UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

KATIE A. et al.,	)	CASE NO. CV-02-05662 AHM (SHx)
	)	
Plaintiffs,	)	**REPORT PURSUANT TO**
	)	**COURT'S ORDER APPOINTING**
	)	**SPECIAL MASTER APRIL 3, 2009**
	)	
v.	)	
	)	The Honorable A. Howard Matz
DIANA BONTA, et al.,	)	Courtroom 14
	)	
Defendants.	)	
	)	

TABLE OF CONTENTS

SECTION ONE: INTRODUCTION

This report is the first written report submitted pursuant to the Court's "Order Appointing Special Master" of April 3, 2009 (Docket No. 677). The report covers the time period from April 4, 2009, through April 16, 2010. During this period of time, the Special Master formed the Katie A. Work Group and implemented Step One – Foundation Building – of his Interest Based Decision Making (IBDM) approach to help the parties reach agreement, to narrow and clarify their differences, and perhaps to reach settlement regarding various issues of the Katie A. case. Foundation building was followed by Step Two – Design – to construct a consensus-based agreement that resolves the matter, or to make recommendations to the Court that are based on the IBDM process. The results of the yearlong Work Group effort are presented in this Report to the Court.

The Special Master collaborated extensively with the defendants and plaintiffs in preparing this report, especially with Section Two – Response To The Court Order; Section Three – Work Group Approaches and Strategies; Section Four – Special Master Recommendations; and Exhibit III – Task and Timelines for Katie A. Work Group of the Special Master's Report to the Court.

The purpose of this report

The purpose of this report is threefold. First is for the Special Master to report to the Court on progress made by the parties through the IBDM process, specifically in response to the Court's instructions in Paragraph 12 of the appointing order, and more broadly with regard to the collective approach and strategies the parties have reached concerning the full array of issues surrounding the unresolved Katie A. matter.

The second purpose is for the Special Master to answer the Court's specific questions contained in Paragraph 12 of the Court order, while incorporating to the extent possible the work of the parties through the IBDM process.

Third is to seek from the Court the authority for an extension of the Special Master's appointment to continue the IBDM process to finalize Step Two – possible design and development of an implementation plan that will guide the various parties to further narrow their differences, reaching potential agreements, or resolution of the issues in the Katie A. litigation. This will be accomplished through a time-limited design and possible implementation step.

Although the Work Group has been meeting for a year, because of the complexity of the Katie A. issues and the need to fully explore and discuss all the ramifications of any actions that might be taken to ensure that Katie A. class members receive the services to which they are entitled, the Work Group has not yet been able to fully articulate all the details of the array of possible actions; there simply has not been enough time yet to work out every detail necessary to reach agreement. Nonetheless, the Special Master believes that the proposed extension of the IBDM process may produce meaningful and sustainable final agreements regarding the Katie A. matter.

At the same time, the Special Master believes that important progress has been achieved by the Work Group, and that it is time for the parties to work towards reaching a commitment to the various approaches and strategies collectively identified by the Work Group that reflects a narrowing of the differences between the parties and provides a possible framework for further narrowing, clarifying differences, reaching agreements, and moving the parties to resolution of issues**.** The intent is also to move the parties forward to resolve the litigation. To guide the proposed extension of the IBDM process, the Work Group has developed a set of criteria to evaluate the Katie A. options that must be met before any action is adopted by the group. These evaluation criteria require that solutions must be aligned with the interests; assure family voice; be do-able; be within the law or reasonably achievable law; be sustainable; not let the perfect be the enemy of the good; address the need for accountability and quality; and maximize existing resources. For any agreements to be made, these evaluation criteria must be met and the Work Group must reach consensus on every detail.

The Special Master believes that, given the on-going protections of the evaluation criteria and the requirement for Work Group consensus, it is both reasonable and fair to require the parties to demonstrate their commitment at this time to continue the IBDM process in order for the parties to work specifically towards a commitment to agreements between the parties. The alternative, pursuant to the Order Appointing the Special Master, will be for the Special Master to terminate the IBDM process, complete an independent fact-finding effort, and make his own separate recommendations to the Court.

Brief background regarding economic and service delivery conditions in California

The California service delivery system is experiencing unprecedented economic difficulties that have created enormous challenges to the delivery of mental health and social services to

children and families throughout the state. Because of the severe economic downturn, demand for services is increasing at the same time as revenue to provide services is decreasing, thereby overwhelming state and local ability to meet that demand**.** Agencies at all levels have eliminated staff and curtailed services to children and families. As core social services and mental health programs decline, many peripheral programs that ameliorate family difficulties – family services, housing, employment, food and nutrition, health, education, and an array of prevention and early intervention resources and supports – also are cutting back or collapsing altogether.

The existing environment has created both challenges and opportunities for the Katie A. effort: service challenges to class member children and their families who face difficulties getting the help they need, and opportunities are increasing for state and county leaders to reconfigure and better coordinate services more efficiently and effectively across traditional agency boundaries or silos, to meet their children's needs. The Katie A. Work Group has discussed these challenges and opportunities at length and in depth, and the three part approach and strategies collectively identified by the Work Group and described in this report offer enormous potential to better meet the needs in the midst of overwhelming system and social stress.

Over the past twelve months, Work Group members have made the transition from "plaintiffs versus defendants" to "parties of mutual interest" and are working together cooperatively to reach agreements on the Katie A. issues. As Special Master, I am greatly encouraged by the narrowing of differences and potential solutions that have emerged through the IBDM process and by the commitment of Work Group members to work together and move forward in spite of the difficulties and challenges. In my view, if the parties can make full use of the IBDM process for an additional period of time, they may further narrow their differences and reach interim or full agreement on key strategies presented in this report**.** The three part approach and strategies collectively put forth by the Work Group represent real and meaningful solutions to the array of difficulties facing class member children and their families, and they offer potentially meaningful service delivery solutions to providers throughout the state.

