

# **MEMORANDUM OF UNDERSTANDING**

**Between  
THE CALIFORNIA DEPARTMENT OF MENTAL HEALTH (DMH)**

**And  
THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES**

**For the  
MENTAL HEALTH SERVICES ACT**

## **I. Purpose**

This Memorandum of Understanding (MOU) is entered into by and between the California Department of Mental Health (DMH) and the California Department of Health Care Services (DHCS) to define the relationship between DMH and DHCS as it relates to the implementation of the Mental Health Services Act (MHSA) and the use of MHSA funds.

## **II. Background**

The passage of Proposition 63 (MHSA) in November 2004 provides an opportunity to transform the public mental health system in California by addressing a broad continuum of prevention, early intervention, treatment, and infrastructure support. In addition to the funding available to the county mental health departments, MHSA allows DMH to provide resources to other state entities to enhance their capacity to support the overarching goals of MHSA and its various components. The MHSA components are Community Services and Support, Prevention and Early Intervention, Workforce Education and Training, Innovation, and Capital Facilities and Technological Needs.

There are five fundamental concepts inherent in MHSA which must be embedded and continuously addressed in both local and state level collaborations. These concepts are a client/family driven mental health system, cultural competence, community collaboration, service integration, and a focus on recovery, wellness, and resiliency.

## **III. Statement of Work**

- A. This MOU is based on the activities delineated and approved in the Governor's Budget Act for FY 2008-09 supported with MHSA funds. A copy of this Budget Change Proposal (BCP) is attached in Exhibit A.

## B. Summary of Proposed Activities

- Describe the overall goals of the proposed activity.

The primary goal of the DHCS California Mental Health Care Management Program (CaIMEND) is to partner with DMH and other state of California organizations which treat Medi-Cal beneficiaries with severe mental illness (SMI) or severe emotional disturbance (SED) in order to improve health outcomes, while managing costs, for this population. The comprehensive care management program emphasizes achievement and maintenance of recovery and wellness and the integration of mental and medical care services at the primary care clinical level. It is, at its core, a client-centered program, with active client and family involvement in all activities. All activities and program components of CaIMEND are designed to be consistent with MHPA goals and objectives, philosophies, practices and performance measurement standards.

- Provide a brief summary of the proposed MHPA activities.

CaIMEND has been in existence since late 2004 and has largely concentrated on developing a partnership with DMH and other state providers of services to persons with SMI or SED to improve processes of care provided in specialty mental health settings; assist specialty mental health providers to decrease inappropriate variability in the delivery of mental health and pharmaceutical services; assist in the development of a client-centered health information exchange system between providers; investigate methods to reimburse for improved processes of care; develop methods to better integrate the delivery of mental and medical care services to persons with SMI and SED and co-occurring medical disorders; promote peer-led activities and client and family involvement in production of work products, and support appropriate health services research to promote CaIMEND/MHPA goals and objectives. Exhibit B details the workplan for FY 2008-09, in accordance with MHPA and BCP requirements.

## C. Work Plan

Each funded entity will be responsible for submitting an annual work plan. A copy of the annual work plan is attached in Exhibit B (see sample Exhibit B work plan).

- The work plan should be based on activities proposed and approved in the BCP(s) (Exhibit A) and negotiations between DMH and the State Entity.

- The work plan should include specific activities, timelines, and deliverables.

#### D. Staffing

- Provide a description of the proposed staffing based on the approved BCP(s): number of Full Time Equivalent (FTE) positions, classification, and whether permanent or limited term status.

Staffing for CalMEND in FY 2008-09 includes 1 FTE pharmacy consultant II, 1 FTE Research Program Specialist and 1 FTE Health Program Manager Specialist II, all housed at DHCS in the Pharmacy Benefits Division (PBD). These are new positions commencing in FY 2008-09 and are limited term.

#### E. DHCS Responsibilities

- Attend the quarterly MHSAs Interagency meetings
- Provide periodic updates on program implementation issues, concerns or questions to the DMH program liaison
- On an as-needed basis, present accomplishments, findings, best practices, and challenges at meetings, training sessions or conferences pertaining to the implementation of MHSAs
- Arrange an annual site visit for the DMH program liaison and other DMH representatives as needed
- Other requests as needed for supporting the implementation of MHSAs

#### F. Role of DMH program liaison

##### 1. General Duties

- Be the primary contact for DHCS on MHSAs implementation in regards to this MOU.
- Provide MHSAs updates to DHCS as needed.
- Negotiate the annual work plan.
- Provide feedback on reports.
- Provide other necessary support to DHCS in building a collaborative relationship that fulfills the purpose of this MOU and the overall goals of MHSAs.

