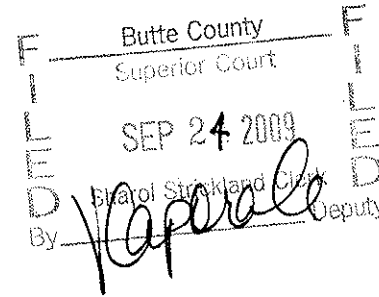


Department of Behavioral Health

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September 21, 2009

Honorable Judge James F. Reilley
Superior Court of California
County of Butte
One Court Street
Oroville, CA 95965



RE: Grand Jury Response

Dear Honorable Judge Reilley:

This letter is in response to the findings and recommendations contained within the Grand Jury Final Report 2008-2009.

Findings

F1. There is no plan in place to hire a permanent Director who will reorganize and stabilize BCDBH.

The respondent neither agrees nor disagrees with this finding. It is outside the scope of responsibility of the Department. Only the Board of Supervisors can hire a permanent Director.

F2. There is no Medical Director in BCDBH for the overall management of medical/clinical staff, nor a spokesperson to advocate for the medical/clinical staff in administrative decision making.

The respondent partially disagrees with this finding. The respondent agrees that the Medical Director position is currently vacant. However, it should be noted that the position of Medical Director was approved by the Board of Supervisors. The Department of Human Resources is developing the position classification. Recruitment for the position will follow as soon as the classification is created.

The respondent disagrees that there is no spokesperson to advocate for the medical/clinical staff in administrative decision making. Until a Medical Director is hired medical staff have ongoing representation in administrative decision making. A representative of the medical staff was a member of weekly executive management meetings until accepting a position with another agency. Medical staff is invited to participate in the weekly meetings but instead two psychiatrists meet regularly with the Assistant Director for Client Services. The Interim Director also meets regularly with members of the medical staff.

F3. There is a lack of a transparent, financial, and statistical data reporting system.

The respondent disagrees with this finding. The Department provides information to the public as permitted by privacy laws. Moreover, the Department has conducted

several public presentations on budget, service utilization and mental health financing in the past year in an effort to keep the public informed.

It should be noted that the Department is currently implementing a new information system with billing and clinical workstation software. During the transition to the new system, there are delays in information availability while report generation is being developed and tested. However, staff continue to work to make financial and statistical information available to meet the Department's reporting and management needs along with their other duties. In some cases there have been delays in lower priority information requests in order for priority projects to be completed. Reporting capability will be enhanced when the new information system is fully implemented.

F4. There is a lack of productive communication, trust, and cooperation within various divisions that comprise BCDBH.

The respondent disagrees with this finding. The Department continuously works to improve communication, trust and cooperation within the various divisions that comprise BCDBH. Since April 2008, there has been focused emphasis on effective communication and better understanding of Department responsibilities, roles and processes. Three initial key principals have been adopted following a series of meeting with self-selected small groups of line staff and one group of supervisors: (1) staff involvement in problem identification and problem solving at the team and unit levels; (2) program services and administrative coordination at all levels on all projects at any scale; (3) major projects will have a tasked implementation team with delegated authority to act and will include substantive line staff involvement. Regular meetings are held at all levels. Leadership, program managers, supervisors, and center staff meet regularly to share information and coordinate more effectively. Department wide emails are also used as a tool for communicating within the Department.

F5. There is a lack of effective leadership, due to lack of leadership training.

The respondent disagrees with this finding.

F6. There is a lack of monitoring and administering of the increased number of contracts.

The respondent disagrees with this finding. All contracts are assigned a specific contract monitor who is responsible for overseeing the contract and reviewing and approving all claims. Specifically assigned staff provides service authorizations, documentation review, training and monitor mental health services contracts. Contract service providers are included in monthly quality management chart reviews and undergo regular fiscal monitoring, as well as annual cost report reviews. Annual program and service audits conducted by the State regularly include contract providers, as do State fiscal audits.

F7. Productivity levels appear lower than the standard in some areas of BCDBH.

The respondent agrees with this finding. The Department has formed a team of line staff, supervisors and managers to review Department productivity. The team has made some initial recommendations to address gaining better consistency across service units. Final recommendations from this team are expected during the current fiscal year for review and implementation by Department Leadership.

F8. There is a lack of contracted residential facilities for youth in crisis in Butte County.

The respondent disagrees with this finding. In response to the need for residential facilities for youth in Butte County a request for proposals was issued. A provider was

selected and a local youth residential facility opened in January 2009. The program is still in the implementation phase. Additional development of this capacity will be informed by what is learned programmatically after it is fully implemented and after the greater service system has learned how to best use this new capability.

F9. There is a lack of contracted residential facilities for adults in crisis in Butte County.

The respondent disagrees with this finding. In response to the need for residential facilities for adults in Butte County a request for proposals was issued. A local adult residential facility opened in April 2009 and the program is currently being implemented. Additional development of this capacity will be informed by what is learned programmatically after it is fully implemented and after the greater service system has learned how to best use this new capability.

F10. There has been a lack of local partnering with a hospital or facility that can hospitalize and treat patients locally. Meetings are being held to foster partnerships.

