



COMMONWEALTH of VIRGINIA

DEPARTMENT OF
MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

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JAMES S. REINHARD, M.D.
COMMISSIONER

MEMORANDUM

ACTION: Community Services Board Executive Directors, Local Government Department Director, and Behavioral Health Authority Chief Executive Officer

INFO: State Hospital and Training Center Directors
State Mental Health, Mental Retardation and Substance Abuse Services Board
Mental Health, Mental Retardation, and Substance Abuse Services Advocates

FROM: Paul R. Gilding
Community Contracting Director

SUBJECT: **FY 2010 Community Services Performance Contract; Central Office, State Facility, and Community Services Board Partnership Agreement; and Community Services Performance Contract General Requirements Document**

DATE: **May 1, 2009**

Attached for your use or information are the FY 2010 contract documents: the Community Services Performance Contract, Partnership Agreement, and General Requirements Document. They are available on the Department's web site at www.dmhmrzas.virginia.gov. The Department will distribute Letters of Notification and the CARS contract software electronically next week. Letters of Notification contain initial allocations of state and federal funds to community services boards (CSBs), the behavioral health authority, and the local government department with a policy-advisory CSB, all of which are referred to as Boards or CSBs in the contract documents and this memorandum.

The attached contract documents reflect comments received during the 60-day public comment period required by § 37.2-508 of the *Code of Virginia*, the work of the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards, and comments from Department staff. The Office of the Attorney General has reviewed these contract documents. Given the complete rewriting of the performance contract for FY 2004 and positive reaction to the FY 2005, FY 2006, FY 2007, and FY 2008 versions of the contract, the Department and the Performance Contract Committee decided to focus revisions or changes in the FY 2010 contract in only a few areas. Thus, many parts of the contract documents remain substantially unchanged from FY 2009.

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Performance Contract Changes from the FY 2009 Contract

1. "Mental illness" is replaced by "mental health disorder" and "consumer" is replaced with "individual receiving services" or "individual," unless the context requires consumer (e.g., the Community Consumer Submission). Both changes respond to suggestions from individuals receiving services. Also "intellectual disabilities" is changed to "intellectual disability," the correct term.
2. Language is added in section 6.c.1.) g.) on page 8 about reporting information on Part C services, previously reported in CARS and CCS 3, through a separate reporting system maintained by the Department (currently iTOTS), eliminating duplicative separate reporting requirements.
3. Language is added in section 6.c.1.) h.) on page 8 about reporting data on juvenile detention center and jail diversion services previously reported through separate manual reports, only in CARS and CCS, eliminating separate and duplicative paper reporting requirements. A consistent theme in the FY 2010 performance contract is eliminating duplicative reports for collecting the same information, since this creates inconsistent data and extra work for everyone.
4. Language is added on pages 6 and 11 about Boards and the Department implementing plans for assessing and reporting on increasing their recovery orientation, following up on language in the FY 2009 Performance Contract.
5. Language is added in section 6.h on page 10 about Intensive Care Coordination for the Comprehensive Services Act.
6. Language is stricken in section 6 and in section 7 about Individualized Services, since these requirements are no longer necessary.
7. Language is stricken on page 17 in section 10 to delete a reference to the System Operations Team since it is defunct, and language is inserted in section 10.b about revising the FY 2009 performance expectations and goals.
8. Columns for projecting individuals to be served are deleted from Forms 11, 21, 31 and 01 on pages 29 and 30. While Boards will no longer have to project numbers of individuals to be served by core service in the performance contract, this information still will have to be reported through CCS 3. Rows on the forms for projecting individuals to be served by Consumer Designation Codes are deleted, since this information is captured in CCS 3.
9. Exhibit B is revised substantially to reflect co-occurring and integrated services language and to incorporate changes in various expectations and goals that have been made in the Exhibit B Required Measures Report, which is now included in Exhibit B. Reflecting existing language in the FY 2009 Partnership Agreement, a new section is added for Co-Occurring Mental Health and Substance Use Disorders Performance Expectations, including related affirmations in section IV. The Data Quality Measures in the FY 2009 contract are moved to the Expectations section and the reporting requirements are eliminated. A new section V is added on continuous quality improvement feedback, which addresses improving data quality and integrity and furthering transparent accountability.