Participants in the Katie A. IBDM process

During the IBDM effort, 22 individuals representing the parties and key stakeholders have met together 26 times. Representatives included the following (See Exhibit I for a complete list of participant names and titles):

- California Department of Mental Health: Assistant Deputy Director, Community Services Division; Chief, Program and Policy Development Branch; and Chief and Senior Counsels.
- California Department of Social Services: Deputy Director, Children and Family Services; Bureau Chief, Resource Development and Training Support; Branch Chief, Child Protection and Family Support; and Assistant Chief and Senior Counsels.
- California Department of Health Care Services: Chiefs, Medi-Cal Benefits Waivers Analysis and Rates; and Assistant Chief and Senior Counsels.
- Department of Justice, Office of the Attorney General: Deputy Attorneys General.
- Representing the class: Western Center on Law and Poverty, Senior Health Attorney; and National Center for Youth Law, Deputy Director.
- Representing the class perspective: an executive director from a parent-run organization, United Parents, who also is a parent of a child who has been in the public mental health and foster care system. Untied Parents provides assistance, education, and services to families who have children with mental health, emotional, and behavioral disorders. Also representing the class perspective, a private sector mental health supervisor/manager who has experience in delivering, supervising, and administering programs funded by Medi-Cal, the Mental Health Services Act, SB 163 Wraparound, and general fund contracts from multiple county agencies.
- Representing a County perspective: Orange County Department of Social Services, Deputy Director, Child Welfare Services Division.
- Representing Los Angeles County perspective as it implements Katie A: Los Angeles County Mental Health Department, Deputy Director of Children's Services; and Clinical District Chief, Department of Mental Health, Child Welfare Division.
- Representing the County Welfare Directors Association of California (CWDA): Senior Policy Analyst.

An invitation was extended to the California Mental Health Directors Association (CMHDA) to join the Katie A. Work Group, which they declined. I personally met with CMHDA's leadership to discuss their participation but, as they see it, outstanding business negotiations surrounding contract issues between the County Mental Health Plan's and the California Department of Mental Health inhibit their participation at this time.

Since May of 2009, this core Katie A. Work Group has met weekly during Step One and

semi-monthly during Step Two in Sacramento, thereby completing the Special Master's IBDM process. Through this process, the Work Group was able to collectively identify a three part approach with seven interrelated strategies that reflects a narrowing of the differences, and provides a possible framework for further narrowing and clarifying differences, reaching agreements, and moving the parties to resolution of issues.

In addition to the Work Group Foundation and Design sessions, the Special Master has held meetings and fact finding conversations with other key stakeholders engaged in delivering mental and social services consistent with principles of the wraparound approach. The California Alliance of Children and Family Services hosted two learning conversations with private not-for-profit mental health and social service providers under contract with county mental health and social services departments, one in Sacramento for northern providers and the other in Los Angeles for southern providers. The Special Master also met with the California Mental Health Directors' Association (CMHDA) Children's Committee members who represent county mental health children's Deputy Directors and Program Chiefs, and with the California Welfare Directors' Association (CWDA) Children's Committee members who represent child welfare services Deputy Directors and Program Chiefs. As a result of these statewide discussions and fact-finding activities, the Special Master has been able to ensure that the stated interest of public agency and private service providers who are involved in service delivery to Katie A. class members and their families are being included in the Work Group discussions.

Layout of this document

The remainder of this report to the Court is divided into the following sections: *Section Two* presents the Special Master's responses to questions in Paragraph 12 of the April 3, 2009 Court order; *Section Three* presents the Work Group's three part approach and strategies; and *Section Four* presents the Special Master's recommendations to the Court.

SECTION TWO: RESPONSE TO THE COURT ORDER

The Court instructed the Special Master to facilitate the parties' effort to reach agreement, or narrow and clarify their differences, with respect to questions listed in Paragraph 12 of the Order dated April 3, 2009. In order to fulfill this instruction, while at the same time breaking free of past arguments and conflict that had bogged down progress toward resolving the Katie A. matter, the Special Master used the Interest-Based Decision Making (IBDM) approach to guide the

Katie A. Work Group sessions. IBDM provided a framework to ensure that the Work Group would explore and discuss the issues and perspectives underlying the questions listed in Paragraph 12, and specifically the components of Appendix A of the Court's Order, while – at the same time – allowing the Work Group to identify and explore an array of interests and a broad range of options beyond Appendix A. It was, however, understood that the participants in the IBDM approach did not have authority to bind the parties to the action.

As a result of the IBDM process, the Work Group approached the discussion of Appendix A indirectly. That is, rather than respond to the specific components of "wraparound services" one by one, the Work Group focused instead on the specific services, practice principles, and approaches that would address the mental health, child welfare, and other needs of the Katie A. class. Through this process, the Work Group explored options and was able to collectively identify a three part approach with seven interrelated strategies that reflects a narrowing of the differences between the parties, and provides a possible framework for further narrowing, and clarifying the differences.

The Work Group's three-part approach and strategies include – but are broader than – the components of Appendix A. The Work Group explored the Appendix A service list as part of the larger discussion and, while those services are addressed in the Work Group document described below in Section Three of this report and attached to this report as Exhibit 2, Appendix A is not included as a stand-alone piece – it is integrated and embedded in the broader discussion and is best understood in the context of Section Three.

