STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/16)

Fiscal Year	Business Unit	Department	Priority No.
2017-18	5225, 4440	California Department of Corrections and Rehabilitation and Department of State Hospitals	002

Budget Request Name	Program	Subprogram
5225-128-BCP-2017-GB	**4380 – IN-PATIENT SERVICES** **4661 – PSYCHIATRIC PROGRAM ADULT**	**4380019 – PROGRAM ADMINISTRATION**

Budget Request Description
Transfer of Intermediate and Acute Levels of Care

Budget Request Summary
The California Department of Corrections and Rehabilitation (CDCR), California Correctional Health Care Services (CCHCS) and the California Department of State Hospitals (DSH) request the transfer of $250,407,000 General Fund and 1,977.6 positions from DSH to CDCR and CCHCS effective July 1, 2017 and ongoing. This transfer represents the mutual agreement of the agencies to transfer responsibility for psychiatric inpatient care of CDCR inmates from DSH to CDCR and CCHCS at three CDCR institutions, along with the associated resources.

Requires Legislation	Code Section(s) to be Added/Amended/Repealed
☐ Yes ☒ No	

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Dave Lewis, CDCR Eric Tjai, CCHCS Stacey Camacho, DSH		Jason Lopez, CDCR Duane Reeder, CCHCS Lupe Alonzo-Diaz, DSH	
Department Director	**Date**	**Agency Secretary**	**Date**
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Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature
Original Signed By Clint Kellum	1·10·17

BCP Fiscal Detail Sheet

BCP Title: Transfer of Intermediate and Acute Levels of Care

BR Name: 5225-128-BCP-2017-GB

Budget Request Summary

	FY17					
	CY	**BY**	**BY+1**	**BY+2**	**BY+3**	**BY+4**
Personal Services						
Positions - Permanent	0.0	1,977.6	1,977.6	1,977.6	1,977.6	1,977.6
Total Positions	**0.0**	**1,977.6**	**1,977.6**	**1,977.6**	**1,977.6**	**1,977.6**
Operating Expenses and Equipment						
5301 - General Expense	0	250,407	250,390	250,390	250,390	250,390
Total Operating Expenses and Equipment	**$0**	**$250,407**	**$250,390**	**$250,390**	**$250,390**	**$250,390**
Total Budget Request	**$0**	**$250,407**	**$250,390**	**$250,390**	**$250,390**	**$250,390**

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	250,407	250,390	250,390	250,390	250,390
Total State Operations Expenditures	**$0**	**$250,407**	**$250,390**	**$250,390**	**$250,390**	**$250,390**
Total All Funds	**$0**	**$250,407**	**$250,390**	**$250,390**	**$250,390**	**$250,390**

Program Summary

Program Funding						
4661 - Psychiatric Program-Adult	0	250,407	250,390	250,390	250,390	250,390
Total All Programs	**$0**	**$250,407**	**$250,390**	**$250,390**	**$250,390**	**$250,390**

BCP Title: Transfer of Intermediate and Acute Levels of Care

BR Name: 5225-128-BCP-2017-GB

Personal Services Details

Positions	Salary Information Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
VR00 - Various (Eff. 07-01-2017)				0.0	1,977	1,977.	1,977.	1,977.	1,977.
Total Positions				**0.0**	**1,977**	**1,977.**	**1,977.**	**1,977.**	**1,977.**

Analysis of Problem

A. Budget Request Summary

The California Department of Corrections and Rehabilitation (CDCR), California Correctional Health Care Services (CCHCS) and the California Department of State Hospitals (DSH) request the transfer of $250,407,000 General Fund (GF) and 1,977.6 positions from DSH to CDCR and CCHCS effective July 1, 2017 and ongoing. This transfer represents the mutual agreement of the agencies to transfer responsibility for psychiatric inpatient care of CDCR inmates from DSH to CDCR and CCHCS at three CDCR institutions, along with the associated resources.

