



C A L I F O R N I A   D E P A R T M E N T   O F

# Mental Health

1600 9th Street, Sacramento, CA 95814  
(916) 654-3709

## DMH INFORMATION NOTICE NO.:

**TO:** LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

**SUBJECT:** MENTAL HEALTH SERVICES ACT (MHSA) GUIDELINES FOR  
THE ANNUAL UPDATE GUIDELINES FOR FISCAL YEAR (FY)  
2009/2010 TO THE THREE-YEAR PROGRAM AND  
EXPENDITURE PLAN

**REFERENCE** WELFARE AND INSTITUTIONS CODE (WIC) Section 5847(a)

This Department of Mental Health (DMH) Information Notice provides proposed guidelines for Counties<sup>1</sup> to submit the FY 2009/10 Annual Update to their MHSA Three-Year Program and Expenditure Plan. Proposed guidelines and formats for funding requests for FY 2009/10 are provided for all MHSA components, and include instructions for reporting on Community Services and Supports (CSS) FY 07/08 activities. Initial requests for individual component funding must continue to meet the proposed guidelines previously provided in DMH Information Notices. This Annual Update provides for continuation of previously approved programs/projects/actions and enables requests for new work plans. In addition, this Information Notice provides a brief description of the next steps in development of the integrated Three-Year Program and Expenditure Plan guidelines.

The term “work plan” is being used to describe programs, projects, and actions which were terms previously used to describe approved uses of MHSA funds by component. Programs for CSS and Innovation are one or more services used in an organized manner to provide strategies for services and supports to an individual to achieve positive outcomes. A Prevention and Early Intervention (PEI) project is prevention and/or early intervention programs that are designed to address one or more PEI Key Community Mental Health Needs and one or more PEI Priority Populations, consistent with PEI Principles, to meet specific PEI individual/family and/or program/system outcomes. Workforce Education and Training actions describe strategies to address workforce shortages and train the public

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<sup>1</sup> “County” means the County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or city-operated programs received funds per WIC Section 5701.5.

mental health workforce. Capital Facilities and Technological Needs plans were organized by project. Now all these will be called “work plans.”

## **I. INTEGRATED THREE-YEAR PROGRAM AND EXPENDITURE PLAN**

In accordance with the MHSA, it is the State’s intention that every three years, Counties will develop an integrated Three-Year Plan by conducting an inclusive and strategic planning process within a quality improvement framework in which all MHSA components support the County’s mental health service system. Annual updates will build on that process. The initial integrated Three-Year Plan is expected for FY 2010/11 through FY 2012/13. The Community Program Planning Process for development of this plan should occur in FY 2009/10.

## **II. FY 2009/10 ANNUAL UPDATE**

The FY 2009/10 Annual Update shall be developed with the participation of stakeholders, in accordance with Title 9, California Code of Regulations (CCR) Sections 3300, 3310(d) and 3315. The Community Program Planning Process should build on previous and ongoing engagement of stakeholders. A draft of the FY 2009/10 Annual Update shall be circulated for 30 days to stakeholders for review and comment, and a public hearing by the local mental health board or commission is required. All input shall be considered with adjustments made, as appropriate to the Annual Update.

To receive MHSA funding for FY 2009/10, the County must submit the FY 2009/10 Annual Update consistent with the following guidelines, and receive approval from the State consistent with the guidelines in this Information Notice. The Mental Health Services Oversight and Accountability Commission (MHSOAC) has authority to approve expenditures for the Prevention and Early Intervention (PEI) and Innovation components. DMH has the approval authority for the balance of the components.

Counties that have not yet submitted their initial component work plans, may include their FY 2009/10 funding request consistent with the guidelines in Section II.E. of this Information Notice as part of their initial component plan submission.

This Information Notice provides Exhibits A-F to assist in the submission of the FY 2009/10 Annual Update. A complete submission includes Sections A-G. Sections F is only needed when the submission includes proposed new work plans.