However, in order to fulfill the Court's instructions and provide a description of the parties' effort to reach agreement or narrow and clarify their differences with respect to Appendix A, this section of the report responds to the specific questions posed in Paragraph 12 of the Court's order appointing the Special Master. This discussion also helps align the Work Group's approach and strategies with the Court's instructions. The following paragraphs summarize the breadth of the Work Group's strategy for framing their discussions and conclusions in the context of the Court's questions.

Paragraph 12 (a):

(i) Assuming such services are medically necessary, which activities under the nine components of Appendix A to the Court's May 12, 2006 "Addendum to Order Granting Plaintiff's Motion for Preliminary Injunction" (attached hereto) can properly be reimbursed by the Medi-

Cal program (including technical questions about billing, coverage, provider qualifications and reimbursement rates)?

Provided the children are Medi-Cal eligible, the services are medically necessary for these children, and the services are performed by qualified providers, all the activities under the nine components of Appendix A are presumed to be covered or encompassed by Medi-Cal, with the addition of two proposed new services, Intensive Care Coordination (ICC) and Intensive Home Based Services (IHBS); descriptions for these two proposed new services can be found in Exhibit 2, Sections D and E, referenced below in Section Three of this report. During the proposed Katie A. IBDM Step Three period, the Work Group will work toward completion of a design phase and, if the parties agree, implementation plan development (described below in Section Four).

Where specific services are referenced under the nine components of Appendix A, for which Medi-Cal coverage is currently available (e.g. crisis stabilization, TBS, mobile crisis intervention, medication management, etc.), the Work Group has agreed to explore the need to clarify or redefine coverage for these services (see Section Three, Exhibit 2, Section F).

(ii) How should the provision of the nine components of Appendix A be coordinated with the provision of wraparound services from the SB 163 programs?

The Intensive Care Coordination service and the Core Practice Model described in Section Three of this report provide a framework to effect coordination. The Work Group will explore, develop, and refine existing structural options with the intent to develop strategies and possible agreements that can maximize coordination of SB-163 services and resources with the provision of the nine components of Appendix A. (Exhibit 2, Section G.) These tasks will be undertaken during the proposed Katie A. Step Three period (see Section Four – Special Master Recommendations, below).

(iii) Which, if any, class members should be eligible to receive all nine components of Appendix A in a coordinated manner from the Medi-Cal program (when not provided this service from other State or county programs)?

The Work Group has identified a subset of class members that would be eligible to receive the proposed new ICC and IHBS services, along with existing mental health services as referenced in Paragraph 12(a)(i) above – this subset of class members is described in Exhibit 2,

Section C.

(iv) What cross-system data accurately measures the services provided to class members and the outcomes associated with these services and what procedures should be used to compile this data?

The Work Group only briefly discussed cross-system data, but there is consensus (described in Exhibit 2, Section H) to further explore the collection, reporting, and exchange of data. The Work Group would work to develop a data plan during the proposed Katie A. IBDM Step Three period.

(v) What are the fiscal implications of providing all nine components of Appendix A to class members who are entitled to receive this service from the Medi-Cal program, given the current budgetary situation of the State and counties as well as the potential for cross-system cost savings (e.g., costs of placement, mental health services, juvenile justice, etc.) from providing this service?

The Work Group has broadly discussed the fiscal implications of an array of services, and has agreed to explore developing fiscal and administrative strategies that maximize existing state and federal resources that support or sustain services, including ICC and IHBS, and to further identify and align SB-163 wraparound and mental health Medi-Cal funds (identified in Exhibit 2, Sections F & G). These fiscal discussions and findings would be developed during the proposed Katie A. IBDM Step Three.

Paragraph 12 (b):

(i) Identifying class members who should be eligible to receive all nine components of Appendix A in a coordinated manner when medically necessary, determining the specific numbers of class members who should be receiving these services, and ensuring that these class members then receive these services from the Medi-Cal program or other State or County programs;

As noted in the discussion of Paragraph 12 (a)(iii) above, the Work Group has identified a specific proposed subset of class members that would be eligible to receive the new ICC and IHBS services, along with existing mental health services, as medically necessary. This subset of class members is described in detail in Exhibit 2, Section C. During the proposed Katie A.

IBDM Step Three period, the Work Group will work to more fully define the meaning of the term "eligible" as it applies to these services, and establish an estimate of the number of class members that would initially receive these services.

(ii) Resolving all factual issues related to Plaintiff's claims under the Medicaid Act concerning therapeutic foster care. This duty is closely related to the duties concerning "wraparound" and Appendix A, but to the extent (if any) that performing this duty would require the Special Master to devote discrete efforts that are not related to his duties concerning Appendix A, the Special Master shall seek and obtain Court authorization before embarking on such efforts.

The parties have not resolved these issues and have not yet begun to address therapeutic foster care. The Special Master is proposing that this issue be addressed during the Katie A. IBDM Step Three period described in Section Four and Exhibit 3.

Paragraph 12 (c):

Make recommendations to the Court on how to resolve the issues listed in Subsections a. and b. above to the extent that the parties are unable to reach agreement on those issues. The Special Master shall have twenty weeks to determine whether the parties are able to reach agreement on the issues listed in sub-section a. and b. above and an additional sixteen weeks either to produce such an agreement in final form or to make recommendations to the Court. Any such recommendations shall include a description of the relevant facts and reasons that support the Special Master's proposed recommendations. The parties shall have the right to object to any such recommendations by the Special Master as described more fully below.

Exhibit 2 sets forth the Work Group's three-part approach and seven interrelated strategies and reflects a narrowing of the majority of differences, clarification of the issues, and moves the parties closer toward possibly resolving the issues listed in Subsections (a) and (b) above. Section Four of this report recommends a third step in the Katie A. IBDM process, a design phase possibly transitioning to development of an implementation plan addressing the three-part approach and strategies developed by the Work Group.

