Local Business Plan

INTRODUCTION

State Plan 2002: Blueprint for Change makes significant changes in the presentation of the local business plan (LBP). In response to feedback received since the publication of the original State Plan, the state's expectations for planning, writing and submitting an LBP have been clarified. This document includes the re-designed LBP outlining state specifications for completion, general information and requirements for submission and explanation of how each local business plan will be evaluated including the scoring methodology. In addition to this printed document, local management entities (LMEs) will receive an electronic version of the local business plan template.

The Division is developing an electronic format that is web-based to expedite submission of the LBP by each area/county program. The Division will send each LME the address of these web-based documents, instructions for completing the electronic format and a password for accessing the site. The electronic version will allow for attaching and/or importing any electronic text or data files necessary to complete the LBP. Thus, documents can be prepared in advance of receiving the electronic format.

General Information

State reform efforts require that each area program and county (local public system) move forward in the development of a local management entity (LME) as a single or multiple county area authority or county program. Within a three-year maximum timeframe, the reform allows local public systems an opportunity to determine how soon they will be ready to be certified as an LME. As part of the process, each LME or emerging LME must develop a local business plan. These developmental efforts are reflected in the following chapters describing the local business plan (LBP) and state specifications for content and format.

In developing the LBP, each local public system should decide if they desire to be considered as an LME during Phase I, II or III of implementation of the State Plan. This decision must be submitted in writing to the Division by Oct. 1, 2002. As indicated by an emerging LME and negotiated with the Division, the designation of an implementation phase category is intended to allow local public systems to determine their desire to pursue variations of particular components of LME functions (pilot components) and their readiness to initiate full requirements and responsibilities as an LME. For example, a Phase I emerging LME would state that they have identified one or more LME functions that they desire to pilot, as well as their readiness to assume responsibilities as an LME. As Phase I emerging LMEs, such systems would anticipate that they are ready for certification as an LME as of July 1, 2003. The Division has already received requests from several area programs for Phase I. If already submitted, no additional information is needed. The Division staff will continue to work with those programs through the Phase-In Group. Local public systems that indicate their desire to be considered Phase II or III emerging LMEs are informing the Division that, although they have taken actions and are continuing to plan to assume all of the responsibilities, requirements and functions of an LME, they anticipate being certified after July 1, 2003 and prior to July 1, 2004.

All local public systems are expected to submit LBPs in accordance with the content requirements and time lines in the State Plan: preliminary submission in January 2003 and final version in April 2003. Submission requirements and general instructions are provided below.

Local business plan as a strategic plan and process

The LBP should be approached as a strategic plan and process. A *strategic plan* acknowledges a fundamental understanding of the vision and known elements of pursuing the vision. Although the vision stays constant, the *strategic process* is dynamic and recognizes the need to adapt to the acquisition of new and better information. For example, the State Plan is being approached as a strategic plan and process. Each year a State Plan revision is published that reflects clarifications of the vision and additional substantive and technical detail required to pilot the course, as well as a planned set of activities, outcomes and products that are intended to further advance the vision.

As a strategic plan, each LBP would provide details in each area describing substantive actions taken to demonstrate readiness as well as planned actions and timelines of developments and actions that will occur. As a strategic process, negotiations with the Division will allow modifications to the LBP to best ensure that each local public system is on track relative to their Phase I, II or III implementation designation.

It should be noted that *readiness* is related to the evaluation of each area of the LBP. For example, a Phase III emerging LME may demonstrate more readiness in a particular area (community collaboration, as an example) as compared to a Phase I emerging LME. However, the Phase I emerging LME would be sufficiently ready in all of the areas (including the example of community collaboration) to be certified as an LME on July 1, 2003. In addition, every local public system, regardless if they are a Phase I, II or III, would be expected to continuously improve in each of the areas as part of the on-going strategic planning process.

Each local public system shall submit a LBP in accordance with all of the requirements of the state specifications as described in this document. Each local public system should approach this planning effort as a strategic planning process. The certification of the LBP for Phase II and III emerging LMEs will be anticipated no later than six months prior to their implementation. It is further expected that each local public system complete the LBP as an earnest effort to move forward to become a certified LME.

Local business plan format

The local business plan is a format that has been created to follow identified state specifications and allows, upon submission of the LBP, an indication of those elements that are complete and those elements that require additional work. It also allows for electronic submission of the completed document.

The state specifications section provides the prospective LME with information about the state's perspective on important aspects of each section of the LBP that should be considered in preparing responses. Each section has several required elements. The numbered items [1., 2., etc.] within each section are the required elements of the local business plan and are the items that will be scored. Some required elements contain a bulleted list of mandatory components. All of these components must be addressed to receive full credit.