*Note: Guidance regarding state approval of each section of the annual update is provided to provide clarity on roles and responsibilities. It is not intended to be included in the final document.*

### **A. County Mental Health Director Certification**

“Exhibit A—Mental Health Director Certification” is a signed statement by the County Mental Health Director that the County will comply with the requirements of the MHSA, including community program planning process and non-supplant requirements of Title 9, CCR Section 3410. It also indicates that the information included in the documents submitted is true and accurate.

*State Approval—Signature of Mental Health Director certifying compliance with community planning process and non-supplant.*

### **B. Community Program Planning and Local Review Processes**

On “Exhibit B—Description of Community Program Planning and Local Review Processes,” include a brief description of the Community Program Planning and Local Review Processes for development and review of the FY 2009/10 Annual Update. It shall include the methods for obtaining input and identification of stakeholder entities involved. The dates of the 30-day stakeholder review and public hearing shall be included.

Counties should describe how the information provided by DMH and any additional information provided by the counties regarding the CSS implementation was shared with their stakeholders and any substantive comments received about that information<sup>2</sup>.

A summary of substantive input received during the stakeholder review and public hearing, and responses to those comments shall be included in the FY 2009/10 Annual Update. The County should indicate if no substantive comments were received. Counties need to maintain copies or a log of all comments that are submitted during this process, including those submitted anonymously.

*State Approval—Required information is provided. Required stakeholder groups (Title 9, CCR Section 3300) were involved.*

### **C. Report on FY 2007/08 Activities**

On Exhibit C, provide a brief narrative description of progress in providing service through CSS to unserved and underserved populations, with emphasis on reducing racial/ethnic disparities. Since the CSS Implementation Progress Report was submitted under separate cover for calendar year 2007 and there was not sufficient activity in any other components in FY 07/08 to warrant a report, this section of the FY 2009/10 Annual Update is abbreviated.

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<sup>2</sup> Note to Reviewers: DMH expects to provide County specific data on demographics of those individuals in Full Service Partnerships (FSPs) by October 2008 based on information submitted by the County.

*State Approval—Presence of response. Information is provided for context and statewide trends.*

#### **D. Work Plan Descriptions**

On Exhibit D—Work Plan Description, provide a one-half page description of each CSS and PEI and Innovation work plan. This information will be posted on the DMH website. The County should specify on the form the MHSA component, the name of the work plan, a description of the population to be served, number of annual clients or individuals to be served by funding category or type of prevention, and brief description of the work plan including services to be provided and features of the program that further the goals of the MHSA. The population description should include information about targeted age, gender, race/ethnicity and linguistics as well as situational characteristic of the population to be served. For Innovation, only work plans that provide services to clients, individuals or their families need to be submitted. The program description for Innovation component work plans should include information on the innovative aspects of the services.

*State Approval—Submission of each CSS, PEI and Innovation work plan descriptions.*

#### **E. Funding Requests for FY 2009/10**

Counties shall request approval of funding for FY 2009/10 from unapproved amounts from prior year planning estimates or from the FY 2009/10 planning estimate for approved components, through the process specified below. This funding request also functions as a request to modify the County's MHSA Agreement, i.e. performance contract with DMH.

Previously approved programs, projects, or actions, now called work plans, remain approved by the State. Requests for approval of new work plans following the initial component approval for CSS, Workforce Education and Training and Capital Facilities and Technological Needs may be included in this Annual Update by completing Section F. New work plans for Prevention and Early Intervention and Innovation must follow guidance in previous DMH Information Notices. Counties may discontinue previously approved work plans by notifying the state within 30 days of the decision to terminate a work plan. The notification should include the basis for the decision and an explanation of the stakeholder involvement. A County may not implement any new work plan until written approval has been issued. DMH will approve CSS, Capital Facilities and Technological Needs and Workforce Education and Training; the MHSOAC will approve the PEI and Innovation components.

A County's initial plan for an MHSA component must follow the guidelines previously provided by DMH for that component. For components that have not yet been approved, Counties may include their FY 2009/10 funding requests as part of their initial component plan. Funding requests are to be consistent with the guidelines provided in this Information Notice pertaining to new work plans.

Counties may combine/consolidate work plans in their annual update by listing the newly consolidated work plans on that component's Summary Request, with an attachment listing which previously approved work plans are consolidated. The consolidated work plan must continue to meet the guidelines for the initial submission of the work plan (program/project/activity) for the component.

