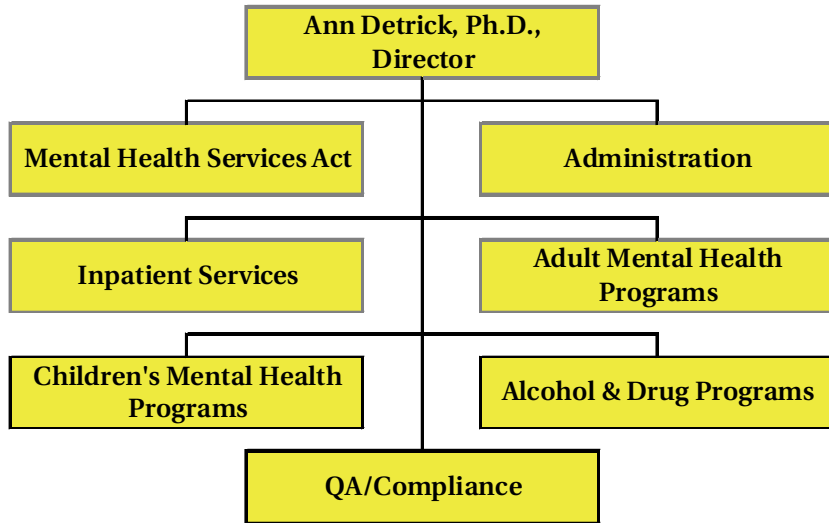
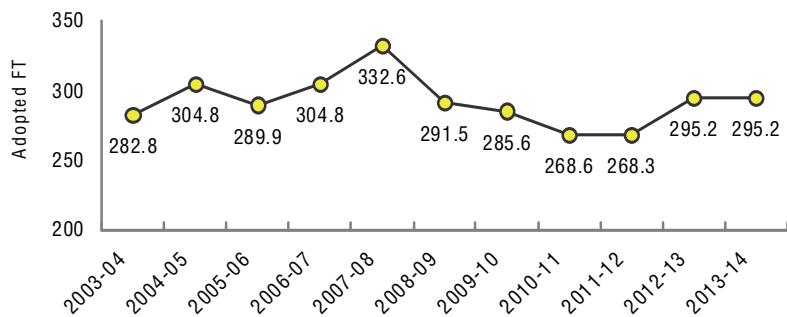


ALCOHOL, DRUG AND MENTAL HEALTH

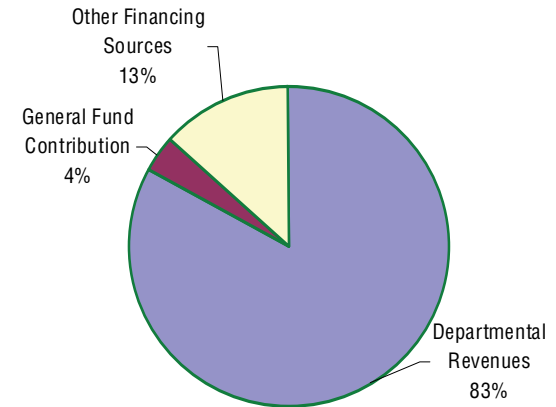
| Budget & Staffing | |
|-------------------|------------|
| Operating \$ | 68,414,056 |
| Capital | 105,000 |
| FTEs | 295.2 |