Most of the required elements are followed by a list of items that should be considered for inclusion when responding to the element. These are proposed as examples of the type of evidence needed to show that the requirement is met. These suggested items are listed alphabetically [a), b), etc.] below the required element. Other evidence of compliance with the requirement may be submitted either in addition to or in lieu of the items identified for possible consideration in the specifications. All documentation, within page limitations, where appropriate, will be reviewed to determine full or partial credit.

Format example:

I. Roman numerals = Sections of LBP.

1. Numbers = Required elements that will be scored.

a) Letters = documentation to be considered for meeting the requirement.

- Bullets = components that must be addressed.

The questions and topics included in the local business plan are not intended to be totally exhaustive or comprehensive. They have been selected as likely indicators of a quality operation and are samples of the capacities required by the LME. The local business plan is not a substitute for the contract between the LME and the Division; however, the submitted and corrected (as necessary) LBP must be attached to the FY 03 contract. The terms and conditions of the LBP and contract, whether or not certified as an LME by the Secretary, are binding for area/county programs.

Site reviews

Post-submission site reviews **may** be used to validate the responses in the local business plan. The LME must be prepared to participate in and accommodate a Division site review at any time between May 2003 and early December 2003. Pre-submission technical assistance is available upon request. Division staff will be assigned to Phase I LMEs to be used as requested by the LME and to serve as liaison with all sections within the Division.

Submission Requirements

1. By October 1, 2002 the local management entity (LME) shall submit its preference for designation as Phase I, II or III for certification.
2. Each emerging LME must submit a local business plan (LBP) consistent with letters of intent from the counties it will be serving. LBP submissions must be in compliance with the Division director's memo of February 26, 2002 [referencing the reform statute, formerly known as HB 381 and State Plan Implementation, et. al.].
   - By January 2, 2003 all area/county programs must submit an initial LBP including the following sections: planning, qualified provider network development, service monitoring and oversight, collaboration and evaluation.
   - By April 1, 2003 the full LBP is due, along with any modification of sections submitted earlier.
3. The *Local Management Entity Information Form* is the transmittal form and shall be submitted to the Division with the initial local business plan.
4. All final submissions must address each required element regardless of governance structure or phase of implementation (Phase I, II or III). Required elements are those numbered items in the state specifications and on LBP documents that will be used for evaluation of the LBP and are applicable to all emerging LMEs.
5. All final submissions must include a separate report prepared by the local Consumer and Family Advisory Committee.
6. All final submissions shall include six hard copies of the complete LBP on white paper measuring 8.5 x 11 inches and an electronic submission. Electronic submissions are necessary to allow for portability and public review via web site(s). (See the introduction.)
7. Each LBP should include straightforward and concise responses to the requirements with emphasis on completeness and clarity of content.
8. The Division is not liable for any cost incurred by the emerging LME in preparing and submitting a local business plan document.
9. Document originals must contain authorized signatures in blue ink.
10. In order to be considered on time and eligible for review:
    - The hard copies of the initial submission of the LBP (planning, qualified provider network development, service monitoring and oversight, collaboration and evaluation) must be received at the Director's Office of the Division by 5:00 p.m. on January 2, 2003, or if mailed, post-marked by midnight January 2, 2003.
    - The hard copies of the final version of the LBP must be received at the Director's Office of the Division by 5:00 p.m. on April 1, 2003, or if mailed, post-marked by midnight, April 1, 2003.
    - Late submissions will not be considered. Receipts will be given when receiving hand-delivered documents. The Division will e-mail receipt of surface-mailed documents.

General instructions

1. LMEs will receive an electronic version of the local business plan (LBP). Responses must be submitted electronically and in hard copy original format. (See above.)
2. The numbered items in the state specifications are required elements of the local business plan.
3. Narratives provided as documentation of a required element need to be specific, complete and concise. Some items have prescribed page limits. Material that exceeds those limits will not receive full credit.
4. Response to each required element should provide detail of substantive actions taken to date that demonstrate readiness *and* planned actions and timelines to fulfill the requirement as part of the strategic

process. Explanations and plans must be inserted into the document immediately following the required element. In the electronic format, font and type sizes are pre-selected and cannot be changed. Please duplicate these in all hard copy documents.

5. Each subsection of the LBP must contain full documentation and stand alone without reference to another section. If the same explanation/documentation is relevant to more than one subsection, copy and insert it in each subsection.
6. Documentation, such as policies or organizational charts for which an electronic version is not available, should be scanned to be included electronically into the LBP.
7. Each required element has an adjacent box for an "X" and will be scored. If the LBP meets all of the requirements spelled out in the item, place an "X" in the appropriate box. In any case where all conditions are not met, do not place an "X" in the box by the item and do insert an explanation and plan with timelines for compliance. (See scoring methodology.)