Paragraph 12 (d):

Strive to ensure that the resolution of any of the above-mentioned issues in the case (whether

by agreement of the parties or recommendations by the Special Master to the Court) are consistent with the ongoing efforts to: (a) fulfill the terms of the settlement agreement between Plaintiffs and the County of Los Angeles; and (b) comply with the judgment and other post-judgment orders in the Emily Q. case.

The Special Master and the Work Group have paid particular attention to the County of Los Angeles' implementation of its settlement agreement. Including representatives from Los Angeles County as active members of the Work Group has ensured continuous communication between the Work Group and Los Angeles County efforts. Similarly, some of the Work Group members are also responsible for implementing the Emily Q. Nine Point Plan and as such are routinely monitoring the Emily Q. progress.

SECTION THREE: WORK GROUP APPROACHES AND STRATEGIES

During the past twelve months, the Katie A. Work Group has compiled an extensive inventory of shared interests that must be met to resolve the Katie A. matter, and has explored nearly one hundred options that could be implemented to address the needs of children in the Katie A. class. The Special Master was tasked by the Court to use these discussions to narrow differences, reach agreement where possible, and provide the Court with a plan to move toward resolution. As mentioned above, it was, however, understood that the Work Group did not have the authority to make binding decisions on or agreements for the parties to this case and that any proposals or agreements reached by the Work Group did not, by themselves, represent agreement by the parties.[1] Nevertheless, pursuant to the IBDM process, in order for any options to be considered and the three-part approach and strategies to be fashioned, consensus of all members of the Work Group was required.

In the view of the Special Master, the Work Group has made remarkable progress in addressing differences. The Work Group has constructed a comprehensive and holistic set of approaches and strategies that were arrived at through a consensus process. The Work Group's

[1] Further, the State defendants reserve all rights in the litigation to object to the Work Group's approach and strategies, and do not stipulate to any finding of fact or conclusion of law on any issue that may be the subject of this litigation. Nor do the state defendants agree to waive any rights they may have or may claim as to plaintiffs' claims of status as a prevailing party on any issue related to the Work Group's approach, strategies, or opinion that is responsive to the court's questions posed in paragraph 12 of its order appointing the Special Master. The parties understand that the Work Group's approach and strategies will move the parties forward to the next step of a design and potential implementation of the approach and strategies as potential settlement of, or narrowing the differences between the parties in the Katie A. litigation matter. In addition, the State defendants have notified the Special Master and the Work Group participants that any option that is developed into a final agreement must first be approved by the State's control agencies before consideration of implementation.

approaches and strategies are contained in Exhibit 2 to this report and attached hereto, and are designed to address the collective major concerns of the parties and move the parties toward resolution of those concerns. They are also intended to move the parties forward to resolve the litigation and provide medically necessary services to the children in the Katie A. class and their families. A list of the Work Group participants is contained in Exhibit 1 to this report, attached hereto.

Over the course of the year-long IBDM sessions, the Work Group explored many issues at length and sometimes in exhaustive detail in order to ensure that everyone in the group fully understood the purpose, process, implications, strengths, and limitations of each option. As noted in the introduction section above, the Work Group developed its own criteria to evaluate the options, essentially a set of conditions that an option must satisfy in order to be included in any agreement. These evaluation criteria require that solutions must be aligned with the interests; assure family voice; be do-able; be within the law or reasonably achievable law; be sustainable; not let the perfect be the enemy of the good; address the need for accountability and quality; and maximize existing resources. The Work Group's approaches and strategies must be examined using these evaluation criteria.

Exhibit 2 to this report summarizes the various approaches and strategies as succinctly as possible, relying primarily on documents developed by the Work Group to make the case for each approach or strategy. Each item set forth in Exhibit 2 contains a descriptive title and an explanation of the approach or strategy that the Work Group discussed, with sufficient discussion to explain the group's thinking; each discussion represents options vetted by the full Work Group. While important work remains to be done to fully flesh out the approaches and strategies, engage in a design phase, and, if possible, create implementation plans and timelines, the descriptions in Exhibit 2 should provide the Court with enough information to determine whether it will extend the appointment of the Special Master so that the parties may continue with the IBDM process in an effort to resolve this matter.

In this regard, the Special Master, as instructed by the Court's Order Appointing the Special Master, presents the Work Group's approaches and strategies as they have been developed thus far, as a step forward that moves the parties beyond just narrowing the differences, and which includes further exploration and refining of the approaches and strategies and developing an implementation plan, if possible, during the proposed IBDM Step Three period.

SECTION FOUR: SPECIAL MASTER RECOMMENDATIONS

Based on the discussion presented above, in my role as Special Master I recommend that the Court approve, adopt and order the following actions to complete the Katie A. planning effort and move the matter toward successful resolution:

1. Approve and adopt the Special Master's Report in its entirety, including the Work Group approaches and strategies contained therein.
2. Extend the current order appointing Richard Saletta as Special Master until November 1, 2010. The Special Master, on or before November 1, 2010, shall report to the Court the progress made on the Katie A. IBDM Step Three period. The Special Master may make periodic reports as necessary, advising the Court of progress or concerns.
3. Authorize the Special Master to hire a consultant (or consultants), with the agreement of both parties, to assist the Special Master during the Step Three period. The consultant(s) will have special skill, knowledge, and abilities in Medicaid, Title IV-E and other Social Service funding, and system design, and will have financing experience with California's state and county fiscal and service delivery relationship. The Special Master will prepare a scope of work regarding the consultant(s) that will be reviewed and considered by the Work Group for approval in June. The Special Master will present a proposed budget and consultant(s) scope of work to the Court for its approval.
4. Approve the Special Master's Proposed Budget, Exhibit 4 for the period July 1, 2010 to November 1, 2010.

