

Report to the Governor and the General Assembly of Virginia

Implementation of STEP-VA

2019



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This Commission draft of the JLARC report, *Implementation of STEP-VA*, has been assembled for discussion, verification, and review. Do not quote, publish, or release any of the material contained in this draft until it has been received by the Commission and posted on the JLARC website.

Joint Legislative Audit and Review Commission
June 17, 2019

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Summary: Implementation of STEP-VA

WHAT WE FOUND

First step has been implemented with positive results, but goals have not been fully achieved

All 40 CSBs have implemented step one of STEP-VA, same-day access to behavioral health assessments, reducing wait times for individuals who previously had to schedule appointments up to 40 days in advance. Nineteen of the 20 CSBs that currently track assessment data report assessing at least 70 percent of individuals on the day they walk in during designated hours. However, the number of hours and locations available for same-day assessments varies across CSBs, and it is not clear whether the availability of same-day assessments meets community needs.

Although consumers' needs are assessed more rapidly, they are not necessarily receiving needed follow-up services more quickly after the assessment. Some CSBs report they are struggling to provide follow-up services within the 10-day goal, such as outpatient behavioral health services or case management (steps three and eight). Additional funding for outpatient services was included in the FY20 budget.

Second step to be implemented on time, but could require significant changes that detract from future steps

CSBs are on schedule to begin step two by July 2019, which will provide a primary care screening to consumers at higher risk for physical health issues. All 40 CSBs began receiving funding to check the blood pressure and body mass index of consumers with serious mental illness or serious emotional disturbance. After this initial change is fully operational, CSBs will be required to expand primary care screenings to all consumers, but CSBs are concerned that the work required to do this will detract from other, higher priority STEP-VA services, such as expanded outpatient and crisis services.

Sufficient oversight and coordination by DBHDS are necessary for effective implementation

Successful implementation of STEP-VA requires strong central leadership and coordination, but the Virginia Department of Behavioral Health and Developmental Services (DBHDS) did not have a full-time staff person dedicated to STEP-VA for the first 18 months. The agency hired a STEP-VA project manager in February, but senior leadership is still provided by the commissioner and chief deputy commissioner, who also are leading several other major initiatives and overseeing agency operations. Initial

WHY WE DID THIS STUDY

Virginia's community behavioral health system is two years into the four-year implementation timeline for STEP-VA. The General Assembly directed JLARC to review the initial implementation and the plans to successfully implement STEP-VA in the future.

ABOUT STEP-VA

STEP-VA is a long-term initiative designed to improve the community behavioral health services available to all Virginians. Virginia has appropriated a total of \$60 million through FY20 to begin implementation. All 40 CSBs in Virginia are statutorily required to provide all STEP-VA services by July 2021.

cost estimates for STEP-VA included funding for central oversight, but all of the funds appropriated to date have been spent to provide services at CSBs, as directed by the Appropriation Act.

Insufficient central leadership has led to fragmented communication between DBHDS and the CSBs. Additionally, DBHDS distributed funding to the CSBs for the first two steps without understanding and accounting for each CSB's current capacity to meet its community's needs. Providing strong leadership and aligning funding allocations with needs are essential to achieving STEP-VA's goal of providing consistent access to quality behavioral health services across the Commonwealth.

Effectively planning for and implementing remaining steps requires more time

DBHDS and the CSBs are halfway through a four-year implementation timeline, but seven of the nine steps remain to be implemented. Given the scope of this transformation at all 40 CSBs, the current deadline is likely too short to effectively plan and implement each step. Rushing the remaining steps risks ineffective implementation and eroding progress made on the first two steps. Effective planning includes the completion of requirements, performance measurements, and funding allocation plans before money is spent.

CSBs can continue making progress on meeting their most critical needs in the short-term even though full STEP-VA implementation requires more time. DBHDS can reprioritize the remaining steps so that the services needed most can be funded and implemented while planning continues on the remaining steps.

WHAT WE RECOMMEND

Legislative action

- Allow DBHDS to use a portion of future STEP-VA funding to support central oversight and coordination functions at DBHDS.
- Extend the deadline for all services to begin at CSBs until July 1, 2022.
- Require DBHDS to complete the requirements, performance measures, and funding allocation plans for each step before the Department of Accounts releases funding.

Executive action

- DBHDS should work with CSBs to develop metrics that will measure if consumers are able to be assessed on the same day they visit a CSB, and whether same-day access hours are sufficient at each CSB.
- DBHDS should pilot phase two of primary care screening at a subset of CSBs before initiating it at all 40 CSBs.
- DBHDS should dedicate a full-time senior staff position to oversee and coordinate STEP-VA implementation.
- DBHDS should prioritize the implementation of remaining steps based on CSB needs.

The complete list of recommendations is available on page v.

Recommendations: Implementation of STEP-VA

RECOMMENDATION 1

The Department of Behavioral Health and Developmental Services should work with community services boards (CSBs) to develop at least one performance measure to indicate whether each CSB is performing same-day behavioral health assessments for each consumer who visits the CSB during same-day assessment hours. (Chapter 2)

RECOMMENDATION 2

The Department of Behavioral Health and Developmental Services should work with community services boards (CSBs) to develop at least one performance measure that will assess whether each CSB is offering a sufficient number of same-day assessment hours at each clinic within its service area to meet community demand. (Chapter 2)

RECOMMENDATION 3

The Department of Behavioral Health and Developmental Services (DBHDS) should pilot phase two of primary care screening at a subset of community services boards (CSBs) that are at different levels of readiness to implement the service. The agency should evaluate the effects of phase two on these CSBs' operations and consumers and use this information to determine whether phase two should be expanded to all CSBs. DBHDS should report on the findings of the pilot program and proposed next steps for primary care screening to the staff and chairs of the House Appropriations and Senate Finance committees following one year of the pilot. (Chapter 2)

RECOMMENDATION 4

The Department of Behavioral Health and Developmental Services should dedicate a senior-level behavioral health staff position to lead and oversee STEP-VA planning and implementation on a full-time basis. (Chapter 3)

RECOMMENDATION 5

The General Assembly may wish to consider including language in the Appropriation Act allowing the Department of Behavioral Health and Developmental Services (DBHDS) to use a portion of future STEP-VA funding for STEP-VA oversight and administration functions at DBHDS. (Chapter 3)

RECOMMENDATION 6

The Department of Behavioral Health and Developmental Services should (i) develop a strategy for all community services boards to access up-to-date information on STEP-VA implementation status, key decisions, and established requirements and (ii) maintain designated points of contact at the agency for providing technical assistance. (Chapter 3)

RECOMMENDATION 7

The Department of Behavioral Health and Developmental Services should base its STEP-VA funding allocation decisions on (i) the demand for specific behavioral health services in each community services board's (CSB) service area and (ii) each CSB's capacity to meet those needs. (Chapter 3)

RECOMMENDATION 8

The General Assembly may wish to consider amending clause 3 of Chapter 607 of the 2017 Acts of Assembly to require community services boards to initiate the provision of all STEP-VA services by July 1, 2022. (Chapter 3)

RECOMMENDATION 9

The Department of Behavioral Health and Developmental Services (DBHDS) should not begin disbursing funds to community services boards (CSBs) for STEP-VA's crisis services until DBHDS and the CSBs have completed sufficient planning, including the requirements, performance measures, and funding allocation plans. (Chapter 3)

RECOMMENDATION 10

The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Department of Behavioral Health and Developmental Services (DBHDS) to submit requirements, performance measures, and funding allocation plans for each of the remaining steps of STEP-VA to the staff and chairs of the House Appropriations and Senate Finance committees, the Secretary of Health and Human Resources, and the Secretary of Finance, and (ii) directing the Department of Accounts to withhold appropriated funds for each of the remaining steps of STEP-VA until DBHDS and the community services boards demonstrate that planning is complete, including requirements, performance measures, and funding allocation plans. (Chapter 3)

RECOMMENDATION 11

The Department of Behavioral Health and Developmental Services should prioritize the remaining steps of STEP-VA to reflect needs of the communities served by Virginia's community services boards. (Chapter 3)

1 Overview of STEP-VA

In 2018, the Joint Legislative Audit and Review Commission (JLARC) directed staff to review the initial implementation of the System Transformation Excellence and Performance (STEP-VA) initiative. STEP-VA is two years into a four-year implementation process to expand the behavioral health services provided by Virginia's community services boards (CSBs). JLARC staff evaluated implementation as of May 2019 and assessed CSBs' overall preparedness to implement the remaining steps by July 2021. (See Appendix A for additional information on the methods used in this study.)

