

REPORT TO THE LEGISLATURE

JLARC MENTAL HEALTH SYSTEM PERFORMANCE AUDIT

Status Report

RCW 71.24.820

**Department of Social and Health Services
Health and Rehabilitative Services Administration
Timothy R. Brown, Assistant Secretary**

June 1, 2002

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EXECUTIVE SUMMARY

This report fulfills the requirements of RCW 71.24.820. The law requires the Department of Social and Health Services (DSHS) to submit a report to the legislature on the status of implementation of the recommendations made in the Joint Legislative Audit and Review Committee (JLARC) Performance Audit of the Mental Health System. The specific language is as follows:

“In addition to any follow-up requirements prescribed by the joint legislative audit and review committee, the department of social and health services shall submit reports to the legislature on the status of the implementation of recommendations 1 through 10 and 12 through 14 of the performance audit report. The implementation status reports must be submitted to appropriate policy and fiscal committees of the legislature by June 1, 2001, and each year thereafter through 2004.

The 1999 JLARC performance audit made fourteen recommendations for improved management of the mental health system. The recommendations were in the areas of coordination of services, fiscal accountability, and moving towards an outcome-based system. The department last reported to the legislature in June 2001 and to the JLARC committee in December 2001. This status report updates both reports completed in 2001. Since that time, major changes/accomplishments are as follows:

- ⇒ The Mental Health Division (MHD) made significant progress towards streamlining and reducing process oriented accountability activities (recommendation 4). Procedures are developed for deeming licensed service providers who are accredited by the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) and the Rehabilitation Accreditation Commission (CARF). Currently, thirty-three mental health provider agencies are participating in deeming. Statewide, approximately twenty-six percent of licensed agencies will be eligible for deeming.
- ⇒ The federal government delayed implementation of the Balanced Budget Act (BBA) for another year, to July 2003. The BBA imposes several new regulations on managed care systems. The requirements are primarily administrative and process oriented.
- ⇒ The Request for Proposals for a consumer outcome system was completed and a vendor was selected. The contract will be implemented by May 12, 2002. (recommendation 10)
- ⇒ The Secretary of DSHS formed a select committee on hard to place adolescents. The group is comprised of top decision makers in child serving systems, including providers, DSHS management, and Judiciary representation. The committee is charged with making system recommendations (across DSHS) in policy changes that would facilitate more efficient and effective services to this challenging population. (recommendation 1)
- ⇒ The MHD continues to plan for, and accomplish transfer of patients from the state hospitals to the community under the Expanding Community Services (ECS) initiative. The 2002 supplemental budget expands this initiative by adding another ward at Western State Hospital (WSH) and a ward at Eastern State Hospital (ESH). (recommendation 3)
- ⇒ A study on the prevalence of mental illness is well under way. Literature reviews have been completed for jail and prison populations, nursing home populations, homeless individuals and refugees.

The following pages summarize accomplishments, plans and obstacles under each recommendation. The JLARC report continues to be helpful in development of the mental health system.

IF THERE IS NO CHANGE SINCE THE DECEMBER 2001 STATUS REPORT, THE ACCOMPLISHMENTS, PLANS AND OBSTACLES ARE SHADED.

<p>1. Coordinate allied services provided to mental health clients and implement strategies for resolving organizational, regulatory and funding issues at all levels of the system.</p> <p><u>Agency Position:</u> <u>Concur</u></p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • MHD research projects with allied systems • MHD- JRA coordination activities • A-Team start ups • Select committee on hard to place adolescents • Real Choices Systems Change Grant
	<p>Plan</p> <ul style="list-style-type: none"> • Continued promotion of the ‘A Team’ concept • Performance indicator/ outcome system • AASA-MHD-MAA Clinical pharmacy residency & fellowship • AASA-MHD-MAA managed long term care for high risk alzheimer’s and dementia clients
	<p>Obstacles</p> <ul style="list-style-type: none"> • Resources for populations with special needs

