
Texas Department of Mental Health and Mental Retardation
Report on Local Authorities
Rider 17, HB 1, 78th Legislature
Report to the Legislature
Submitted to LBB and GBO
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INTRODUCTION

Rider 17, House Bill 1, 78th Legislature, requires the Texas Department of Mental Health and Mental Retardation to report annually to the Legislative Budget Board and the Governor on the effects of delegating to a local authority the responsibility for planning, coordination and oversight of mental health and mental retardation services. In January 1997, an initial report discussed implementation strategies and progress on the delegation of these responsibilities. Since that initial report, eight subsequent reports have described the progress of the pilot sites involved in these activities. This current report provides an update on recent activities.

The 78th Legislature provided further direction to the delegation of these responsibilities to local authorities through the following measures:

HB 2292:

- Sec 2.74 requires that local authorities provide services only as a provider of last resort;
- Sec 2.75 requires the development of jail diversion strategies through local planning;
- Sec 2.76 resulted in the discontinuation of the MRLA program; which the department accomplished effective September 1, 2003.

Separates the mental health and mental retardation components into two new agencies. This partition will require separate contracts each for mental health services and mental retardation services with Local Authorities beginning in FY 2005;

SB 1182 requires that the department and the local authority use the local plan as the basis for contracts to ensure flexibility in meeting local needs;

HB 1, General Appropriations Act, 78th Legislature:

- Riders 59 and 60, relate to development of pilots projects at Galveston and El Paso, respectively, for a performance agreement based on locally developed plans
- Rider 68 focused on minimizing overhead and administrative costs, including performance of authority functions;
- Article II, Section 26, Reduction for Transportation Services, will likely ensure that the role of local authorities is further clarified to exclude the provision of transportation services.

IMPLEMENTATION STATUS

These recent statutory requirements are being implemented across the state or in locations as specified. The original pilot sites for this project were Austin-Travis County MHMR, Lubbock Regional MHMR, and MHMR of Tarrant County. These three local authorities used managed care tools such as network development, quality management, utilization management and the cost accounting methodology to enhance planning, coordination and oversight of local mental health and mental retardation services. The pilot phase for this project has been completed and the concepts developed informed the Behavioral Health Disease Management activities. The products of the pilot project are available to all Community MHMR Centers and many have been

incorporated into the on-going operations of other local authorities. Local planning is accomplished according to processes developed by this project. The Cost Accounting Methodology (CAM), which requires a uniform chart of accounts and standardized procedures for cost allocation, has been fully implemented at all centers.

Development of Data Resources

The exercise of State Authority oversight for Local Authorities requires that data relative to service density (encounter data) be available along with information from other data streams. These data are necessary for the State Authority to determine both beneficial and detrimental consumer outcomes resulting from implementation of the delegation model by the various Local Authorities. This requirement led to the development of a data warehouse for storage and manipulation of these data, through leveraging existing technology from the NorthSTAR and STAR Plus data warehouse projects. This warehouse is fully operational with encounter data having been submitted from all centers on a monthly basis since March 2003. The warehouse model also incorporates data from other systems, including demographic, diagnostic, and enrollment data from the Client Assignment and Registration System (CARE) and Medicaid enrollment and participation data. Local authorities were involved in design of the encounter data system through a joint task force to ensure consistent reporting.

Mental Retardation Local Authority (MRLA)

The specific program design on which the Mental Retardation Local Authority (MRLA) was based was discontinued, effective September 1, 2003, as a result of HB 2292. The case management function was transferred to the service provider on that date.

Local and Network Planning

The FY 2003 performance contract for mental health and mental retardation authorities required the submission of a local plan, in addition to, a network plan. The local plan identifies the needs and priorities of the community to inform resources allocation, resource development and performance contract activities. The local plan includes objectives and strategies for the accomplishment of agency goals which cover the following two fiscal years. This biennial frequency aligns local planning with the state authority's strategic planning cycle. Planning Advisory Committees (PACs), for both mental health and mental retardation advise the mental health and mental retardation authority in the development and evaluation of its local plan. Each PAC is required to have a minimum of at least nine members with at least fifty percent of the membership being consumers and family members of consumers.

The network plan reflects the strategies the authority intends to use to address the needs and priorities identified in the local plan. The Network Advisory Committee (NAC) is responsible for informing the development and content of the network plan, which must reflect community, consumer, and family input. The Network Advisory Committee is essential to the process of establishing objectivity as it relates to developing and managing the network of providers. The network plan employs the managed care principles inherent in the initial legislation and applies these concepts and business practices to achieve the goals of the local plan.

For FY 2004, local authorities may establish a single Planning and Network Advisory Committee and may establish regional coalitions for this essential advisory activity. The requirements for involvement in the local planning process and for ensuring objectivity in the development of a

network of providers remain. Pursuant to SB 1182, the local plans submitted after January 2004 that follow guidelines established by the state authority will be used as a basis for local authority performance contract negotiations. For FY 2004, ACT alternative programs and flexible community supports are to be designed from local planning efforts to address local needs.

Coordination

Separation of Authority and Provider Systems

HB 2292, Section 2.74, requires that “Local Authorities may serve as a provider of services only as a provider of last resort.” This requirement will ensure that authority and provider systems are separated. In the disease management model for MH services, the LA will determine eligibility and authorize services to be delivered. Instructions for conducting a “Request for Information (RFI)” from prospective private providers have been transmitted to local authorities.

Oversight

Accountability

Fiscal and programmatic accountability measures for local authorities have been enhanced since the beginning of the project through the development of the Cost Accounting Methodology (CAM) and collection of program data and, now, encounter data. Increased local and network planning activities, network and public (or planning) advisory committee processes, and improved business procedures in the areas of contract management, cost accounting, quality management, and utilization management have contributed to improved accountability.

Cost Accounting Methodology (CAM)

A cost accounting methodology was developed to:

- promote standardized definitions of service and administrative costs,
- assist Local Authorities in determining overall best value, and
- assist the State Authority in making more accurate cost comparisons.

Implementation of the CAM requires that Local Authorities collect and report data at the service encounter level, which provides much greater detail concerning service density than does the currently available CARE assignment data. Because all local authorities report encounter level data, the State Authority developed a data warehouse, based on existing technologies for management and use of these data.

Quality Management

All Local Authorities continue to develop their quality management programs to implement data based systems that provide both local authority management and advisory groups with the information needed for decisions concerning improvement of the quality of services. Improved information management systems have facilitated the availability of useful data about providers and the services they deliver. The majority of centers have independently contracted with a data analysis company to provide reports, based on encounter level data, to inform their management decisions. This information allows evaluation of provider performance to become a useful tool in giving providers the information needed for improvement. It also informs the local authority about those providers who are unable to make improvements so contract discontinuation may be appropriately considered.

Summary

The processes developed in the authority delegation project have moved from conceptual to statewide implementation. The department is implementing those statutory requirements from the 78th Legislature, which effect the delegation of responsibilities for planning, coordination, and oversight of mental health and mental retardation services. By FY 2005, the state responsibility for mental health and mental retardation services will be transferred to two separate new agencies. The continued delegation of the responsibility for planning, coordination and oversight of mental health and mental retardation services to local authorities will proceed along dimensions appropriate to those new agencies.

RECOMMENDATIONS

Incorporate products of the Mental Health Service System Task Force and the Benefit Design Task Force into the model for a local mental health authority.

Continue screening, assessment, ICF/MR enrollment initiation, permanency planning, and eligibility determination roles of local mental retardation authorities.

Expand data collection and analysis to include both comprehensive encounter data and additional data identified as necessary for evaluation of local authorities.