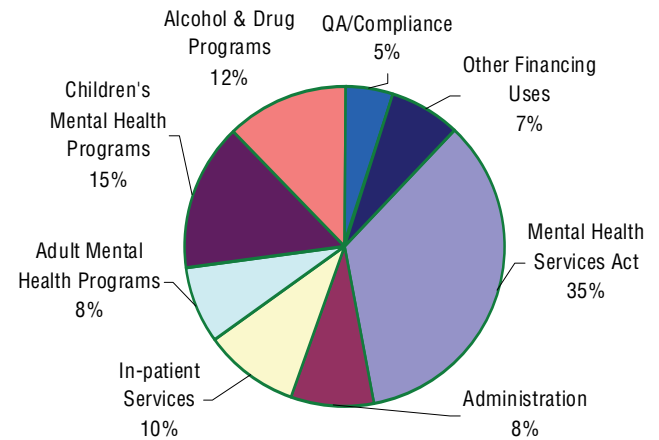
STAFFING TREND



SOURCE OF FUNDS



USE OF FUNDS



ALCOHOL, DRUG & MENTAL HEALTH SVCS

Department Summary

| | Actual FY 10-11 | Adopted FY 11-12 | Recommended FY 12-13 | Proposed FY 13-14 |
|-----------------------------------|--------------------|---------------------|-------------------------|----------------------|
| Use of Funds Summary | | | | |
| <i>Operating Expenditures</i> | | | | |
| Mental Health Services Act | \$ 22,833,409 | \$ 25,139,712 | \$ 28,920,188 | \$ 29,685,305 |
| Administration | 8,152,806 | 6,243,397 | 6,739,857 | 7,017,782 |
| In-patient Services | 8,566,426 | 8,167,637 | 8,151,661 | 8,414,529 |
| Adult Mental Health Programs | 8,671,332 | 9,055,438 | 6,412,265 | 6,699,741 |
| Children's Mental Health Programs | 13,052,082 | 13,688,162 | 12,508,374 | 12,723,047 |
| Alcohol & Drug Programs | 9,751,074 | 10,286,224 | 10,272,660 | 10,375,673 |
| QA/Compliance | 4,553,679 | 4,790,046 | 3,907,226 | 3,994,002 |
| Operating Sub-Total | 75,580,808 | 77,370,616 | 76,912,231 | 78,910,079 |
| Less: Intra-County Revenues | (7,912,236) | (7,508,978) | (8,498,175) | (8,498,175) |
| Operating Total | 67,668,572 | 69,861,638 | 68,414,056 | 70,411,904 |
| <i>Non-Operating Expenditures</i> | | | | |
| Capital Assets | 21,603 | 184,900 | 105,000 | 105,000 |
| Expenditure Total | 67,690,175 | 70,046,538 | 68,519,056 | 70,516,904 |
| <i>Other Financing Uses</i> | | | | |
| Operating Transfers | 1,609,355 | 858,692 | 854,511 | 854,730 |
| Designated for Future Uses | 13,437,155 | 10,519,436 | 5,119,511 | 1,102,690 |
| Department Total | \$ 82,736,685 | \$ 81,424,666 | \$ 74,493,078 | \$ 72,474,324 |

Character of Expenditures

| | Actual FY 10-11 | Adopted FY 11-12 | Recommended FY 12-13 | Proposed FY 13-14 |
|-----------------------------------|--------------------|---------------------|-------------------------|----------------------|
| <i>Operating Expenditures</i> | | | | |
| Regular Salaries | \$ 21,959,870 | \$ 22,902,889 | \$ 23,271,523 | \$ 23,672,490 |
| Overtime | 561,665 | 357,534 | 540,100 | 540,100 |
| Extra Help | 597,412 | 496,207 | 683,461 | 685,711 |
| Benefits | 9,691,522 | 11,137,822 | 11,551,565 | 12,995,403 |
| Salaries & Benefits Sub-Total | 32,810,469 | 34,894,452 | 36,046,649 | 37,893,704 |
| Services & Supplies | 41,217,095 | 42,476,164 | 40,865,582 | 41,016,375 |
| Public Assistance Payments | 1,553,244 | -- | -- | -- |
| Operating Sub-Total | 75,580,808 | 77,370,616 | 76,912,231 | 78,910,079 |
| Less: Intra-County Revenues | (7,912,236) | (7,508,978) | (8,498,175) | (8,498,175) |
| Operating Total | 67,668,572 | 69,861,638 | 68,414,056 | 70,411,904 |
| <i>Non-Operating Expenditures</i> | | | | |
| Capital Assets | 21,603 | 184,900 | 105,000 | 105,000 |
| Expenditure Total | \$ 67,690,175 | \$ 70,046,538 | \$ 68,519,056 | \$ 70,516,904 |