Virginia's 40 CSBs provide behavioral health and developmental services

As the safety net provider for behavioral health services, Virginia's 40 CSBs provide mental health, substance use disorder, and developmental services to Virginians, regardless of ability to pay. CSBs can serve one or more localities, and their service areas typically contain multiple CSB offices and facilities, which can include mental health clinics, substance use disorder treatment centers, day support centers for consumers with developmental disabilities, and crisis stabilization units.

CSBs served almost 220,000 Virginians in FY18, with a majority receiving mental health (about 120,000) or substance use disorder (about 30,000) services. Most consumers served by CSBs are Medicaid recipients or are uninsured.

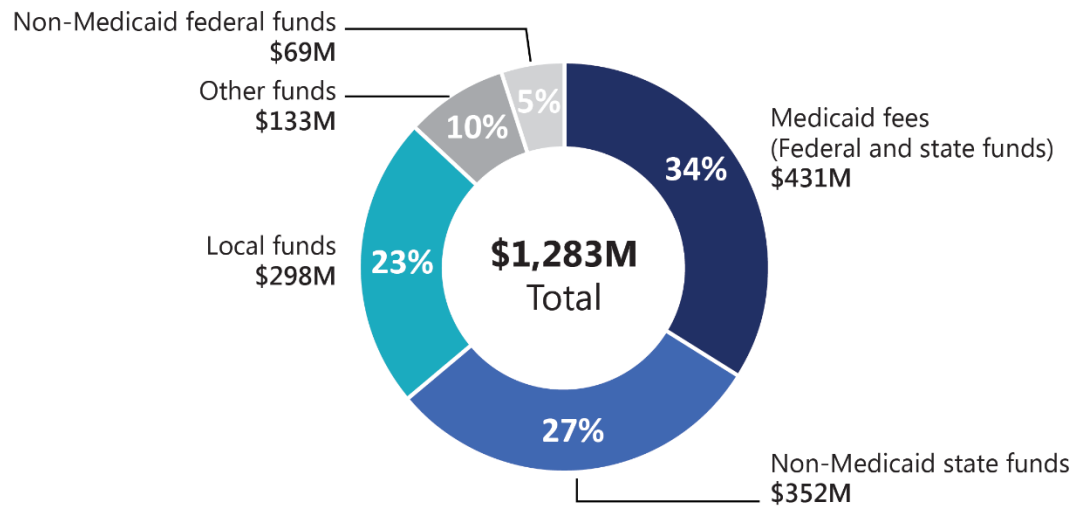
CSB funding in FY18 totaled about \$1.3 billion (Figure 1-1). Most CSB funding comes from either Medicaid fees (34 percent), state general fund allocations from the Department of Behavioral Health and Developmental Services (DBHDS) (27 percent), or local funding (23 percent).

Behavioral health services include mental health and substance use disorder services.

Developmental services help individuals with developmental disabilities increase their independence.

Although DBHDS is working to integrate behavioral health and developmental services, STEP-VA focuses solely on reforming behavioral health services.

CSBs refer to people who seek CSB services as **consumers**.

FIGURE 1-1**Total CSB funding was nearly \$1.3 billion (FY18)**

SOURCE: JLARC analysis of CSB funding data reported to DBHDS.

NOTE: CSBs received \$567.5 million in general funds, including both Medicaid and non-Medicaid general funds. Virginia generally pays for 50 percent of the cost of Medicaid services, but services for individuals eligible under Medicaid expansion are paid for entirely with non-general funds. Other funds include fees for services and private insurance payments.

The **core services, or “steps”** included in STEP-VA are based on findings from a federal planning grant that DBHDS received in 2015 to explore developing certified community behavioral health clinics (CCBHCs) in Virginia.

Emergency services include services such as immediate crisis intervention and screenings for temporary detention orders.

Case management services help consumers with significant needs connect to and engage in necessary non-CSB services and improve their daily functioning.










STEP-VA is intended to achieve consistent access to quality behavioral health services statewide

STEP-VA is a multiphase initiative designed to ensure all Virginians have access to quality behavioral health services in their communities. Historically, CSBs have offered various services based on local needs and available funding. The goal of STEP-VA is to reduce that variation, ensuring all 40 CSBs provide access to certain quality community-based behavioral health services. By providing Virginians with timely access to these services, STEP-VA is expected to reduce the need for crisis services and inpatient behavioral health services at public and private hospitals.

The General Assembly initiated STEP-VA in 2017 by requiring CSBs to provide nine additional core services by July 1, 2021 (Table 1-1). CSBs have historically been required to provide only two core services, emergency and case management services (sidebar). Each additional core service is to be implemented at all CSBs through a new phase, or “step.” DBHDS is leading the implementation of STEP-VA’s phases across Virginia’s CSBs. The CSBs are tasked with implementing each phase according to the requirements agreed to by DBHDS and a group of 19 CSBs known as the STEP-VA Advisory Committee (STAC).

TABLE 1-1

STEP-VA includes nine steps that are required to begin by FY 2021

<p>1. Same-day access</p>  <p>Timely access to assessments and needed behavioral health services</p>	<p>2. Primary care screenings</p>  <p>Primary care screenings and referrals for consumers at risk for physical health issues</p>	<p>3. Outpatient behavioral health services</p>  <p>Access to outpatient psychotherapy services within 10 days of assessment</p>
<p>4. Behavioral health crisis services</p>  <p>Services enabling consumers in crisis to remain in the least restrictive environment, preferably the home or community</p>	<p>5. Peer/family support services</p>  <p>Access to peer and family supports as requested or recommended</p>	<p>6. Psychiatric rehabilitation</p>  <p>Support individuals with SMI, SUD, and SED to develop or regain independent living skills</p>
<p>7. Veterans' behavioral health</p>  <p>Ensure veterans and families receive behavioral health services in the most effective manner possible</p>	<p>8. Case management for adults and children</p>  <p>Coordinate behavioral health services to support the needs of the consumer</p>	<p>9. Care coordination</p>  <p>Connect consumers to needed services, including physical health care</p>

SOURCE: JLARC analysis of Code of Virginia, 2018 and 2019 Appropriation Acts, and DBHDS planning documents.

NOTE: SMI: serious mental illness

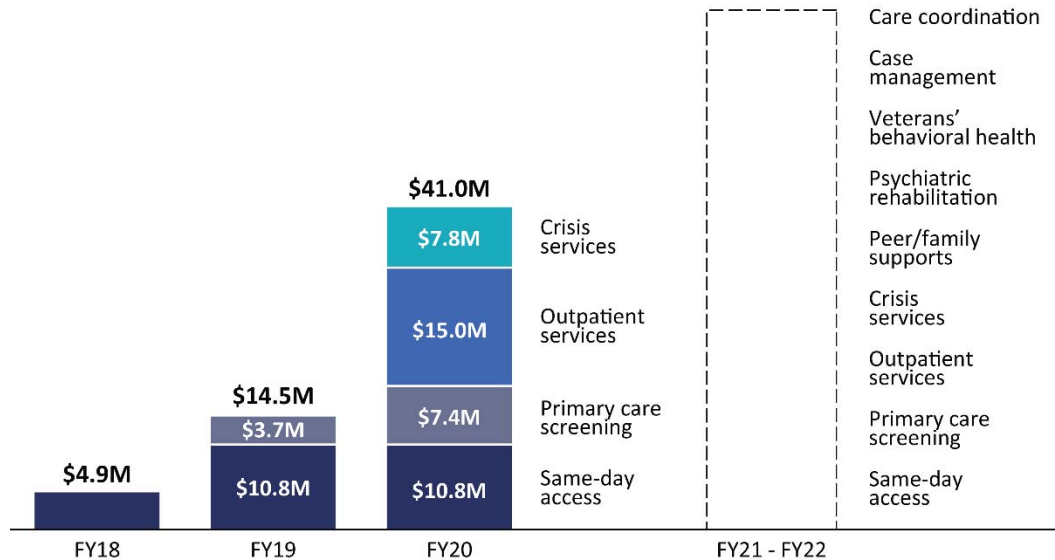
SUD: substance use disorder

SED: serious emotional disturbance (children)

To date, more than \$60 million in state funding has been appropriated for STEP-VA. This includes nearly \$20 million total in FY18 and FY19 for the first two steps—same-day access and primary care screening. An additional \$41 million is included in the FY20 budget to expand primary care screening and initiate outpatient behavioral health and crisis services (steps three and four) (Figure 1-2). This \$41 million accounts for seven percent of general funds appropriated to CSBs for FY20.