The respondent disagrees with this finding. Meetings with the key local hospital and law enforcement were held in December 2008 and April 2009. Discussions with hospital leadership have continued. Talks have included increasing acute bed capacity, addressing some of issues at the medical emergency service, and developing joint projects.

F11. There was a lack of a Systems Performance Evaluation Coordinator in past years. This position has just been assigned and is in the process of classification.

The respondent agrees with this finding.

F12. Overhead costs that were too high in relation to the budget have been reduced to qualify for state reimbursement.

The respondent agrees with this finding. For clarification, there are two types of overhead costs: (1) County overhead costs such as County Administration, County Human Resources and which are applied to the Department's administrative claim (which includes the Department's fiscal, personnel and other administration functions) and (2) general overhead costs which are operating costs that are associated with direct services and are calculated as part of the cost per unit of service in the service claim. Department rates qualify for state reimbursement. However, when the rate exceeds the State schedule of maximum allowed (SMA) rates, all the cost of providing service is not recovered by the service claim. The past service rate did exceed the SMA. Some management positions were eliminated and other operating costs were reduced which lowered the Department rate to below the SMA. The State has since then reduced the SMA in the current State budget. There will be continued focus on the SMA and containing cost that are within Department control.

F13. The Grand Jury found the Butte County Board of Supervisors to be surprisingly uninformed, and un-involved in overseeing and monitoring the Department of Behavioral Health's fiscal affairs, structure of management, and administrative decisions made for the Department. When questioned they were unable to answer most of the Grand Jury's inquiries about the Department.

The respondent disagrees with this finding. The Board of Supervisors sets policy for the County and appoints department heads to execute them. By design, the Board is not involved in the day-to-day decision making process of a department.

The department regularly presents policy issues at Board meetings. Additionally, a Board member sits on the Behavioral Health Board and another Board member sits on the governance body of a federal grant funded project. The Board of Supervisors

convened a public forum in September 2008 for a mental health financing training that was broad in scope and heavily attended.

F14. *The PHF was visited and found to be well staffed, extremely clean, and full to its sixteen bed capacity.*

The respondent agrees with this finding.

F15. *The Crisis Stabilization Unit is now fully staffed 24-7 and is in compliance with state mandates as of March 7, 2009.*

The respondent agrees with this finding. The Crisis Stabilization Unit is now fully staffed and operational. However, the department was never out of compliance with State mandates as a result of staffing issues.

F16. *Caseload ratios in the clinics and counseling centers need to be studied and adjusted accordingly.*

The respondent agrees with this finding. As programs and staffing change over time, caseload ratios require ongoing analysis and adjustment.

F17. *Representative Payee Program was slated to be discontinued but following protest from the medical and clinical staff, the program is presently fully maintained. Grant monies that supported the program in the past have now been diverted to a homeless program. The Representative Payee Program is currently being supported by realignment funds.*

The respondent disagrees with this finding. As part of the mid-year budget reduction, there was a plan to use an alternative payee service model but it proved unsatisfactory. There were some positive adjustments within the Department Representative Payee Program that promote self-reliance for the client who wants to be independent of the County managing their income. Grant funds continue to partially support this program, with the balance of the funding coming from realignment.

F18. *The outside audit report done in August-September, 2008 has not been received to date.*

The respondent partially disagrees with the finding. The respondent agrees that the outside finance report has not been received. However, the report has not been completed. While a portion of the report has been completed, additional reviews will take place from September through November, which will include the implementation of the new information system. The full report is expected by December 2009.

Recommendations

R1. *The Board of Supervisors needs to prioritize recruitment for a Permanent Director of BCDBH with the medical staff and Behavioral Health Board strongly involved in the process for interviewing every single applicant.*

The respondent is unable to comment on this recommendation. The respondent does not have the authority to implement the recommendation.

R2. *A Medical Director should be actively recruited. The cost of doing so could be offset by reimbursement through Medi-Cal billing for direct services and billing for administrative claim-for-management time. It is recommended that the Medical Director see patients a percentage of his/her workday, as well as represent and direct medical and clinical staff.*

This recommendation has not been implemented but will be implemented in the future. It is anticipated that the recruitment for the Medical Director will be completed

by November 2009. The Medical Director will see patients as part of his/her duty. The Medical Director will also fill a crucial role as a member of the Department executive management team working closely with the Department Director, Assistant Directors, Compliance Officer, Mental Health Services Act Coordinator, Systems Performance Evaluation Coordinator and others in the Department.

R3. BCDBH should follow government transparency guidelines. Financial reporting and data should be understandable and readily accessible on request. The at-a-glance, "Dashboard Report," currently in development, should be implemented as soon as possible to provide on-demand information.

A portion of the recommendation has been implemented, and another portion of the recommendation will be implemented in the future. The department has and will continue to follow all federal and state laws as well as County policies in releasing data unless restricted by privacy laws. Behavioral Health financing is complex and some standard reports require special knowledge to understand or interpret. In order to expand the knowledge base, fiscal staff provides ongoing mental health financing training to program managers and supervisors and at Behavioral Health Board meetings. Evaluations staff provide information regarding service or client data. It is anticipated the Dashboard Report will be completed in September 2009.