Source of Funds Summary

| | Actual FY 10-11 | Adopted FY 11-12 | Recommended FY 12-13 | Proposed FY 13-14 |
|----------------------------------|--------------------|---------------------|-------------------------|----------------------|
| <i>Departmental Revenues</i> | | | | |
| Interest | \$ 17,028 | \$ 20,000 | \$ 44,000 | \$ 44,000 |
| Federal & State Revenues | 41,300,721 | 31,230,397 | 32,570,085 | 33,585,748 |
| Other Charges for Services | 36,675,193 | 39,010,935 | 36,080,598 | 36,080,598 |
| Miscellaneous Revenue | 443,884 | 264,961 | 254,931 | 254,931 |
| Revenue Sub-Total | 78,436,826 | 70,526,293 | 68,949,614 | 69,965,277 |
| Less: Intra-County Revenues | (7,912,236) | (7,508,978) | (8,498,175) | (8,498,175) |
| Revenue Total | 70,524,590 | 63,017,315 | 60,451,439 | 61,467,102 |
| <i>General Fund Contribution</i> | | | | |
| | 2,972,395 | 2,271,535 | 3,005,544 | 6,437,872 |
| <i>Other Financing Sources</i> | | | | |
| Operating Transfers | 6,748,650 | 9,631,317 | 4,429,855 | 313,034 |
| Sale of Property | 300 | -- | -- | -- |
| Use of Prior Fund Balances | 2,490,750 | 6,504,499 | 6,606,240 | 4,256,316 |
| Department Total | \$ 82,736,685 | \$ 81,424,666 | \$ 74,493,078 | \$ 72,474,324 |

Note: The Proposed 2013-14 "General Fund Contribution" amount of \$6,437,872 displayed in the summary table above includes a projected General Fund Contribution of \$2,062,251 and a projected budget gap of \$4,375,621.

| | Actual FY 10-11 | Adopted FY 11-12 | Recommended FY 12-13 | Proposed FY 13-14 |
|-----------------------------------|--------------------|---------------------|-------------------------|----------------------|
| FTE Summary | | | | |
| <i>Permanent</i> | | | | |
| Mental Health Services Act | 84.8 | 88.5 | 110.1 | 110.1 |
| Administration | 31.3 | 29.7 | 39.6 | 39.6 |
| In-patient Services | 30.6 | 29.3 | 35.3 | 35.3 |
| Adult Mental Health Programs | 53.3 | 51.9 | 38.1 | 38.1 |
| Children's Mental Health Programs | 34.7 | 29.5 | 28.2 | 28.2 |
| Alcohol & Drug Programs | 16.1 | 15.0 | 15.4 | 15.4 |
| QA/Compliance | 13.1 | 11.9 | 12.5 | 12.5 |
| Total Permanent | 263.8 | 255.6 | 279.0 | 279.0 |
| <i>Non-Permanent</i> | | | | |
| Contract | 3.2 | 3.1 | 2.6 | 2.6 |
| Extra Help | 10.9 | 9.5 | 13.6 | 13.6 |
| Total FTEs | 277.8 | 268.3 | 295.2 | 295.2 |

MISSION STATEMENT

The mission of Alcohol, Drug & Mental Health Services is to promote the prevention of and recovery from addiction and mental illness among individuals, families and communities, by providing effective leadership and delivering state-of-the-art, culturally competent services.

Department Description

The Department of Alcohol, Drug, and Mental Health Services (ADMHS) provides treatment, rehabilitation and support services to approximately 7,600 clients with mental illness and 4,500 clients with substance use disorders annually. The Department employs approximately 282 staff and holds contracts with 23 community-based providers.