ACCOMPLISHMENTS

- **MHD research projects with allied systems:** MHD, the Medical Assistance Administration (MAA), and the Division of Alcohol and Substance Abuse (DASA) are involved in a federally financed study of mental health services, substance abuse services and Medicaid payments to look at service delivery and cost patterns. MHD and DASA are also collaborating on a retrospective study following individuals who were discharged from the State Hospitals in 1996. Another study, being conducted at Harborview Medical Center, will look at the benefit of Naltrexone in treating individuals with co-occurring mental health and substance abuse disorders. Other collaborations include training for case managers on co-occurring disorders in youth and adults. Studies are intended to identify best care practices for multiple need clients. MHD will use results of studies as part of designing an incentive program for Regional Support Networks (RSNs).
- **MHD-JRA coordination activities:** The MHD and the RSNs collaborated with the Juvenile Rehabilitation Administration (JRA) to create a referral protocol that enables identified JRA clients with mental health issues transitioning into the community to receive assessment and medical appointments with the RSNs upon release. JRA gives the RSN the clinical information on each client. This enables the RSNs to get a ‘jump start’ on planning for services and provides the basis for ongoing collaboration with the parole officers and families of the clients. Currently, MHD has received five signed agreements. Even without the signed agreements, referrals have started across the state.
- **A-Team start-ups:** MHD and Aging and Adult Services Administration (AASA) continue to work together to promote the use of the ‘A-Team concept’, a Snohomish County based best practice effort, in other regions. This concept creates a team of cross system partners to staff challenging multi-need cases. The cross system staffing has resulted in a reduction in inpatient hospitalization and a reduction in the use of emergency services. A-Teams have currently been replicated and are operational in Pierce, Chelan, Clark, King, Skagit, and Benton-Franklin counties.
- **Secretary’s select committee on hard to place adolescents:** This committee has begun the process of identifying the most challenging youth in the state. These cases will be examined to identify system issues that need to be addressed in order to provide better services. The committee is charged with making system recommendations (across DSHS) in policy changes that would facilitate more efficient and effective services to this challenging population. The group is

comprised of top decision makers in child serving systems, including providers, DSHS management and judiciary representation.

- **Real Choices Systems Change Grant:** In July 01, MHD, AASA, and the Division of Developmental Disabilities (DDD) submitted a proposal to Centers for Medicare and Medicaid Services (CMS) for a Real Choices Systems Change grant. The DSHS proposal requested \$3.3 million in federal funding. The focus of the proposal is on removing systemic barriers to service for clients who have multiple needs and promoting the transition from institutional to community settings. In March 02, DSHS was offered a preliminary grant award by CMS of \$1.3 million. DSHS is working to adjust the proposal to reflect what can be accomplished with the level of funding awarded.

PLAN

- **Continued promotion of the ‘A Team’ concept:** MHD and AASA will continue to monitor progress of existing A-Teams and encourage the replication of A-Teams in other counties.
- **Performance indicator/outcome system:** When the performance indicator/outcome system is in place, client outcomes will be used to evaluate the value/success of collaborative efforts. MHD is working with DSHS Research and Data Analysis (RDA) to identify cross-system performance indicators. (See recommendations 9 and 10).
- **AASA-MHD-MAA Clinical pharmacy residency & fellowship:** AASA, MHD, and MAA are collaborating on development of an advanced practice clinical pharmacy residency and fellowship in geriatric medicine in eastern Washington. The residency will emphasize continuity of psychiatric care for elderly individuals being discharged from State and community psychiatric hospitals in Eastern Washington. The residency is being established as a pilot project and will be evaluated to determine the effect of the program on community and state hospital utilization. Residents will work with frail elderly persons who are home bound or residing in long-term care settings.
- **AASA-MHD-MAA managed long term care (MLTC) for high risk Alzheimers and dementia clients:** AASA, MAA and MHD are committed to implementing innovative models of long term care service delivery that are designed to decrease unnecessary emergency room visits, hospitalizations and institutionalization, and to improve the quality of care for clients. The purpose of the MLTC project is to develop and implement an organized system of residential and community support services for Medicaid clients with Alzheimers disease and dementia disorders residing in community residences and nursing homes. In order to support these goals, a grant proposal was submitted in March 02 to the Center for Health Care Strategies (CHCS). The proposal requested \$700,000 in funding which can be used to leverage an additional \$700,000 in federal funding. DSHS expects to be notified in July of CHCS funding decisions.

OBSTACLES

- **Resources for populations with special needs:** The lack of community resources for individuals with behavioral issues related to organic brain disorders such as dementia, traumatic brain injury, fetal alcohol syndrome and autism is a challenge. These clients are often involved in multiple systems such as state hospitals and community geriatric care facilities.