Signatures

The *Local Management Entity Information Form* (see submission requirement above) requires a hard copy response with the signatures of the area director and/or the board chair and/or the county manager and/or the chair of the county commissioners. These signatures verify that the information contained in the plan is accurate and true, and certifies that the LME agrees to uphold and comply with local business plan provisions and responses. This form is shown on the next page.

LOCAL MANAGEMENT ENTITY INFORMATION	
Due by January 2, 2003 to:	Richard J. Visingardi, Director Division of MH/DD/SAS 3001 Mail Service Center Raleigh, NC 27699-3001

NAME OF ORGANIZATION:	
CONTACT PERSON NAME:	
TITLE:	
ADDRESS:	
PHONE #:	
FAX #:	
EMAIL ADDRESS:	

CHIEF OPERATING OFFICER INFORMATION (If different from contact information above):

NAME:	
TITLE:	

GOVERNING BODY: (Attach list of membership with information below)

NAME OF PRESIDING OFFICER:	
REPRESENTATION:	
CONTACT INFORMATION:	

COUNTIES INCLUDED IN THE LME CATCHMENT AREA:

____

	NUMBER OF TOTAL POPULATION FOR CURRENT/PROPOSED LME CATCHMENT (GEOGRAPHIC) AREA

CONSUMER FAMILY ADVISORY CHAIR(S):

NAME:	
REPRESENTATION:	
CONTACT INFORMATION:	
NAME:	
REPRESENTATION:	
CONTACT INFORMATION:	

************************* **FOR DIVISION USE ONLY*************************

Staff assigned to LME:	

SCORING METHODOLOGY

LME self evaluation

To support the strategic planning process, each emerging LME is required to conduct a self-evaluation of the initial local business plan prior to its submission. If the LME is satisfied that the LBP meets all of the element requirements in a section as spelled out in the specifications, an "X" is placed in the adjacent box. In any case where all conditions are not met, an "X" is not placed in the box by the item. Each required element without an "X" should indicate substantive actions taken to date that demonstrate readiness as well as planned actions, timelines and responsible parties to fulfill the requirement as part of the strategic process. Each required element, whether considered complete (marked with an "X") or not, will be scored.

Division evaluation process

1. The submission of the *Local Management Information Form* begins the process for evaluation. This form is a pass/fail submission; no points are assigned.
2. All LBPs will be screened for compliance with instructions and completion of responses.
3. Each LBP that passes screening will be reviewed and scored separately by three or more individuals. The ten sections have the following possible points:

Sections of local business plan	**Possible Points**
Planning	10
Governance, management and administration	10
Qualified provider network	10
Service management	14
Access	12
Service monitoring and oversight	10
Evaluation	6
Financial management	8
Information systems data	12
Collaboration	8
Total possible points	**100**

Scoring By Division

Three or more individuals will score the plan independently. Variations in the scores will be resolved by using the most common score. If no score is most common, the evaluators will be asked to reconsider the responses provided and scores will be reconciled.

Scores for each subsection of the LBP range from 0 - 2. However, total points within a section are based on a weighted scoring system. Weighted items are those required elements that are determined to be the most essential elements to moving the system forward. In the LBP, required elements within sections are shown as weighted **(W)** or not weighted **(NW)**.[1] Weighted elements can earn up to four points, while non-

[1] ***W=*** weighted item. If the required element receives a score of 2, the score is multiplied by 2 for a total score of 4. If the required element receives a score of less than a 2, no multiplier is used.

NW=item is not weighted. The score will be a 0, 1 or 2.

weighted sections will earn no more than two points. Weighted elements are further described in appendix C.

A score of *2* indicates either:

1. The item was marked with an *X* and the Division concurs with the LME assertion of full compliance with all component(s).

   OR

2. The item was not marked with an *X* and the detailed explanation fully and acceptably addressed the component(s).

A score of *2* means full points for the subsection. For a weighted **(W)** element a total score of *2* will be multiplied by two for a score of 4.

A score of *1* indicates that the item was not marked, and the detailed explanation did not fully and acceptably address the component(s) as described in the state specifications. A score of *1* requires an explanation from the reviewers identifying what improvements need to be made. No additional points will be given in a weighted element if the original score is 1.

A score of *0* indicates either:

1. The item was not marked and no explanation was provided.

   OR

2. The item was not marked and the detailed explanation or plan was unacceptable.

A score of "0" requires an explanation from the reviewers identifying the deficiencies and what improvement needs to be made.