The Department is responsible for ensuring the provision of mental health services mandated by the State of California for all Medi-Cal beneficiaries with specialty mental health needs, and to the extent resources allow, children with serious emotional disturbance, as well as adults with serious mental illness. This is accomplished through a system of both community-based and inpatient services, including: Child and Adult Outpatient Clinics, Crisis and Recovery Emergency Services (CARES) program, Psychiatric Hospital Facility (PHF) for inpatient services, Contracted Adult and Child Community Based Organizations (CBOs), Contracted inpatient acute and long-term psychiatric beds.

The Department's Alcohol and Drug Program Division (ADP) delivers publicly funded alcohol and drug prevention, early intervention, treatment and recovery support services. These services are provided primarily by CBOs.

2011-12 Anticipated Accomplishments

Mental Health Services Act (MHSA)

- Trained 35 consumer and family peers in the 10-day Workforce Education and Training (WET) Peer Support Training, which was recognized by an award from the California State Association of Counties (CSAC). Thirty-three peers, including nine WET interns, are currently employed by ADMHS and CBOs.
- Offered support and linkages to 928 individuals in underserved communities through the Prevention & Early Intervention (PEI) Promotora (Community Health Education) Program. Maintained ongoing support groups serving 212 members and provided outreach/education to 1872 people about mental health, risk factors and preventive factors.
- Provided mental health services in primary care settings to more than 330 people and administered depression screenings to over 695 people countywide through PEI programs.

- Trained approximately 100 ADMHS and community provider staff in the Social Security Income/Social Security Disability Insurance Outreach, Access and Recovery (SOAR) protocol to substantially extend the capacity in the County to assist high-risk adults with the acquisition of benefits.
- Addressed issues regarding access and the cultural sensitivity of services for Latino clients through monthly meetings of the Latino Advisory Committee (LAC). As a result of several LAC initiatives, the percentage of Mental Health Services Act bilingual/bicultural staff increased from 30% to 34% in FY 2011-12.

Administration/OA/Compliance

- Utilized the quarterly Scorecard process to monitor community based organization contract performance related to service levels, staffing, costs and adherence to scopes of work for \$17 million worth of contracts. The Scorecard process also identified areas for improvement among similar programs based on key outcomes (costs, caseloads, hospitalizations and incarcerations). Based on the results from the Scorecard process, the Department reduced contract costs by approximately \$1 million by aligning service levels and costs. The Department also performed CBO quarterly rate reviews in conjunction with the Scorecard process to adjust provisional rates and minimize the amount of future cost settlements.
- Fiscal staff monitored service levels, expenses and revenues on a continuous basis and reviewed the information with department staff. The Department has tracked services and claimable revenue generated at ADMHS clinics and the Psychiatric Health Facility (PHF) on a weekly basis along with costs for contracted inpatient acute and long term psychiatric beds. Fiscal and Program staff conducted meetings three times per month to review and refine the department's revenue and expense clinic models, MHSA programs and review revenues and expenses for the Department's inpatient system of care.
- Merged administrative staff (Patient Representatives) who are responsible for client billing activities at ADMHS programs and clinics into the Fiscal Division under a single billing supervisor.
- Upgraded the Department's website to increase its usefulness to the Department's key audiences: consumers and family members, staff and providers and the general public.
- Installed video conferencing capability in each of the three geographical regions of the County. The service has proven to be so valuable with meetings, trainings and presentations (including the Mental Health Commission) that the Department is already looking to expand its video conferencing capacity.

ALCOHOL, DRUG & MENTAL HEALTH SVCS

Department Summary (cont'd)

- The Compliance Committee reviewed the Office of Inspector General (OIG) 2012 Annual Work Plan and developed subcommittees to update the Department's Compliance Plan.
- Upon lease expiration, the Department reviewed services and costs for all ADMHS programs in the Lompoc area. The result of that review was the relocation and combination of the Lompoc Adult and Children's Clinics, resulting in savings of approximately \$80,000 in rent per year.
- Amended the current Policy and Procedure regarding Medical Records Documentation Review to specify the process of reviewing assessments and treatment plans for accuracy, including required elements and goals/interventions specific to the impairments.
- Enhanced electronic medical record prompts for clinicians to comply with Medi-Cal requirements. This will increase assessment and treatment plan timeliness for interventions/services. Implemented electronic signature pads to efficiently facilitate client-directed authorized treatment plans and decrease paper records.