FIGURE 1-2

Ongoing investments in STEP-VA total \$60 million through FY20



SOURCE: JLARC analysis of 2018 and 2019 Appropriations Acts.

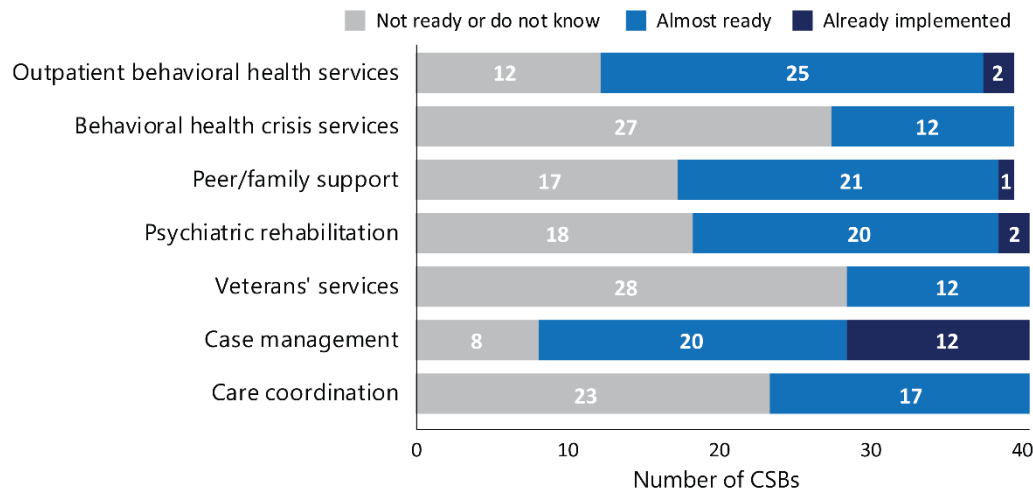
NOTE: DBHDS will likely request funding for the remaining unfunded steps (peer/family supports, psychiatric rehabilitation, veterans' behavioral health, case management, and care coordination) in the upcoming biennial budget.

JLARC conducted a survey of CSB executive directors and CEOs in March and April 2019. All 40 CSBs responded to the survey. See Appendix A for additional information about the survey.

CSB readiness to implement STEP-VA varies

The services currently available at each CSB vary significantly across the Commonwealth, making some CSBs better prepared than others to implement the remaining seven steps of STEP-VA. For example, eight CSBs indicated they are not close to meeting the outpatient services requirements (step three), but 27 said they are close to meeting, or are already meeting the requirements for that step (Figure 1-3). JLARC staff found similar variation among CSBs in readiness for all other steps. DBHDS will need to fully understand the services already being offered at each CSB to effectively direct funding and technical assistance.

FIGURE 1-3
CSBs' readiness to implement seven remaining steps varies



SOURCE: JLARC survey of community services boards.

NOTE: Some bars are shorter because not all CSBs provided an answer for each step.

Plan is to initiate all steps by 2021, reaching consistent services statewide by 2024

DBHDS's plan is for all CSBs to *initiate* all nine steps by July 2021. The agency has developed a five-year plan for STEP-VA and expects core services to be *fully operational* at all CSBs by July 2024.

- **By July 2021: Initiation of all steps**

DBHDS and CSBs plan to have agreed on requirements for all steps. DBHDS will have reviewed and approved CSB implementation plans. Funding for all steps will have started to flow to CSBs, and CSBs will begin providing services.

- **July 2021 to July 2024: Implementation and monitoring**

CSBs will work toward making all steps fully operational. DBHDS will track progress to identify and provide assistance to struggling CSBs.

- **July 2024: Full operation**

All CSBs to have every step fully operational with the goal of meeting all performance measures. DBHDS will continue short-term and long-term evaluations of STEP-VA.

DBHDS and the CSBs are halfway through a four-year implementation timeline, and seven of the nine steps remain to be implemented. As of May 2019, funding has been appropriated for four steps (same-day access, primary care screening, outpatient services, and crisis services) and distributed to CSBs for two steps (same-day access and

In the context of STEP-VA, **requirements** are the standards that CSBs will have to meet when providing the nine STEP-VA services.

primary care screening). Same-day access is fully operational at all 40 CSBs, and primary care screening is scheduled to begin on July 1, 2019. DBHDS and the CSBs plan to implement the remaining seven steps over the next two years.

2 Implementation of first two STEP-VA services

The first two steps of STEP-VA—same-day access and primary care screening—appear to be on schedule. Same-day access is currently operational at all 40 CSBs, and CSBs indicated they are on track to begin primary care screening by July 1, 2019. Some CSBs have reported offering same-day assessments to most consumers who visit during designated hours. However, not all CSBs have the funding required to provide timely follow-up services to these consumers. CSBs are also concerned about the potential for the second phase of primary care screening to strain their operations. DBHDS should adopt additional performance measures to evaluate whether CSBs are meeting their communities’ need for same-day assessments. DBHDS should also ensure that the expansion of primary care screening to all consumers does not detract from CSBs’ ability to implement future steps that have been identified by CSBs as high priorities for their communities.

Same-day access (step one) improved wait times for assessments, timely follow-up remains a challenge

The first step, same-day access, has two goals: (1) eliminate wait times for clinical assessments and (2) provide timely follow-up services. Same-day access means that consumers will be assessed to determine their mental health and substance use disorder needs on the day they walk into a CSB facility, if they visit during designated hours. The assessment is used to determine appropriate services for the consumer, and appointments for these services are supposed to be offered within 10 days of their assessment.

CSBs underwent significant operational changes to implement this step. These included shifting staff schedules and duties, acquiring new technology to schedule follow-up services, making physical changes to office spaces, and changing policies to reduce missed follow-up appointments. DBHDS contracted with a consultant that specializes in same-day access to help CSBs implement these changes.

Same-day access has reduced or eliminated wait times for assessments during designated hours

Statewide data is not yet available to measure the effect of same-day assessments on wait times, but 20 CSBs have started collecting this data on their own. All but one of these 20 CSBs report providing same-day assessments for at least 70 percent of consumers on the day they walk in during designated hours. Many have even higher rates. Ten of the 20 report assessing at least 95 percent of consumers on the same day, if

The majority of consumers who enter a CSB will receive an assessment. Once assessed, consumers are referred to appropriate follow-up services.

DBHDS and CSBs are updating data systems to capture and report same-day access measures. CSBs will begin reporting to DBHDS in July 2019, and DBHDS anticipates having sufficient data to measure progress by early in calendar year 2020.

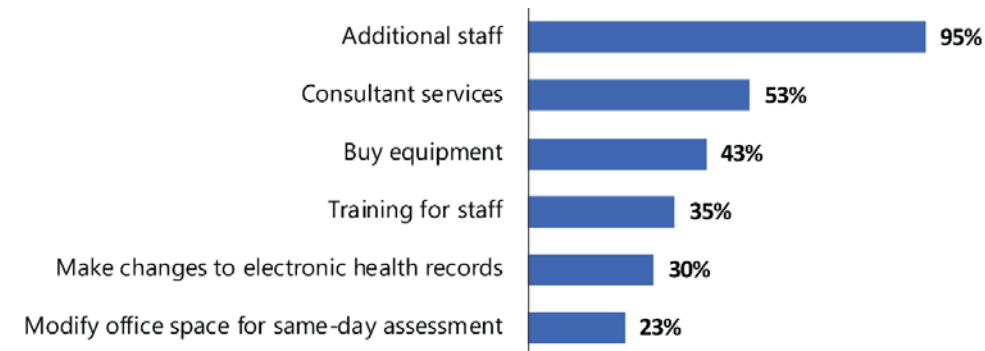
JLARC conducted a survey of CSB executive directors and CEOs in March and April 2019. All 40 CSBs responded to the survey. See Appendix A for additional information about the survey.

they visit during specified hours. Before implementation of same-day access, consumers at many CSBs would have to wait a few weeks or even a month for an assessment appointment. At one CSB interviewed, consumers could wait up to 40 days.