Post-submission site reviews

If necessary, following scoring by the Division, on-site reviews may be conducted to verify responses, and any necessary adjustments will be made to the initial scores. Upon site review, if the desired components within the plan are present but the document failed to clearly describe the facts, then the LBP score could be increased. If the required components of items marked with an *X*, or the information submitted with the plan are not consistent with the findings of the site review, the score would be decreased by the number of points originally earned. For example, if an LBP claimed a capacity that upon review did not exist and the particular subsection was valued at 4 points, then that amount could be deducted from the overall score

In order to be considered for certification as an LME, a LBP must have a total minimum score of 50% in each of the ten sections of the LBP. For example, in a 10-point section, a minimum of five element scores of 1 are necessary of the available points. Weighted scores are included in this calculation.

DHHS decisions

Review of plans, scoring and site visits will result in one of the following:

1. **Approval without conditions.** This means that the Department will contract with the LME without changes required in the LBP. For Phase I emerging LMEs, this will result in certification as a local management entity. For Phase II or III emerging LMEs, this means that the Department will contract with the area/county program without changes required in the LBP. This action will be announced in mid-May 2003 and contracts will be executed July 1, 2003.

   OR

2. **Approval with conditions.** This means the Department requires that certain improvements or plans of correction be approved before it will certify the program as an LME. Notification of necessary corrective actions will be sent to Phase I LMEs by May 15, 2003. In order to execute a contract, corrective action plans must be returned by June 15, 2003, for approval by the department. Notification of corrective actions required for the LBP will be sent to Phase II emerging LMEs by August 1, 2003 and to Phase III LMEs by November 1, 2003. SFY 03 contracts will be executed with Phase II and III LMEs with contingencies as necessary. For all Phase II and III programs, corrective actions must be carried out by a date specified in the notification prior to LME certification. Although Phase II and Phase III plans may require corrective action, actual review and implementation of correction is not expected until six months prior to implementation. Corrective action plans should not be considered punitive but only acknowledgment of necessary development prior to certification.

   OR

3. **Unsuccessful Plan.** This means one of the following occurred:
   - The LBP was received after the deadline.
   - The *Local Management Entity Information Form* was not filled out completely, and the plan was not considered for scoring. Notification of failure to pass this section will be made within one week of receipt of the plan.
   - The LBP did not meet the scoring threshold of 50% of each section.
   - The site review findings resulted in lowered scores that were beneath the approved scoring threshold.

The emerging LME governing body may appeal a decision for an *unsuccessful plan designation* by delivering or faxing a letter requesting reconsideration, within two days of receipt of the notification.

STATE SPECIFICATIONS

I. Planning

The local management entity (LME) is an integral part of a broader community human services network. Each LME must develop methods of collaborative planning to address the needs of the broader community as well as those of individuals both in and out of the target populations. Planning is an essential component of the mental health, developmental disability and substance abuse (mh/dd/sa) service system reform effort. Initially, planning at the local level will encompass a wide array of activities that are necessary in the transition from the old to the new. Local business plans (LBPs) must incorporate the mission and principles of the State Plan in both its process and outcome.

Over the past thirty years a consensus has emerged that unjustified isolation or segregation of individuals with disabilities in institutions is discriminatory and unwarranted. Contemporary support and service systems affirm the principles of community inclusion, integration, participation and accommodation. The system recognizes that people with serious mental illness, developmental disabilities, addiction disorders, or children with serious emotional disturbance have certain attributes, impairments, limitations or circumstances that constrain their functional capabilities, personal autonomy, life choices and achievement opportunities.

To reduce or minimize these constraints, state government along with local entities managing public policy are expected to *plan* to provide treatments, interventions, services, supports and accommodations that maximize community alternatives to more restrictive care; that involve individuals in the system of governance; that address cultural diversity in service planning and care decisions; that promote participatory choice wherever possible; that seek support arrangements that facilitate independence, personal responsibility and involvement in community life; and that promote wellness.

Consumer and family participation on governing boards may already be significant in the current system; however, progressive organizations in the current environment go beyond this level of participation and directly seek out stakeholder input and community concerns. This can be accomplished through town meetings, advocacy forums, advisory groups and other participatory mechanisms. Such mechanisms will ensure that friendliness, convenience and diverse cultural perspectives will be honored. The LME is responsible for obtaining, assimilating, applying and implementing stakeholder recommendations into all planning activities.

1. **The LOCAL BUSINESS PLAN demonstrates congruence with the mission and principles of the State Plan.** ***(NW)***

   Attach a narrative (not more than 3 pages) that defines the vision and values of the LME. Include within the narrative a description of how the LME will actualize this vision and build upon the existing strengths of the community.