##### 2. Specific Duties, if applicable

- Customize to reflect DMH program roles and responsibilities pertaining to this MOU

#### G. Subcontracts (if applicable)

In the event that the State Entity subcontracts any portion of the MHSA funds to another entity, the State Entity shall provide the following to DMH:

- A copy of the Request for Proposal or other procurement documents and contractor selection criteria for DMH's review and approval
- Name and contact information for DMH program liaison on the contractor selection panel
- Name of contractor, contract amount and terms, and a copy of the signed contract specifying the scope of work, including the proposed deliverables and timeline.

Following an RFP process, DHCS has contracted with the California Institute for Mental Health (CiMH) to provide specialty mental health consultation to the CalMEND program, beginning September 1, 2008 and ending August 31, 2011. A copy of the RFP is attached as Exhibit C and includes the selection criteria. The DMH program liaison for this process has been Dr. Penny Knapp, Medical Director, DMH. The contract is for \$900,000 per year and a copy of the contract will be forwarded when executed.

In addition, DHCS is in the process of awarding a contract for Health Information Consultation for CalMEND for FY 2008-09. The contract will be submitted when executed.

DHCS is also in the process of signing research contracts with UCB and UCLA for CalMEND. Contracts will be forwarded when executed.

DMH liaison for all these activities is Dr. Penny Knapp, Medical director, DMH.

#### H. Reporting Requirements

1. DHCS shall provide, at least annually or more frequently if specified, the following reports/updates to DMH:
  - a. Contact list updates for both program and fiscal contacts.  
Deadline: quarterly, or as needed
  - b. Annual report summarizing activities on related MHSA activities for the previous fiscal year. Format will be provided by DMH. The annual report includes program and fiscal information. Deadline: July 30.

- c. Mid year update summarizing activities on related MSHA activities for the current fiscal year and projected budget activities for budget year. Format will be provided by DMH. The mid year update includes both program and fiscal information. Deadline: January 31.
  - d. Additional requests for information as needed to provide updates to the Administration, Legislature and stakeholders.
2. DMH may revise the reporting requirements as needed and present the proposed changes at the MSHA Interagency meetings.
  3. All reports (see b and c above) must be submitted to the MSHA State Coordinator or his/her designee.
  4. Reports must be submitted electronically.
  5. Information collected from the reports will be published and shared with the public.

I. Department/Program Contacts

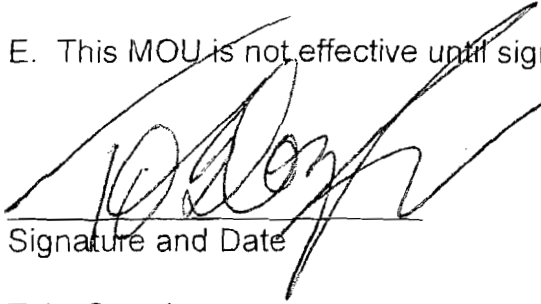
Both DMH and DHCS will designate the following representatives to act in a liaison capacity throughout the term of this MOU:

**Department Representative**

<b>DMH Contact</b>	<b>DHCS Contact</b>
Name: Carol Hood	Name: Pilar Williams
Title: MSHA State Coordinator	Title: Chief, Pharmacy Benefits Division
Address: 1600 9 <sup>th</sup> St., Rm. 140	Address: 1501 Capitol Ave., MS 4604
City, Zip: Sacramento, 95814	City, Zip: Sacramento, 95899
Phone: 916-654-3551	Phone: 916-552-9500
Email: carol.hood@dmh.ca.gov	Email: Pilar.Williams@dhcs.ca.gov

D. Funding for this MOU shall be subject to the provisions set forth in Welfare and Institutions Code 5891 regarding non-supplantation.

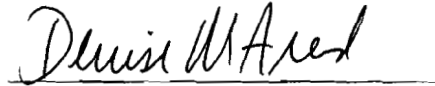
E. This MOU is not effective until signed by both parties.