To implement same-day access, nearly all CSBs hired additional staff. Many CSBs also purchased equipment, trained staff on new processes, and modified physical space and electronic health records to support same-day access (Figure 2-1).

FIGURE 2-1

CSBs used new funding to hire staff and make other necessary changes to implement same-day access



SOURCE: JLARC survey of community services boards.

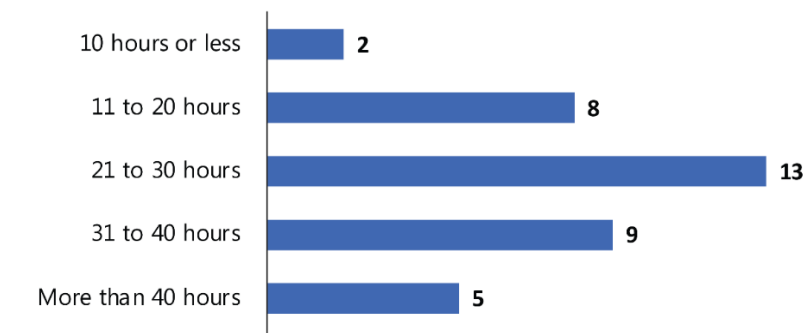
NOTE: Percentages do not equal 100 because respondents could select more than one answer.

Same-day assessment hours and locations differ for each CSB

Every CSB offers same-day assessments in at least one location, but not all CSBs offer walk-in assessments at all of their locations during all hours they are open. The number of weekly walk-in hours varies by CSB (Figure 2-2). For example, one rural, single jurisdiction CSB reported offering two hours of same-day assessments per week, whereas larger CSBs tend to have 30 to 40 hours available for walk-in assessments.

FIGURE 2-2

CSBs offer a different number of hours per week for same-day assessments



SOURCE: JLARC survey of community services boards.

NOTE: Numbers do not total 40 because some CSBs did not answer this question.

CSBs determined when and where to offer same-day assessments by working with a consultant. The consultant considered the size of the CSB's clinical staff, the number of consumers typically assessed, the CSB's geographical area, and average assessment time to determine the appropriate number of hours and locations. Offering only a few same-day assessment hours may be sufficient to meet the needs of some communities. Nevertheless, some CSBs reported they cannot offer enough same-day assessment hours to meet community needs and would expand same-day access if provided additional funding.

Some CSBs report that providing timely follow-up services is a challenge

Some CSBs continue to have difficulty providing consumers needed follow-up services within the 10-day window required by STEP-VA. Twelve CSBs said in interviews and in JLARC's survey that they are currently having, or anticipate having, difficulty in providing timely follow-up services because they do not have enough clinicians. As with same-day assessments, there is not yet statewide data available to evaluate the impact of same-day access on wait times for follow-up services.

"In order to ensure that the system 'flows' from same day access, [follow-up] services must also have adequate capacity based on demand."

- CSB executive director

Part of the national consultant's model was designed to free up significant clinician time by eliminating no-shows for assessments. Because of the reclaimed clinician time, CSBs would not need to hire additional staff for follow-up appointments. However, CSBs indicated that same-day assessments are increasing demand for follow-up services, which is further straining their capacity. DBHDS's funding request for same-day access only included new resources for assessments, not follow-up services. Seventeen CSBs said insufficient funding for follow-up services is a risk to the sustainability of same-day access.

Performance measures address access to follow-up services, but not assessments

DBHDS's planned performance measures for same-day access track consumers' access to follow-up services but not same-day assessments. The measures for follow-up services include the time it takes between a consumer's assessment and follow-up services, the percentage of follow-ups offered within 10 days of assessment, and the percentage of consumers who return for their follow-up appointments. The measures can be compared to wait times and no-show rates before same-day access was in place and gauge CSBs' performance related to follow-up appointments.

However, DBHDS has not developed measures to evaluate consumer access to same-day assessments and whether the available hours are meeting community need. CSBs are not required to collect or report any information on whether they are assessing every consumer the same day they walk in during designated hours. Some CSBs are collecting this data on their own, which shows various success rates. Among CSBs that are already collecting this data, the percentage of consumers who are assessed on the day they walk in during designated hours ranges from 50 percent to 100 percent.

RECOMMENDATION 1

The Department of Behavioral Health and Developmental Services should work with community services boards (CSBs) to develop at least one performance measure to indicate whether each CSB is performing same-day behavioral health assessments for each consumer who visits the CSB during same-day assessment hours.

While the number of hours CSBs offer same-day assessments was developed with the consultant's input, DBHDS is not validating whether the current hours meet a community's need. CSBs are not required to collect or report any data on whether they offer enough same-day assessment hours. Without measuring if each CSB's hours are sufficient to meet the community's need, DBHDS and CSBs risk inconsistent access to assessments and follow-up services, undermining a core goal of STEP-VA. The needs of a CSB's community also may change over time. Monitoring whether CSBs provide enough same-day assessment hours would help ensure CSBs meet consumers' assessment needs and help CSBs adjust their resources accordingly.

There are several performance measures that could help to determine whether CSBs offer enough same-day assessment hours. Measures could include the number of consumers turned away during same-day assessment hours because of a lack of capacity, the number of consumers who come in for an assessment outside of same-day assessment hours, and the number of consumers who leave while waiting for an assessment. Some CSBs already track this information, but DBHDS should ensure that all CSBs are collecting the same data so that the agency can identify whether CSBs offer enough walk-in assessment hours at specific clinics and across the service area. This information could be used by DBHDS to prioritize future funding and to provide targeted technical assistance.

RECOMMENDATION 2

The Department of Behavioral Health and Developmental Services should work with community services boards (CSBs) to develop at least one performance measure that will assess whether each CSB is offering a sufficient number of same-day assessment hours at each clinic within its service area to meet community demand.

A primary care screening includes assessing a consumer's height, weight, and blood pressure.

Phase one requires the screening and follow-up services for consumers with serious mental illness. **Phase two** requires the screening and follow-up services for all consumers at the CSBs.

Primary care screening (step two) is on track to begin by the end of FY19

Step two of STEP-VA, primary care screening, provides a basic medical screening to CSB consumers at risk for physical health issues and refers them to primary care providers if necessary. The screening includes taking a consumer's blood pressure and measuring a consumer's height and weight to calculate body mass index (BMI). If either is abnormal, the CSB will help connect the consumer to a primary care provider and try to ensure the consumer makes an appointment. The screening itself should be

fairly quick, but CSBs expect required follow-up assistance to be potentially time-intensive. CSBs will need to help consumers find a provider and schedule an appointment and ensure they go to the appointment.

DBHDS plans to implement primary care screening in two phases. Phase one is required to begin by July 2019 and will include adults with serious mental illness (SMI) and children with serious emotional disturbance (SED). An estimated 85,000 consumers will meet these conditions for a primary care screening under phase one based on the number of consumers with an SMI or SED in FY18. Phase two of primary care screening would expand the screening and follow-up assistance to all CSB consumers. DBHDS plans to implement phase two after the first four steps have been implemented and reviewed. Screening every behavioral health consumer will more than double the number of consumers receiving screening and potential follow-up assistance at CSBs to more than 200,000.

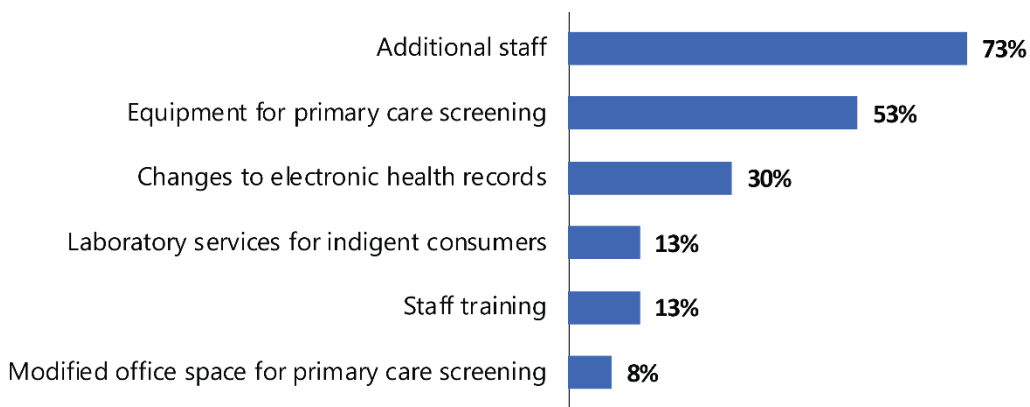
Phase one is a less significant change for CSBs than phase two, because CSBs already conduct primary care screenings for consumers who take certain psychiatric medications. Some CSBs also have their own primary care clinics on-site, or partnerships with federally qualified health centers in their service areas, further easing the transition. However, no CSBs offer these services to all consumers.