Inpatient Services

- Made quality improvements in the Psychiatric Health Facility (PHF), resulting from two audits which assessed the facility's compliance with Federal Medicare provider regulations including: Added full-time dietician, upgraded food service, enhanced the physical setting, increased social work leadership, created more consistency in assessment, treatment planning, and discharge practices, and added staffing to respond to changes in level of client need.

Adult and Children's Mental Health Programs

- Collaborated with the Sheriff's Department, the Mental Health Commission and other community constituents to continue implementation of the Assertive Community Treatment, Outreach and Engagement (ACTOE) project to engage at-risk individuals, including persons who are homeless, in intensive mental health services.
- Held ADMHS and CBO Children's System Staff workshops on the development of a new infrastructure for the Children's System.
- Reinstated the Children's Regional Cross Agency team (countywide representation of ADMHS staff, CBOs, Schools, Partner Agencies) to meet on a routine basis.

- Implemented the initial AB109 program and service structure in partnership with the Probation Department. Collaborated with numerous agencies, including the Sheriff's Department, the District Attorney, the Public Defender and the Courts to make recommendations on the FY 2012-13 service structure.
- Trained all Children's System staff on Cognitive Behavioral Therapy as a primary empirically supported treatment model that can attain positive clinical outcomes for many young persons seen at ADMHS Child Clinics.
- Trained ADMHS and CBO staff working in the Transition Age Youth (TAY) Division county-wide. Transition Age Youth services address the needs of young persons ages 16 to 25 with mental health and/or co-occurring mental health and alcohol/drug issues. Licensed clinicians within the TAY Division were also trained on the application of the Structured Interview Process (SIP), which is a research supported tool for identifying symptoms and behaviors associated with early onset of schizophrenia. Through use of the SIP tool, early intervention services can be provided to prevent or minimize the life changing impact of schizophrenia.
- Implemented a one-time Prevention and Early Intervention (PEI) outreach program within the community to increase public awareness of Medi-Cal mental health services available through the ADMHS Children's clinics.

Alcohol & Drug Program

- Refined the Alcohol and Drug Program (ADP) contract oversight process, monitoring every program or provider in the prevention and treatment system according to consistent standards, best practices and fidelity to established models.
- Provided co-occurring services, including intensive psychiatric services, to 75 individuals through the Federal Substance Abuse and Mental Health Services Administration (SAMHSA) Clean and Sober Drug Court Grant. These clients with serious mental illness and drug and alcohol use, who often are homeless, are receiving comprehensive services through CBOs and are the targeted population of this grant.
- Provided assessment, intensive individual therapy and group therapy to children and families affected by methamphetamine through the SAMHSA Children Affected by Methamphetamine (CAM) grant. These services will help reunify families affected by methamphetamine.

ALCOHOL, DRUG & MENTAL HEALTH SVCS

Department Summary (cont'd)

2012-2014 Objectives

The County Alcohol, Drug and Mental Health Services objectives align primarily with the following County's adopted Strategic Goals and Principles:

Goal 1: An Efficient, Professionally Managed Government Able to Anticipate and Effectively Respond to the Needs of the Community; and

Goal 2: Health and Safety: A Safe and Healthy Community in Which to Live, Work and Visit.

The ADMHS management strategy is to successfully deliver a system of care for persons who fall within ADMHS' mandate. The Department will focus on the objectives listed to achieve high quality services, fiscal and program efficiencies and optimal use of the Department's available mental health, alcohol and drug, Mental Health Services Act and County General Fund funding sources.