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10. Exhibit C on page 41 is revised to include language about Boards implementing plans for and reporting on increasing their recovery orientation to the Department by March 31, 2010.
11. The Regional Program Operating Principles in Exhibit J of the FY 2009 performance contract are deleted, and they are moved to Appendix E in revised Core Services Taxonomy 7.2 to retain them for guidance and reference purposes.

Partnership Agreement Changes from the FY 2009 Agreement

1. The language changes in item 1 for the Performance Contract are reflected in the Agreement.
2. As in the Performance Contract, language about the System Operations Team in section 9 of the Agreement is deleted since the Team is defunct.
3. Language on page 10 about reviewing and renewing the Agreement at the end of five years is deleted since it is reviewed every year as part of developing the next Performance Contract.

General Requirements Document Changes from the FY 2009 Document

1. The language changes in item 1 for the Performance Contract are reflected in the Document.
2. The reference on page 2 to Procedures for Continuity of Care Between CSBs and State Psychiatric Facilities is deleted since the Procedures are archaic, having been issued on February 3, 1997 and superseded by the Discharge Planning Protocols, now being revised.
3. The Crosswalk Between Licensing Regulations and CARF Standards on pages 19-21 is revised to reflect the 2009 CARF Standards.
4. Appendix A: Continuity of Care Procedures on pages 22-23 and 30 is revised to reflect revised state hospital admission criteria in Chapter 8 of Title 37.2 of the *Code of Virginia*.
5. Language in the Continuity of Care Procedures on pages 30 and 31 is revised to reflect current practice regarding readiness for discharge from training centers.
6. Appendix B, Discharge Assistance Project Procedures, is deleted.
7. The Regional Program Procedures in Appendix D of the FY 2009 performance contract are deleted, and they are moved to Appendix F in revised Core Services Taxonomy 7.2 to retain them for guidance and reference purposes.

All of the contract's Exhibit A will be submitted electronically, using CARS software supplied by the Department. More detailed information about which parts of the contract must be submitted on paper is contained in Exhibit E of the contract, the Performance Contract Process. CARS also contains Table 2: FY 2010 Board Management Salary Costs, which enables CSBs and the Department to respond to requirements in § 37.2-504 of the *Code of Virginia*. This table collects FTE information by program area and for services available outside of a program area, including numbers of peer providers. Peer providers are staff who self-identify as individuals receiving services and have been hired specifically as peer providers. Staff who have not been hired as peer providers, even if they have a mental health or substance use disorder or intellectual disability, should not be reported as peer-providers.

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The Department is distributing FY 2010 contract documents electronically, rather than as paper copies by mail. This enables the Department to distribute these contract documents more quickly and easily and allows recipients to distribute the documents to others more rapidly and efficiently. To be accepted for processing by the Department, a performance contract must satisfy the criteria in Exhibits E and I of the contract.

1. Exhibits A and H (first two pages) and Table 2 must be submitted to the Department's Office of Information Technology Services using CARS software and must be complete and accurate.
2. Since the contract is being distributed electronically to CSBs, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Community Contracting at the same time that Exhibits A and H are submitted. These parts include: the signature page of the contract body (page 18), the Board's current organization chart (the third page of Exhibit H); the signature page of Exhibit B, Exhibit D (if applicable), Exhibit F (two pages), the first page of Exhibit G, Exhibit J (if applicable), and the signature page of the Partnership Agreement (page 11). The second page of Exhibit G must be submitted as soon as possible and no later than September 30. The Department must receive all parts of the contract that are submitted on paper before a contract submission will be considered to be complete.
3. Exhibit A must conform to the allocations of state and federal funds in the Letter of Notification enclosures, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Revenues must equal costs on all contract forms or differences must be explained on the Financial Comments form.
4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the *Code of Virginia*, to the Office of Community Contracting with its contract. More information about the waiver request is contained in an attachment to this memorandum.

The FY 2010 contract and other materials described above are due in the Department's Office of Community Contracting by **June 19, 2009**, except for Exhibits A and H (the first two pages), which are submitted to the Department's Office of Information Technology Services by the same date. More detailed information about submitting Exhibits A and H (the first two pages) in CARS will be provided in the Performance Contract Workshops, conducted by Department staff during May.

