

## POLICY MANUAL

### State Mental Health, Mental Retardation and substance Abuse Services Board Department of Mental Health, Mental Retardation and Substance Abuse Services

#### POLICY 4018 (CSB) 86-9 Community Services Performance Contracts

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**Authority** Board Minutes Date: October 22, 1986  
Effective Date: November 19, 1986  
Approved by Board Chairman: s/James C. Windsor

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**References** Report of the Commission on Mental Health and Mental Retardation, 1980  
Final Report on Core Services and Formula Funding, 1983  
§§ 37.2-508 and 37.2-608 of the Code of Virginia  
Current Core Services Taxonomy  
Current Community Services Performance Contract  
STATE BOARD POLICY 1037 (SYS) 05-4 Individual Consumer Information  
and the Community Consumer Submission

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**Background** The Commission on Mental Health and Mental Retardation identified a need for increased accountability in the community services board system. In its Final Report on Core Services and Formula Funding, the Department proposed developing a performance contracting system to address this need. This system would be based on contractual arrangements between the Department and individual community services boards or behavioral health authorities, hereinafter referred to as community services boards or CSBs, within the core services framework. The General Assembly accepted this report in 1984.

The Department developed the first Community Services Performance Contract in 1983 with extensive participation from CSBs and piloted the implementation of Performance Contracts with some CSBs in 1985. The first Core Services Taxonomy and the first Performance Contract, developed jointly with the Virginia Association of Community Services Boards, were revised in 1988. These documents continue to evolve in response to the changing needs of individuals receiving services and the new priorities and directions of the services system. In this policy, references and provisions are updated to reflect people first language and current terminology. Mental health and substance use disorders and intellectual disability refer to the conditions that individuals have, while mental health, substance abuse, and mental retardation refer respectively to the services that address those conditions. Also, individual receiving services is beginning to replace consumer.

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**Background**  
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An original purpose of this policy was the elimination of the Program Application then submitted by CSBs. This Application was a detailed line item budget that focused on revenues and expenditures rather than on services and individuals receiving services. The 1990 review of this policy revealed that 26 CSBs had eliminated dual submission of an Application and a Performance Contract. By 1992, the Program Application was no longer used, greatly reducing paperwork for CSBs. The shift from a budget-focused Program Application to a Performance Contract focused on services and individuals receiving services was the first of three major developments in the evolution of increased CSB accountability. The Department condensed the contract significantly in 1993, further decreasing the CSBs' paperwork burden.

The House Joint Resolution 240/225 Joint Subcommittee, chaired by Senator Joseph V. Gartlan, Jr. and Delegate Franklin P. Hall, studied the services system in the mid-1990s and rewrote most of Chapter 10 in Title 37.1 of the Code of Virginia, the CSB statute, in House Bill (HB) 428 (1998). This bill reflected the first comprehensive review and major revision of Chapter 10 since the original legislation was enacted in 1968. HB 428 formally recognized the Performance Contract as the primary accountability and funding mechanism between the Department and CSBs. The bill identified three types of CSBs, which clarified relationships and accountability between CSBs and their local governments. The bill also identified CSBs as the single points of entry into publicly funded mental health, mental retardation, and substance abuse services. HB 428 was the second major development in the evolution of increased CSB accountability to the Department and to the local governments that established CSBs. In its 2005 session, the General Assembly revised Title 37.1 and, in § 37.2-508 and § 37.2-608 of the new Title 37.2, continued its recognition of the Performance Contract as the primary accountability and funding mechanism.

The FY 2000 Performance Contract shifted from the historical partnership orientation between the Department and CSBs, focusing instead on a purchase of services arrangement. The FY 2004 Performance Contract reflected a major realignment of the contract, returning to the partnership orientation with a complete rewrite of the document. The Performance Contract now consists of three documents. The Performance Contract itself contains a standard contract body and several exhibits, including specific information about the services provided and individuals served through the contract and various continuous quality improvement performance expectations and measures. The Central Office, State Facility, and Community Services Board Partnership Agreement, established in STATE BOARD POLICY 1034 (SYS) 05-1, reflects the fundamental, positive evolution in the relationship between CSBs and the Department to a more collegial partnership, a return to the earlier model. The General Requirements Document contains externally imposed requirements and some long term, relatively unchanging Department requirements that CSBs and the Department must meet. The last two documents are incorporated into and made a part of the Performance Contract itself by reference.

**Policy 4018(CSB) 86-9, continued**

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**Background**  
*(continued)* The Community Consumer Submission (CCS), discussed in STATE BOARD POLICY 1037 (SYS) 05-4, is the third major development in the evolution of CSB accountability. Previously, CSBs provided only aggregate data about individuals receiving services through the Community Automated Reporting System (CARS). With the advent of the CCS in FY 2004, CSBs began reporting data about individuals and the services they received to the Department in each program area (mental health, mental retardation, and substance abuse services).

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**Purpose** Establish the Community Services Performance Contract as the primary accountability mechanism between the Department and individual CSBs.

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**Policy** It is the policy of the Board that the Department and each CSB shall enter into an annual Community Services Performance Contract for the purpose of funding services provided directly or contractually by the CSB in a manner that ensures accountability to the Department; assures quality of care for individuals receiving services; promotes a fully collaborative partnership process through which CSBs, the Department's central office, and state facilities make decisions and resolve problems at the level closest to the issue or situation whenever possible; and implements the vision, articulated in STATE BOARD POLICY 1036 (SYS) 05-3, of a consumer-driven system of services and supports that promotes self-determination, empowerment, recovery, resilience, health, and the highest possible level of participation by individuals receiving services in all aspects of community life, including work, school, family, and other meaningful relationships.

It is also the policy of the Board that the Performance Contract shall be the primary accountability and funding mechanism for a community services board with the Department and shall define the CSB's responsibilities and project the services the CSB will provide to the numbers of individuals, at the costs, and for the revenues shown in the Performance Contract by the categories and subcategories of core services defined in the current Core Services Taxonomy for each program area (mental health, mental retardation, and substance abuse services).

Further, it is the policy of the Board that a CSB shall provide periodic reports to the Department on the accomplishment of its contract objectives, responsibilities, and requirements using the CARS, CCS, and other mechanisms developed collaboratively by the Department and CSBs, as specified in the Performance Contract.

It is also the policy of the Board that the Performance Contract shall be the primary accountability and funding mechanism for the Department with a

**Policy 4018(CSB) 86-9, continued**

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**Policy**  
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community services board and shall define the Department's responsibilities and specify the amounts of funds the Department will provide to support the services shown in the Performance Contract.

Further, it is the policy of the Board that the Department shall monitor a CSB's accomplishment of its contract objectives, responsibilities, and requirements through periodic reports submitted by the community services board using the CARS, CCS, and other mechanisms developed collaboratively by the Department and CSBs, as specified in the Performance Contract.

Finally, it is the policy of the Board that the Department shall provide feedback to the CSB and its board of directors about the CSB's accomplishment of its contract objectives, responsibilities, and requirements.

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