R4. Communication, cooperation, and trust need to be fostered by administration.

The recommendation has been implemented. Since April 2008 there has been focused emphasis on effective communication and better understanding of Department responsibilities, roles and processes. Three initial key principals have been adopted following a series of meeting with self-selected small groups of line staff and one group of supervisors who asked to meet with the Department Director: (1) staff involvement in problem identification and problem solving at the team and unit levels; (2) program services and administrative coordination at all levels on all projects at any scales; (3) major projects will have a tasked implementation team with delegated authority to act and will include substantive line staff involvement. Regular meetings are held at all levels. Leadership, program managers, supervisors, and center staff meet regularly to share information and coordinate more effectively. Department wide emails are also used as a tool for communicating within the Department.

R5. HR should provide appropriate leadership training to promote effective leaders within BCDBH.

The respondent is unable to comment on this recommendation as it does not have authority to implement the recommendation.

R6. A plan and process for monitoring contracts should be developed.

This recommendation has been implemented.

R7. Productivity levels need to be established and enforced. Qualified medical and clinical supervisors should interface with patients a percentage of the time.

A portion of the recommendation will be implemented in the future, and another portion of the recommendation will not be implemented. Currently, productivity levels are being reviewed by a team of line staff, supervisors and managers. This team will make recommendations for adjustments to productivity standards no later than November 30, 2009 and will assist with implementation, including accountability. This will be an on-going effort.

The recommendation to set a quota for patient interface for clinical supervisors will not be implemented as it is not warranted. Managers and supervisors will continue to provide backup services as necessary.

R8. *Additional residential facilities that meet state mandated requirement and licensing qualifications should be encouraged for the purpose of treating and housing youth locally. This would be advantageous to the families involved and save the County a great deal of money.*

This recommendation has been partially implemented. A local youth residential facility opened in January 2009. The program is still in the implementation phase.

R9. *Additional residential facilities that meet state mandated requirement and licensing qualifications should be developed for treating and housing adults needing long-term placement locally, again saving out-of-county costs.*

This recommendation has been partially implemented. A local adult residential facility opened in April 2009. The program is still in the implementation phase.

R10. *Partnerships with local hospitals in the County need to be developed for the collaborative treatment and care of severely mentally ill patients.*

This recommendation has been partially implemented. As mentioned earlier, the department has been working with local hospitals and will continue to work with them.

R11. *The classification process and position allocation for the Systems Performance Evaluation Coordinator should be completed and accepted by the Board of Supervisors as soon as possible.*

The recommendation has not been implemented but will be implemented in the future. It is anticipated that the Systems Performance Evaluation Coordinator position will be approved the Board of Supervisors by September 30, 2009.

R12. *Overhead operating costs should continue to be monitored and kept at or below the state requirement level of fifteen percent to qualify for state reimbursement.*

The recommendation will not be implemented because it is not warranted. There is no state requirement limiting overhead operating costs for direct service centers to fifteen percent, nor is it feasible to do so. The administrative Medi-Cal claim, which is sometimes confused with overhead operating costs, is limited to fifteen percent of total Medi-Cal service billings. The administrative claim includes fiscal, personnel, technology and similar support services and County overhead charges. The Department continues to monitor administrative costs, however recent changes to the Countywide Cost Allocation Plan will affect the Department's ability to keep these costs below fifteen percent. These changes are outside the Department's control.

R13. *The Board of Supervisors should become more regularly informed and involved with the fiscal affairs and administrative structure of BCDBH.*

This recommendation will not be implemented as it is not warranted. Board members meet regularly with the Department for briefing on issues related to the Department. Additionally there is a Board member on the Behavioral Health Board and a Board member is on the governance body of a federal grant funded project.

R14. *The Psychiatric Health Facility should retain full coverage staffing in order to continue to operate at full capacity.*

This recommendation has been implemented.

R15. *The Crisis Stabilization Unit should retain full coverage staffing in order to continue to operate at full capacity.*

This recommendation was implemented in March 2009.

R16. *Clinics and counseling center's caseload ratios should be studied and reassessed.*

This recommendation has been implemented. Programs and staffing change over time; caseload ratios are analyzed and adjusted as necessary.


R17. *The Representative Payee Program should be continued in its full capacity and should not be outsourced.*

This recommendation has been implemented. The Representative Payee Program will continue to be responsive to individual client needs, goals circumstances and preferences. The clients and clinical staff will continue to work together to evaluate individual client goals/needs and ensure clients with increased levels of functioning can graduate from this supportive program as appropriate. Clients will continue to be supported to pursue their own wellness and recovery goals.

R18. *The Board of supervisors should pursue receipt of the outside audit done in August-September, 2008.*

The respondent is unable to comment on this recommendation. The respondent does not have the authority to implement the recommendation. However it is anticipated that the final report related to the fiscal review of the Department will be completed in December 2009.

Sincerely,



Edward Walker, LCSW
Interim Director
Department of Behavioral Health