Specifically, this request would transfer responsibility for the following psychiatric inpatient programs:

Institution	Intermediate Care Facility (ICF) Beds (Low Custody)	ICF Beds (High Custody)	Acute Psychiatric Program (APP) Beds	Total Beds
California Health Care Facility	0	360	154	514
California Medical Facility	84	94	218	396
Salinas Valley State Prison	0	246	0	246
Total	**84**	**700**	**372**	**1,156**

B. Background/History

Under current practice, CDCR inmates requiring mental health services are cared for by each of the three agencies, depending upon the level of services needed. CDCR is responsible for providing mental health services to the inmate population through the Mental Health Services Delivery System (MHSDS), and CCHCS is responsible for providing medical care to the inmate population. However, CDCR had not in the past established an effective, psychiatric inpatient program. Therefore, inmates requiring an inpatient level of mental health care meeting CDCR and DSH agreed-upon or In-Patient Intermediate Care Facility (ICF) and Acute admission criteria, are discharged from the CDCR mental health program and admitted to the appropriate level of care at a DSH program in accordance with a Memorandum of Understanding (MOU) between the agencies. DSH oversees the inpatient level of care for these inmates through their delivery care model. DSH is responsible for managing California's forensic mental health state hospital system, including inpatient mental health services.

In 2012, in response to the Coleman Court's requirement to establish a psychiatric inpatient program for female inmates, CDCR, CCHCS and DSH (then referred to as the Department of Mental Health) collaborated on the construction and activation of the 45-bed Psychiatric Inpatient Program (PIP) at the California Institution for Women (CIW)[1]. Both agencies agreed, as new capacity was required, it would be built within CDCR institutions.

The new CIW facility was activated July 3, 2012, received initial Joint Commission accreditation on July 9, 2012, and has successfully maintained full accreditation since February 14, 2013. Additionally, on October 1, 2014, CDCR activated the San Quentin Condemned PIP program, a 40-bed psychiatric inpatient program for condemned male inmates which has also achieved Joint Commission accreditation.

CDCR has demonstrated that the Department is now positioned to assume responsibility for the inpatient programs DSH runs at the three existing facilities, while ensuring continuity of care to the patients. The three agencies therefore propose to shift management and responsibility of the inpatient programs housed at California Health Care Facility (CHCF), California Medical Facility (CMF), and Salinas Valley State Prison (SVSP) to CDCR. Low custody programs managed by DSH at Coalinga

[1] Reference: 2011-12 Budget Change Proposal *Correctional Institution for Women – 45 Bed Licensed Correctional Treatment Center*

and Atascadero State Hospitals will continue to be managed by DSH as they are located within DSH facilities.

C. State Level Considerations

This proposal is consistent with CDCR's mental health mission to provide ethical, professional and effective mental health care services for individuals remanded to CDCR. This proposal is co-authored by CDCR, CCHCS and DSH.

D. Justification

Transfer from DSH to CDCR and CCHCS

This proposal is part of the final stage of a long term plan to establish and maintain the complete mental health care program for inmates within CDCR. Now that CDCR has demonstrated the ability to operate both outpatient and inpatient mental health programs, continuing to have one component of the mental health program run by a separate agency proves less efficient. This is demonstrated through the process of referring a patient from the CDCR MHSDS level of care and admitting the patient into a DSH program, which requires several essential procedural layers to ensure the best placement of the patient at the appropriate level of care. DSH manages the nation's largest inpatient forensic mental health hospital system. Its mission is to provide evaluation and treatment in a safe and responsible manner, seeking innovation and excellence in state hospital operations, across a continuum of care and settings, and is responsible for the daily care and provision of mental health treatment of its patients. Designing and maintaining programs for both CDCR inmates within CDCR institutions and citizens in DSH mental hospitals requires a significant effort for DSH.

Patient Referral Process

In determining whether a transfer of responsibility for the in-prison programs to CDCR was appropriate, the agencies reviewed the current referral process for a CDCR inmate who requires inpatient mental health care services. Please refer to Attachment A.1, *Referral, Admission, and Movement Joint Policy DSH Current State Process.* This flow chart documents the current process, including all of the steps required and the minimum number of business days involved in the referral to both the Intermediate and Acute programs. Each step is critically important in the transfer from CDCR to a DSH program to ensure the referral is valid and the inmate can program effectively in the DSH treatment program. As the flow chart demonstrates, the process is very involved and labor intensive. Please note the areas of the flow chart highlighted in yellow or shading; these are areas positively impacted by this proposal, as discussed below.