For each component, there is an Exhibit E, which is the FY 2009/10 Funding Request. List each work plan that is existing, i.e., previously approved and those that are new and proposed for approval. The funding request from each County should equal the amount of MHPA funds budgeted to implement the requested work plans (including any non-recurring costs) less any unspent available funds. County administrative costs should be separately budgeted. An operating reserve of 10% may be budgeted. Unspent funds are based on the FY 2007/08 MHPA Revenue and Expenditure Report. Projections of additional funding needed for FY 2008/09 can be included for decreased revenue or increased expenditures over the approved funding levels. There is an allowable adjustment to the prior year funding level. It is limited to 10% of the total MHPA funds requested for this component. The amount of unspent funds may include adjustments made for any additional expenditures in excess of MHPA funding amounts, or decreased revenues. These calculations are to be included in each component's spreadsheet summary in Exhibit E.

*State Approval of Summary Requests—Submission is complete and the funding levels add correctly, FY 07/08 unspent funds amounts is consistent with revenue and expenditure report, operating reserve does not exceed 10%, irrevocable transfers are within acceptable limits, majority of funding proposed is to be directed to FSPs, included work plans are approved. Reviewers should verify with the county that the work plans for capital facilities and technological needs are consistent with the approved description when significant increases are proposed (general guideline of 50% increase in costs.)*

### **1. CSS Funding Requests for FY 2009/10**

Estimates of the funding for each work plan by service category and by age are requested (Full Service Partnership, General System Development, Outreach and Engagement).

As required by Title 9, CCR Section 3620(c), a County shall direct the majority of its CSS funding to Full Service Partnerships (FSPs). Exhibit E—Summary CSS Request includes a calculation to show the percentage of funds estimated to be expended on FSPs. If not demonstrated through calculation on this form, the County must explain how they meet this regulatory requirement. Title 9, CCR Section 3620(j) requires Counties for provide FSPs for all ages. If the County is not currently meeting this requirement, the County shall describe how and when they will achieve compliance consistent with Title 9, CCR Section 3620(j)(1). As per Title 9, CCR Section 3620(c)(3), funds for the MHPA Housing Program are excluded from determinations of whether the County has directed the majority of its CSS funds to FSPs.

For additional funding to be dedicated to the MHSA Housing Program, the County only needs to specify the total funding level and provide an Assignment to the state consistent with DMH Information Notice 08-11.

Counties may request an irrevocable transfer of CSS funding to Capital Facilities and Technological Needs, Workforce Education and Training and Prudent Reserve. This amount cannot exceed the limit specified in WIC 5892(b).

For additional funding to be dedicated to the MHSA Housing Program, the County only needs to specify the total funding level and provide an assignment to the State consistent with DMH Information Notice 08-11.

## **2. Prevention and Early Intervention (PEI) Funding Requests for FY 2009/10**

Estimates of the funding for each work plan by type of intervention and by age group are requested. Only existing approved work plans may be included with the FY 2009/10 Annual Update. See Section F below for instructions on requesting funds for new work plans.

Consistent with the direction from the MHSOAC, at least 51% of the funding must be dedicated to populations under age 25 and the County's PEI component must reflect programs that address all age groups (Small counties are excluded from these requirements.) If the Summary PEI Request does not demonstrate the funding minimum for populations under 25 years, the County must explain how they meet this requirement.

## **3. Workforce Education and Training Funding Requests for FY 2009/10**

Estimates of the funding for each work plan by type of funding category are also requested.

## **4. Capital Facilities and Technological Needs Funding Requests for FY 2009/10**

For each work plan, specify whether it is a Capital Facilities or Technological Needs project.

## **5. Innovation Funding Requests for FY 2009/10**

Only existing approved work plans may be included with the FY 2009/10 Annual Update. See Section F below for instructions on requesting funds for new work plans.