<p>2. Require RSNs to collaborate and work with allied service provider agencies in providing mental health services and identify RSN responsibilities to achieve collaboration. MHD should enforce the provisions of those contracts.</p> <p><u>Agency Position:</u> <u>Concur</u></p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • RSN contract terms • RSN baseline information
	<p>Plan</p> <ul style="list-style-type: none"> • Enforce terms through monitoring and incentives
	<p>Obstacles</p> <ul style="list-style-type: none"> • Increased administrative burden

ACCOMPLISHMENTS

- **RSN contract terms:** MHD included contract language related to coordination of services in the 01-03 RSN contract. RSNs are required to develop service delivery protocols for children including, but not limited to, Native American/Indian children and children served by JRA and the Children’s Administration (CA) and adults served by AASA. MHD has made incentive money available to assist with the development of these protocols.
- **RSN baseline information:** RSNs have submitted baseline information on coordination with the CA and AASA.

PLAN

- **Enforce contract terms:** Contract language gives MHD a range of options for enforcement including corrective action, modification of RSN policies, denial of incentive payments and withholding of a portion of the monthly capitation payment pending resolution of issues.

OBSTACLES

- **Increased administrative burden:** RSNs have noted the increased administrative burden related to writing plans and producing reports on collaborative service delivery.

<p>3. MHD, AASA, state hospitals, and RSNs should ensure hospital discharge and community placement for eligible clients occur in a timely manner.</p> <p><u>Agency Position:</u> <u>concur</u></p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • Inpatient/residential study • Expanding Community Services (ECS) • RSN contract
	<p>Plan</p> <ul style="list-style-type: none"> • Timeline/goals for ECS • ECS evaluation • Housing preferences survey
	<p>Obstacles</p> <ul style="list-style-type: none"> • Decrease in community psychiatric inpatient capacity • Convergence of the earthquake, economic downturn, ECS and reallocation of state hospital beds • Insurance for providers and hospitals

ACCOMPLISHMENTS

- **Inpatient/residential study:** MHD has contracted for a study to assess inpatient and residential capacity and need. The results of the study are due to MHD on June 30, 2002. The results will be used to advise future planning regarding resource development and distribution.
- **Expanding Community Services:** DSHS is implementing the ECS project to address the issues of timeliness of discharge, coordinated service planning and adequate community resources. The project has identified patients in the state hospitals who could be more appropriately served in community settings.
 - ⇒ **December 2001 ward closure** - An unforeseen event that affected the ECS initiative was the February 2001 earthquake in Western Washington. The earthquake damaged buildings and reduced capacity at Western State Hospital (WSH). To maintain the reduced capacity, RSNs made extraordinary efforts to develop alternative placements and diversions for patients and individuals that would otherwise have been served at WSH. As a result of these efforts, there were no additional transitions required to accomplish the December 2001 ward closure. The workforce at WSH was reduced and ECS funds were provided to the participating western RSNs in December 2001.
 - ⇒ **Completion of work plan** - An implementation committee, including representatives from various stakeholders, developed an ECS workplan and will monitor progress and make revisions as needed.
 - ⇒ **Request for proposals** - DSHS issued a Request for Proposals for the development and operation of community residential and support services for long term WSH patients with significant barriers to community placement. DSHS received proposals from six of the western RSNs to serve individuals scheduled to be transitioned from the Adult Psychiatric Unit at WSH in June 2002. The MHD is finalizing contracts with five of these RSNs for the development of 30 community slots that can support these patients.
 - ⇒ **Transition Guidelines** – Individuals being served as part of the ECS initiative are long term patients with barriers to discharge. In order to improve the quality of discharge planning for these patients, a set of guidelines has been developed and disseminated as a resource for RSNs, state hospitals and the various systems that will be serving these individuals.
- **RSN contract:** The RSN contract allows for liquidated damages to be assessed at the state hospital bed day rate after hospital determination that a consumer is ready for discharge. A workgroup is currently developing an implementation plan for several components of this term. The work plan will address utilization review criteria and discharge protocols.

PLAN

- **Timelines/goals for ECS:** Transition of patients is expected to occur over the current biennium. The evaluation will track individuals as they are discharged using service utilization patterns, cost data, consumer satisfaction surveys and medical chart review. Changes to the initiative goals were made in the FY 2003 budget including the addition of a ward at ESH and the addition of a ward in the Program for Adaptive Living Skills (PALS) at WSH. The dates of transition of individuals into community settings reflected in current budget are as follows:
 - ⇒ **October through December, 2001 (30 Adult Psychiatric Patients at WSH)**
 - ⇒ **May through July, 2002 (30 Adult Psychiatric Patients at WSH)**
 - ⇒ **August through October, 2002 (28 Geriatric Psychiatric Patients at ESH)**
 - ⇒ **October through December, 2002 (30 Geriatric Psychiatric Patients at WSH)**
 - ⇒ **November 2002 through January, 2003 (30 PALS Residents at WSH)**
 - ⇒ **February through April, 2003 (30 Geriatric Psychiatric Patients at WSH)**