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Signature and Date

Toby Douglas  
Deputy Director  
Health Care Policy



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Signature and Date

DENISE M. AREND  
Deputy Director  
Community Services Division

**EXHIBIT B**  
**Work Plan for the California Mental Health Care Management Program (CaIMEND)**  
**2008-09 (Beginning September 1, 2008 through June 30, 2009)**

Goals and/or Major Objective(s)	Major Functions, Tasks	Activities and Subtasks	Timeline	Performance Measures and/or Deliverables
<p><b>Goal #1 Build effective program and administrative infrastructure for CaIMEND</b></p> <p><b>Objective #1 Establish administrative and program expertise within DHCS to enable effective program direction and an effective organizational structure, which supports development and implementation of a care management program.</b></p>	<p>Provide medical, pharmacy, data analysis, program management and administrative support within DHCS</p> <p>Identify, recruit, direct</p>	<p>Develop BCPs, reports, workplans, detailed budgets, data analyses, arrange meetings and trainings, maintain program website, conduct Project Team meetings (monthly), conference calls (weekly), develop educational materials, newsletters and bulletins, interface with all relevant professional and client and family groups</p>	<p>Ongoing</p> <p>Year One and</p>	<p>Provision of budget, BCPs, reports, etc. in a timely manner and in accordance with deliverables and contract requirements</p> <p>Monitor and evaluate performance based upon</p>

<b>Objective #2</b> <b>Secure effective specialty mental health, reimbursement, quality improvement and data collection, analysis and health information exchange consultation or expertise</b>	and maintain specific contract consultation staff (copies of all contracts to be provided as available).	Develop, implement and update contracts with appropriate deliverables, timelines and budgets  Recruit/hire new consultants or continue relationships with existing contractors. Develop and update contracts as necessary	ongoing	performance objectives developed in collaboration with contractors.
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<b>Goals and Major Objective(s)</b>	<b>Major Functions</b>	<b>Activities and Tasks</b>	<b>Timeline</b>	<b>Performance Measures and/or Deliverables</b>
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<p><b>Goal 2. Improve Mental and Medical Health Outcomes for persons with SMI or SED</b></p> <p><b>Objective #1</b>  <b>Improve integration of mental and medical care services at the primary care level for older adults and adults.</b></p>	<p>1. Training and Education- Provision of training to primary care practitioners on mental health care principles and practices in order to improve their competency to manage persons with SMI in collaboration with mental health providers.</p> <p>2. Provision of training to mental health providers on primary care principles and practices of diagnosis and management of common co-occurring medical</p>	<p>Liaison with relevant professional groups and develop training materials. Training based on implementation of evidence-based treatments, clinical best practices and decision-support tools.</p> <p>Select sites for pilot activities</p> <p>Evaluation of outcomes and plan for spread of training</p>	<p>Year 1</p> <p>Year 2</p> <p>Year 3</p>	<p>Identify liaisons, and develop training materials</p> <p>Implement pilot trainings</p> <p>Evaluate best practices and develop plan for spread and sustainability of training Primary Care Practitioners on MH care/issues and of mental health providers on common co-occurring medical conditions</p>
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<b>Objective #2</b> <b>Improve efficiency &amp; effectiveness of services provided in specialty mental health systems for persons with SMI</b>	Improve selected clinical processes and QOC in specialty mental health systems (county MHPs) using the clinical process guide narrative and operational tools	Finalize Clinical Guide for Person-centered Mental Health Services and accompanying implementation Narrative and Operational Support tools	Year 1 Year 2 through December, 2010	Final version of Clinical Guide and Narrative and Documented guidelines, tools and techniques to operationalize clinical guide in diverse clinical settings. Initial selection of sites for operationalization of selected service process changes
		Complete Decision Aid(s) for Appropriate Use of Antipsychotics for providers and clients and families (generic)	Year 1	Decision aid for use of antipsychotics as prototype for development of decision aids for other classes of psychotropic medications.
		Draft Performance Measures for process flow chart (Clinical Guide)	Year 1 through December, 2010	Identification and definition of an initial set of performance measures (outcomes/process), i.e. dashboard, to use to evaluate effectiveness of changes to be implemented.
		Design interventions, select sites and conduct baseline measurements	Year 2	Baseline measurements completed.
		Implement interventions	Year 2&3	Interventions completed