2. **The local business plan planning process meets State Plan requirements.** ***(W)***

   a) There is a strength/weakness analysis including a methodology for building on strengths and addressing and/or ameliorating weaknesses.

   b) There is a policy establishing the local Consumer/Family Advisory Committee (CFAC) and assuring opportunity for meaningful involvement of consumers and families by requiring:

   - Recognition of the contribution of consumers through their unique perspective and abilities.
   - Establishment of a non-judgmental environment.
   - Timely advance notification of actions proposed.

   c) There is a statement attached attesting to consumer/stakeholder involvement consistent with the State Plan, which is representative of the broader population of the locality with confirmation by the CFAC.

d) There is a resolution of the governing body accepting/approving the local business plan as submitted.

e) There is a separate report submitted by the local CFAC.

3. The local business plan incorporates a 3-year strategic plan (no more than 10 pages) for initial implementation that: ***(W)***

- Identifies a 1st, 2nd and 3rd year implementation strategy.
- Contains goals, objectives and activities.
- Identifies timeframes and responsible party (individual or entity) for each goal/objective.
- Provides evidence of an ongoing planning effort.
- Attaches a policy requiring a long-range planning methodology that meets State Plan requirements.
- Addresses steps necessary to transition individuals now in services who do not meet target population criteria to other community resources as necessary.

II. Governance, Management and Administration

The LME will adhere to one of the forms of governance as described in the reform statute through which each LME is required to establish an organizational framework that provides for public policy management and administrative accountability. The reform statute sets parameters and targets for the number and demographic characteristics of the local system, and the prospective LME must satisfy these numeric and demographic benchmarks as a prerequisite for approval of its LBP. In addition, the State Plan's mission and principles guide the building of local organizations.

1. The local business plan conforms to a governance structure as described in NC General Statute 122-C as amended. ***(NW)***

a) A copy of the letter of intent from each of the counties participating in the LME is attached.

b) The local agreements forming the governance structure are attached and in compliance with state statute.

c) Documents identify the names of members of the governance structure and contain a numerical designation of those qualifying as family, consumer or minority members of the community.

2. The local business plan defines the proposed demographic configuration of the LME. ***(W)***

a) There is a list/map attached of counties to be included in the LME that meets the statutory targets for population and contiguity of counties.

b) A consolidation plan is attached (no more than 3 pages) that describes the timeframe and means by which consolidation will occur. Area authorities /LME's that have yet to identify partners in some future consolidation must specifically outline the procedures, processes and resources assigned to demonstrate *due diligence*. This plan should include an assurance that consolidation will not result in reduction in the availability (in terms of quantity, not necessarily specific program models) of services from those that are currently available.

3. The local business plan outlines an administrative and organizational structure adequate to meet the needs of the community that is being served by the LME. ***(NW)***

a) An organizational chart is attached, identifying the functional areas and assigned full time equivalent (FTEs).

b) The executive director of the applicant organization meets the qualifications of an executive director

as specified in NC General Statute 122C-121 (effective July 1, 2002).

c) Curriculum vitae of the director and all managers assigned to functional specialties, such as information technology, finance, quality management, network development and others as appropriate to the organizational structure, are attached.

4. The local business plan complies with the State Plan requirements regarding administrative and management policy and procedures. *(NW)*

a) A policy is attached that ensures opportunities for stakeholder and community input, and their involvement in policy formulation and implementation are available through:

- Existing advisory boards.
- Scheduled community meetings.
- Local press coverage of services and activities.
- Self-disclosure by consumer and family members of LME boards and other advisory committees.

b) A statement is attached attesting that stakeholder involvement represents the scope and diversity of the community.

c) The names of key local individual advocates and advocacy groups providing stakeholder input are available upon request.

d) A statement is attached attesting that stakeholder input is used to improve policy and operations.

III. Qualified provider network development

Recruitment, development and maintenance of a formal provider network by the LME will ensure that there are available and qualified providers to deliver services based on a local needs assessment. Provider network development will address access, availability, service array, consumer choice, fair competition and cultural competence.

In addition to the formal network of paid services and supports, LME management and the provider network are responsible for identifying all generic services and supports in their respective communities (i.e. faith-based groups, coaches, self help groups, sponsors, mentors, etc.) The active involvement of consumers and families by the LME in the discovery and development of these resources will lead to a more comprehensive, friendly and equitable system of services and supports. The role of the LME becomes one of supporting individuals with disabilities in attaining meaningful relationships with other members of the community and fostering reliance on more natural, non-paid supports and resources.