- **ECS evaluation:** The evaluation, involving MHD, DASA, AASA, and MAA, will be expanded to include the additional ECS ward closures. The study will evaluate individuals who return to the community after discharge from WSH and ESH. Since the November 2001 report to JLARC, additional researchers, specializing in geriatrics, have been hired to evaluate the GMU population that is now being discharged. The study design is being revised to incorporate the increased placement of GMU clients into AASA facilities. Outcomes that will be evaluated include:
 - ⇒ Provision of services in the least restrictive setting possible
 - ⇒ Prevention of unnecessary or lengthy hospitalizations
 - ⇒ Increase of community support/transition services
 - ⇒ Improved quality of life for consumers
 - ⇒ Cost savings to DSHS
 - ⇒ Improved placement and diversion alternatives

As the December 2001 hospital reduction was achieved as a result of damages to the state hospital resulting from the Nisqually earthquake in February 2001, initial data collected will be from patients leaving the hospital in July 2002.

- **Housing preferences survey:** All possible ECS clients are being interviewed about their housing and support needs and their housing preferences. The results will be shared with treatment coordinators and will be examined to determine housing and residential needs in the community.

OBSTACLES

- **Decrease in community psychiatric inpatient capacity:** A decrease in bed capacity for community psychiatric inpatient care in Washington State and border counties of Idaho and Oregon provides challenges to reducing beds at WSH.
- **Convergence of the February 2001 earthquake, the economic downturn, ECS and reallocation of state hospital beds:** Each of these factors puts a strain on local resources. The February 2001 earthquake reduced the physical capacity of WSH putting an unexpected burden on RSNs. The current downturn in the economy and passage of recent state initiatives threaten to erode resources for community support services. The timing of ECS with these factors and changes in allocation of state hospital beds may pose some challenges for western RSNs such as King and Pierce who are scheduled to lose beds at WSH and see relatively small increases in their funding for community services.
- **Insurance for providers and hospitals** – Community residential providers and community hospitals are reporting difficulty maintaining adequate insurance coverage. Providers are experiencing large increases in insurance rates or, in some cases, complete cancellation of insurance.

<p>4. Streamline and reduce process-oriented accountability activities. Negotiate with HCFA regarding how to replace process-oriented system accountability requirements with system and client outcomes reporting.</p> <p><u>Agency position:</u> Partially concur</p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • Reduce audit duplication • Implement deeming of licensed providers
	<p>Plan</p> <ul style="list-style-type: none"> • Meeting with the Centers for Medicare and Medicaid Services (CMS) • Process to data work group
	<p>Obstacles</p> <ul style="list-style-type: none"> • Balanced Budget Act • Licensing

ACCOMPLISHMENTS

- **Reduce audit duplication:** MHD now offers combined site visits from provider licensing, MHD RSN review, and RSN review of provider agencies in all RSNs. The process is designed to be less disruptive and time consuming for all involved.
- **Implement deeming of licensed providers:** MHD has successfully implemented deeming. A memorandum of understanding with the CARF was finalized on January 8, 2002. A memorandum of understanding with JCAHO was finalized on January 17, 2002. Currently, thirty-three agencies are participating in the deeming process. Approximately twenty-six percent of the mental health provider agencies in Washington will be eligible for deeming.

PLAN

- **Meeting with CMS (formerly HCFA):** MHD met with CMS on July 18, 2001 regarding this recommendation. CMS staff were supportive of MHD plans for a consumer outcome system and agreed to further discussions once outcomes are available. Since that visit, there has been a change in Region 10 leadership. MHD is arranging to meet with the new leadership to discuss future directions and to establish a continuing dialogue on the move from process oriented accountability to system and client outcomes reporting.
- **Process to Data work group:** MHD has established a work group to identify specific processes in the RSN/PHP contract, WAC and waiver that can be eliminated as the contract performance measures come on line.

OBSTACLES

- **Balanced Budget Act (BBA):** CMS is moving toward *more* process-oriented accountability in the BBA. The BBA has several new managed care regulations related to notifications to enrollees, advance directives, grievance procedures, quality strategies, screening, assessment and credentialing. Note: Since the June 2001 status report, implementation of the BBA has been delayed by the federal government for one year to July 2003. While this is helpful for planning purposes, MHD still expects this legislation to have significant impact at all levels of the mental health system.
- **Licensing:** MHD has reviewed licensing activities and will focus on those primarily related to health and safety. MHD believes that it is important to continue these licensing activities to assure some uniformity among licensed service providers.

