

**FINDINGS AND RECOMMENDATIONS  
FROM THE  
REPORT ON THE MENTAL HEALTH GOVERNANCE STUDY  
AS THEY PERTAIN TO THE DEVELOPMENT  
OF THE  
PERFORMANCE OUTCOME SYSTEM**



**BACKGROUND**

The *Report on the Mental Health Governance Study* prepared for the California Mental Health Planning Council in February, 1993 at the request of former Assembly Member Bruce Bronzan, was prepared in response to changes brought about by realignment legislation. The intent of this study was to determine the appropriate governance structure for the mental health system. The report contains findings related to mission and philosophy, structure and functions, and problems of the Department of Mental Health and the California mental health system. It recommends a governance structure with assigned responsibilities to the Department based on these findings.

System accountability is a central theme of the report with system oversight, evaluation, and monitoring identified as a primary function and performance expectation of the Department.

*Contrary to the notion that realignment completely or largely eliminated a role for the DMH, realignment actually places significant responsibilities at the state level to maintain system oversight and integrity and to enable counties to effectively provide critically needed mental health services.*

The report therefore provides findings and recommendations specific to planning, research, and evaluation functions of the Department.

**FINDINGS RELATED TO ACCOUNTABILITY AND PERFORMANCE  
OUTCOMES**

In identifying roles, the study clearly finds the Department as having a central role in the leadership of the California mental health system. This leadership role extends to planned systems of care; planning, research, evaluation, technical assistance, training, and quality assurance; program facilitation and development; revenue development; advocacy; and education and information dissemination. Although the study recognizes that the Department is required by statute to use a joint state-county decision-making

process in meeting the mission and goals of the state mental health system, it clearly identifies the Department as the leader in critical system operations including performance evaluation.

*A major role of the DMH is to passionately articulate the vision for the mental health system and to facilitate achievement of the mission and goals. Leadership involves providing firm central direction based on the vision, maximum individual autonomy to achieve objectives, setting policy, and delivering funds to operational bodies, and evaluating performance. The DMH is to provide a focal point of contact for clients, family members, advocates, and providers. It serves as a central focus for California's mental health system.*

*In summary, this chapter clearly identifies roles, responsibilities, and functions assigned to the State under realignment.*

Specific to Planned systems of Care, the study finds:

*The DMH has a leadership role in developing integrated systems of care in all counties to meet the needs of persons with serious mental illnesses. The DMH can fulfill this leadership role by providing a clear vision and set of values through:*

- *Achieving multi-agency coordination and collaboration in service delivery at the state level and facilitating the same at all levels.*
- *Managing resources and pursuing sufficient and flexible funding.*
- *Developing mechanisms for monitoring performance of community mental health programs based on accountability for outcomes.*
- *Collecting and disseminating necessary data to support a system based on performance outcomes.*
- *Identifying barriers to efficient and effective delivery of services that require state intervention to be eliminated.*
- *Encouraging and supporting operation and utilization of self-help and social support resources.*
- *Ensuring provision of necessary technical assistance and training programs (see below).*
- *Encouraging applied research, including applying for grants and collecting and disseminating information (see below).*

The Department is identified as having primary leadership responsibility in a system of accountability that is necessary for the development of a comprehensive mental health plan and delivery of quality client-centered mental health services. A performance outcome system is central to the fulfillment of these responsibilities.

*The DMH has a leadership role in planning; disseminating research, evaluation, and performance outcome information; and overseeing the integrity of the mental health system. These tasks are to enhance services and supports available to persons with serious mental illnesses. The specific functions include, but are not limited to:*

- **Planning.** Fulfilling federal planning requirements so that citizens may be informed regarding implementation of and long-range goals for programs to serve persons with serious mental illnesses. A plan that annually describes the State's goals and objectives and reports on accomplishments is required.
- **Research and Evaluation.** Encouraging, coordinating, and disseminating the results of research and evaluation directed to public policy and management issues entailed in designing resource utilization and service delivery in the State. Focusing research and evaluation on information needs of state and local policymakers and managers. Appointing a Mental Health research Advisory Committee to consult with consumers, families, and other constituency and to advise on establishing research priorities. Serving as a clearinghouse for information on research and evaluation studies. (Note: This study suggests an applied research focus with the DMH in the role of facilitating, not conducting, research. This role is narrower than current statute).
- **Technical Assistance and Training.** Developing technical assistance and training through joint state-local decision-making process. Making available technical assistance to local mental health programs incorporating results of research, evaluation, and quality assurance. Such assistance may be in program development, program operations, research, evaluation, demonstration, or quality assurance projects. Providing training in performance standards, model programs, cultural competency, and program development.
- **Quality Assurance.** Implementing a system of required performance reporting by local mental health programs and performing other activities useful to improving and maintaining the quality of state mental hospitals and community mental health programs.

Further, the report gives system oversight, evaluation, and monitoring specific attention by identifying these functions and performance expectations as one of five broad categories of departmental responsibility and authority. It clearly identifies the Department as having the responsibility for developing a performance outcome data collection and outcome analysis system, negotiating performance contracts, and disseminating outcome data.