Division data show that minority and ethnic groups are disproportionately represented in the numbers of people actually served. Focus on these priority populations in the State Plan will help address ethnic and racial disparities. To accommodate access and assure an individual’s full participation and receipt of maximum benefit from the services being offered, the services must be provided in a manner that recognizes and takes into consideration the individual’s ethnicity, cultural differences, language proficiency, communication and physical limitations. Recognizing and accommodating these differences is cost-effective for the public mh/dd/sas system, adds customer value to the services being provided and is fundamental to customer satisfaction. Staff at all levels of the organization need to be sensitive to and appreciate how important accommodation is to effective service delivery. Creating an atmosphere of staff sensitivity to diversity and recognition of the need for accommodation requires a physical plant environment that is designed to be accessible, ongoing staff training, and policies, procedures and practices that promote such sensitivity.

1. The local business plan identifies the current qualified provider services list and service array. *(NW)*

a) A current list of all qualified service providers matched to service category and target populations is

attached. **Note: If the LME is a provider in the network, the information in appendix A must be provided.**

b) A policy that assures that all consumers are informed of current resources and given a choice of providers is evident.

c) A comprehensive assessment of service capacity need has been completed, and a summary of its conclusions and recommendations are attached (no more than 3 pages).

d) A policy is attached that indicates how the LME will assure the service array is:

- Culturally diverse.
- Competent to treat co-occurring disorders.
- Skilled at providing one stop comprehensive service settings.
- Dedicated to delivering consumer-directed supports.
- In compliance with the federal Synar[2] amendment.

e) A statement attesting that a comprehensive description of the size, scope, and capacity of all services is available, as well as a comprehensive description of how these services are provided in a culturally and age appropriate and competent manner to individuals requiring such accommodation. These descriptions are on file and will be made available upon request.

f) A policy that shows use of independent practitioners through the identification of the number and percentage of referrals is attached.

2. The local business plan complies with the State Plan requirements in establishing a qualified provider network (QPN). ***(W)***

a) A resolution of the governing body is evident outlining the criteria to be used to select qualified providers for the network consistent with state policy. Local factors to be considered include:

- Models of acceptable practice as defined by the state are adopted.
- Both the scope and economies of scale are considered.
- Cost parameters per service category have been determined.

b) A statement is attached attesting to compliance with the quarterly reporting requirement of QPN referrals to the Division.

c) There is a provision for an annual review of service capacity need and the numbers and types of providers and provider organizations necessary to meet demand and utilization predictions.

d) A QPN development plan (no more than 15 pages) is attached addressing the following network components:

- The role and responsibility of the local (CFAC) in the development and ongoing monitoring of the QPN.
- The recruitment process for qualified providers to enhance network access, availability and function and to reflect accurately the culturally diverse characteristics of the community as a whole.
- The selection process for building the network and how this process will provide for improvement in administrative efficiencies, access, choice and quality of services and supports.
- The capacity of the network to provide the service array in accordance with the State Plan.
- The inclusion of provider-sponsored service networks. These networks are formed when private providers create formal alliances so that administrative functions, primarily, can be shared while each member agency retains its own authority and responsibility as an individual business.
- Training and orientation on network policies and procedures for all providers.

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[2] *Substance Abuse Prevention and Treatment Block Grants: Sale and Distribution of Tobacco Products to Individuals Under I8 Years of Age*

- The development and publication of information and marketing materials about the QPN.
- A policy is evident that ensures that all consumers will be informed of and given a choice of providers.
- Explicit and specific measures to avoid conflicts of interest concerning the selection, management and monitoring of any provider that is part of the QPN.
- A technical assistance protocol to support the QPN, including resources and methods of implementing the protocol.
- A means for effectively networking with appropriate certification and licensure boards regarding independent practitioners and independent enrollment of qualified providers.
- How network development will incorporate best practices, including such things as fostering recovery, preventing relapse and promoting freedom.
- Mechanisms for the arbitration and resolution of grievances/complaints by providers.

3. The local business plan demonstrates evidence of procedures to manage the provider network. *(NW)*

- Maintains regular communications to providers.
- Has a clear mechanism to address grievances and complaints by consumers about providers.
- Has a system of arbitration and dispute resolution for provider complaints.
- All providers have reviewed provision of master contract and have expressed in writing their agreement to participate in the network.

4. The local business plan complies with State Plan requirements and establishes a system of services and supports for existing populations. *(NW)*

- Provides a plan for identification of individuals in transition.
- Identifies generic community resources, such as faith-based groups, to provide services and supports to members of the non-target populations.

IV. Service management

Whether managing particular categorical/population-specific services or collaborating with other agencies to address community concerns, local management entities shoulder broad public interest responsibilities within their jurisdiction. Public interest considerations include:

- Protection of basic rights.
- Promotion of inclusion and integration.
- Equitable representation.
- Public involvement and open proceedings.
- Recognition of diversity.
- Preservation of public safety through provision of essential safety net services available to all (e.g., emergency services).
- Comprehensive planning and needs assessment.
- Prevention and consultation efforts to promote community health and well being.
- Outreach activities to vulnerable populations.

The LME must manage all services, supports and treatment, including appropriate level and intensity of services, use of state hospitals/facilities bed days and internal utilization management in compliance with state standards. Persons with serious mental illness, developmental disabilities, serious emotional disturbance and substance abuse disorders often have significant impairments and capacity limitations. Sustaining and accommodating these individuals in the community requires an array of care management activities, specialized treatments, rehabilitative services and on-going supports. The LME will assist individuals from the target populations in gaining access to needed mental health, substance abuse, medical, pharmacological, social, education and other services.

1. **The local business plan provides for adequate management of core service functions in accordance with the State Plan.** ***(W)***

   a) A management plan for oversight and operation of core service functions is attached (not more than 10 pages) and addresses:

      - The interface between the DHHS-developed information and assistance program and any internal screening processes.
      - The accessibility and availability of screening services.
      - The accessibility and availability of assessment services.
      - The capacity for referral and development of community referral networks as well as the utilization of existing referral network.
      - The availability of services and supports for non-target populations.
      - Memoranda of agreement (MOAs) or other types of agreements between and among community agencies/organizations to enhance the availability of services/supports to non-target populations.
      - The policies for service coordination throughout the geographical region served by the LME.
      - The role of consumers/families and other stakeholders in the developing and monitoring the core service functions.
      - The services and supports identified to increase the effectiveness and efficiency of community resources.
      - Description of outreach efforts to identify those at risk of becoming members of target populations.
      - Prevention efforts that are collaborative and address universal prevention.
      - Demonstration efforts at collaboration around shared populations, including but not limited to schools, detention centers, Departments of Social Services (DSS) and rehabilitation facilities.
      - The types of innovative education and information efforts that are being pursued both to enhance prevention of disability and reduce the need for more intense services.
      - The policies and procedures for the provision of emergency services including:
        - 24-hour triage.
        - The constellation of services/supports/treatments available 24/7.
        - The accessibility of these services in terms of both location and physical and programmatic access.
        - Public awareness of the local community response system.

   b) The core functions management plan is supported by the CFAC, or a report of issues/concerns is submitted **along with an action plan jointly employed by** the LME and the CFAC.

   c) The LME indicates a capacity to provide disaster response and recovery activities that are service-area wide and addresses disaster preparedness planning, response and recovery on a county-by-county basis. The LME demonstrates coordination with other agencies and organizations in these efforts.

2. **The local business plan describes how the LME will conduct service authorization within state standards, including the following:** ***(NW)***

   - Method of service authorization for each service, including decision making criteria.
   - Methodology that ensures services are not delayed by the authorization process.
   - How service authorization relates to claims management to assure that unauthorized services are not paid, and claims management does not reject authorized services.
   - How the service authorization process addresses person-centered planning mechanisms.
   - How service authorization consistently promotes models of best practice.
   - Mechanisms to ensure that consumers/families have the ability to resolve differences or disputes between person-centered planning outcomes and service authorization decisions.

3. **The local business plan demonstrates responsibility for oversight of the local delivery of services to target populations. *(NW)***

   a) There is a description attached of how individual care management (eligibility determination; planning and outcome oversight; plan authorization; health, safety and welfare assurances) will be provided.

   b) The plan contains a description, in table format, of the availability of case management services that describes the number and identification of case management providers.

   c) A list of service agreements, memoranda of agreement or contracts with other agencies and systems is attached and ensures that client care is coordinated.

   d) A policy providing for a choice of support and service coordinators, the LME function and case managers is attached.

   e) Mechanisms are in place to assure coordination of benefits for Medicaid eligible people needing non-covered services and for people who cycle in and out of Medicaid eligibility. These mechanisms enable individuals to continue receiving needed specialty supports and services without interruption.

   f) A policy governing consumer right to grievance and appeals and a description of the process for review and corrective action.

   g) A policy requiring that individuals transitioning from one set of services to another will do so supported by a coordinated, consumer-friendly process.

   h) Assurance of the capacity to provide for the array of services when providers within the network will no longer offer services is evident by:

      - A policy is available that accepts responsibility for the continued provision of services in the event of a service provider abandoning the consumer, losing his/her license or other catastrophic event.
      - A policy statement is evident that directs management to utilize LME funds on a specific time-limited basis to ensure continuation of care.
      - The LME has contractual language (hold back provisions) with providers that, through financial penalties, discourages disruptions to the provision of care.

   i) A policy that describes how the LME will ensure active and collaborative discharge planning, including Olmstead planning, to facilitate continuity of care for individuals discharged from state hospitals and residential schools.