CSBs report being ready to implement phase one by July 2019

All 40 CSBs have started receiving funding to provide primary care screenings, and their implementation plans have been completed and approved by DBHDS. The changes required to begin this step vary by CSB, but none of the CSBs JLARC interviewed expressed concerns about their ability to begin phase one by July 1, 2019. CSBs report primarily using primary care screening funding to hire staff and purchase screening equipment (Figure 2-3).

FIGURE 2-3

CSBs used primary care screening funding for several purposes



SOURCE: JLARC survey of community services boards.

NOTE: Percentages do not equal 100 because respondents could select more than one answer.

Phase two of primary care screening will be a significant change for CSBs

Under the second phase of primary care screening, CSBs will be required to conduct a primary care screening for all consumers of behavioral health services and monitor follow-up care for those who need it. In surveys, focus groups, and interviews, CSB staff consistently expressed concerns about implementing phase two of primary care screening. Staff are concerned that doubling the number of consumers receiving primary care screening will divert resources from their core mission. CSBs consider monitoring follow-up care the most significant time investment of this step, and they anticipate needing to make more operational changes for phase two than they did for phase one.

Many of the consumers included in phase one already will have case managers who are in regular contact with the consumers and who can help connect them to primary care. The additional consumers in phase two most likely will not have a current case manager, requiring CSBs to assign primary care follow-up responsibilities to either the nurse who conducts the screening or the clinicians providing behavioral health services. Other states undergoing similar behavioral health transformations provide primary care screening only to consumers with the greatest risk of physical health issues, consistent with the goal of phase one, rather than all behavioral health consumers.

This second phase could potentially detract from CSBs' ability to implement future steps that are a higher priority for their communities. Rather than expose all CSBs to this risk, DBHDS should instead initiate a pilot program. During the pilot program, phase two would be implemented at a few CSBs that are at different levels of readiness. The pilot program would allow the agency to evaluate the operational impacts on CSBs, determine whether consumers are being deterred from seeking services because of the screening, and determine whether phase two is successfully identifying high-risk consumers and connecting them to primary care services.

The General Assembly doubled the appropriation for primary care screening in FY20 from \$3.7 million to \$7.4 million, but the planning to expand this service in the coming fiscal year is still in process. DBHDS should reserve phase two primary care screening funding for CSBs not selected to join the pilot program. The agency should disburse those funds only if it determines through the pilot program that phase two is beneficial to consumers and does not pose an unnecessary risk to implementation of other STEP-VA services.

RECOMMENDATION 3

The Department of Behavioral Health and Developmental Services (DBHDS) should pilot phase two of primary care screening at a subset of community services boards (CSBs) that are at different levels of readiness to implement the service. The agency should evaluate the effects of phase two on these CSBs' operations and consumers and use this information to determine whether phase two should be expanded to all CSBs. DBHDS should report on the findings of the pilot program and proposed next steps for primary care screening to the staff and chairs of the House Appropriations and Senate Finance committees following one year of the pilot.

Performance measures for primary care screening are appropriate to reflect goals of the service

Initial performance measures for primary care screening reflect service goals, which include screening and connecting high-risk consumers with primary care services. Performance measures include:

- percentage of consumers in the target population who receive a screening;
- percentage of consumers with abnormal screenings who are connected with a primary care provider; and
- percentage of consumers connected with a primary care provider who attend their appointment.

DBHDS indicated that performance measures for each step are initially designed to track implementation progress at each CSB but will evolve over time based on feedback. DBHDS plans to add outcome measures in the future to determine the success of each step in meeting its overall goals.

3 Implementation of remaining STEP-VA services

Transformation of community services requires strong central leadership to provide the planning and communication needed for effective implementation. DBHDS currently is overseeing several major behavioral health initiatives and did not dedicate enough centralized resources to implement the first two steps, risking ineffective implementation. DBHDS only recently began to evaluate communities' needs and capacities related to STEP-VA, but understanding these differences is critical to allocating funding and resources effectively to ensure all CSBs can offer these core services. The work needed to implement STEP-VA effectively will require an extension of the July 2021 deadline. However, CSBs can still begin addressing their most critical needs in the short-term if remaining steps are better prioritized to align with communities' greatest behavioral health needs.

DBHDS should dedicate sufficient internal resources to overseeing STEP-VA

DBHDS is currently overseeing several major initiatives in addition to the implementation of STEP-VA. Four other major initiatives include reducing the number of individuals being treated in state mental health hospitals, realigning Medicaid behavioral health services to provide a continuum of care, analyzing the financial impact of Medicaid expansion on CSBs, and expanding community developmental services as required by a settlement with the U.S. Department of Justice. While many of these initiatives are related, they each require significant effort by senior staff to implement effectively.

STEP-VA involves establishing and communicating requirements, developing meaningful and measurable performance metrics, determining funding allocations, assisting CSBs with implementation challenges, and collecting data to measure performance. Each of these tasks requires DBHDS to collaborate with the CSBs to gather and consider feedback. It also requires internal coordination among program, budget, and IT staff within DBHDS as well as oversight of that coordination. This process has been time-consuming thus far.

DBHDS should provide more effective oversight and support for STEP-VA

DBHDS is responsible for overseeing the effective implementation of STEP-VA, but the agency did not have a full-time staff person dedicated to supporting STEP-VA implementation for the initiative's first 18 months. Instead, senior-level staff in the

community behavioral health division worked on STEP-VA in addition to their existing responsibilities. DBHDS hired a STEP-VA project manager in February 2019, but the agency still needs a senior-level leader to oversee STEP-VA implementation. Senior leadership capacity has been strained by two key vacancies—the assistant commissioner for behavioral health and community services and the director of community behavioral health services—since early 2019. Those vacancies left the commissioner and chief deputy commissioner with primary responsibility for making all decisions about STEP-VA implementation, communicating with CSBs, supporting CSB planning efforts, and overseeing implementation statewide. These responsibilities were in addition to their oversight of agency operations and other major transformations at DBHDS.

The lack of a dedicated staff position to oversee STEP-VA implementation left those responsibilities to several staff members who were only partially responsible for STEP-VA. This slowed the planning process and led to communication challenges. Progress made during STEP-VA's first 18 months on implementing same-day access was mostly due to the use of a third-party consultant retained by DBHDS to assist CSBs with implementation; little progress was made on the other steps during this time. CSBs reported that so far it has been difficult to receive consistent information from DBHDS about STEP-VA because either they were unsure whom to contact or they received different answers to questions from staff members.

Other states that implemented similar transformations of their community behavioral health systems had dedicated senior-level staff to oversee the changes. One state had several grant-funded positions dedicated to support the program, budget, and IT changes. These individuals managed planning between the state behavioral health authority and community providers and coordinated work among internal staff at the behavioral health authority.

DBHDS should dedicate a senior-level staff member to lead and oversee STEP-VA implementation on a full-time basis to ensure effective planning and implementation. This position may only be needed during STEP-VA implementation, because ongoing monitoring of CSBs will be part of normal agency operations once all nine services are fully operational. If this is not possible with existing budgetary or staff resources, DBHDS could allocate one of the vacant behavioral health leadership positions to this responsibility in the short-term and prioritize filling this position. In the long-term, DBHDS leaders should assess the agency's leadership and resource needs for planning and implementation, as well as ongoing program oversight, and request the necessary resources as part of the budget process.

RECOMMENDATION 4

The Department of Behavioral Health and Developmental Services should dedicate a senior-level behavioral health staff position to lead and oversee STEP-VA planning and implementation on a full-time basis.