Section 37.2-508 or 37.2-608 of the *Code of Virginia* requires that the CSB or behavioral health authority make its proposed performance contract available for public review and solicit public comment for a period of 30 days before submitting it for the approval of the operating or administrative policy CSB or behavioral health authority board of directors or the comments of the local government department's policy advisory CSB. That same *Code* section authorizes the Department to provide up to six semi-monthly payments of state and federal funds to allow sufficient time to complete public review and comment, local government approval, and Department negotiation and approval of the contract.

The Performance Contract Process (Exhibit E in the contract) automatically provides the first two semi-monthly July payments to all CSBs, whether or not a contract has been submitted. The Process conditions the next four semi-monthly payments (two in August and two in September) on the Department's receipt of a complete performance contract.

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Once a performance contract is received in the Department, the CSB's Community Contracting Administrator will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. For CSBs, please call or e-mail your Community Contracting Administrator if you have any questions about this memo and contract documents. If other recipients of this memorandum have any questions about it or the contract documents, please e-mail me at paul.gilding@co.dmhmrsas.virginia.gov or call me at (804) 786-4982. Thank you.

Enclosures (4)

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Steven Wolf, Ph.D.
Joy Yeh, Ph.D.
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Mary Ann Bergeron
Stephen W. Harms
Susan E. Massart
Joe Flores

Minimum Ten Percent Local Matching Funds Waiver Request Attachment

A Board should maintain its local matching funds at least at the same level as that shown in its FY 2009 final performance contract revision. The 2009 Appropriation Act prohibits using state funds to supplant local governmental funding for existing services.

If a Board is not able to include at least the minimum 10 percent local matching funds, required by § 37.2-509 of the *Code of Virginia* and State Board Policy 4010, in its original performance contract, any subsequent contract revision, or its mid-year or end of the fiscal year performance contract reports, it must submit a written request for a waiver of that requirement, pursuant to § 37.2-509 of the *Code of Virginia* and State Board Policy 4010, to the Office of Community Contracting with the original or revised contract or performance contract reports.

In accordance with sections 7.f and h of the Community Services Performance Contract, if only a Board's participation in the Discharge Assistance Project (DAP), its receipt of state facility reinvestment project funds, or its participation in a regional program, as defined in the Regional Program Operating Principles in Core Services Taxonomy 7.2, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509 of the *Code of Virginia*, the Department will grant an automatic waiver of that requirement, related to the funds for the DAP, reinvestment project, or regional program. The Board must submit a written request for the waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 3, 4, and 5, and the Department will approve an automatic waiver in a letter to the Board.

1. State Board Policy 4010 defines acceptable local matching funds as local government appropriations, philanthropic cash contributions from organizations and people, in-kind contributions of space, equipment, professional services (for which the Board would otherwise have to pay), and, in certain circumstances, interest revenue. All other revenues, including fees, federal grants, and other funds, as well as uncompensated volunteer services, are not acceptable as local matching funds.
2. Section 37.2-509 of the *Code of Virginia* states that allocations of state funds to any Board for operating expenses, including salaries and other costs, shall not exceed 90 percent of the total amount of state and local matching funds provided for these expenses. This section effectively defines the 10 percent minimum amount of local matching funds as 10 percent of the total amount of state and local matching funds.
3. The written waiver request must include an explanation of each local government's inability to provide sufficient local matching funds at this time. This written explanation could include, among other circumstances, the following factors:
 - a. an unusually high unemployment rate, compared with the statewide or regional average unemployment rate;
 - b. a decreasing tax base or declining tax revenues;
 - c. the existence of local government budget deficits; or
 - d. major unanticipated local government capital or operating expenditures (e.g., for flood damage).
4. Additionally, the waiver request must include information and documentation about the Board's efforts to obtain sufficient local matching funds. Examples of such efforts could include newspaper articles, letters from Board members to local governing bodies outlining statutory matching funds requirements, and Board resolutions.
5. Finally, the waiver request must include a copy of the Board's budget request that was submitted to each local government and a copy or description of the local government's response to the request.