Mental Health Services Act

- Develop a process consistent with the newly developed MHSa three year Integrated Plan that identifies achievement of performance and outcomes.
- Conduct specialized mental health training for interpreters.
- Continue to improve service access for underserved communities, particularly members of the Latino community and the development of affordable housing for persons with mental illness with funding from the MHSa Housing Program.
- Train approximately 35 consumer and family peers through the Workforce Education Training (WET) Peer Specialist Training annually and place at least eight graduates in internships at ADMHS service sites countywide each year.

Administration/QA/Compliance

- Implement a revenue management team in the Fiscal Division consisting of staff assigned to manage all aspects of the Department's billing, collection, and revenue monitoring systems.
- Expand automated reporting on service levels, revenues and expenses to cover all ADMHS inpatient and outpatient clinics and programs.
- Implement policies regarding level of services for uninsured clients, clients with private insurance and collection of past due payments.

Inpatient Services

- Facilitate the discharge of County clients from Institutions for Mental Disease (IMDs) located outside the County to less restrictive/less expensive local community programs.
- Develop a "floating pool" of Psychiatric Health Facility (PHF) staff available to work, as needed, to match the changing needs of the inpatient service.

Adult and Children's Mental Health Programs

- Use revised assessment tool to direct Adult clinical treatment planning centered on evidence-based practices.
- Participate in a statewide project to develop outcome data that will be compared with other Children's Systems of Care throughout the State.
- Integrate empirically supported treatment guidelines into Children's outpatient clinical practices, such as the incorporation of CBO contracted Rehabilitation Specialists into clinical treatment plans.
- Develop Santa Barbara County service programming for Katie A. settlement agreement mandates and carry out project work in partnership with the Department of Social Services. The Katie A. class action lawsuit, filed on behalf of foster children, requires that foster children and children at risk of entering the foster care system, promptly receive necessary individualized mental health services in their own homes; receive care and services needed to prevent removal from their families to facilitate reunification and to meet their needs for safety, permanence and stability to be afforded in their placements.

Alcohol and Drug Program

- Implement scorecard system and quarterly reviews for Alcohol and Drug Program providers.
- Transition ADP providers to electronic health records, providing better management of the treatment of substance abuse disorders.
- Complete the relocation of the South County social detoxification program to a new facility in partnership with the Santa Barbara City Housing Authority and Council on Alcoholism and Drug Abuse.

ALCOHOL, DRUG & MENTAL HEALTH SVCS

Department Summary (cont'd)

Changes and Operational Impact: 2011-12 Adopted to 2012-13 Recommended

Staffing

Department has an increase of 26.9 FTE from the FY 11-12 Adopted Budget to the FY 12-13 Recommended Budget. Prior to FY 12-13, the Department had always budgeted a vacancy factor in an attempt to estimate the actual number of FTE's. The Department is experiencing a vacancy factor of 0% in current year and is projected to impact the Department's costs by \$854,000. The Department has experienced a combination of a low employee turnover rate for FY 11-12, coupled with the need to immediately back-fill any vacant critical revenue-generating positions (approximately 72% of all positions). Due to this experience in FY 11-12 and the requirement to generate revenue, the Department is not budgeting a vacancy factor for FY 12-13. By not applying the vacancy factor assumption to the FY 12-13 Recommended Salary Model, the FTE count increases by 14.7 FTE. The actual increase in staffing is 12.2 FTE related to three specific areas:

Adult Acute Care – Psychiatric Health Facility: 6.2 FTE

The Department was required to add 1.5 FTEs in the PHF due to recent federal and state audits. The Department is also increasing nursing hours by adding 4.6 FTEs to meet the staffing levels required by federal and state regulations.

Fiscal/Accounting/Contracts: 4.2 FTE

The Department is making a concerted effort to provide much needed revenue management support. This includes adding a Revenue Manager position and dedicating other Fiscal and MIS staff to support the Revenue Manager in performing billing and revenue collection functions.