DBHDS recognized that additional funding would be needed for oversight, data systems, and support functions during the first four years of implementation of STEP-VA and included this in the fiscal impact statement that accompanied legislation creating the initiative. However, so far all of STEP-VA funding has been directed to providing services at CSBs, and no additional funds have been appropriated for central oversight or administration. Including funding for both services and oversight, as well as providing DBHDS with flexibility to use an appropriate portion of STEP-VA funds for this purpose, could ensure stable central oversight in the long term.

RECOMMENDATION 5

The General Assembly may wish to consider including language in the Appropriation Act allowing the Department of Behavioral Health and Developmental Services (DBHDS) to use a portion of future STEP-VA funding for STEP-VA oversight and administration functions at DBHDS.

Fragmented communication between DBHDS and CSBs creates risks for STEP-VA's success

Because of the scale and pace of the changes required by STEP-VA, communication from DBHDS to the 40 CSBs needs to be clear and consistent. So far, communication between DBHDS and CSBs has been fragmented, putting STEP-VA implementation at risk. There has not been a single point of contact at DBHDS responsible for communicating with CSBs about STEP-VA or a central place to access information outlining the requirements for each step. Instead, almost two-thirds of CSBs said they get most of their information regarding STEP-VA from other CSBs instead of DBHDS. However, CSBs have reported that relying on multiple sources creates confusion.

DBHDS and CSB staff identified several strategies that could improve communication. These include establishing specific goals for STAC meetings and developing a standard way to share decisions made at STAC meetings with other CSBs. In addition, CSBs believe DBHDS should have an online source where CSBs can access final decisions on requirements, timelines, and performance measures for each step of STEP-VA. This would facilitate uniform understanding of the program's status, key decisions, and requirements. Finally, identifying a single point of contact at DBHDS for questions and feedback on STEP-VA will help ensure accurate and consistent communication.

RECOMMENDATION 6

The Department of Behavioral Health and Developmental Services should (i) develop a strategy for all community services boards to access up-to-date information on STEP-VA implementation status, key decisions, and established requirements and (ii) maintain designated points of contact at the agency for providing technical assistance.

"There are many things discussed [at meetings], and sometimes it's not even clear where things landed, so [I'm] not sure what to pass on."

- CSB executive director

The **STEP-VA Advisory Committee (STAC)** is a group of 19 CSBs that work with DBHDS to develop STEP-VA requirements and performance measures.

CSB resource needs for implementing STEP-VA have not been assessed, but funds have been disbursed

DBHDS did not conduct a system-wide analysis of CSBs' current capacity before allocating initial funding for STEP-VA. CSBs' current capacities vary, so they need different resources. Most CSBs need to recruit, hire, and train staff to provide the services required by STEP-VA, but some CSBs require other changes, such as renovating physical office space and making changes to their electronic health records. DBHDS should understand these needs and use them to allocate funds for the remaining steps.

STEP-VA funding allocations have not adequately accounted for CSB capacity or community need

Appropriate funding allocations are critical to ensure all CSBs can provide access to these core services. However, DBHDS has allocated funds for STEP-VA without considering CSBs' current capacities to deliver these services. As a result, some CSBs received funding to implement STEP-VA services they already offered, while others received insufficient implementation funding.

Every CSB received the same level of funding (\$270,000) to implement same-day access, even though CSBs' needs vary based on the number of typical assessments and their current capacity. For example, a rural CSB with little demand for same-day access received the same funding as a suburban CSB that was regularly turning people away before implementation. Additionally, nine CSBs had same-day assessments in place before STEP-VA began, but they received the same funding as CSBs that did not already offer the service.

For phase one of primary care screening (step 2), DBHDS worked with the CSBs to develop an allocation formula that included service area need, population, and workforce factors.

- Half of the funds were based on the area's needs, which was estimated using the number of Medicaid and uninsured consumers.
- Twenty-five percent of the funds were allocated based on estimates of the available primary care workforce using the federal Health Professional Shortage Area designations.
- Twenty-five percent of the funds were allocated using the Virginia Department of Health's Health Opportunity Index.

The DBHDS formula helps estimate the unmet need for primary care screening services in a CSB's service area, but does not consider each CSB's capacity to address that need. For example, the formula did not take into account whether a CSB had an existing primary care clinic that could more easily absorb additional screenings and follow-up services.

Health Professional Shortage Areas are geographical areas with a shortage of primary care, dental, or mental health professionals.

The **Health Opportunity Index** is a composite measure that includes 13 social determinants of health such as socio-economic status, physical environment, and education level.

Without considering current capacity, STEP-VA may improve services at all 40 CSBs, but it is unlikely to reach the goal of consistent access to quality services across the Commonwealth. To most effectively distribute funding, allocation formulas should account for both community need and current CSB capacity. Although this is necessary to ensure all CSBs can provide STEP-VA services, this approach could be difficult because better-funded CSBs will receive less state money.

RECOMMENDATION 7

The Department of Behavioral Health and Developmental Services should base its STEP-VA funding allocation decisions on (i) the demand for specific behavioral health services in each community services board's (CSB) service area and (ii) each CSB's capacity to meet those needs.

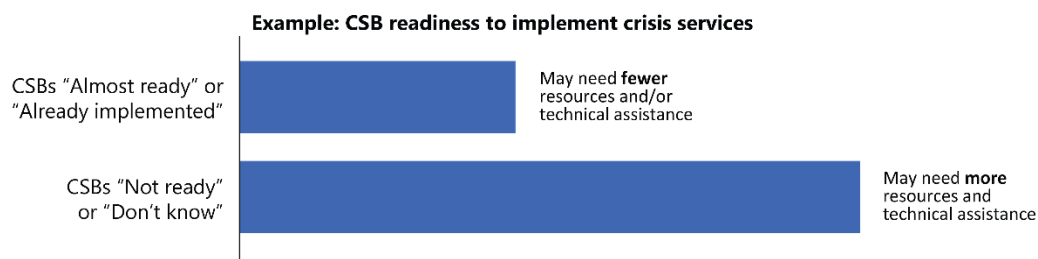
Needs assessment must be complete to effectively implement remaining steps

DBHDS is in the process of conducting a statewide, comprehensive needs assessment, but the information is not yet available to help plan and implement the remaining steps. This assessment is essential for several implementation decisions, including determining the total funding needed, how the funding should be allocated to CSBs, and how DBHDS should support CSBs throughout implementation. Some CSBs may need more help than others to implement certain steps (Figure 3-1).

CSBs who were unsure of their readiness to implement steps most frequently cited a lack of clarity around step requirements as the reason.

FIGURE 3-1

Some CSBs may need more support to implement STEP-VA services



SOURCE: JLARC survey of community services boards.

NOTE: CSBs were asked to assess their readiness to implement each of the remaining seven steps of STEP-VA based on their current understanding of the requirements for each step. The number of CSBs in the graphic equals 39 because one CSB did not answer this question.

Effective implementation of STEP-VA requires more time and accountability

The authorizing legislation for STEP-VA required all nine steps to be initiated at Virginia's 40 CSBs by July 1, 2021. Given the scope of this transformation, an appropriate amount of time should be dedicated to planning and implementing each step. CSBs reported that implementation of the first two steps was sometimes rushed, especially

"We are in danger of not implementing these programs and services well and dropping the ball in other areas if we try to rush adding these services."

- CSB executive director

primary care screening. In fact, DBHDS made funding requests for the first four steps before requirements for each step were complete. Rushing to initiate the remaining steps risks inconsistent or ineffective implementation and slowing progress made on same-day access and primary care screening.

Initiating remaining steps by July 2021 will be difficult

DBHDS and the CSBs are halfway through a four-year timeline for STEP-VA, but seven of the nine steps still need to be initiated. Each of the remaining steps needs to have requirements, performance measures, and funding allocation plans developed. To include funding in the FY21–22 biennial budget, funding requests for the last five steps need to be made by October 2019. (Funding requests for steps three and four already have been made.) It took two years to initiate the first two steps. Therefore, it is unlikely that this timeline allows for adequate planning for the remaining seven steps.

To ensure adequate planning for the remaining five steps of STEP-VA, the General Assembly may wish to extend the deadline to begin all steps to July 2022. An additional 12 months would reduce the risk of rushing planning for the remaining steps and undermining progress made on the first two steps. Additional time also will allow DBHDS and the CSBs to use results from the statewide needs assessment, which is expected to be complete in December 2019.