Proposed dates for the next Court appearance

For the pleasure of the Court, the Special Master and all parties are available on the following dates to appear before the Court:

- Preferred: June 1, 2, 14, 15, or 18
- Less Preferred: The Special Master will be out of state during the week of June 7th.

In closing, the Special Master would like to thank the Court for affording him the privilege of serving as Special Master for the Katie A. case. The Special Master is very proud of the remarkable work the parties have accomplished, and looks forward to the opportunity to continue to work with them in the Step Three period.

Dated May 27, 2010

Respectfully Submitted,

Richard Saletta, LCSW

Exhibit 1: Members of the Katie A. Work Group

- Barbara Bailey*, Chief, Medi-Cal Benefits Waivers Analysis and Rates, California Department of Health Care Services.
- Diana Boyer, Senior Policy Analyst, County Welfare Directors Association of California, Sacramento.
- Karen Ackerson-Brazille***, Deputy Attorney General, Department of Justice, Office of the Attorney General.
- Fran Bremer, Senior Staff Attorney, Legal Division, California Department of Social Services, Legal Services.
- Olivia Celis,* Deputy Director, Los Angeles County Department of Mental Health.
- Mary Ellen Collins, Executive Director, United Parents, Camarillo.
- Susan Diedrich, Assistant Chief Counsel, Legal Division, California Department of Social Services, Legal Services.
- Patrick Gardner, Deputy Director, National Center for Youth Law.
- Dina Kokkos-Gonzales, Chief, Medi-Cal Benefits Waivers Analysis and Rates, California Department of Health Care Services.
- John Krause, Senior Staff Attorney, Legal Services, California Department of Health Care Services.
- Greg Lecklitner*, Clinical District Chief, DMH, Child Welfare Division, Los Angeles County Department of Mental Health.
- Kim Lewis, Senior Health Attorney, Western Center on Law and Poverty, Los Angeles.
- Tony Lewis, Assistant Chief Counsel, Legal Services, California Department of Health Care Services.
- Debbie Manners, Senior Executive Vice President, Hathaway-Sycamores Child and Family Services, Los Angeles.
- Ernest Martinez***, Deputy Attorney General, Department of Justice, Office of the Attorney General.
- Rita McCabe, Chief, Program and Policy Development Branch, Community Services Division, California Department of Mental Health.
- Cynthia Rodriguez, Chief Deputy, Legal Services, California Department of Mental Health.

- Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services.
- Mike Ryan, Deputy Director, Child Welfare Services Division, Orange County Social Services Department.
- Carmen Snuggs, Deputy Attorney General, Department of Justice, Office of the Attorney General.
- Linne Stout, Branch Chief, Child Protection and Family Support, California Department of Social Services.
- Sean Tracy, Assistant Deputy Director, Community Services Division, California Department of Mental Health.
- Cheryl Treadwell, Bureau Chief, Resource Development and Training Support, California Department of Social Services.
- Barbara Zweig, Senior Staff Attorney, Legal Services, California Department of Mental Health.

* Attended during Step one; Foundation Building - 16 Meetings.

**Joined the Work Group for Step Two; Design - 10 Meetings.

***Karen Ackerson-Brazille was replaced by Ernest Martinez at the end of Step Two, after Ms. Ackerson-Brazille received a Los Angeles County Superior Court Judge Appointment.

Exhibit 2: Katie A. Work Group Approaches and Strategies

This document compiles and summarizes the approaches and strategies developed by the Katie A. Work Group to identify where differences have been narrowed.

A

Three Part Approach

An effective and sustainable solution will involve three specific parts. First, children in the class and their families will need an array of services delivered in a *coordinated, comprehensive, community-based fashion* that combines service *access, planning, delivery, and transition* into a coherent and holistic approach. Second, a service *structure and a fiscal system which supports the practices and services model* needs to be developed to deliver and fund public services in a way that benefits class children and their families. And third, an effective and sustainable solution will involve *standards and methods to achieve quality-based oversight,* along with *training and education that support the practice and fiscal models*. These three parts – services and practice, structure and fiscal, and quality improvement and education – together represent a comprehensive and holistic approach to and a framework for resolving the Katie A. matter.

B

Core Practice Model approach; Child and Family Team approach; Specialized Child and Family Team Services approach

The Core Practice Model, which would be utilized by all agencies or individuals who serve class members and their families, adheres to a prescribed set of family centered values and principles that are driven by a definable process. The Core Practice Model values and principles are summarized as follows:

- Services are needs-driven, strengths-based, and family-focused from the first conversation with or about the family.
- Services are individualized and tailored to the strengths and needs of each child and family.
- Services are delivered through a multi-agency collaborative approach that is grounded in a strong community base.
- Family voice, choice, and preference are assured throughout the process.
- Services incorporate a blend of formal and informal resources designed to assist families

with successful transitions that ensure long-term success.

- Services are culturally competent and respectful of the culture of the children and their families.
- Services and supports are provided in the child and family's community.
- Children are first and foremost protected from abuse and neglect and maintained safely in their own homes.
- Children have permanency and stability in their living situations.

In order to benefit from the full array of services they need, at whatever level appropriate and necessary to meet their needs, class members will be best served through five key practice components that are organized and delivered in the context of an overall child and family plan. These five components include the following:

- *Engagement*: Engaging families is the foundation to building trusting and mutually beneficial relationships between family members, team members, and service providers. Agencies involved with the child and family work to reach agreement about services, safety, well-being (meeting attachment and other developmental needs, health, education, and mental health), and permanency.
- *Assessing*: Information gathering and assessing needs is the practice of gathering and evaluating information about the child and family, which includes gathering and assessing strengths as well as assessing the underlying needs. Assessing also includes determining the capability, willingness, and availability of resources for achieving safety, permanence, and well-being of children.
- *Service Planning and Implementation*: Service planning is the practice of tailoring supports and services unique to each child and family to address unmet needs. The plan specifies the goals, roles, strategies, resources, and timeframes for coordinated implementation of supports and services for the child, family, and caregivers.
- *Monitoring and Adapting*: Monitoring and adapting is the practice of evaluating the effectiveness of the plan, assessing circumstances and resources, and reworking the plan as needed. The team is responsible for reassessing the needs, applying knowledge gained through ongoing assessments, and adapting the plan in a timely manner.
- *Transition*: The successful transition away from formal supports can occur when informal supports are in place and providing the support and activities needed to ensure

long-term stability.

Child and Family Team: The Work Group has also reached consensus that a subset of Katie A. class members need a more intensive approach and service delivery to address their array of needs and strengths, and that this subset would best be served through a formally organized *Child and Family Team*.

In those instances where intensive or complex needs are identified, a formal Child and Family Team would be created to serve as the primary vehicle delivering services in accord with the Core Practice Model in order to bring significant individual team members together to help the family develop a plan of care that addresses their needs and strengths. The principle role of the Child and Family team would be as follows:

- The Child and Family Team (CFT) assembles as a group of caring individuals to work with and support the child and family and, in addition to the various agency and provider staff involved in service delivery to the family, includes at a minimum a facilitator and a family support partner or family specialist for youth.
- Team facilitation can be done by a mental health provider, social worker, or probation officer. The facilitator maintains a committed team and is qualified with the necessary skills to bring resources to the table in support of the child and family.
- An effective CFT continues the process of engagement with the family and or caregivers about their strengths and needs, ensures services are well coordinated, and provides a process for transparent communication.

Specialized Child and Family Team Services: The intent of the Core Practice Model and Child and Family Team is to develop the most appropriate and effective approach to meeting the needs of class members and their families in order to ameliorate the problems they are experiencing and prevent the need for ever-escalating services including out of home placement. It is anticipated that the basic Core Practice Model, when it is applied across the array of county and provider services in all the counties, will be sufficient to accomplish these goals for the majority of Katie A. class members through usual and customary services without resorting to more specialized and intensive services.

However, it is understood that within the class there is a subgroup of children who are experiencing severe needs that need both the services of a Child and Family Team and an array of Specialized Services beyond usual and customary services. These specialized services would be reserved for the exclusive use of a subset of class members as appropriate. A proposed list of specialized services is presented below under the discussion of Intensive Home-Based Services.

C

Criteria to identify a subset of class members who would be eligible for the formal Child and Family Team and Specialized Services and ***CFT and Specialized Services for the highest-need subset of class members***

Among EPSDT-eligible class members, the Work Group has identified a subset that would be eligible for intensive home-based services, as follows:

Katie A. class members will be eligible for IHBS***, including Intensive Care Coordination (ICC), if they are in any of the following:

(1) Placed in an RCL 10 or above community care facility, *in order to facilitate discharge** from the facility; or

(2) *At risk of** placement in an RCL 10 or above community care facility; or

(3) Eligible for or receiving Wraparound, Intensive Treatment Foster Care (including MTFC or ITFC), or another intensive in-home services (e.g. System of Care (SOC), Full Service Partnership (FSP), Field Capable Clinical Services (FCCS)); or

(4) *At risk of* * admission to, or in order to facilitate discharge from, a psychiatric hospital or a secure twenty-four hour mental health treatment facility (i.e. Community Treatment Facility, Psychiatric Health Facility, Mental health Rehabilitation Center); or

(5) In a foster family placement receiving a *Specialized Care Rate** that is specifically determined by the level of severity of a child's behavioral or mental health need. (e.g. "D-rate home); or

(6) Have experienced three or more placements (i.e. placement moves), due to mental health and/or behavior problem, within 24** months.

* *Term still needs to be defined.*

** *Need to look at data re size of group to determine the appropriate time frame. LA will run data from the LA class.*

*** *All services should always support efforts to avoid removal from the child's family,*

whenever possible, and if not possible, promote reunification with the family, or permanency and placement stability in a home-like setting. This should be an overarching goal.

The Work Group also discussed the following aspects of identifying a subset of class members eligible for intensive home-based services, to be developed during the staged implementation planning period:

- The children served will be child-welfare involved, Medicaid eligible, and either in out-of-home care, or found by child welfare to be at risk of out-of-home placement in part due to unmet mental health/behavioral health needs.
- Further define and refine terms such as "at risk of," "return from placement," and "avoid placement."
- Goal could be achieved with a commitment based on a concept such as a projection of need for intensive-home based mental health services – i.e. one-third of one-half of total children with an involvement with Child Welfare (e.g. approx 12,500 of those in foster care and additional number of children at risk of foster care) or possibly a target of in-home community-based services ratio to group home/out-of-home placement of say 3:1 or 4:1.
- Rather than pick between at-risk and in-care, focus on the goal of substantially reducing out-of-home care (paid for by DMH/DSS) due to unmet mental health needs using intensive home-based services and Intensive Care Coordination.
- Establish a larger goal of eliminating out-of-home care as a placement with residential services (i.e. group home or congregate care facilities) restricted for crisis stabilization or safety needs, using in-home and community-based services instead.
- There needs to be ways to measure success in developing the overall goal of in-home and community based mental health services capacity.
- There needs to be ways to incentivize or ensure the reductions and/or closures of group home and psychiatric hospital placements if the state has no control over individual placements.

D

Intensive home-based mental health services that emphasize service delivery by a para-professional, under the supervision of a clinician and ***Intensive home-based mental health***

services covered by Medi-Cal

Intensive Home-Based Services (IHBS) are individualized, strength-based interventions designed to ameliorate mental health conditions that interfere with a child's functioning. Interventions are aimed at helping the child build skills necessary for successful functioning in the home and community and improving the child's family's ability to help the youth successfully function in the home and community.

IHBS are delivered according to an individualized treatment plan developed by a care planning team (see Intensive Care Coordination). The care planning team develops goals and objectives for all life domains in which the child's mental health condition produces impaired functioning, including family life, community life, education, vocation, and independent living, and identifies the specific interventions that will be implemented to meet those goals and objectives. The goals and objectives should seek to maximize the child's ability to live and participate in the community and to function independently, including through building social, communication, behavioral, and basic living skills. Providers of intensive home-based services should engage the child in community activities where the child has an opportunity to work towards identified goals and objectives in a natural setting. Phone contact and consultation may be provided as part of the service.

IHBS includes, but is not limited to:

- Educating the child's family about, and training the family in managing, the child's disorder;
- Behavior management, including developing and implementing a behavioral plan with positive behavioral supports and modeling for the child's family and others how to implement behavioral strategies;
- Improving self-care, including by addressing behaviors and social skills deficits that interfere with daily living tasks and with avoiding exploitation by others;
- Improving self-management of symptoms, including assisting with self-administration of medications;
- Improving social decorum, including by addressing social skills deficits and anger management;

- Supporting the development and maintenance of social support networks and the use of community resources;
- Supporting employment objectives, by identifying and addressing behaviors that interfere with seeking and maintaining a job;
- Supporting educational objectives, through identifying and addressing behaviors that interfere with succeeding in an academic program in the community; and
- Supporting independent living objectives, by identifying and addressing behaviors that interfere with seeking and maintaining housing and living independently.

IHBS are highly effective in preventing a child being removed from home (biological, foster, or adoptive) through admission to an inpatient hospital, residential treatment facility or other residential treatment setting.

Settings: IHBS may be provided in any setting where the child is naturally located, including the home (biological, foster or adoptive), schools, recreational settings, child care centers, and other community settings. *Availability:* IHBS are available wherever and whenever needed, including in evenings and on weekends. *Providers:* IHBS are typically provided by paraprofessionals under clinical supervision. Peers, including parent partners, may provide IHBS. More complex cases may require service delivery by a clinician rather than a paraprofessional.

E

Intensive care coordination for mental health services/Super Case Coordinator covered by Medi-Cal

Intensive Care Coordination (ICC) is a service that is responsible for facilitating assessment, care planning and coordination of services, including urgent services [for children/ youth who meet the *Katie A.* class criteria].

Intensive Care Coordination (ICC) provides:

- A single point of accountability for ensuring that medically necessary services are accessed, coordinated, and delivered in a strength-based, individualized, family/youth-driven, and culturally, and linguistically relevant manner;
- Services and supports that are guided by the needs of the youth;

- Facilitation of a collaborative relationship among a youth, his/her family and involved child-serving systems;
- Support the parent/caregiver in meeting their youth's needs;
- A care planning process ensures that a care coordinator organizes and matches care across providers and child serving systems to allow the youth to be served in their home community; and
- Facilitated development of the Child and Family Planning Team (CFT).[2]

ICC service components consists of:

Assessment: The CFT completes a strength-based, needs driven, comprehensive assessment to organize and guide the development of an Individual Care Plan (ICP) and a risk management/safety plan. The assessment process determines the needs of the youth for any medical, educational, social, mental health, or other services. ICC may also include the planning and coordination of urgent needs before the comprehensive assessment is completed. The initial assessment will be reviewed as necessary, but at least every 90 days.

Planning: Development of an Individual Care Plan: Using the information collected through an assessment, the care coordinator convenes and facilitates the CFT meetings and the CFT develops a child- and family-centered Individual Care Plan (ICP) that specifies the goals and actions to address the medical, educational, social, mental health, or other services needed by the youth and family. The care coordinator works directly with the youth, the family and others significant to the child to identify strengths and needs of the youth and family, and to develop a plan for meeting those needs and goals.

Referral, monitoring and related activities:

- works directly with the youth and family to implement elements of the ICP;
- prepares, monitors, and modifies the ICP in concert with the CFT; to determine whether services are being provided in accordance with the ICP; whether services in the ICP are adequate; and whether these are changes in the needs or status of the youth and if so, adjusting the plan of care as necessary, in concert with the CFT;

[2] The CFT includes, as appropriate, both formal supports, such as the care coordinator, providers, case managers from child-serving agencies, and natural supports, such as family members, neighbors, friends, and clergy.

- will identify, actively assist the youth and family to obtain and monitor the delivery of available services including medical, educational, mental health, social, therapeutic, or other services.

Transition:

- develops with the CFT a transition plan when the youth has achieved goals of the ICP; and
- collaborates with the other service providers and agencies on the behalf of the youth and family.

Settings:

ICC may be provided to children living and receiving services in the community (including in TFC) as well as to children who are currently in a hospital, group home, or other congregate or institutional placement as part of discharge planning.

F

Additional Service Array and Practice Development options to defer for exploration and implementation including ***Existing Resources – Service Clarification and Redefinition*** and ***Existing Resources – System Development Issues***

During the IBDM process the Work Group identified 20 consensus options clustered under the Service Array and Practice Development charter, plus 53 consensus options clustered under the System Structure and Fiscal Options charter. However, not all of these options have been explored. If the Work Group decides to continue working toward a Katie A. solution, it will need to explore these remaining options.

Among these remaining options, several stand out:

Existing Resources – Service Clarification and Redefinition

- Short-term residential crisis stabilization.
- Mobile crisis intervention available 24/7.
- Medication management.
- TBS as necessary.
- In-home therapy (individual / collateral).

- Family support, education, and training.
- Access to flexible funds.
- Engagement and resource development.

Existing Resources – System Development Issues

- Screening.
- Services to children placed out of county.
- Super Case Coordinator for the subset of class members eligible for intensive home-based services, beyond mental health Medicaid reimbursable services.

G

Additional System Structure and Fiscal Options to defer for exploration and implementation

Among the System Structure and Fiscal Options that remain, several stand out:

- Fiscal and administrative strategies that maximize state/federal resources that support/sustain CPM, CFT, and Specialized Services.
- Further identify and align SB 163 Wraparound and mental health Medi-Cal.
- Approaches to sharing data at the state, county, and provider levels.
- Administrative effectiveness and efficiencies that could be achieved by the departments working together.
- Empowering state- and local-level interagency teams.

H

Additional Quality Improvement and Education options to defer for exploration and implementation

The Work Group identified a core set of 20 consensus options that describe the key elements of a quality improvement and education solution; seven of these options were eliminated or incorporated into the remaining options during the IBDM process. These remaining 13 consensus options are listed below in three groups.

Quality Improvement

- Develop and implement a quality review tool to ensure consistent and effective practice based on desired outcomes.

- Whatever is developed has an oversight process to ensure accountability for implementation at the state and county level.
- When outcomes are evaluated, a non-provider / consumer be part of the evaluation.
- Put SB-163 Wraparound standards into regulations (with appropriate cross-reference to DMH – CSOC).
- Develop training and quality control systems that ensure the above (1) & (2).
- Develop quality control systems.
- Clarify state rules so that counties can consistently apply them.

<u>Education</u>

- Develop educational materials used by counties and providers that explain the system to children and families.
- Make it clear what is billable to prevent inappropriate Medi-Cal billing.
- Provide training around Wraparound values across the system.
- Issue joint guidance on how best to meet mental health needs of children in the foster system.
- Develop training for non-mental health workers to clarify the path to mental health services.
- Family education be expanded to include navigating the system and educational advocacy that are critical but non evidence-based in order to find natural resources to live their lives.

<u>Data-related (most likely a subset of the Quality Improvement options above)</u>

- Explore ways to improve data exchange between different state departments.
- Improve data collection and reporting systems.

Exhibit 3: Tasks and Timelines for Katie A. Work Group

Timelines Re. Proposed Katie A. IBDM Step Three – Planning calendar for June through October 2010*

June:

- Develop a Work Group meeting timeline for the five-month planning period.
- Develop Consultant(s) Scope of Work, submit budget for Court approval, and hire consultant.
- Further develop and/or refine the following:
  (1) Tasks for Katie A. Work Group plan development.
  (2) Eligibility criteria for a subset of class members to receive intensive services.
  (3) Language regarding Intensive Home-Based Services.
  (4) Language regarding Intensive Care Coordination.
- Begin exploring remaining Service Array and Practice Development, System Structure and Fiscal, and Quality Improvement and Education options to determine which will be included in the planning process.

July-August:

- Review remaining options for possible inclusion in the Three Part Approach (Practice Development, System Structure/Fiscal, and Quality Improvement /Education).
- Discuss possible inclusion of Therapeutic Foster Care in the Three Part Approach (Practice Development, System Structure/Fiscal, and Quality Improvement /Education).

September-October:

- Reach agreement or narrow differences regarding Intensive Home-Based Services including steps, deliverables, and an implementation schedule.
- Reach agreement or narrow differences regarding Intensive Care Coordination including steps, deliverables, and an implementation schedule.
- Court hearing.

*This timeline presupposes an order extending the appointment of the Special Master in early June.

Exhibit 4: Special Master's Proposed Budget
July 1, 2010 – November 1, 2010

Budget: July 1, 2010 – November 1, 2010: $94,470.00

The Special Master proposes the following budget to the Court for its approval in order to undertake Step Three as described in the Special Master's Report to the Court and outlined in Exhibit 3: *Tasks and Timelines for Katie. A Work Group*.

Special Master and Consultants: July 1, 2010 – November 1, 2010: $84,000.00

The Special Master will conduct the following activities:

- Convene and oversee the regular Katie A. Work Group meetings (initially weekly, moving to semi-monthly, with task-group activities between meetings).
- Participate in meetings with defendants and plaintiffs.
- Participate with defendants and plaintiffs in the development of recommendations.
- Appear in Court as required to present Katie A. Work Group recommendations and/or separate Special Master recommendations.

Assistance and support from consultants to the Special Master:

- Co-facilitate scheduled Katie A. Work Group meetings and prepare written summaries.
- Provide technical assistance to defendants and plaintiffs in developing proposals as assigned.
- Assist with Court reports.

The Special Master will be reimbursed at $150.00 per hour and consultants will be reimbursed at $100.00 per hour.

Travel and Incidental Costs: $10,470.00

Special Master: $900.00

- I anticipate that Work Group meetings will continue to take place in Sacramento, within one hour of my office. I will not be submitting an invoice for this travel expense.
- I will be submitting an invoice for travel expenses associated with any required Court appearance and consultation with parties in Los Angeles.

Parent, Provider, and County Representative Work Group Participation: $9,570.00

- I will continue to reimburse the parent, provider, and county representative travel expenses related to attending Work Group meetings or ad hoc task group meetings. As noted in earlier reports, their employers have donated these members' time – only their travel expenses are included in this request for additional funding.
- I will be submitting an expense invoice for the parent, provider, and county representative participation with the Work Group.