



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
Community Contracting Director

SUBJECT: FY 2016 Community Services Performance Contract Renewal and Revision

DATE: May 8, 2015

The FY 2016 Community Services Performance Contract Renewal and Revision and Partnership Agreement are available for your information and use on the CSB Community Contracting web page at <http://www.dbhds.virginia.gov/professionals-and-service-providers/csb-community-contracting>. The FY 2016 CSB Administrative Requirements, 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 2015 and FY 2016 Community Services Performance Contract Revision No. 1 that were negotiated last month with the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards. Substantive changes from Revision No. 1 are described below.

Performance Contract Changes

1. Section 3 on page 1 is revised to clarify that the contract is not only the second-year renewal authorized by § 37.2-508 of the Code of Virginia but also a revision of the FY 2015 and FY 2016 Performance Contract Revision No. 1.
2. Section 4.c.6.), added on page 4, makes it clear that individuals must be offered a choice of case managers. This language is moved from section I.C.2 in Appendix E of the CSB Administrative Requirements where it applied only to mental health and substance abuse case management services. This responds partially to the CMS Final Rule. It also is consistent with Department licensing regulations (12VAC25-105-1255 Case Manager Choice) that state “The provider shall implement a written policy describing how individuals are assigned case managers and how they can request a change of their assigned case manager.”

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3. Section 4.c.9.) on page 5 is revised to conform to Senate Bill 1265 that clarified the meaning of real time for the psychiatric bed registry.
4. Sections 4.e.23.) and 24.), added on page 9, address DOJ Settlement Agreement Independent Reviewer concerns and clarify CSB responsibilities in the cited Settlement Agreement sections.
5. Section 4.f on page 9 is revised substantially to reflect the results of the CSB Emergency Services Telephone Survey conducted by the Department in March.
6. Section 4.h on pages 10 and 11 is a significant revision of current section 6.b.4.) about emergency services staff. This section applies only to staff conducting emergency evaluations, which are face-to-face clinical evaluations performed by designated CSB staff of persons in crisis who may be in emergency custody or who may need involuntary temporary detention or other emergency treatment.
7. Sections 4.i 1.) and 2.) on page 11 move sections I.C.1) and 4.) in Appendix E of the CSB Administrative Requirements, which applied to MH and SA case management services, into the performance contract and extends them to developmental case management services.
8. Sections 4.i.3.) through 7.), added on page 11, address DOJ Settlement Agreement Independent Reviewer concerns and clarify CSB developmental case management services responsibilities.
9. Sections 6.b.4.) e.) through g.) on pages 13 and 14 are revised to reflect changes in terminology and several significant changes in behavioral health prevention and wellness services that have been reviewed with the VACSB Prevention Services Council.
10. Section 6.c.2.) g.), added on page 17, reinstates a requirement eliminated in FY 2002 to report amounts of funds by type (state, local, federal, Medicaid, other fees, and other funds) used for each core service in the end-of-the-fiscal year CARS report.
11. Sections 6.j and 7.k, added on pages 19 and 23, establish a mechanism for the Department to communicate significant issues or concerns about a CSB's operations or performance to the executive director and board members for their consideration and formal response.
12. Section 7.b.7.) on page 20 is revised to conform to Senate Bill 1265 that clarified the meaning of real time for the psychiatric bed registry.
13. Section 7.e. on page 22 is revised to delete redundant language about waivers of local matching fund requirements that are addressed in section 7.g on page 23.
14. Section 7.g. on page 23 is revised to clarify that the Department may grant automatic waivers of local matching fund requirements only to a regional fiscal agent CSB for the state funds it distributes to other CSBs participating in a regional program.
15. Current section 10 on performance incentives is deleted since the initiatives were not developed.
16. Forms 11, 21, 31, and 01 on pages 39 through 42 are revised to reinstate a requirement for projecting numbers of individuals who would receive services during the contract term.
17. Section I.A in Exhibit B on page 43 is revised to apply only to discharges from private psychiatric beds, and section I.B in Exhibit B of the current contract is deleted.
18. Sections I.B and C in Exhibit B on pages 43 and 44 are revised to conform with revisions of the related data elements in CCS 3, and the quarterly reporting requirement is deleted because this data will come from CCS 3.

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19. Section IV in Exhibit B on page 45 is revised to lower the utilization rate for residential crisis stabilization programs from 80 to 75 percent
20. The Exhibit B Quarterly Report on page 46 is revised to delete sections I.B, C, and D.
21. Exhibit G in the current contract is deleted because information about CSB board appointments and integrated behavioral and primary health care is collected in Table 2 of CARS.
22. Section I.C.1 in Exhibit J on page 61 is revised to require the organization chart to include the local governing bodies that established the CSB.
23. Section I.C.8 in Exhibit J on page 61 is revised to reduce the frequency of board meetings from 10 to six per year.
24. Section I.F.1 in Exhibit J on pages 62 and 63 is revised to require an operating CSB or BHA board of directors to conduct a broad and thorough public recruitment process when the executive director position becomes vacant.
25. Section II.A. in Exhibit J on pages 63 and 64 is revised to add PATH to the list of federal grants and to add specific identifying information for the PATH, MHBG, and SABG federal grants in response to a requirement from SAMHSA.

CSB Administrative Requirements Changes

26. Section 12 in Appendix B on page 29 is revised to conform with 45 CFR § 96.125 and reflect current practice.

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 2016 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 Community Contracting when Exhibit A is submitted. See Exhibit E in the contract. These parts are:
 - signature page of the contract body (page 28)
 - signature page of Exhibit B,
 - Exhibit D (if applicable),
 - Exhibit F (two pages), and
 - Exhibit G.

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

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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 Community Contracting with its contract. More information about the waiver request process is attached to this memo.

The FY 2016 contract renewal and revision and other materials described above are due in the Department's Office of Community Contracting by June 26, 2015, 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 Administrator 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 CSBs have any questions about this memo or the contract documents, please e-mail or call Joel Rothenberg, the Community Contracting Administrator, 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 2015 performance contract. The 2015 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 Community Contracting 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.