

Testimony for Karen Baylor
Department of Health Care Services
Little Hoover Commission Hearing: Mental Health Services Act
May 26, 2016
State Capitol, Room 437

- 1. What progress has the department made toward its goal of collecting county annual revenue and expenditure reports through fiscal year 2014-15 by early summer 2015? Additionally, what is the department's process if and when a county fails to meet its reporting obligations in a complete and timely manner? Does the department plan to post these reports on its website?**

The Department of Health Care Services (DHCS) issued guidelines for preparing and submitting the FY 13-14 and FY 14-15 Mental Health Services Act (MHSA) Annual Revenue and Expenditure Reports (ARERs) on August 26, 2015. These reports were due to DHCS on October 30, 2015 and December 31, 2015, respectively. To date, 33 counties have submitted FY 13-14 ARERs and 20 counties have submitted FY 14-15 ARERs.

When a county is late in submitting its ARER, the Deputy Director sends a letter to the county asking them to submit the ARER or provide a status update and planned submission date. Planned submission dates are tracked internally and follow-up is conducted. DHCS has contacted all counties late in reporting for FY 13-14 and FY 14-15.

DHCS intends to make the ARERs that are finalized, FY 07-08 through FY 14-15, available online by July 1, 2016.

- 2. What is the department's process for reviewing county revenue and expenditure reports? Additionally, if a review identifies a problem, what is the department's process for helping to correct it?**

DHCS Fiscal Management Outcomes and Reporting Branch (FMORB) performs a desk review of each county's MHSA ARER to ensure consistency in reporting from year to year. Items that are reviewed include balance of unspent funds; reportable interest; revenue received; and program expenditure level. DHCS compares the balance of unspent funds reported in the prior year's MHSA ARER to ensure they match. DHCS ensures that revenue from interest is reported in each county's ARER. For years prior to 12-13, DHCS also reviews the revenue received in the current fiscal year against its own records. For FY 12-13 and forward, DHCS reviews the revenue received in the current year against the distribution reports posted to the State Controller's Office website to ensure each county is accurately reporting revenue received.

- 3. What progress has been made to implement a comprehensive, statewide mental health data collection system that is capable of incorporating data for all components of the Mental Health Services Act?**

Testimony for Karen Baylor
Department of Health Care Services
Little Hoover Commission Hearing: Mental Health Services Act
May 26, 2016
State Capitol, Room 437

DHCS, in collaboration with the Mental Health Services Oversight and Accountability Commission (MHSOAC), developed plans for the Comprehensive Behavioral Health Data Modernization Project. The intent of the Comprehensive Behavioral Health Data Modernization Project is to modernize the data systems within Mental Health and Substance Use Disorder Services (MHSUDS). There are three primary objectives of the project:

1. Transition the data systems within MHSUDS from the Data Migration Zone (a temporary server in which the systems are currently housed) into the larger DHCS data server. This includes modernizing the systems to comply with DHCS and Medicaid Information Technology Architecture (MITA) standards.
2. Conduct an assessment and analysis of all the MHSUDS data systems to determine areas of duplicate data collection, gaps in data collection, and update technologies to address long-standing data system issues in need of resolution.
3. Modernize and streamline data collection to reduce or eliminate duplicate data collection and to best leverage existing DHCS data information technology infrastructure. DHCS and the MHSOAC collaborated to develop a Planning Advance Planning Document (P-APD) to request Federal Financial Participation (FFP) for planning activities to support the Comprehensive Behavioral Health Data Systems Planning Project that will focus on identifying alternative technical solutions to meet the State's oversight and accountability needs. The P-APD is in the final stages of review by the Department of Technology (DOT). Upon approval by DOT, DHCS will submit the P-APD to the Centers for Medicare and Medicaid Services for approval. If approved, DHCS will initiate the process to obtain contractor services to develop the Implementation Advance Planning Document (I-APD). These planning activities are estimated to occur over a period of 31 months.

The planning activities will involve key stakeholders to research existing systems, clarify business needs, and identify a preferred solution that will position the State to not only address its monitoring and oversight challenges, but improve service delivery and continuity of care to produce positive outcome results.

Upon completion of this analysis, DHCS intends to submit the I-APD to the Centers for Medicare and Medicaid Services (CMS) for the cost of the Design, Development, and Implementation (DD&I) activities of the proposed solution for DHCS.

Additionally, DHCS currently has a Spring Finance Letter requesting the re-appropriation of MHSA funds to re-write the Data Collection and Reporting (DCR)

system which houses its MHSA data to meet current security and architecture standards. Aligning the DCR system with the DHCS' architectural and program standards will allow DHCS to more efficiently maintain and adapt the system to changing needs. Currently, DHCS is not able to modify the system to capture additional data elements without updating the architectural and programming standards.

4. What is the status of updates to the regulations for the Community Services and Supports, Capital Facilities and Technology Needs and Workforce Education and Training components of the Mental Health Services Act?

DHCS is currently developing regulations to implement a consistent and systematic fiscal audit and appeal process for the MHSA. Included in these draft regulations is the ability to withhold funds upon conclusion of an audit process. DHCS anticipates beginning the formal rulemaking process in late 2016.

DHCS is also currently working on drafting fiscal regulations to provide more guidance to counties regarding other MHSA requirements, such as reversion and the prudent reserve. DHCS anticipates beginning the formal rulemaking process in early 2017.

DHCS began working on updates to the Community Services and Supports (CSS) regulations and the Capital Facility Regulations, but those efforts have been put on hold as other priorities are worked through, such as updating the allocation distribution methodology, reviewing/working with counties to correct ARER issues from previous years ARERs, developing regulations for a fiscal audit and appeal process, and developing fiscal regulations. DHCS has not begun working on Technological Needs regulations.

DHCS and OSHPD do not intend to release regulations for the Workforce Education and Training (WET) component. Since the WET funds are time-limited and we are in the final years, we intend to work with our partners to ensure that the funds are fully allocated.