Please refer to Attachment A.2, *Referral, Admission, Movement Joint Policy Future State 7/1/17 Ongoing Process.* By transferring full responsibility of the inpatient programs to CDCR, the following improvements and efficiencies are achieved:

- Acute Psychiatric Program: The referral process timeframe is reduced by 50% (from six to three business days). This is achieved by CDCR's ability to manage the referral process in its entirety. CDCR Inpatient Coordinators will be directly responsible for utilization management of these beds, including making local referrals, determination of appropriate level of care, and accountability for timeliness and quality of the referral. The CDCR Inpatient Coordinators will be provided the least restrictive housing much sooner in the process. This level of accountability eliminates the time required for a CDCR Headquarters clinician to perform an independent review for appropriateness, as well as the time required for a DSH Coordinator to review. This can only be accomplished by creating a unified program structure under the control of one agency.
- Intermediate Care Program: The referral process timeframe is reduced by 40% (from 15 to nine business days) for high custody bed programs. This is achieved just as the Acute process above, allowing CDCR to manage the referral process in its entirety. CDCR Inpatient Coordinators will be provided the least restrictive housing much sooner in the process.

In summary, with CDCR and CCHCS managing the complete continuum of mental health care within the prisons, the ability to provide a standardized, quality continuum of care model, while immediately affecting a dramatic reduction in referral processing times, will allow CDCR and CCHCS to better manage the utilization of these beds.

CDCR and CCHCS have completed a thorough review of resources required to support the ongoing needs of the program compared to the resources being provided via the transfer from DSH. Despite inherent differences between the DSH and CDCR/CCHCS program models, overall the resources provided by DSH will be sufficient to sustain the programs long term. Specifically, the DSH resources being transferred total $250,407,000 GF and 1,977.6 positions.

In summary, approval of this proposal will provide a more efficient access to care process for CDCR inmates requiring an inpatient level of mental health care. CDCR/CCHCS will have direct control of the majority of the mental health population, ensuring uniform bed management, standardized training, policies and procedures, and uniform application of diagnostic and treatment approaches to patient care. It also provides some important cost avoidances to both CCHCS and DSH operations, described below.

CCHCS Medical Care Monitoring: The Receiver is responsible for ensuring a constitutional level of health care is provided to CDCR inmates (Plata), including inmates that are placed into programs or facilities other than CDCR institutions (e.g. out of state prisons, community correctional facilities, etc.). A unit is dedicated to monitoring and providing periodic assessments of the medical care provided, but they do not currently provide monitoring to CDCR inmates that are placed in a DSH program. CCHCS has not previously requested resources to establish monitoring of the health care provided in these programs. If this proposal is not approved, CCHCS anticipates potentially requesting resources to support the ongoing oversight of the medical care DSH provides at SVSP and CMF.

E. Outcomes and Accountability

Implementation of the proposed transfer for the three DSH-operated psychiatric inpatient programs located at CHCF, CMF, and SVSP will allow CDCR and CCHCS to manage most aspects of the continuum of care for patients and achieve as much as a 50% reduction in patient referral processing times. This outcome will be measured by the Referrals to Inpatient Programs Application (RIPA) program. CCHCS' Health Care Placement Oversight Program administers RIPA, which was designed to track each step of the referral and transfer process for CDCR referrals to DSH intermediate and acute levels of care, from clinical identification at the CDCR institution to discharge from the inpatient program. With over 150 data elements tracked in the system, the data is used to produce customized reports for the Coleman Court and various other internal and external stakeholders.

F. Analysis of All Feasible Alternatives

Alternative 1:

Approve the transfer of the three DSH-operated psychiatric inpatient programs at CHCF, CMF, and SVSP to CDCR and CCHCS effective July 1, 2017 and ongoing.

Pros:

- The patient referral and transfer process will be streamlined, with up to a 50% reduction in referral processing times.
- CDCR/CCHCS will have direct control of the majority of the mental health population, ensuring uniform bed management, standardized training, policies and procedures, and uniform application of diagnostic and treatment approaches to patient care.
- Provides a cost avoidance of CCHCS resources to support the ongoing oversight of the medical care DSH currently provides at SVSP and CMF. Under Plata, the Federal Receiver is responsible for ensuring a constitutional level of health care is provided to all CDCR inmates. This would include those CDCR inmates that are admitted to a DSH inpatient psychiatric program. CCHCS has indicated if this proposal is denied, the Department will

face cost pressures in order to establish the ongoing monitoring required of CDCR inmates participating in these DSH programs.

Cons:

- Shifting management of these programs between agencies may be unsettling to impacted staff and has the potential to cause minor disruption in program. All three agencies are working cooperatively to ensure the transition is well planned and executed to minimize any potential disruptions.

Alternative 2:

Do not approve the transfer of the three DSH-operated psychiatric inpatient programs at CHCF, CMF, and SVSP to CDCR and CCHCS effective July 1, 2017 and direct CDCR, CCHCS, and DSH to streamline referral process without program consolidation.