## **F. New Work Plan Requests for FY 2009/10**

Counties may request approval of new work plans for CSS, Workforce Education and Training, Capital Facilities and Technological Needs through the FY 2009/10 Annual Update by submitting Exhibit F—New Work Plan Narrative and Exhibit F—New Work Plan Budget. These work plans should be listed on Exhibit E. Requests for new work plans for PEI and

Innovation must be consistent with guidelines previously provided by DMH for those components and should be submitted separate from the FY 2009/10 Annual Update.

### **1. CSS New Work Plan Requests for FY 2009/10**

- a) Submit Exhibit F.1.—CSS New Work Plan Description
  - 1) Title of Work Plan
  - 2) An explanation of how the new work plan relates to the priorities identified in the Community Planning Process.
  - 3) A description of how the proposed work plan relates to the General Standards (Title 9, CCR, Section 3320) of the MHSA.
  - 4) Calculation showing that the county still meets the requirement that the majority of funds are directed to Full Service Partnerships.
  - 5) For project-based housing expenditures using General System Development funding, include a brief description outlining the type of housing (e.g., temporary, respite, transitional, etc.), whether the expenditure will be for master leasing of units, acquisition/rehabilitation of an existing housing structure or construction of new housing and the number of units to be acquired.

Note: A brief narrative description of the proposed work plan and the population to be served as well as the annual number of clients estimated to be served are included as Exhibit D.

- b) Line item budget consistent with Exhibit F.2.—Budget for New Work Plan.

### **2. PEI New Work Plan Requests for FY 2009/10**

There is no change in the guidelines for approval of PEI work plans. Exhibit E—Summary Funding Request may be included with those submissions to request funding for FY 2009/10.

### **3. Workforce Education and Training New Work Plan Requests for FY 2009/10**

- a) Submit Exhibit F.1.—Workforce Education and Training New Work Plan Narrative.
  - 1) Title and brief narrative description of the work plan.
  - 2) Objectives to be achieved, such as days of training, number of scholarships awarded, major milestones to be reached.
  - 3) Funding category of work plan (workforce staffing support, training and technical assistance, mental health career pathway programs, residency, internship programs, and financial incentive programs).
  - 4) An explanation of how the new work plan relates to the County's workforce needs as identified in the Community Program Planning Process.
  - 5) A description of how the proposed work plan relates to the General Standards (Title 9, CCR, Section 3320) of the MHSA.

- b) Line item budget consistent with Exhibit F.2.—Budget for New Work Plan.

#### **4. Capital Facilities New Work Plan Requests for FY 2009/10**

- a) Submit Exhibit F.1.—Capital Facilities New Work Plan Narrative.
- 1) Title and brief description of work plan, including the intended purpose and address of the Capital Facility, if known. Indicate whether it is a purchase, construction, or renovation.
    - (a) If the facility will not be exclusively used for public mental health services, please describe the proportion assigned to other users and the methodology for distributing the costs.
  - 2) Consistent with WIC Section 5847(a)(5), a description of how the proposed work plan is needed to provide services under CSS and/or PEI components.
    - (a) If the work plan proposes to purchase land without plan to build, provide explanation of rationale and plans for the future to support services.
    - (b) If the work plan proposes “lease/rent to own,” provide explanation of situation and assurance that terms of lease include a clause indicating that at conclusion of the payments, the county owns the building.
    - (c) If work plan proposes a Project with a restrictive setting, the following issues need to be addressed: a) unmet need within County for restrictive facility to adequately serve clients with serious mental illness and/or emotional disorder, b) specific reasons the county cannot meet the needs in a less restrictive setting, c) why it is not feasible to build the needed facility using non-MHSA funds, d) description of other funds that County has pursued and has been unable to obtain funding, e) description of the Community Program Planning Process that was involved in the development of the proposed work plan.
  - 3) Owner of facility. If privately owned, County must describe the method for protecting its capital interest for required length of time, if allowed by statute.
  - 4) Certify that the facility will be used to support the public mental health system for 20 years.
  - 5) Projected timeline until occupancy.

- b) Line item budget consistent with Exhibit F.2.—Budget for New Work Plan.

#### **5. Technological Needs New Work Plan Requests for FY 2009/10**

- a) Submit Exhibit F.1.—Technological Needs New Work Plan Narrative including
- 1) Title and brief description of work plan.
  - 2) An explanation of how the Technological Needs work plan meets the goals of:
    - (a) Increasing Client and Family Empowerment.