	Continue UR/UM and QI Pilots in specialty mental health systems	Expand conduct of Clinical Collaborative Performance Improvement Projects (PIPs)	Ongoing	Expansion, sustainability and improvement in selected UM/UR performance measures
		Continue Client-Informed Outcome Measure (CIOM) Work with LA DMH and Mental Health Association	Ongoing	Validation of tool used in California for promoting client involvement in therapeutic decision-making
	3. Develop QI Strategic Plan	Hire and have QI specialist produce draft plan	Year 1	Draft Plan
<b>Objective 3: Improve efficiency &amp; effectiveness of services provided for children/youth including transitional age youth (TAY).</b>	Improve QOC of children/youth with SED in specialty mental health settings	Complete bridging document to Clinical Guide for Children's needs Complete roadmap to treatment planning for Symptom clusters and specific populations Adapt Process flow chart for children Adapt Clinical guide for children Synthesis of current literature on best treatment practices for SED populations, including synthesis of recommended pharmacy practices	Year 1 and Year 2 to Sept., 2010	Materials completed
	Improve care in primary care settings for children with MH disorders	Trainings for primary care and mental health providers and referrals and tracking as described in objectives #2 and # above		Identify promising approaches from AAP Mental Health Task Force and ABCD projects Identify plans or practices for pilot TA projects
	Continue Health Services Research on safety of medications for children/youth	Complete analysis of safety parameters re pediatric medication prescribing and devise clinical interventions based on research recommendations		UCLA contract. Identify QI measures from research findings Implement interventions

Goals and Major Objective(s)	Major Functions	Activities and Tasks	Timeline	Performance Measures and/or Deliverables
<p><b>Goal #3</b>  <b>Support client recovery, resilience, rehabilitation</b></p>	<p>Increase client/individual active participation in improved quality of treatment for mental disorders</p> <p>Implement process to measure client/family perceptions of improvement. in QOC</p>	<p>Continue role for Recovery Specialist as lead for client/family activities</p> <p>Continue Development of Compendium of Client and Family Educational Materials and revise/update as necessary</p> <p>Improve Shared Decision-Making between Providers and Clients re therapeutic decisions through continuation and expansion of CIOM and development and implementation of a shared decision-making pilot.</p> <p>Design services to include peer-run clinical activities</p> <p>Activate community support networks</p> <p>Participate in development and implementation of cultural &amp; linguistic competency T &amp; E materials.</p>	<p>Ongoing</p> <p>Year 1 and ongoing</p> <p>Years 1-3</p> <p>Years 1-3</p>	<p>Performance evaluations</p> <p>Existence and use of compendium</p> <p>Evaluation of CIOM outcomes</p> <p>Implementation and evaluation of pilot</p> <p>Plan and pilot(s) activities</p> <p>Network assistance agreements</p>

Major Objective(s)	Major Functions	Activities	Timeline	Performance Measures and/or Deliverables
<p><b>Goal 4:</b> Identify reimbursement goals and strategies to support improved care</p>	<p>Identify current reimbursement mechanisms for services provided to Medi-Cal beneficiaries with SMI or SED, and any significant gaps and determine strategies to develop necessary reimbursement mechanisms to support service changes/improvements recommended by CAIMEND.</p>	<p>Document current sources of reimbursement for mental health services  Document gaps  Develop strategies and recommendations for financing and reimbursement of proposed changes to service delivery</p>		<p>Financial Mapping and comprehensive financial blueprint of current funding and proposed funding structure</p>
<p><b>Goal 5:</b> Improve efficiency and effectiveness of data collection and analysis and health information exchange efforts to support achievement of CAIMEND UM/UR, QI, service integration, reimbursement and research</p>	<p>Design person-centered data system with interfaces between participating organizations  Provide liaison to DHCS &amp; state efforts to design a more effective and efficient HIE system  Support health services research</p>	<p>Improve UM/UR tracking and trending reports re psychotropic drug and medical services  Support baseline studies  Support program evaluation through measurement of selected performance measures  Develop data exchange agreements that support data exchange of clinically relevant data between participating organizations and providers</p>	<p>Ongoing with specific deliverables determined yearly (see deliverables for 2008-09)</p>	<p>Reports  Baseline studies  Performance Improvement Projects  Data exchange agreements  Combined data warehouses</p>

Support Staff	Author	Reviewer	Reviewer	Reviewer
CSD - CPD - CSS - SS G Marsh - 4-1500 Rm 140-0	Debbie Manas Rm 140	S Rodriguez Rm 140	Carol Hood Rm 140	Mark Heilman FYI
<i>G Marsh</i> Date: <del>9/23/2008</del> 9/25/08	<i>Debbie Manas</i> Date: 9/25/08	n/a Date:	n/a Date:	n/a Date:

Reviewer	Approval	Support Staff		
Michael Dong ES for D Arend	Denise Arend	Return to Rm 140-04 G Marsh for tracking		
<i>MD</i> Date: 9-25-08	<i>DA</i> Date: 9-25-08	<i>G Marsh</i> rec'd 9/30/08 Date: 9/30/08	Date:	Date:

Date:	Date:	Date:		

File Path/Name: Original hard-copy from Health Care Services

Tracking Control No.: CSD-A1-2008-794 MHA

## ROUTE FOR APPROVAL

Please return to Gloria Marsh, Room 250 for distribution and tracking purposes.  
654-1500

# Community Services Correspondence Assignments

CSD-AI-2008-794MHSA

Date Entered: 9/25/2008 3:13:51 PM

Due Date: 9/30/2008

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**Correspondent:**

**DMH Staff:** Debbie Manas

**Request/Subject:** MOU: Memorandum of Understanding between the CA Department of Mental Health and the CA Department Health Care Services for term July 1, 2008, through June 30, 2011, for activities funded through MHSA.

**Reference Tracking:** Original hard-copy from Department of Health Care Services

**Instructions:** COMPLETED\_Sept 30 2008\_Submitted for approval and signature to Denise M Arend, Deputy Director, CSD

**Notes:**

If you have any questions or are requesting an extension, please call the Community Services Division office, 654-3551.

A handwritten signature in black ink, appearing to be 'mms', is located in the bottom right corner of the page.

STATE OF CALIFORNIA  
 BUDGET CHANGE PROPOSAL - COVER SHEET  
 FOR FISCAL YEAR 2008-09  
 DF-46 (REV 11/06)

Department of Finance  
 915 L Street  
 Sacramento, CA 95814  
 IMS Mail Code: A-15

Please report dollars in thousands.

BCP #	023/HC-20	PRIORITY NO.	ORG. CODE	4260	DEPARTMENT	Health Care Services
PROGRAM	20	ELEMENT	10	COMPONENT		

TITLE OF PROPOSED CHANGE:  
**CaIMEND**

**SUMMARY OF PROPOSED CHANGES:**  
 The California Mental Health Care Management program (CaIMEND) is requesting augmentation of funding from MHSA for FY 2008-09 for purposes of providing staff for maintenance and management of the program at DHCS; to increase consulting for implementation of pilots and to do increased data evaluation for program. CaIMEND is designed to improve the cost-effectiveness of care to Medi-Cal members with severe mental disease and co-occurring chronic diseases.

REQUIRES LEGISLATION  YES <input type="checkbox"/>  NO <input checked="" type="checkbox"/>	CODE SECTION TO BE AMENDED / ADDED	BUDGET IMPACT-- PROVIDE LIST AND MARK IF APPLICABLE	
		ONE-TIME COST	<input type="checkbox"/>
		FUTURE SAVINGS	<input type="checkbox"/>
		FULL-YEAR SAVINGS	<input type="checkbox"/>
		REVENUE	<input type="checkbox"/>
		FACILITIES / CAPITAL COSTS	<input type="checkbox"/>

PREPARED BY: \_\_\_\_\_ Date \_\_\_\_\_ REVIEWED BY: \_\_\_\_\_ Date \_\_\_\_\_

APPROVED BY DEPARTMENT DIRECTOR \_\_\_\_\_ Date \_\_\_\_\_ APPROVED BY AGENCY SECRETARY \_\_\_\_\_ Date \_\_\_\_\_

DOES THIS PROPOSAL CONTAIN INFORMATION TECHNOLOGY (IT) COMPONENTS?  YES  NO  
 IF YES, DEPARTMENT CHIEF INFORMATION OFFICER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

FOR IT REQUESTS, SPECIFY THE DATE THE FEASIBILITY STUDY REPORT (FSR) OR SPECIAL PROJECT REPORT (SPR) WAS APPROVED BY  
 DATE: \_\_\_\_\_ PROJECT No.: \_\_\_\_\_ FSR  OR SPR

IF THIS PROPOSAL AFFECTS ANOTHER DEPARTMENT, DOES THE OTHER DEPARTMENT CONCUR WITH THE PROPOSAL?  
 YES  NO ATTACH COMMENTS OF AFFECTED DEPARTMENT, SIGNED AND DATED BY THE DEPARTMENT DIRECTOR OR DESIGNEE.

**DEPARTMENT OF FINANCE ANALYST USE (ADDITIONAL REVIEW)**  
 CAPITAL OUTLAY  OTROS  FSCU  OSAE  CALSTARS

DATE SUBMITTED TO THE LEGISLATURE: \_\_\_\_\_ PPBA: \_\_\_\_\_



**SUPPLEMENTAL INFORMATION**

Please report dollars in thousands.

DEPARTMENT	Health Care Services	BCP #	023/HC-20	FISCAL YEAR	2008-2009
IDENTIFY ALL PROPOSED ITEMS WHICH FIT INTO THE CATEGORIES LISTED BELOW. SEE INSTRUCTIONS ON PAGES I-7 and I-8.					
		CURRENT YEAR		BUDGET YEAR	
				BUDGET YEAR + ONE	
<b>PROPOSED EQUIPMENT</b>					
Major Equipment		-	-	-	-
Minor Equipment		-	-	-	-
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -
<b>PROPOSED CONTRACTS</b>					
Interdepartmental		-	-	-	-
External		-	-	-	-
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -
<b>ONE-TIME COSTS (LIST BY ITEM)</b>					
Office Automation		-	6	-	-
Equipment		-	-	-	-
	<b>TOTAL</b>	\$ -	\$ 6	\$ -	\$ -
<b>FUTURE SAVINGS</b>					
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -
<b>FULL-YEAR COST ADJUSTMENTS</b>					
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -
<b>FACILITIES/CAPITAL COSTS *</b>					
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

- Developed education materials to be used by peer counselors to improve the understanding of children, transitional age youth and their families as to the meaning of the diagnoses and treatments recommended.
- Begun to develop several additional pilots, including:
  - Efforts in medication therapy management whereby specially trained pharmacists assist, as part of the chronic care management team, in the management of medication. This approach will be more fully developed for implementation in 2007-2008.
  - A pilot that develops a methodology for more effectively transitioning persons from a parole setting to a county mental health plan setting. The parameters of this pilot are currently under discussion with several county mental health plans, the State parole agency and the alcohol and drug program, for potential implementation in 2007-2008.
  - Measurement of client perceptions of improvement in quality of life as a result of implementation of the new process of services detailed in the process map referenced above.

These pilots are in various stages of completion and will be implemented in the future:

- Entered into collaborative research arrangements with:
  - The UCLA Center for Services Research to develop a pilot implementation project for improving the medication safety of children.
  - The UCB School of Public Health to place a full time researcher (at University expense) with CalMEND to begin to conduct health economics research.

### **C. STATE LEVEL CONSIDERATIONS**

This proposal continues to support the Administration's directives to improve the quality of care to the most vulnerable populations served by the state, while controlling costs to the extent possible. CalMEND's careful care management approach to improving state health care systems, including the manner in which health information technology is used to support and evaluate change in service processes and health outcomes, is in keeping with administration plans to increase value-based approaches to health service issues. Decrease in inappropriate treatment decisions, including use of drugs, will benefit all state agencies and Medi-Cal beneficiaries.

### **D. FACILITY/CAPITAL OUTLAY CONSIDERATIONS**

This proposal has no impact on capital outlay for facilities construction or remodeling or contract staff housing costs requiring reimbursement.

developed a level of operations whose complexity surpasses the ability of existing DHCS staff to effectively oversee without the requested positions and augmented consultation. Fully dedicated staff in PBD is now necessary to assure appropriate oversight of the program and to provide ongoing data analysis and epidemiologic expertise appropriate to the program's charge to improve the cost-effectiveness of services to Medi-Cal members with SMI and SED, with or without other significant chronic diseases.

## **II. Requested Augmentation of Funds for Personnel to Be Placed Within PBD for CalMEND Program and Description of Functions of Personnel**

For FY 2008-09, CalMEND is requesting that three MHSA-funded positions (3 year limited term) be allocated to PBD to support program implementation and maintenance operations.

### **A. Pharmacy Consultant II Specialist**

As the CalMEND program has grown, as planned, into a robust care management effort, the role of pharmacists to the success of the program becomes essential. This is true because, as members of a care management team, pharmacists provide a unique function, in terms of being able to support appropriate treatment decision-making for both providers and clients.

Funding of a Pharmacist Consultant II Specialist position would enable DHCS to provide consistent professional oversight to the effort to reduce inappropriate variability in the prescribing of drugs for the treatment of SMI. Currently this function is part of the workload of several PBD pharmacists, who have other workload responsibilities and whose dedication to CalMEND is subject to the overall needs of PBD at any given time. In addition, this position would replace most of the contract pharmacist consultation currently being utilized by CalMEND, thus freeing DHCS MHSA resources for other purposes.

The PC II, in coordination with the PBD Medical Consultant II, would be responsible for overall direction and coordination of the CalMEND program. He or she would work closely with other DHCS staff assigned to the program, contract staff, staff of the participating organizations who are working on CalMEND, including client and family representatives and other CalMEND stakeholders. The PC II will help develop the care management infrastructure, including required legislation, within DHCS and will work closely with other disease management and care management DHCS staff to provide medication treatment approaches to the care of persons with chronic diseases. The PC II will participate in development of program performance measures and clinical and client decision support tools. The PC II will participate in the development of reimbursement methods to support care management functions.

### **III. Program Activities In Progress Or Planned Which Will Require Augmented Support for FY 2008-09**

Specific program areas which require new staff and/or continued consultation for FY 2008-09 include:

- Expansion of a pilot performance improvement project conducted with several county mental health plans to decrease the inappropriate variability in the use of antipsychotic drugs.

A DHCS study done in 2004 indicated that the inappropriate treatment of SMIs with multiple antipsychotics averaged 12% across the Medi-Cal pharmacy dollars. A methodology was developed to allow the sharing of DHCS pharmacy data (previously unavailable to county mental health plans) with several county mental health plan medical directors who agreed to help develop interventions to decrease inappropriate prescribing. DHCS HIPAA and IT security staff worked closely with CalMEND staff to develop the data sharing methodology to support this and other program pilot efforts. This project will improve the ability of state and county staff to use state and local data for quality improvement purposes. Counties are designing interventions to decrease inappropriate variability in prescribing practices for implementation in FY 2007-2008. Best practices will be available for dissemination to other county and state mental health service sites in FY 2008-09, based on preliminary data and reports of progress, including tracking of decreases in cost associated with this program effort.

- Continued design of a client-centered approach to the gathering and use of health information and expanding analysis of available data.

CalMEND has as a major component of its activities the development of a person-centered health information exchange capability which would combine health information from the various state agencies involved in treating and/or paying for services for persons with SMI into a more integrated data base for better support of provider and client treatment decision-making and improved analysis of the cost-effectiveness of services provided. Work is progressing with DMH, ADP, Adult Parole and county mental health plans to provide data not now available to DHCS to CalMEND for utilization review or QI purposes.

Persons with SMI die, on average, 15-25 years earlier than persons without an SMI. Adding additional data bases will enable DHCS to better identify and characterize the SMI and SED populations in Medi-Cal and identify key characteristics associated with higher morbidity and mortality burden, identify service delivery patterns and gaps associated with over-or-under use of selected services and costs of morbidity and service use patterns to Medi-Cal, including excess hospital and emergency department costs. As part of efforts to improve long-term health outcomes for this population CalMEND has also written a

- Study of current service reimbursement arrangements in order to develop strategies for support of the changes in service processes proposed, such as how to best utilize currently available funding mechanisms to promote service changes identified as necessary by CalMEND, identify alternate or new funding mechanisms and propose pilot efforts in pay-for-performance, including medication therapy management whereby specially trained pharmacists assist, as part of the chronic care management team, in the treatment of persons with SMI, including appropriate management of medications and more general questions as to how to support necessary changes in service delivery to achieve sustained improvement in health outcomes for persons with SMI/SED and associated chronic diseases. Much of the testing and refinement of reimbursement arrangements will occur in 2008-09.
- Continued support of research activities developed with various UC medical and public health centers. Significant activities are occurring now with UCB, School of Public Health and the UCLA Center for Health Care Services Research and further activities are in the planning stages.

Following two years of expanded operations, which built upon activities which commenced in 2004, 2008-09 will be a major implementation year designed to begin the process of disseminating successful findings from the various program pilots and activities described above. Provision of additional resources are critical to the realization of the potential for significantly increasing the efficiency and effectiveness of services for persons with SMI and co-occurring chronic diseases and for managing the program on a daily basis.

#### **F. OUTCOMES AND ACCOUNTABILITY**

DHCS staff has overall responsibility for assuring that program development, implementation and deliverables are produced and achieved within the agreed upon timelines. Contracts to provide specialty consultation services for FY 2008-09 include detailed scope of work, deliverables and timelines. DHCS staff oversees program operations, participate on the program management team and co-chair the Policy Oversight Committee (governing board). Proposed budget expenditures must be accompanied by sufficient detail to enable approval by DHCS staff on a monthly basis. DHCS staff participates in the recruitment and hiring of all experts who are to provide consultation to CalMEND. Quarterly progress reports are required of consultant staff in a predetermined format that facilitates project and task-level monitoring.

The following major outcomes and accountability activities will be conducted in FY 2008-09.

- Determination, tracking and reporting of effects of interventions to reduce inappropriate use of drugs used to treat SMI, including decreases in pharmacy costs and other cost-savings resulting from improvement in prescribing practices and related health outcomes.

creation of a common data collection and analysis system, managed through CalMEND/DHCS, in accordance with the administration's plan to improve the state's health information technology exchange system, a process in which CalMEND is heavily involved. All DHCS located staff will be central to this effort.

**Cons:**

- Will require new MHSAs dollars to be allocated to CalMEND.
- Feasibility of further development of this system is still unknown to some degree and cost savings cannot be fully predicted. Although there is much evidence that appropriate health care management efforts work to improve quality and decrease health care costs, there is less evidence available for efforts concentrating on persons with SMI/SED.

**Alternative #2: Redirect State resources sufficient to staff the augmented effort.**

**Pros:**

- No additional general or MHSAs funds will need to be spent to support CalMEND.

**Cons:**

- Existing PBD staff are currently working on legislatively mandated pharmacy cost savings and cost containment activities, drug rebates, the impact of Medicare Part D and the effort to provide drugs to the uninsured and cannot be redirected from those activities to support this augmentation. Staff who are currently working on CalMEND are doing so on a part time basis and are subject to reassignment to other priorities at any time.
- Activities mandated in the MHSAs would not be expanded into State of California mental health service systems outside of county mental health plans. This might jeopardize the mental health systems transformation envisaged in the legislation and delay or deny achievement of improvements in cost-effectiveness.

**Alternative #3: Do not augment CalMEND funds as requested for staff.**

**Pros:**

- Resources will not need to be developed to further support CalMEND.

**Cons:**

- Work done to date will either not be able to be fully implemented or will be implemented more slowly and cumulative effect of combining promising approaches will not be achieved, so overall cost-effectiveness of program efforts to date may not be measurable.
- Patient participation in clinical decisions may be overlooked or under utilized resulting in limited improvement in self-management.
- Patient safety improvements, especially for children, may not be fully implemented.

**Workload Analysis  
Pharmacy Benefits Division  
CalMEND**

<b>Activity</b>	<b>Number of Items</b>	<b>Avg Hrs Per Item</b>	<b>PC II Hrs</b>	<b>HPS II Hrs</b>	<b>RPS II Hrs</b>	<b>Total Annual Hours</b>
Professional oversight of prescribing of drugs in the treatment of SMI	300	2.0	600			600
Develop care management infrastructure, including required legislation, within DHCS and will work with other disease management and care management staff to provide medication treatment approaches of chronic diseases. In-state travel required	200	1.5	300			300
Develop program performance measures and clinical and client decision support tools	300	2.0	600			600
Participate in the development of reimbursement methodology to support care management functions	200	1.5	300			300
Program Management of the Cal Mend program and line responsibility for the majority of the program	550	2		1,100		1,100
Implement the CalMEND program and all administrative functions including contracts, budgets, recruitment and monitoring of staff. In-state travel required.	250	2		500		500
Develop BCPs, program reports, facilitating meetings, and training	200	1		200		200
Develop and supervise CalMEND data collection, analysis, and exchange activities	720	1.7			1,224	1,224
Research and determine CalMEND data need for various CalMEND efforts and develop and produce data reports	300	1.0			300	300
Develop robust data mining methodologies for data collection and analysis. In-state travel required.	276	1.0			276	276
<b>Total Hours by Classification</b>			1,800	1,800	1,800	5,400
<b>1,800 hours = 1.0 PY</b>						
<b>Number of Proposed Positions</b>			1.0	1.0	1.0	3.0