Children's – Probation: 1.9 FTE

The Department continues to deliver high quality service by using a pool of extra help interns to assist in providing services at the Juvenile Hall and Los Prietos Boy's Camp. The increase in staffing is necessary to meet service demands at those locations and is paid for by the Probation Department.

Expenditures

The Department has a net decrease in expenditures of \$458 thousand. Over the last several years the Department has shifted appropriate costs from the Mental Health Fund to the Mental Health Services Act Fund. The \$458 thousand decrease is summarized below.

Mental Health Fund has a net decrease of \$4.6 million. This 12% decrease is the result of the following:

- Salaries and Benefits: -\$1.6 million due to projected shift in costs associated with the Psychiatric Health Facility to the Mental Health Services Act Fund.

- Services and Supplies: -\$3.0 million is primarily due to a reduction in contract costs for inpatient acute psychiatric beds (from 5 per day to 3 per day) and long term psychiatric beds (from 16 per day to 13 per day). The service level impact will be increased wait-time (over 24 hours) for people in hospital emergency rooms and the jail. This will cause a delay for approximately 305 people a year, receiving the appropriate level of mental health treatment in both acute and long-term psychiatric facilities.

In addition, homeless-related contracts will be reduced by \$217 thousand along with decreases in cost allocation charges from the General Fund.

Mental Health Services Act (MHSA) Fund has a net increase of \$4.1 million. This 15% increase is the result of the following:

- Salaries and Benefits: +\$2.8 millions primarily due to correcting a vacancy factor and shifting appropriate costs for the Psychiatric Health Facility from the Mental Health Fund.
- Services and Supplies: +\$1.4 million is primarily due to shifting appropriate costs from the MH Fund.
- Capital Assets: -\$0.1 million is due to the purchase of less computer equipment.

Revenues

The Department has a net decrease in operating revenues of \$1.6 million, with major changes in the following areas:

- \$1.3 million increase in Federal and State Revenues (operating revenues)

The Department projects an increase of \$3 million in State Realignment revenues partially offset by a decrease of \$1.7 million due to the elimination of funding from the State for providing services to the special needs population of children (AB 3632). This mandate was shifted to the school districts that now receive this funding from the State.

- \$2.9 million decrease in Other Charges for Services (operating revenues)

These charges are for all mental health services that can be billed to private insurance, Medicare, and Medi-Cal related revenues and is projected to decrease by \$3.8 million in FY 12-13. This is due to a reduction in billable services at the Psychiatric Health Facility and with community based organization contracts. The amount is offset by an increase of \$1.0 million in internal charges between ADMHS funds to properly account for staff that split time in multiple programs.

- \$0.7 million increase in General Fund Contribution

The Department will realize a temporary one-year increase in its General Fund Contribution to help compensate for the known revenue accrual issues in FY 11-12 and FY 12-13.

ALCOHOL, DRUG & MENTAL HEALTH SVCS
Department Summary (cont'd)

Other Financing Sources and Uses

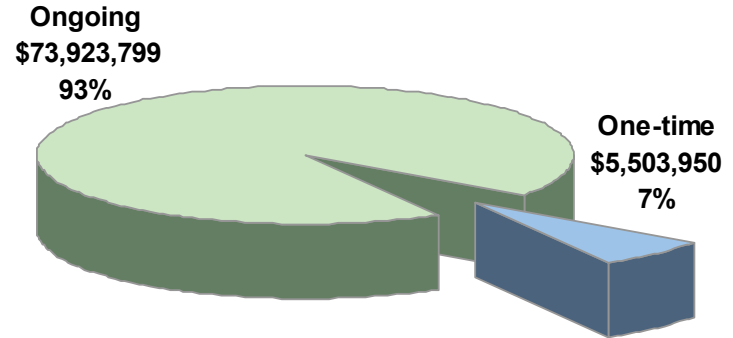
- \$5.2 million decrease in Operating Transfers
 This is due to timing differences that relate to self-disclosure issues from prior years. Specifically, \$9.2 million was originally budgeted in FY 11-12 for self-disclosure issues covering only fiscal years 2002-2003 through 2007-2008. The Department estimates \$5.2 million in costs will be paid in FY 11-12, with the remaining balance of \$4 million being budgeted in FY 12-13. This creates the variance of \$5.2 million.
- \$0.1 million increase in the Use of Prior Fund Balances
 The Department requires the increased usage of \$0.1 million in fund balance.