<p>5. The legislature should clarify its intent that the system be “efficient and effective” by amending RCW 71.24.015.</p> <p><u>Agency position:</u> Concur</p>	<p>The legislature accomplished this in Chapter 334, Laws of 2001 (ESSB 5583a).</p>
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<p>6.1 Reduce the number of reported cost elements to those directly linked to the accountability process.</p> <p><u>Agency position:</u> Partially concur</p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • 2000 reporting instructions document decreased reportable elements <p>Plan</p> <ul style="list-style-type: none"> • Link cost elements to the performance indicator/outcome system <p>Obstacles</p> <ul style="list-style-type: none"> • Other information requests
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ACCOMPLISHMENTS

- **2000 reporting instructions document:** In the 2000 reporting instructions document for RSNs, three reported cost element codes were combined to create outpatient treatment. Two reported cost element codes were combined to create utilization management and quality assurance. One code was eliminated.

PLAN

- **Link cost elements to the performance indicator/outcome system:** Once the performance indicator/outcome system is complete, cost information collected will be reassessed to ensure linkage to the accountability process.

OBSTACLES

- **Other information requests:** Some cost elements may need to be collected that are not part of the accountability process. These cost elements identify how much RSNs spend on certain activities, such as Evaluation and Treatment Centers, residential and employment. MHD uses the information for research projects, to complete grant applications and to respond to requests for information from legislators and persons interested in specific programs.

<p>6.2 Clarify the definition of “provider administration” to improve consistency in reporting.</p> <p><u>Agency position:</u> Concur</p>	<p>Accomplishments</p> <ul style="list-style-type: none"> • Defined in 2000 reporting instructions document <p>Plan</p> <ul style="list-style-type: none"> • Consistency of reporting <p>Obstacles</p> <ul style="list-style-type: none"> • Variation among providers
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ACCOMPLISHMENTS

- **2000 reporting instructions document:** Provider administration was defined and separated from RSN administration in the 2000 reporting instructions document. The definition included costs allowable for administration.

PLAN

- **Consistency of reporting:** In FY 2002, MHD fiscal staff will study RSN and provider accounting and reporting activities to identify consistency issues and reporting difficulties. The Governor has directed the department to complete a plan to reduce mental health system administrative expenses to ten percent of available funds and make recommendations to the Governor and the legislature by October 1, 2002. Recommendations for clarity and consistency of reporting are expected to be part of that plan.

OBSTACLES

- **Variation among providers:** As more detail is reviewed and more provider staff interviewed, issues become technically complex. Before changes are made, additional research is needed to avoid administrative burden and inconsistency.

6.3 Instruct RSNs to report cost information so it reconciles with county-maintained RSN records. <u>Agency position:</u> concur	Accomplishments <ul style="list-style-type: none"> • FY 01 and 02 instructions clarified required information
	Plan <ul style="list-style-type: none"> • Continuing research to improve consistency
	Obstacles <ul style="list-style-type: none"> • None noted

ACCOMPLISHMENTS

- **FY 01 and 02 instructions:** FY 01 was the first year that MHD asked providers to report only the expenditures of funds originating from MHD. This was not fully successful and MHD engaged the RSNs in a discussion of the issues. In FY 02, specific instructions clarified providers' reporting requirements.

PLAN

- **Continuing research:** In FY 02, MHD fiscal staff will continue to identify what is unclear and to identify other factors that impede consistency.

6.4 Collaborate with State Auditor's Office to ensure RSNs segregate revenues, fund balances and reserves from other county funds. <u>Agency position:</u> Partially concur	Accomplishments <ul style="list-style-type: none"> • Met with State Auditor September 26, 2001
	Plan
	Obstacles

- **Discussion with State Auditor:** The auditor's office viewed this issue as more county than RSN related. Auditor's office staff did state that they intend to contact Sterling and Associates to clarify intent. No further action planned at this time.

6.5 Explore the feasibility of Local Government Financial Reporting System to assist MHD with monitoring and streamlining the cost reporting process. <u>Agency position:</u> Partially concur	Accomplishments <ul style="list-style-type: none"> • Met with the State Auditor September 26, 2001
	Plan
	Obstacles

- **Discussion with State Auditor:** The auditor's office does not think it would be helpful for MHD to go to this level for information. However, as noted above, they will contact Sterling and Associates regarding these recommendations. No further action planned at this time.