- (b) Modernizing and Transforming Information Systems.
  - 3) An updated Technological Need Roadmap implementation timeline with major milestones for achieving an Integrated Information Systems Infrastructure. Only one roadmap update is needed for all proposed workplans listed in Exhibit E—Capital Facilities and Technological Needs Funding Request for FY 2009/10. The milestones should address the model roadmap phases, which are:
    - (a) Infrastructure, Security, Privacy
    - (b) Practice Management
    - (c) EHR Lite: Clinical Data Management
    - (d) Computerized Provider Order Entry (ordering and viewing e-Prescribing and ;ab)
    - (e) Full Electronic Health Records (EHR) with interoperability components (for example, standard data exchanges with other counties, contract providers, labs, pharmacies)
    - (f) Full Integrated EHR and Personal Health Records (PHR)
  - 4) Certification that the county’s implementation of an EHR or PHR system or related components, will adhere to the “CA DMH EHR and PHR Standards and Requirements” (DMH Information Notice No.: 08-09, Enclosure 3, Appendix B) and related updates. This certification is only required for proposed EHR/PHR work plans.
  - 5) Signature of County Information Officer, or related county mental health director designee, indicating approval of the Technological Needs work plan.
- b) Line item budget consistent with Exhibit F.2.—Budget for New Work Plan.

## **6. Innovation New Work Plan Requests for FY 2009/10**

Guidelines for the Innovation component will be provided in a separate DMH Information Notice. Any requests for new work plans will need to follow those guidelines. Exhibit E—Summary Funding Request may be included with those submissions to request funding for FY 2009/10.

*State Approval of New Work Plans—Submission is complete, request is consistent with purpose and use of the component, request has a basis in the Community Program Planning Process, request is expected to move County toward essential elements/General Standards in Title 9, CCR Section 3320. State may express concerns to the County about any aspect of the work plan request.*

## **G. Prudent Reserve Plan**

Consistent with DMH Information Notice 07-25, the local prudent reserve level shall be 50% of the CSS amount approved for services. Each County should fully fund the prudent

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reserve by July 1, 2010, unless the County would have to reduce MHSA services below those funded in FY 07/08 in order to reach the 50% prudent reserve. A County that cannot attain the 50% prudent reserve requirement by July 1, 2010, because services would have to be reduced, should dedicate future increases in CSS Planning Estimates to the local prudent reserve until the 50% level is met prior to increasing service levels beyond those funded in FY 2007/08.

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Exhibit G—CSS Prudent Reserve Plan provides the format to describe the County's plan to achieve the prudent reserve of 50% of the approved funding level for ongoing CSS services by July 2010 consistent with requirements of DMH Information Notice 07-25.

*State Review—Submission of plan that indicates the County will meet the required prudent reserve level by July 1, 2010 or qualifies for exemption from requirement to achieve the 50% level by that date and provides the strategy and timeframe for achieving the prudent reserve level.*

**H. Submission**

One original copy should be submitted to the County Operations liaison. In addition, one hard copy and one electronic copy should be submitted to both the County Operations liaison and to the MHSOAC. The County Operations address is Mailing Address:

Mailing address: County Operations  
1600 9th. Street, Room 100  
Sacramento, CA 95814

Email: [CCTA.MH\\_HQ.MHHQ\\_DOM@dmh.ca.gov](mailto:CCTA.MH_HQ.MHHQ_DOM@dmh.ca.gov)

MHSOAC copies should be sent to:

Mailing Address: 1300 17th St., Suite 1000  
Sacramento, CA 95811  
Attn: Sheri Whitt

e-mail: [MHSOAC@dmh.ca.gov](mailto:MHSOAC@dmh.ca.gov)

To ensure timely FY 09/10 payment, the County must submit their Annual Update by March 1, 2009.

If you have any further questions, please contact your DMH County Operations liaison found at <http://www.dmh.ca.gov/CountyOps/contact.asp>. or MHSOAC liaison.

Sincerely,

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosures