

Proposed DAD Reinvestment Initiative for Northern Virginia

Background

- At the request of the Commissioner of DMHMRSAS and with the active support of the Governor, each Region of the Commonwealth is developing a Regional Partnership Plan that will identify the steps necessary to decrease reliance on facility based services and improve our community based system of care. The process involves stakeholders from throughout Northern Virginia who have been organized into a variety of work groups. Because of the size and complexity of the issues, the Steering Committee for the Northern Virginia Regional Partnership Planning Project decided to focus on the MH service delivery system for adults. An initial report is due in August of this year and a second report is due in August 2004. The full record of the proceedings, reference material and the membership of the various work groups can be found at <http://www.fairfaxcounty.gov/service/csb/region/partnershipmain.htm>
- Each Region has also been asked to develop a Reinvestment Initiative that would transfer funds from State MH facilities to more community based service approaches. Three regions had an initiative approved for FY 2004. Northern Va. was scheduled to have a proposal for implementation in FY 2005. While the stakeholders continue to explore all options, in light of the growing demand and the uncertainty regarding the future capacity and location of private sector psychiatric beds, it is unlikely that beds can be closed at NVMHI and corresponding funds moved to the community.
- In 1992, the regional WINTEX project was established to reduce reliance on State MH facilities. In 1995, WINTEX funds were incorporated into a more comprehensive project called Discharge Assistance and Diversion (DAD). The funds for this project are managed by NVMHI but controlled by a regional Coordinating Committee and a regional Steering Committee. It has been quite successful in reducing the per capita utilization of State MH facilities. This project has been responsible for purchasing beds from private psychiatric hospitals and for funding a variety of discharge assistance and diversion services.
- In FY 2003, DMHMRSAS added about \$900,000 to the existing bed purchase budget of about \$800,000. An additional \$100,000 has been added for FY 2004. Thus, there is now approximately \$1.8 million available for the purchase of private psychiatric beds.

New Developments

- DMHMRSAS has asked the DAD Steering Committee to transfer the fiscal agent function from NVMHI to a CSB. Such a transfer can serve as a regional Reinvestment Initiative since the funds will be moved out of the NVMHI budget to a CSB. Furthermore, this will provide additional flexibility in how the funds can be used. All other aspects of the project will remain unchanged.

- DMHMRSAS recently transferred \$550,000 in FY 2003 unencumbered funds in the DAD project to the Fairfax-Falls Church CSB to hold in escrow until the most appropriate regional entity can be identified. The other CSBs have asked Fairfax-Falls Church CSB to temporarily serve as the fiscal agent.
- The total funding for this Regional Reinvestment Initiative in FY 2004 will be about \$2.5 million. (\$1,800,000 for private sector bed purchase, \$550,000 to enhance diversion and discharge projects, \$50,000 for the discharge assistance fund and \$100,000 for administrative services.)
- DMHMRSAS has offered to continue the current contractual arrangement until Nov. 1, 2003 while the details of this new arrangement are negotiated.
- Project funds can be used to cover administrative services. Included in the \$2.5 million total for the Reinvestment Initiative is \$50,000 in State funds available to assist with the Regional Partnership Planning Project.

Next Steps

- All CSBs and NVMHI will sign the interim agreement for the period July 1, 2003 through October 31, 2003.
- The DAD Steering and Coordinating Committees will develop proposals for the use of any unencumbered funds for FY 2004.
- Funding for the existing DAD Aftercare projects will be transferred to individual CSBs as soon as feasible.
- The Steering Committee of the Northern Virginia Regional Partnership Planning Project and the CSBs will be asked to endorse the concept.
- Fairfax-Falls Church CSB will develop the necessary administrative procedures so it can temporarily serve as the fiscal agent.
- Planning will begin immediately on developing a revised DAD agreement effective November 1, 2003 to transfer the fiscal agent responsibilities to a CSB.

Summary

This transfer of funds and the fiscal agent responsibilities to a CSB is consistent with the Governor's Reinvestment Initiative. The transfer will maintain the current collaborative structure of the DAD project which includes all of the CSBs, NVMHI and DMHMRSAS. It will provide even greater flexibility in how the funds can be used without shifting any additional responsibility for providing inpatient services to CSBs. Project funds will also be used to cover related administrative services.