6.6 Develop a process to quantify and report costs of RSN utilization of state hospitals and integrate with other RSN cost information. <u>Agency position:</u> Concur	Accomplishments <ul style="list-style-type: none"> • Completed - Reporting process in place
	Plan
	Obstacles

ACCOMPLISHMENTS

- **Reporting process:** Reporting will be consistent with the Revenue and Expenditure reports issued twice a year. Method of including RSN utilization of state hospitals will be the same as the method JLARC used. Reporting begins with the June 2001 revenue and expenditure report.

7.1 The definition of direct services should be narrowed to include only those expenditures directly related to client services. <u>Agency position:</u> Concur	Accomplishments <ul style="list-style-type: none"> • FY 01 reporting instructions narrowed this definition
	Plan
	Obstacles

ACCOMPLISHMENTS

- **FY 01 reporting instructions:** This reporting instructions document removed the following elements from the definition of direct service: patient tracking system, utilization management, quality assurance and public education.

7.2 Create a new expenditure category to include direct services support. Expenditures. <u>Agency position:</u> concur	Accomplishments <ul style="list-style-type: none"> Completed in FY 01 reporting instructions
	Plan
	Obstacles

ACCOMPLISHMENTS

- FY 01 reporting instructions:** The new expenditure category was created in July 2000. The category includes four types of costs and definitions for each.

7.3 Include in the fiscal accountability standard the reporting of administrative and support costs of MHD, state hospitals and community hospitals. <u>Agency position:</u> Partially concur	Accomplishments <ul style="list-style-type: none"> Completed in FY 2001 reporting instructions
	Plan
	Obstacles

ACCOMPLISHMENTS

- FY 2001 reporting instructions:** This can be reported on a statewide basis as part of the Revenue and Expenditure reports issued twice a year. The method of including these costs will be the same as the method JLARC used. Reporting began with data as of June 2001. Based on this method, MHD completed an estimate of administrative, direct service and direct services support for FY2001.

8. MHD should develop uniform client and client service data definitions to address the inconsistencies noted in this report. <u>Agency position:</u> Concur	Accomplishments <ul style="list-style-type: none"> Data dictionary revised per JLARC Monthly data quality reports Provider website
	Plan <ul style="list-style-type: none"> Monitoring
	Obstacles <ul style="list-style-type: none"> Threat of loss of information management vendor HIPAA implementation

ACCOMPLISHMENTS

- Data dictionary revision:** The data dictionary, MHD’s published manual of data elements and definitions, has been reviewed and revised in meetings with RSNs, providers and consumers. Service definitions have been revised to increase reporting consistency and assure compliance with the Health Insurance Portability and Accountability Act (HIPAA). Data dictionary revisions are included in the 01-03 RSN contract. MHD has developed a “Frequently

Asked Questions” document that clarifies additional data reporting questions. MHD has also contracted with the Washington Institute for Mental Illness Research and Training to develop field-training protocols to instruct RSN and provider staff on the new codes.

- **Monthly data quality reports:** MHD has developed data quality reports which are distributed monthly to RSN staff.
- **Provider website:** A public website has been developed that providers and clinicians can access. The website lists all data elements reported by providers, data definitions and codes. It provides training on rating scales, lists frequently asked questions and directs additional questions to MHD for response.

PLAN

- **Monitoring:** Monitor data for consistency

OBSTACLES

- **Threat of loss of information management vendor:** Several RSNs may lose their current vendor for management of all client information data. If this occurs, it could present significant obstacles in the effort to get statewide data consistency. MHD is monitoring this situation.
- **HIPAA implementation:** There is confusion regarding the requirements of this federal law. It is clear that necessary changes to data systems could require considerable new resources at all levels of the mental health system.

9. Use outcomes/implement a uniform performance measurement system required by RSN contracts. <u>Agency position:</u> <u>Concur</u>	Accomplishments <ul style="list-style-type: none"> • Performance indicators in 01-03 contract • Data consistency
	Plan <ul style="list-style-type: none"> • Indicator report
	Obstacles

ACCOMPLISHMENTS

- **Performance indicators in 01-03 contract:** MHD has incorporated twelve of the JLARC performance indicators into the 01-03 RSN contracts, with plans to develop four more over the course of the contracts. The selection of the indicators was based on data sources currently available. This is not the comprehensive system envisioned by JLARC (see recommendation 10).
 1. Penetration rates for services by race/ethnicity, age, gender and Medicaid eligibility
 2. Utilization rate for services by race/ethnicity, age, gender and priority population
 3. Recipient perception of access
 4. Recipient perception of quality/appropriateness of services
 5. Recipient perception of active participation in decision making regarding treatment
 6. Percentage of service recipients who are employed
 7. Average annual cost per recipient served
 8. Average annual cost per unit of service; cost per hour for community services
 9. Percent of revenues spent on direct services
 10. Percent of recipients who were homeless in the last 12 months by age and priority population
 11. Percent of children who live in “family-like” settings
 12. Percent of children and adolescents receiving services in natural settings outside of a clinician’s office

The following measures will be under development during this contract period and will be included in the contract. Data will be gathered and reported throughout the contract period to refine the indicators.