Pros:

- DSH has successfully operated these programs for a number of years, and has demonstrated an ability to provide this type of service, which would continue.

Cons:

- Under Plata, the Federal Receiver is responsible for ensuring a constitutional level of health care is provided to all CDCR inmates. This would include those CDCR inmates that are admitted to a DSH psychiatric inpatient program. CCHCS has indicated if this proposal is denied, the Department will face cost pressures in order to establish the ongoing monitoring required of CDCR inmates participating in these DSH programs.
- While there could be some streamlining of processes, without a consolidation the effect would be less, as there would still be a need to review referrals due to the separate departments and reporting structures.

Alternative 3:

Approve the transfer of the three DSH-operated psychiatric inpatient programs at CHCF, CMF, and SVSP to CDCR and CCHCS effective July 1, 2017 and ongoing. Create new low-custody programs in CDCR to provide psychiatric inpatient services to inmates currently served in DSH hospitals.

Pros:

- The patient referral and transfer process will be streamlined, with up to a 50% reduction in the referral processing times.
- CDCR/CCHCS will have direct control of the entire inmate mental health population, ensuring better bed management, standardized training, policies and procedures, and uniform application of diagnostic and treatment approaches to patient care.
- Under Plata, the Federal Receiver is responsible for ensuring a constitutional level of health care is provided to all CDCR inmates. This would include those CDCR inmates that are admitted to a DSH inpatient psychiatric program. CCHCS has indicated if this proposal is denied, the Department will face cost pressures in order to establish the ongoing monitoring required of CDCR inmates participating in these DSH programs.
- Allows DSH to increase the number of forensic psychiatric patients that can be served in DSH hospitals.

Cons:

- Requires capital outlay resources to create the bed space necessary to operate a low-custody psychiatric inpatient program in CDCR institutions.
- Creates new operational costs, as the resources to operate these beds would not be transferred from DSH.
- Delays implementation because time would be needed to create bed space, establish programs, and transfer patients to the new low-custody program.

G. Implementation Plan

The proposed transfer of the DSH inpatient programs will occur on July 1, 2017. At that time, CDCR and CCHCS will take operational control over the existing DSH programs at the three institutions. Over the course of the following two years, CDCR and CCHCS will transfer the existing DSH programs to programs modeled after the San Quentin and CIW PIP. It will take time to implement changes in staffing structure as CDCR and CCHCS will need to work closely with California Department of Human Resources and the affected employees, as well as employee bargaining units on any staffing changes to reduce the overall impact. The goal is to implement changes while considering the overall continuum of care and ensuring no disruption in care for the seriously mentally ill patients served by these programs.

H. Supplemental Information

Each of the three programs has been reviewed for additional required space, facility, and equipment needs. At this time, no additional need has been identified. See attachment A.1 and A.2.

