



COMMONWEALTH of VIRGINIA

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TO: Community Services Board or Local Government Department Executive Directors and the Behavioral Health Authority Chief Executive Officer

FROM: Paul R. Gilding
Office of Support Services Director

SUBJECT: FY 2018 COMMUNITY SERVICES PERFORMANCE CONTRACT RENEWAL

DATE: May 12, 2017

The FY 2018 Community Services Performance Contract Renewal and Revision and Partnership Agreement are available for your information and use on the Office of Support Services web page at <http://www.dbhds.virginia.gov/professionals-and-service-providers/office-of-support-services>. The FY 2018 CSB Administrative Requirements Renewal and Revision, a separate document incorporated into the contract by reference, is also available there. The Department is distributing Letters of Notification and the Community Automated Reporting System (CARS) software electronically now. The letters contain initial allocations of state and federal funds to community services boards, the behavioral health authority, and the two local government departments with policy-advisory CSBs, all of which are referred to as CSBs in the contract documents and this memo.

The contract documents incorporate changes in the FY 2017 Community Services Performance Contract that were negotiated last month with the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards. Language relating to intellectual disability is changed to developmental disabilities throughout the contract. Substantive changes from the FY 2017 Performance Contract are described below.

Performance Contract Changes

1. Section 4.a.2.) on page 3 is revised to move the requirement for residential crisis stabilization units operated by CSBs to accept appropriate TDOs to a new section 6.b.)11.) in the contract.
2. Section 4.e.8.) on page 8 contains new DOJ requirements for emergency services and REACH programs.
3. Section 4.i.3.) on page 12 contains revisions related to case managers and support coordinators importing or inputting data into the Department's waiver management system (WaMS).
4. Prevention provisions are reorganized and expanded in new section 6.b.5.) on pages 14 and 15.

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5. A new section 6.b.11.) about residential crisis stabilization units is added on page 17.
6. Language is inserted in section 6.e on pages 19 and 20 containing business associates agreements requirements for CSBs.
7. Language is inserted in section 7.e on page 24 containing business associates agreements requirements for the Department.
8. A new Medical Services core service is added in Forms 11, 21, and 31 on pages 41, 42, and 43. The Department and VACSB Data Management Committee developed this new service, and CSBs will need to begin reporting service and cost data for this service beginning July 1, 2017.
9. Language is revised on pages 45 - 46 in Section I of Exhibit B to reflect definition changes and on pages 46 - 47 in Section III to add six new performance measures developed by the VACSB and Department. Separate Exhibit B Quarterly Performance Measures reporting is eliminated.
10. A new Exhibit H on Regional LIPOS Requirements is added on page 59. It reflects current regional practices and incorporates increased accountability requirements. The contract template and data collection tool referenced in section 3 are already used by CSBs.
11. Exhibit J contains a new subsection on CSB names and appointments in section C.3 on page 63.
12. Exhibit J contains revised language in subsections F.1 and 2 on 64 about CSB audits.

CSB Administrative Requirements Changes

14. Appendix C on pages 31 - 35 is revised to clarify provisions about the reserve fund, acceptable uses of accumulated unspent state funds balances, and review of unspent balances.

Contract Process

Once the Department distributes the CARS software and Letters of Notification, CSBs will submit all of the contract's Exhibit A electronically using CARS software. CARS software contains Table 2: FY 2017 CSB Management Salary Costs, which enables CSBs and the Department to respond to requirements in § 37.2-504 of the Code of Virginia. This table also collects FTE information by program area and for emergency and ancillary services, including numbers of peer providers. Peer providers are staff who self-identify as individuals receiving services and have been hired specifically as peer providers. Staff not hired as peer providers, even if they have a mental health or substance use disorder or intellectual disability, should not be reported as peer providers.

To be accepted for processing by the Department, a performance contract must satisfy the requirements and criteria in Exhibits E and I of the contract.

1. Exhibit A and Table 2 must be submitted to Information Services and Technology in the Department using CARS software and must be complete and accurate.
2. Since the contract is being distributed electronically, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Support Services when Exhibit A is submitted. See Exhibit E in the contract. These parts are:
 - signature page of the contract body (page 30)
 - signature page of Exhibit B,
 - **clinical criteria for TDO admissions in residential crisis stabilization units required in section 6.b.11.),**
 - Exhibit D (if applicable),
 - Exhibit F (two pages), and
 - Exhibit G.

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The Department must receive all parts of the contract submitted on paper before a contract submission will be considered complete.

3. Exhibit A must conform to allocations of state and federal funds in the Letter of Notification, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Total funds in each program area (pages AF-1 through AF-8) must equal total costs shown on Forms 11, 21, 31, and 01 or differences must be explained on the Financial Comments form.
4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the local matching funds requirement, pursuant to § 37.2-509 of the Code of Virginia and State Board Policy 4010, to the Office of Support Services with its contract. More information about the waiver request process is attached to this memo.

The FY 2018 contract renewal and other materials described above are due in the Department's Office of Support Services by June 30, 2017, except for Exhibit A that is submitted to Information Services and Technology by the same date. Section 37.2-508 or 37.2-608 of the Code of Virginia authorizes the Department to provide up to six semi-monthly payments of state and federal funds to allow sufficient time to complete local government approval and Department negotiation and approval of the contract. Exhibit E automatically provides the first two semi-monthly July payments, whether or not a contract has been submitted. The process conditions the next four semi-monthly payments (two in August and two in September) on the Department's receipt of a complete performance contract.

Once a contract is received in the Department, the Community Contracting Director will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. If you have any questions about this memo or the contract documents, please e-mail or call Joel Rothenberg, the Community Contracting Director, at joel.rothenberg@dbhds.virginia.gov or (804) 786-6089 or me at paul.gilding@dbhds.virginia.gov or (804) 786-4982. Thank you.

Enclosures (4)

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MINIMUM TEN PERCENT LOCAL MATCHING FUNDS WAIVER REQUEST ATTACHMENT

A CSB should maintain its local matching funds at least at the same level as that shown in its FY 2016 performance contract. The 2016 Appropriation Act prohibits using state funds to supplant local governmental funding for existing services. If a CSB is not able to include at least the minimum 10 percent local matching funds required by § 37.2-509 of the Code of Virginia and State Board Policy 4010 in its performance contract or its end of the fiscal year performance contract report, it must submit a written request for a waiver of that requirement, pursuant to that Code section and policy, to the Office of Support Services with the contract or report.

In accordance with section 7.g of the Community Services Performance Contract, if only a CSB's receipt of state funds as the fiscal agent for a regional program, including regional DAP, acute inpatient (LIPOS), or state facility reinvestment project funds, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509, the Department will grant an automatic waiver of that requirement related to the funds for a regional program allocated to the other participating CSBs. The amount of state funds the CSB uses for its own participation in the regional program is not eligible for this automatic waiver. The CSB must submit a written request for the waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 3, 4, and 5, and the Department will approve an automatic waiver in a letter to the CSB.

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