1. Percent of recipients who are maintained in the community without a psychiatric hospitalization during the last 12 months
 2. Percent of recipients who receive services by both MHD and DASA in the previous 12 months
 3. Percent of consumers who access physical healthcare
 4. Percent of service recipients living in stable environments
- **Data consistency:** Ensuring report compliance and consistency was the focus of FY 01. Monthly reports are now generated and disseminated to RSNs to increase data consistency.

PLAN

- **Indicator report:** An Annual Performance Indicator Report has been developed, is being reviewed and will be available for distribution in July 2002.

10. Implement an outcome-based performance measurement system consistent with the framework described in this report. <u>Agency position:</u> Partially concur	Accomplishments <ul style="list-style-type: none"> • Compliance/consistency of current data • Stakeholder group formed • Request for Proposals (RFP) completed and vendor selected
	Plan <ul style="list-style-type: none"> • Comprehensive system development
	Obstacles <ul style="list-style-type: none"> • Continued funding • HIPAA privacy rule

ACCOMPLISHMENTS

- **Compliance/consistency:** MHD has completed preliminary work to increase the compliance and consistency of currently collected outcome information (i.e. employment, living situation, educational activity, and consumer perceptions of positive outcomes).
- **Stakeholder group:** formed and developing guidelines for system to be incorporated into Request for Proposals (RFP).
- **RFP completed:** MHD completed the RFP process for the consumer outcome system. A vendor has been selected and the contract is on track to be implemented May 12th.

PLAN

- **Comprehensive system development:** The development of a comprehensive consumer outcome system will take a minimum of three years. The following lists the steps and timelines for development of the consumer outcome system:
 - 1) Finalize contract with selected vendor. *May 2002*
 - 2) Work with vendor to design implementation. *June, 2002*

- 3) Data collection begins: Collect data on the Consumer Outcome Measure. Reports will be generated every 90 days to provide feedback on reporting quality and compliance to RSNs and providers. *December, 2002-December, 2003*
- 4) Once reporting compliance meets standards of reliability, MHD will begin reporting these outcomes. RSNs will receive performance reports every 90 days, with annual reports generated for broader stakeholder groups. *January, 2004*
- 5) Reports will be used by MHD to monitor contract compliance, inform planning and to implement quality improvement through incentives.

OBSTACLES

- **Continued funding:** The JLARC report indicated that there will be continuing costs related to maintenance and revision of this system.
- **HIPAA privacy rule:** Relationships between providers, RSNs, MHD and the vendor will need to be clarified to allow for transmission of protected health information. Purpose and uses of data at each level will also need to be clarified to meet HIPAA Privacy Standards.

11a-c. Change the payment methodology to use the same allocation for federal and state outpatient funds; eliminate the distinction between inpatient and outpatient funding; reduce the disparity in rates per Medicaid eligible person <u>Agency position:</u> Concur	Accomplishments <ul style="list-style-type: none"> • Produced a proposal consistent with Chapter 71.24 RCW • Implementation began in Sept. 2001 – phased in over six years.
	Plan
	Obstacles

11d. Allocate funding for state hospital beds to the RSNs <u>Agency position:</u> Partially concur	Accomplishments <ul style="list-style-type: none"> • Preliminary analysis
	Plan <ul style="list-style-type: none"> • Continuing technical assessment
	Obstacles <ul style="list-style-type: none"> • Federal funding streams; union contracts; state funding streams

ACCOMPLISHMENTS

- **Preliminary analysis:** MHD completed preliminary analyses in 1996 and 2000 and identified major issues.

PLAN

- **Continuing technical assessment:** MHD will continue to explore ways to make the RSNs responsible for state hospital bed usage. A report to the legislature on this topic is due October 1, 2002.

OBSTACLES

- **Federal funding streams; union contracts; state funding streams:** Earlier analyses of this recommendation show the major issue to be how to preserve federal funds which, at this time, are paid directly to hospitals that serve indigent persons. There are also significant issues with union contracts and state hospital funding streams.