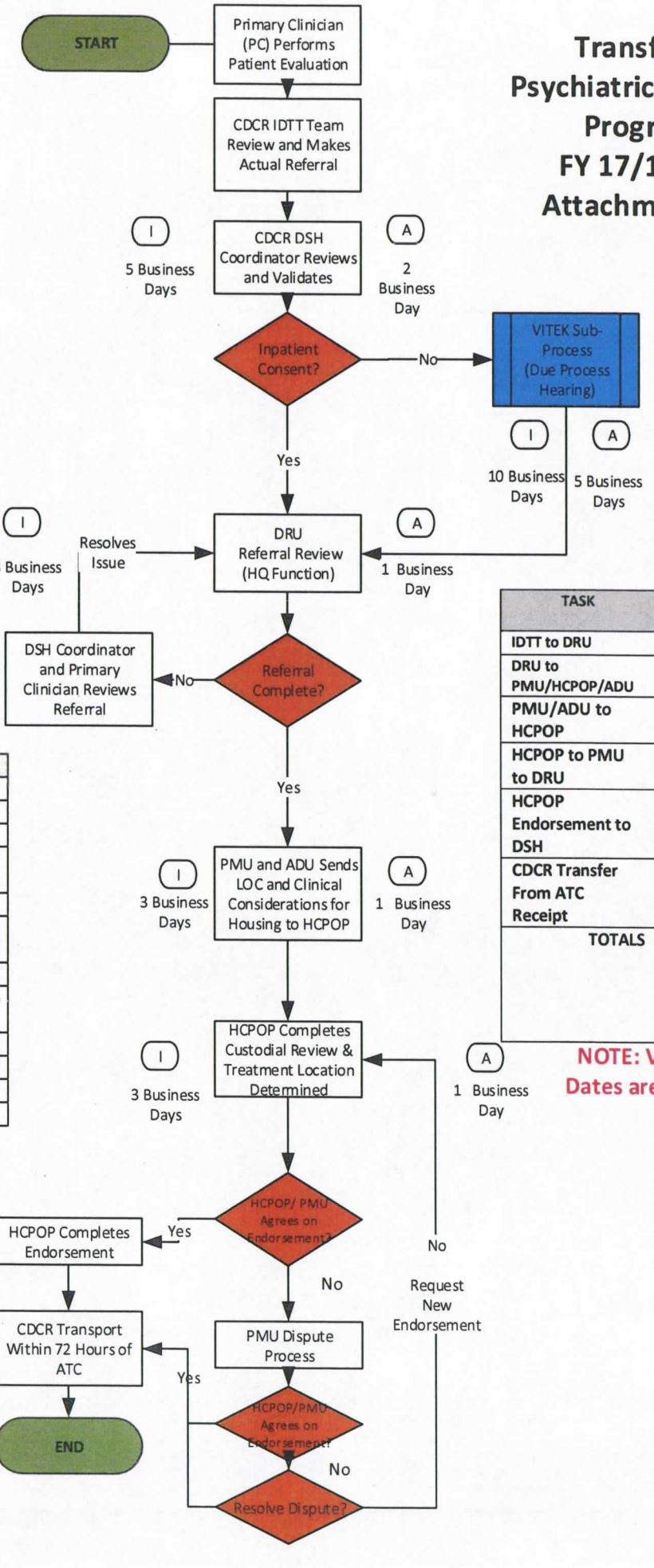
I. Recommendation

Approve Alternative 1 to transfer the three DSH-operated psychiatric inpatient programs at CHCF, CMF, and SVSP to CDCR and CCHCS (transfer resources of $250,407,000 GF and 1,977.6 positions which will result in significant improvements in the efficiency of referring patients needing psychiatric inpatient treatment from CDCR to DSH programs.

Referral, Admission, Movement Joint Policy DSH Current State Process

Transfer of Psychiatric Inpatient Programs FY 17/18 BCP Attachment A.1

(I) Intermediate
(A) Acute



TERM	DISCRIPTION
IDTT	Inter-Disciplinary Treatment Team
DRU	Decentralized Revocation Unit
PMU	Policy Management Unit
HCPOP	Health Care Placement Oversight Program
DSH	Department of State Hospitals
CDCR	California Department of Corrections and Rehabilitation
ATC	Agency Terminal Coordinator
VITEK	Due Process Hearing (Name of inmate who filed court case)
CHCF	California Health Care Facility - Stockton
CMF	California Medical Facility - Vacaville
SVSP	Salinas Valley State Prison
ADU	Admission and Discharge Unit

TASK	Inter-Mediate	Acute
IDTT to DRU	5	2
DRU to PMU/HCPOP/ADU	3	1
PMU/ADU to HCPOP	3	1
HCPOP to PMU to DRU	3	1
HCPOP Endorsement to DSH	1	1
CDCR Transfer From ATC Receipt	72 Hours	72 Hours
TOTALS	15 Business days + 72 Hours	6 Business days + 72 Hours