DBHDS currently plans to have all steps started by July 2021, with the goal of full operation of all STEP-VA services by July 2024. (See Chapter 1 for more detail.) If the deadline to begin all STEP-VA services were extended to July 2022, the timeframe for achieving full implementation would likely shift to July 2025.

RECOMMENDATION 8

The General Assembly may wish to consider amending clause 3 of Chapter 607 of the 2017 Acts of Assembly to require community services boards to initiate the provision of all STEP-VA services by July 1, 2022.

Plans to implement remaining steps should be complete before new funds are allocated

Requirements, performance measures, and funding allocation plans must be established to effectively appropriate and allocate STEP-VA funding. Requirements are the foundation for effective implementation, because CSBs need these in place to adequately plan for those services. Performance measures must be established early in the planning process so that CSBs can make changes to data systems to capture necessary data. Funding allocations based on community need and CSB capacity are also necessary to ensure these core services are accessible at all CSBs.

Funding for outpatient and crisis services, steps three and four, has already been appropriated for FY20, but only planning for outpatient services is complete, including

defined requirements, performance measures, and funding allocation plans. Planning for crisis services is ongoing. Implementing crisis services will be resource intensive, potentially requiring additional time to implement and more money than the \$7.8 million appropriated for FY20. In order to most effectively use the appropriated funds, DBHDS should not disburse funding until planning is complete for the step, and the agency has determined how best to use the \$7.8 million in FY20.

RECOMMENDATION 9

The Department of Behavioral Health and Developmental Services (DBHDS) should not begin disbursing funds to community services boards (CSBs) for STEP-VA's crisis services until DBHDS and the CSBs have completed sufficient planning, including the requirements, performance measures, and funding allocation plans.

Similarly, allocating new funding for the remaining *unfunded* five steps should not be done until sufficient planning is complete. For any newly appropriated funds in future years, the General Assembly could direct the Department of Accounts (DOA) to withhold appropriated funds for each step of STEP-VA until DBHDS has completed the requirements, performance measures, and funding allocation plans for that step. DBHDS could be required to submit this information to the staff and chairs of the House Appropriations and Senate Finance committees, as well as the Secretaries of Health and Human Resources and Finance, prior to DOA releasing new funds.

RECOMMENDATION 10

The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Department of Behavioral Health and Developmental Services (DBHDS) to submit requirements, performance measures, and funding allocation plans for each of the remaining steps of STEP-VA to the staff and chairs of the House Appropriations and Senate Finance committees, the Secretary of Health and Human Resources, and the Secretary of Finance, and (ii) directing the Department of Accounts to withhold appropriated funds for each of the remaining steps of STEP-VA until DBHDS and the community services boards demonstrate that planning is complete, including requirements, performance measures, and funding allocation plans.

Remaining steps should be prioritized based on communities' needs

DBHDS should prioritize the remaining steps to reflect the needs of the 40 CSB service areas. This would enable CSBs to offer services meeting their communities' most critical needs as soon as possible, even though full STEP-VA implementation will likely take longer than originally planned.

One strategy would be to continue implementing each step statewide but change the order of the remaining steps. For example, based on JLARC's survey, most CSBs said their highest priority among the remaining steps was case management (currently step eight), rather than peer/family services (currently step five). To prioritize

the remaining steps, DBHDS should rely on feedback from the CSBs and the results of its statewide needs assessment. DBHDS should include its prioritized order for STEP-VA services in its annual report to the General Assembly on STEP-VA implementation.

Another strategy would be to enable CSBs to implement steps in different orders, because the most pressing needs vary among CSBs. For example, while the majority of CSBs identified case management as their highest priority (after outpatient and crisis services), several chose peer/family support services or psychiatric rehabilitation services instead. To implement this strategy, each CSB could submit a proposal describing a new order for the remaining steps, similar to a grant process. DBHDS would review these proposals and release funds to each CSB to allow the CSBs to implement the remaining steps of STEP-VA according to community need. In the near term, this approach would prioritize meeting the needs of individual communities over the original STEP-VA vision of creating a consistent array of services at all CSBs. However, in the long-term, all CSBs would eventually implement all nine steps.

This second strategy would deviate from the current vision for implementing STEP-VA and, to be successful, would require a drastically improved communication structure and working relationship between DBHDS and the CSBs. It would also require additional administrative effort by DBHDS. This approach would necessitate that all requirements and performance measures for the remaining steps be developed up front, so that CSBs could be ready to initiate the steps they need most.

RECOMMENDATION 11

The Department of Behavioral Health and Developmental Services should prioritize the remaining steps of STEP-VA to reflect needs of the communities served by Virginia's community services boards.

Appendix A: Research activities and methods

JLARC staff conducted the following primary research activities as part of its study on the implementation of STEP-VA:

- structured interviews and focus groups with Department of Behavioral Health and Developmental Services (DBHDS) leadership and staff, community services board (CSB) leadership, stakeholders, and representatives from other states' behavioral health systems;
- site visits to seven CSBs;
- a survey of CSB executive directors and chief executive officers; and
- review of state documents and research literature.

Structured interviews and focus groups

JLARC staff conducted interviews with DBHDS leadership and staff, stakeholders, and behavioral health system representatives from three other states. Staff also conducted two focus groups with CSB executive directors and CEOs.

Structured interviews with DBHDS leadership and staff

Interviews with DBHDS leadership were conducted as part of this study. Interviews with executive leadership focused on understanding STEP-VA, including its history, goals, timeline, and challenges.

JLARC staff also interviewed DBHDS budget and finance staff to understand funding requests and allocations for STEP-VA services and how the agency plans to request and allocate funding going forward.

Structured interviews with stakeholders

JLARC staff interviewed two stakeholder groups as part of its research: Virginia Association of Community Services Boards (VACSB) and Mental Health America of Virginia (MHAV). The interview with VACSB focused on understanding major issues facing CSBs, the CSBs' role in planning for STEP-VA, progress on implementing the first two steps, CSB concerns with STEP-VA, and CSBs' perspectives on technical assistance. JLARC staff interviewed MHAV leadership to better understand concerns for consumers about STEP-VA, perspectives on STEP-VA generally, and perspectives on CSB services before STEP-VA.

Structured interviews with other states

JLARC staff interviewed staff from three other states' behavioral health authorities:

- New York,
- Pennsylvania, and
- Oregon.

Each of these states also received the CCBHC planning grant in 2015 and went through with the CCBHC demonstration process at some of their state's clinics. The purpose of these interviews was to understand how these states approached communication with their clinics about CCBHC requirements, how the states rolled out new and expanded services, the staff positions that were key during the planning and implementation processes, and any lessons they learned in undertaking these large transformations.

Focus groups with CSB leadership

JLARC staff conducted two focus groups with 14 CSB executive directors and CEOs. The focus groups included discussions about successes and challenges of STEP-VA; perspectives on planning, communication, and preparation to implement STEP-VA services; opinions about future steps; and risks to successful implementation of STEP-VA.

Site visits with CSBs

JLARC staff visited seven CSBs:

- Blue Ridge Behavioral Healthcare,
- Chesterfield Community Services Board,
- District 19 Community Services Board,
- Highlands Community Services Board,
- Middle Peninsula-Northern Neck Community Services Board,
- Region 10 Community Services Board, and
- Richmond Behavioral Health Authority.

During the site visits, JLARC staff conducted structured interviews with CSB leadership and staff to understand CSB services, the lessons learned from implementation of the first two steps, challenges and concerns with STEP-VA, perspectives on outcome measures for STEP-VA, and communication with DBHDS. Staff also toured CSB facilities, including behavioral health clinics, inpatient substance use disorder treatment centers, crisis stabilization units, and day support centers for adults with developmental disabilities.

CSB survey

JLARC staff conducted a survey of all 40 CSB executive directors and CEOs. The response rate for this survey was 100 percent—all 40 CSBs responded to the survey. The survey included questions about implementation of same-day access and primary care screening; challenges and lessons learned during implementation of the first two steps; readiness for remaining steps; perspectives on available technical assistance for STEP-VA; and perspectives on DBHDS's communication with CSBs about STEP-VA. Through follow-up requests to many survey respondents, JLARC also obtained preliminary data on the percentage of consumers who are assessed the same day they walk in during designated hours.