Changes and Operational Impact: 2012-13 Recommended to 2013-14 Proposed

Changes are anticipated, but the impacts cannot be estimated or projected at this time due to a number of unknowns. Possible operational impacts to revenue include: 1) increase to Medi-cal related revenues due to implementation of provisions of the Affordable Care Act as of January 2014; and, 2) increases in State Realignment and MHSA revenues. Salaries and Benefits are projected to increase in FY 13-14 by \$1.8 million due to the County rate increases in retirement and health insurance benefits and the expiration of union wage concessions.

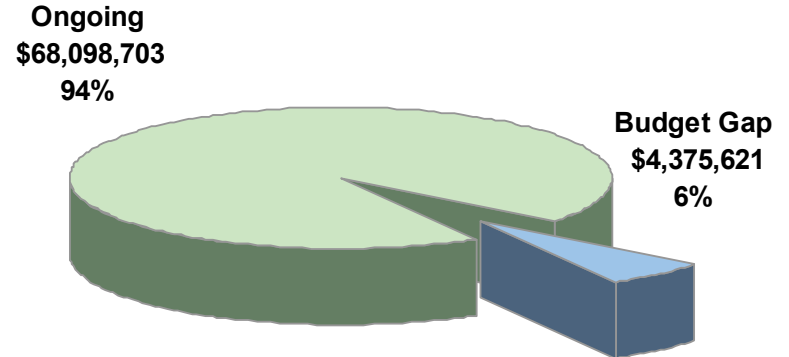
| | Actual FY 10-11 | Adopted FY 11-12 | Recommended FY 12-13 | Proposed FY 13-14 |
|--|--------------------|---------------------|-------------------------|----------------------|
| Outcome Measures | | | | |
| Percent of new clients who are children, not in crisis, seen within ten business days (Target = 100%) | 92% | 100% | 100% | 100% |
| | 1264 | 1377 | 1434 | 1450 |
| | 1377 | 1377 | 1434 | 1450 |
| Percent of new clients who are adults, not in crisis, seen within ten business days (Target = 100%) | 89% | 100% | 100% | 100% |
| | 1060 | 1190 | 1124 | 1125 |
| | 1190 | 1190 | 1124 | 1125 |
| Percent of psychiatric hospital patients who are readmitted within 30 days of discharge (Target = 10%) | 11% | 11% | 10% | 10% |
| | 86 | 86 | 88 | 88 |
| | 768 | 768 | 882 | 882 |

FY 2012-13 Recommended Budget



The FY 2012-13 Recommended Budget relies on using \$5.5 million of the Department's reserves to fund 7% of the Department's ongoing operations (\$6.4 million decrease in MHSA reserves offset by a \$0.9 million increase in ADP Fund reserves). This will leave the MHSA Fund with a projected reserve balance of \$4 million at the end of FY 12-13, which is projected to be used in FY 13-14 to fund ongoing operations.

FY 2013-14 Proposed Budget



To maintain FY 2012-13 service levels, it is estimated that \$72.5 million of funding will be required in FY 2013-14. Of this amount, \$68.1 million will be available through: \$62.2 million from ongoing sources (State Realignment, State Managed Care, State MHSA funds, Medi-Cal, Medicare, grant funds and charges for services) and \$2.1 million in General Fund Contribution. Due to the lack of funds available to cover indigent related costs, the Department will use all of the \$4.0 million in remaining MHSA reserves and will need an additional \$4.4 million to prevent further severe service level reductions.