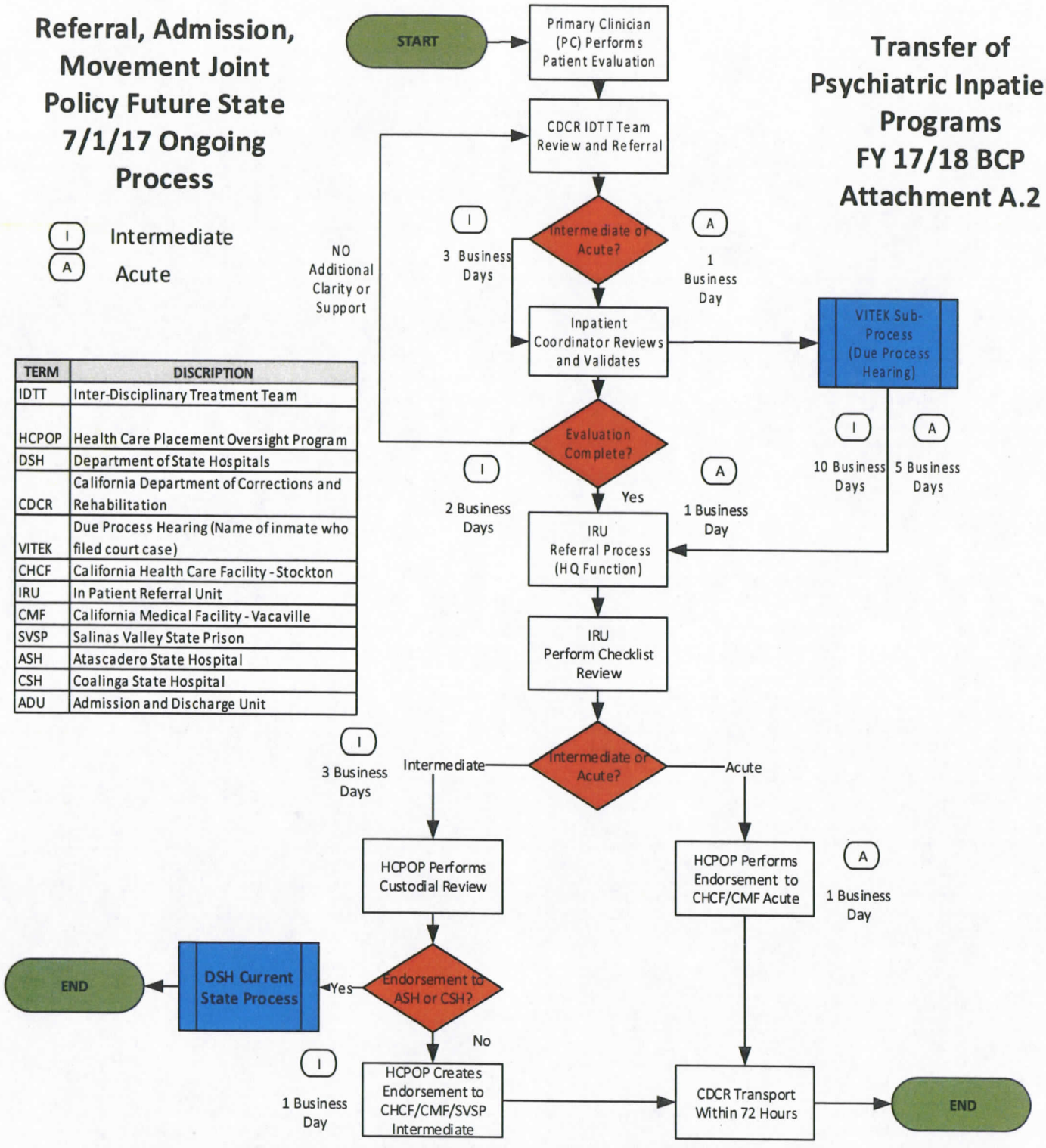
NOTE: VITEK Process Dates are NOT Included

As of August 22, 2016

Referral, Admission, Movement Joint Policy Future State 7/1/17 Ongoing Process

Transfer of Psychiatric Inpatient Programs FY 17/18 BCP Attachment A.2

(I) Intermediate
(A) Acute



TERM	DISCRIPTION
IDTT	Inter-Disciplinary Treatment Team
HCPOP	Health Care Placement Oversight Program
DSH	Department of State Hospitals
CDCR	California Department of Corrections and Rehabilitation
VITEK	Due Process Hearing (Name of inmate who filed court case)
CHCF	California Health Care Facility - Stockton
IRU	In Patient Referral Unit
CMF	California Medical Facility - Vacaville
SVSP	Salinas Valley State Prison
ASH	Atascadero State Hospital
CSH	Coalinga State Hospital
ADU	Admission and Discharge Unit

INTERMEDIATE PROCESS		ACUTE PROCESS	
TASK	Business Days	TASK	Business Days
IDTT to IRU to HCPOP	5	IDTT/Inpatient Coordinator to IRU and HCPOP	2
IRU Checklist Review/ HCPOP Custodial Review	3	IRU Checklist Review/HCPOP Endorsement to CHCF/CMF Acute	1
Endorsement to CHCF/CMF/SVSP Intermediate	1		
CDCR Transfer	72 Hours From Endorsement	CDCR Transfer	72 Hours From Endorsement
TOTAL	9 Business Days + 72 Hours Transfer	TOTAL	3 Business Days + 72 Hours Transfer

Note: Does NOT include Time from Vitek Sub Process

As of August 22 2016