12. Conduct periodic studies of the estimated regional prevalence of mental illness. <u>Agency position:</u> <u>Partially concur</u>	Accomplishments <ul style="list-style-type: none">• Stakeholder group formed; contractor hired• Agreed to modify PEMINS• Literature search on children’s prevalence• Literature searches on other special populations completed• Expert panel formed
	Plan <ul style="list-style-type: none">• Develop matrix of methods, populations and study costs• Including children• Complete by due date
	Obstacles

ACCOMPLISHMENTS

- **Stakeholder group formed, contractor hired:** The stakeholder group includes consumers, family members, RSNs (King, Pierce, North Central, Timberlands), mental health providers, and The Washington Institute for Mental Illness Research and Training (WIMIRT). MHD has contracted with a coordinator for this study.
- **Agreed to modify PEMINS –** The stakeholder group agreed to use the previously completed PEMINS study and modify it to include under-represented groups including people in jails and institutions and homeless persons.
- **Literature search on children’s prevalence:** Several stakeholders have expressed an interest in having children included in this study. A review of literature completed by WIMIRT shows wide variation in estimates of prevalence for children. Much of the variation can be explained by multiple definitions of mental illness in children.
- **Literature review for other special populations:** Literature reviews have been completed for jail and prison populations, nursing home populations, homeless individuals and refugees. Reviews are underway to find the best estimates of the number of these individuals in Washington State.
- **Expert Panel Formed:** Panel has been created of national and state experts on mental health prevalence. The panel will be meeting with MHD staff and the stakeholder group to provide technical assistance to the current study.

PLAN

- **Develop matrix of methods, populations and study costs:** The stakeholder group will use this matrix to inform the design of the study. For example, the extent to which populations can be included will be, in part, related to cost.
- **Including children:** The stakeholder group will continue to look for ways to include children within the funds allocated for this study. This will include making estimates based on national statistics.
- **Complete by due date:** The prevalence study is due to the legislature on November 1, 2003.

13. Restrict all RSN fund balances and reserves at maximum of 10 percent of annual revenue <u>Agency position:</u> <u>Concur</u>	Accomplishments <ul style="list-style-type: none"> • Implemented in FY 02 contract
	Plan
	Obstacles

14. Periodically analyze performance information from RSNs and providers so as to identify and disseminate information on efficient and effective operations and best practices. MHD to create a pool of incentive funds and distribute them as incentives for efficient and effective services. <u>Agency position:</u> <u>Concur</u>	Accomplishments
	Plan <ul style="list-style-type: none"> • Performance measure system
	Obstacles

PLAN

- **Performance measures system:** When the outcome system is developed and starts generating reliable data, it will be possible to implement this recommendation. The system will be partially implemented by June 2003. Anticipated date of complete implementation is January 2004. (See recommendations 9 and 10).

TERMS AND ACRONYMS

AASA	Aging and Adult Services Administration, DSHS
Balanced Budget Act	Federal law that increased certain requirements of pre-paid health plans
CARF	Council for Accreditation of Rehabilitation Facilities also known as the rehabilitation Accreditation Commission
CDMHP	County Designated Mental Health Professional
CMS	Centers for Medicare and Medicaid Services (formerly HCFA)
CMHS	The Center for Mental Health Services is a division of the Substance Abuse and Mental Health Services Administration (SAMHSA) of the Federal government.
DASA	Division of Alcohol and Substance Abuse, DSHS
Data Dictionary	The MHD's published manual of data elements and definitions. RSNs, by contract, are required to report data that is listed in MHD's data dictionary.
DDD	Division of Developmental Disabilities, DSHS
Deeming	Agreement that certain licensing requirements are met if a provider is accredited by a nationally recognized behavioral health accrediting body.
DOC	Department of Corrections
E&T Center	Evaluation and Treatment Center – community-based facilities for short term treatment and stabilization of acute episodes of mental illness
Healthy Options	A Medicaid managed care plan
HIPAA	Health Insurance Portability and Accountability Act
JCAHO	Joint Commission for the Accreditation of Healthcare Organizations
MAA	Medical Assistance Administration, DSHS
MHD	Mental Health Division, DSHS
Naltrexone	Opiate antagonist approved by the FDA for treatment of alcohol dependence
RDA	Research and Data Analysis, DSHS
RSN	Regional Support Network
TANF	Temporary Assistance for Needy Families
WIMIRT	Washington Institute for Mental Illness Research and Training