Employment: \$2 million (FY 2013-14 Budget)

- On-going Appropriation.
- For training in crisis management, suicide prevention, recovery planning, targeted case management assistance, and other related peer training and support functions to facilitate the deployment of peer personnel as an effective and necessary service to clients and family members.
- Purpose of RFP:
 - Develop and document career pathways for positions employing Peer Personnel
 - Establish/Expand an educational or training program.
 - Increase the total number of Peer Personnel employed in the Public Mental Health System by recruiting and retaining Peer Personnel in identified entry-level positions.
- In April 2014, OSHPD awarded 4 contracts totaling \$1,893,141.

Additional Staffing: \$330,000 in FY 2014-15; \$306,000 through FY 2017-18; \$296,000 in FY 2018-19

- The Spring Finance Letter requested additional staffing.
- Requests additional Mental Health Services Fund expenditure authority to fund three five-year limited-term positions.
 - Positions (one Health Program Specialist I, Staff Services Analyst, Office Technician, respectively).
 - Responsibilities (5 of 7 programs are new or substantially different).
 - Amend existing WET regulations.
 - Gather feedback, develop Request for Proposals, monitor contracts for compliance.
 - Plan, develop, implement and evaluate new programs and initiatives
 - Recruitment and Retention, Consumer and Family Member Employment and Evaluation.
 - Development, implementation, and reporting of

- comprehensive outcomes-tracking methodologies.
- Continuous and systematic monitoring and evaluation of local, regional and statewide WET activities as described above.

Committee input including Public Comment:

- There was an inquiry as to the composition of the MLAP Advisory Board. Ms. Alonzo-Diaz stated that the Advisory Board Composition can be viewed on the OSHPD website.
- A comment was made that 70% of services at the county level are contracted to providers. This committee member wants to insure that there are client providers on the Advisory Committee to insure balanced representation.
- A committee member stated that he is on the MLAP Advisory Board and that there are many community partners on the Advisory Committee.
- A question was posed asking if the four OSHPD contracts cover the entire state of California. Ms. Alonzo-Diaz stated no, the contracts are situated regionally or are population specific.

Status Report on MHSAs Revenue and Expenditure Reports (RER) and Annual Updates

Staff provided the following update which includes public comments:

- The Committee at previous meetings has discussed the importance of gathering timely MHSAs fiscal data that will allow data review to make policy recommendations regarding how funds are allocated and expended.
- RER's are by statute submitted to the Department of Health Care Services (DHCS) and as a courtesy to the MHSOAC.
- Annual Updates and Three-year Plans are by statute submitted to MHSOAC and as a courtesy to the DHCS.
- The Three-year Plan outlines what programs and services the county proposes to implement regarding the MHSAs components and the funding attached to the components.
- Staff is in the process of developing worksheets which compare information submitted in the RER's, Annual Updates and the Three-year Expenditure Plans.
- Question: Will the Committee have input on how the worksheets are formatted?
- Once the draft worksheets are completed, the Financial Oversight Committee members will review the Draft Fiscal Report Worksheets to compare information on County Annual Revenue and Expenditure Reports (ARER) with information in the County Three-Year Expenditure Reports and Annual Updates. This fiscal report will be used as a tracking tool to validate the proposed expenditures on the County Three-Year Expenditure Reports and Annual Updates with updated fiscal information contain in the RER's.
- Question: Will the worksheets identify how much unspent funds remain in the

county's account?

- Staff stated that this information could be capture on a different report and we could discuss that process at a later date.
- Staff from DHCS stated that they are working on this type of report and will collaborate with the MHSOAC to prevent duplicate reports.
- DHCS staff stated that their department is taking a firm stance on counties submitting timely RER's.
- Question: Are the RER's available on the MHSOAC Website?
- Staff stated that currently the links are not working because staff must insure that the MHSOAC Website is ADA compliant. The MHSOAC has hired an Information Technology person who is scheduled to start in June. Soon afterwards, we hope this information will be accessible on the MHSOAC Website.

Discuss the State Budget Update (Governor's Budget May Revision) and Potential Policy Implications

Staff provided an update on the Governor's May Revision. The following are the highlight of the update:

- The Governor's Budget contained a modest surplus as a result of a temporary windfall in capital gains tax revenues. As a result, the Budget laid out a multiyear plan that was balanced, paid down budgetary debt from past years, saved for a rainy day, and increased spending for education, the environment, public safety, public works, affordable health care, and CalWORKs.
- Under the May Revision, state revenues are forecast to increase by \$2.4 billion. Nevertheless, the costs of health care, the drought and other programs have essentially canceled the surplus.
- The May Revision maintains the Governor's Budget principle of paying down debt and reducing long-term liabilities. After years of discussion, the May Revision finally proposes a plan to shore up the Teacher Pension System.
- California also increased the mental health and substance use disorder benefits available through Medi-Cal, at a General Fund cost of \$191.2 million in 2014-15. The May Revision also includes \$187.2 million General Fund for managed care rate increases in 2014-15.
- Katie A. Settlement/Administrative Costs: The May Revision includes \$2 million (\$600,000 General Fund in the DHCS budget and \$400,000 General Fund in the DSS budget) as a placeholder for potential county administrative costs associated with semi-annual progress reports requirements under the Katie A. v. Bonta Settlement Agreement. The Katie A. settlement provided for the improvement of mental health and supportive services for children and youth in, or at imminent risk of placement in, foster care in California. Proposition 30 (2012) requires the state to fund newly required activities that increase overall

county costs in realigned programs. The settlement was reached prior to the passage of Proposition 30, but there may be new administrative activities that increase county costs. This funding will require further discussion with the Administration to determine if overall costs increased.

Rusty Selix provided additional input on the May Revision which included:

- There are some Legislators who are in disagreement with the Governor's proposed use of the projected surplus state funds. These legislators would prefer a larger portion of the surplus funds be used to restore Health and Human Service programs.
- There may be 49 million dollars in mental health funds allocated to create a new type of correctional facility program that focuses on assisting mental health clients that are in state prison to re-enter society. He did not have additional details.
- There will be additional ongoing funding for the SB 82 Triage Program.

Discuss the May 2014 Financial Report to be Presented to the Commission on May 22, 2014

Based on the Governor's May Revision of the FY 2014/15 State Budget, released on May 13, 2014, the Financial Oversight Committee will review a draft of the May 2014 Draft Financial Report which includes the following information:

- MHSA Major Funding Sources
- MHSA Funding (Cash Basis)
- Mental Health Services Fund Distributions
- MHSA State Administration Funds
- MHSA Housing Funds

Staff stated that since the Governor's May Revision was just released, staff have not had the opportunity to update much of the fiscal information contained in the Financial Report. Staff will update the numbers and modify the report before presenting it to the Commission at the May 22, 2014 meeting.

General Public Comment:

- A comment was made that it is difficult for mental health clients to follow the accounting of MHSA funds.

Adjournment

Meeting adjourned at 11:50 AM.