Review of state documents and research literature

JLARC staff reviewed relevant sections of the Code of Virginia and the Appropriations Act, as well as DBHDS documentation about STEP-VA. This documentation included CSBs' plans for future steps, funding request and allocation documents, draft requirements for STEP-VA services, and documents related to the CCBHC planning grant. JLARC staff also reviewed information from DBHDS and the Joint Subcommittee on Mental Health Services in the Twenty-First Century about Virginia's community-based behavioral health system structure and funding.

As part of the study, JLARC reviewed research literature on program planning and implementation from academic literature, government documents, and stakeholder groups. The information gathered as part of these literature reviews was used for background research on best practices in program implementation and to identify research and analysis methods in program implementation research.

Appendix B: Agency responses

As part of an extensive validation process, the state agencies and other entities that are subject to a JLARC assessment are given the opportunity to comment on an exposure draft of the report. JLARC staff sent an exposure draft of this report to the Virginia Department of Behavioral Health and Developmental Services and the Secretary of Health and Human Resources.

Appropriate corrections resulting from technical and substantive comments are incorporated in this version of the report. This appendix includes response letters from the

- Virginia Department of Behavioral Health and Developmental Services and the
- Secretary of Health and Human Resources.



COMMONWEALTH of VIRGINIA

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June 10, 2019

Mr. Hal Greer, Director
Joint Legislative Audit and Review Commission
919 East Main Street
Richmond, Virginia 23219

Dear Mr. Greer:

Thank you for the opportunity to review the exposure draft of the JLARC report on *Implementation of STEP-VA*. We appreciate the Commission's attention to this critical initiative that is improving our behavioral health care system. We are committed to working with you and the General Assembly to continue to advance the goals of STEP-VA.

The System Transformation Excellence and Performance (STEP-VA) initiative is foundational to advancing behavioral health care for every Virginian regardless of their insurance status or ability to pay for care. We agree with many of the recommendations in your report and are committed to continuing to work with our CSB partners, the General Assembly, and others to initiate and complete all 9 steps of STEP-VA. More specific comments are outlined below.

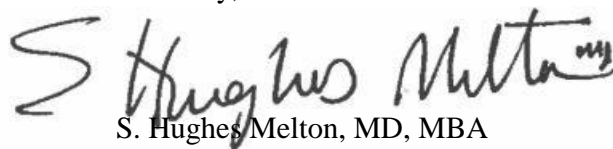
- *Implementation Time Frame.* DBHDS believes Virginians should have access to all nine steps of STEP-VA as soon as possible and we are committed to working with the CSBs to build out each step as they are funded. DBHDS believes all steps for STEP-VA could be initiated in all 40 CSBs by July 2021. Initiation of all steps by this date will require continued cooperation of our CSB partners in identifying requirements, performance measures, and funding allocations for each step. It will also require sufficient funding for each step and resources within DBHDS for implementation and oversight. Initiation of all steps by July 2021 would ensure continued build out of the community based system of supports envisioned by STEP-VA.
- *Implementation Planning.* There are recommendations that suggest funding for each step should be contingent upon DBHDS demonstrating that requirements, performance measures, and funding allocation plans are complete. DBHDS has taken each of these action steps for Primary Care Screening and Outpatient Services and will be doing the same for Crisis Services and any future steps that are funded.
- *Leadership and Resources for Oversight.* The JLARC report notes that there is not sufficient internal resources dedicated to overseeing implementation of STEP-VA, including senior staff to coordinate efforts. We agree that STEP-VA's efficacy is largely contingent on having

sufficient DBHDS resources for leadership, implementation, and oversight. We note that DBHDS has had a senior staff member leading STEP-VA implementation. This individual transitioned out of the agency at the end of December 2018. A Deputy Director for Community Services in the Division of Community Behavioral Health and a Director of the Office of Adult Community Behavioral Health began working at DBHDS in June 2019 and May 2019, respectively. The Deputy Director will fill a critical role in supporting the Chief Deputy Commissioner in STEP-VA oversight and implementation; the Director of Adult Community Behavioral Health will also provide management and support in overseeing implementation. In addition, DBHDS repurposed vacated positions to create a designated project manager to provide operational oversight of STEP-VA in January 2019.

STEP-VA implementation also requires effort from internal program, IT, and budget staff, as well as IT systems and data infrastructure. DBHDS has not received specific resources for staff and infrastructure to effectively implement STEP-VA and existing staff cannot absorb these responsibilities. For reference, DBHDS' Community Behavioral Health Division has 59 full time equivalent employees (FTEs). Of these FTEs, 69% (41) are funded by federal grants, 17% (10) are funded with restricted general fund dollars for a specific program purpose¹ and only eight full time employees (14%) are funded with unrestricted general funds that could be used to support STEP-VA implementation. The Division plans to distribute \$351 million in state and federal funds in FY 2020 with 77 percent or \$269 million for state general fund programs, including STEP-VA. *Using existing resources, there is a 1:15 ratio of state-funded FTE per \$1 million state general funds distributed and a 1:2 ratio of federally-funded FTE per \$1 million federal dollars distributed.* Federal grants average a 5% administrative set-aside for programmatic oversight and reporting that state-funded programs do not receive, causing this seven-fold staffing discrepancy and FTE misalignment to program dollars.

Thank you for the opportunity to comment on this report. We look forward to continuing the advancement of our behavioral health system through STEP-VA.

Sincerely,

A handwritten signature in dark ink, appearing to read "S. Hughes Melton". The signature is fluid and cursive, with a small "my" written at the end.

S. Hughes Melton, MD, MBA

¹ Nine FTEs for DOJ related housing efforts and 1 FTE for suicide prevention.



COMMONWEALTH of VIRGINIA

Office of the Governor

Daniel Carey, MD
Secretary of Health and Human Resources

June 12, 2019

Hal E. Greer, Director
Joint Legislative Audit and Review Commission
919 East Main Street, Suite 2101
Richmond, VA 23219

Re: Draft JLARC report, review of *Implementation of STEP-VA*

Dear Mr. Greer:

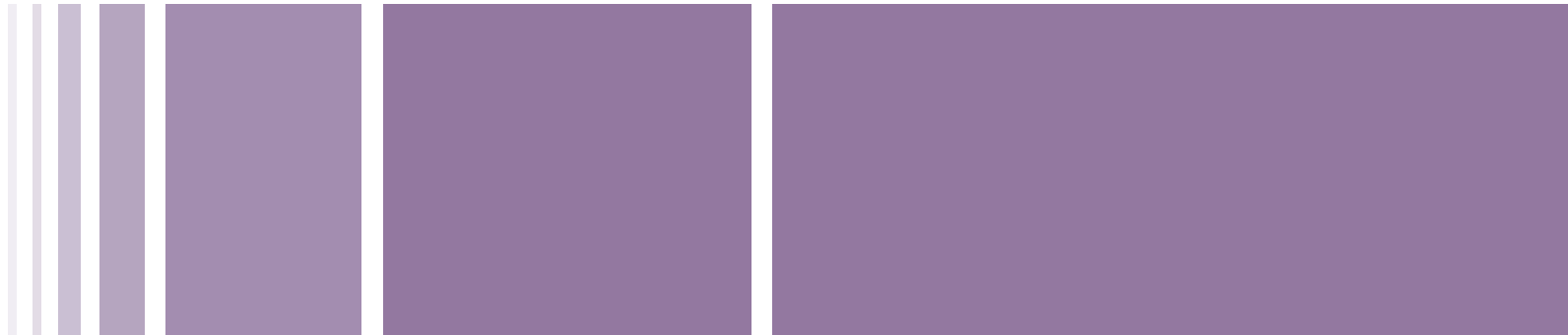
Thank you for the opportunity to review a draft of the JLARC report *Implementation of STEP-VA*. This letter will confirm that I have reviewed the relevant report. I discussed my feedback with the Department of Behavioral Health and Developmental Services (DBHDS) and my feedback is reflected in their response.

Please let me know if my office may be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel Carey", with a long, sweeping horizontal line extending to the right.

Daniel Carey, MD



JLARC.VIRGINIA.GOV

919 East Main Street Suite 2101 Richmond, VA 23219