*The DMH is responsible for oversight, evaluation, and monitoring of all elements of the State's planned systems of care to assure that appropriate services are provided to persons with serious mental illnesses. This responsibility includes,*

### **Performance Outcomes and Contracts**

*The DMH is responsible for leading the development of performance outcome measures and negotiating annual performance contracts with local mental health programs for the provision of services. The goal is to evaluate the performance of the mental health system based on outcomes -- to assess what is actually accomplished by shifting from process measures to results. This effort requires a fundamental restructuring of program monitoring to permit inspection of results from the perspective of consumers, program managers, system planners, and policymakers. The task of the DMH is to assure, in partnership with others, an adequate program design to support outcome measures,*

*including a statewide information, training, and technical assistance effort. Responsibilities include, but are not limited to:*

- *Replacing current process-based data systems with new outcome-based measures.*
- *Developing and implementing an integrated data collection system focused on client and systems outcomes to permit identification of performance outcomes and outcome analysis.*
- *Negotiating annual performance contracts with community mental health programs.*
- *Collecting and disseminating data to assist community mental health programs in evaluating performance and facilitating local level accountability.*

Of the system and governance problems found by the study, accountability is applicable to performance outcomes:

***Accountability.*** *The DMH itself lacks accountability or performance outcome measures and has no consequences for failure to follow through on mandated performance requirements. In addition, mental health system accountability has not yet been fully developed. A lot of data is collected, but it is not analyzed or presented as useful information on which to base decisions or to permit local level accountability. Some believe the DMH also lacks enforcement clout to respond to local program performance failures.*

## **CRITERIA TO EVALUATE GOVERNANCE ALTERNATIVES RELATED TO ACCOUNTABILITY AND PERFORMANCE OUTCOMES**

In developing recommendations for an alternative governance structure, the study provided criteria against which to evaluate the various structures. In terms of functions and performance expectations, the report states the following:

*The governance structure should further accomplishment of its assigned functions and performance expectations. Chapter V denotes those functions and performance expectations currently assigned to the DMH primarily through statute and regulations. The structure should assure or facilitate efficient and effective **performance of the functions and expectations** assigned to the state level: leadership; administration of federal funds; systems oversight, evaluation, and monitoring; direct services; and administrative support.*

Further,

*The governance structure should be capable of dealing effectively with challenges that face the current mental health system. The structure should facilitate effective representation of the mental health system to:*

- *Secure sufficient and stable sources of **funding**, including maximizing federal revenues. This funding should keep pace with populations and inflation to permit effective long-term planning for the mental health system.*
- *Offer stability and support to a system affected by significant challenges and realignment of state and local roles and responsibilities.*
- *Provide a single point of **accountability** for resources invested in the mental health system and maintain system integrity.*
- ***Minimize disparities** in program availability and accessibility.*
- ***Educate** the public and others about mental illness as a mainstream health care issue.*

## **RECOMMENDATIONS RELATED TO ACCOUNTABILITY AND PERFORMANCE OUTCOMES**

The governance study provides a recommendation for a state-level governance structure for California's mental health system consisting of a reorganized Department of Mental Health, together with public input, accountability, and oversight provided by the California Mental Health Planning Council. In describing the recommended governance structure, the report states,

*The recommended governance structure continues both a State Department of Mental Health and the California Mental Health Planning Council. However, some critically important modifications to current operations are recommended.*

*The proposed roles, responsibilities, organizational forms, and interrelationship of both entities to provide public accountability will enhance service delivery and provide necessary oversight. A description of each organizational entity follows.*

*The **Department of Mental Health** is established pursuant to WIC, Section 4000 *et. seq.* and is vested with broad authority and jurisdiction over the laws relating to the care custody, and treatment of persons with mental illnesses. The Director of the DMH has general authority to determine its internal operations, mechanisms, organizational structure, and other administrative processes within the rules and requirements prescribed for state government entities. Nevertheless, fairly wide latitude to articulate the vision and set policy is provided.*

*On the other hand, state statute is quite prescriptive with regard to specific functions to be performed by the DMH. As described in Chapter V, the primary required functions can be grouped into five areas: system leadership, administering federal funds; system oversight, evaluation, and monitoring; providing direct services, including operating state hospitals, providing mental health services in prisons, and administering the Conditional Release Program; and providing necessary administrative support. Numerous required functions are included within each grouping and are assigned to the State even under realignment.*

Additionally, the report states,

*The organizational structure of the DMH should reflect the mission, service system philosophy, and values of the mental health system.*

Finally, the following rationale for the recommendations is provided:

*Contrary to the notion that realignment completely or largely eliminated a role for the DMH, realignment actually places significant responsibilities at the state level to maintain system oversight and integrity and to enable counties to provide critically needed mental health services effectively. Effective local service delivery will be difficult, if not impossible, without performance of the centralized roles and responsibilities assigned to the state.*

## **CONCLUSIONS**

The *Report on the Mental Health Governance Study* clearly identifies authorities, responsibilities, and roles of the Department mandated by legislation and directed by the mission, service system philosophy, and values of the mental health system. Most importantly, it identifies a need the Department to serve as a centralized entity for oversight of the California mental health system. For the purpose of ensuring the availability and quality of necessary mental health services, evaluation functions remain with the Department. These functions are both mandated by realignment legislation and recommended by the study. This centralized role of the Department would provide accountability, relative consistency, and stability of the California mental health system.