4. **The local business plan complies with the essential elements of the models of best practice as determined by the state. *(W)***

   a) There is a list of the current best practice approaches, protocols and methods of monitoring best practices for continuous quality improvement for consumers in the target populations established by the state. These include, but are not limited to:

      - Person-centered planning practice.
      - Self-determination principles as applied to practice.
      - Recovery model philosophy as applied to practice.
      - System of care/ supports philosophy as applied to practice.
      - Evidence-based prevention practice.
      - Evidence-based substance abuse prevention/treatment.

   b) The plan indicates that the LME has knowledge of and is committed to an annual technical assistance plan that trains qualified providers in the current models of best practices.

   c) An annual training plan for all LME staff, consumers and families is evident and incorporates best practice models.

V. Access to Care

Prompt and easy access to services is a critical component of the mh/dd/sa reform effort. Access to services must be ensured to all individuals who are Medicaid-eligible and/or meet target population definitions as identified in the State Plan. Individuals who rely on public sector systems often lack resources to obtain services from complex systems, and their disabilities or disorders may affect their ability to pursue access to services. These individuals may require specialized supports to access the services they need.

Outreach is needed to support access to services and supports for under-served and hard-to-reach populations, including people under age 18, over age 65 and members of ethnic, racial, linguistic and culturally diverse groups. It involves developing a responsive presence for the purpose of encouraging their treatment in emergency rooms, homeless shelters, women's shelters, senior centers, rest homes, nursing homes, primary care clinics and other places where people in need of services are likely to be found. The organization must provide outreach to individuals released from public institutions to the community to determine their need for service and support.

Prompt access is necessary to maximize opportunities to address a crisis and to initiate treatment when it is needed. Time standards related to crisis response, pre-admission screening, assessment and entry to ongoing services have been established. Access systems must accommodate the needs of all persons, including those from different cultural backgrounds and with limited English proficiency, as well as persons with mobility impairments. Services must be available within a reasonable distance of an individual's residence.

1. The local business plan describes the operation of a local access system in compliance with the uniform portal of entry and exit in the State Plan. *(W)*

a) There is a clear description of how people can access the mh/dd/sa system through multiple points of entry throughout the service area.

b) The document attached describes the development and distribution of information to guide and assist community members in accessing services.

c) A policy is attached that governs formal procedures to assure that individuals are not inappropriately denied access during the screening, initial assessment or referral process.

d) The document defines the roles of consumers and families in developing and monitoring the uniform portal system.

e) A policy is evident that directs the tracking of service requests, referrals and disposition of requests.

2. The local business plan provides sufficient evidence of the capacity to support a system of uniform portal of access in compliance with the State Plan. *(NW)*

a) There is a description of the proposed process for monitoring access to routine, urgent and emergent services indicating a capacity for managing a system that decreases waiting time for service and takes into account no-show rates and denials.

b) Two years of data analysis (or a time frame for submission of two complete years of data) regarding access to emergent, urgent and routine care and follow up by age/disability is provided. This includes data and analysis regarding denials of care, no show rates and wait times for emergent/urgent/routine care.

3. The local business plan indicates the number and location of designated entry points into the system and the types of practitioners/programs that are being designated to perform such services. *(NW)*

a) The number and location of entry points into the system are identified, and the types of practitioners and programs are sufficient to allow for timely and consumer-friendly access.

b) An outline of the geographic area that identifies the location of facility-based services is attached.

c) A policy is evident that identifies a 30 minute/miles standard for accessibility and recognizes the need for multiple accessible providers to enable consumer/community choice.

d) The document assures that crisis stabilization services are available in sufficient quantity according to the conclusions of the local needs assessment.

e) The local Consumer Family Advisory Committee (CFAC) has documented review of all exceptions to the 30mile/minute rule provisions.

4. The local business plan describes a mechanism for provision of interim services that: *(NW)*

- Ensures due diligence in the search for services and supports out side of the boundaries of a single network.
- Works across county lines to access services.

5. The local business plan adequately addresses physical and programmatic accessibility issues including the following: *(NW)*

- Limited English proficiency and other linguistic needs through the availability of language assistance services (such as American Sign Language interpreters, bilingual staff and/or interpreters) at no cost to individuals when requested, and written materials and signs are available in the languages of commonly encountered groups in the community.
- Cultural and demographic needs of the community.
- Visual impairments through written materials and signs translated into Braille, large print materials and non-technical language materials in buildings and accommodations for service.
- Alternative needs for communication through the availability of an augmentative communication specialist, if needed.
- Mobility challenges through accessible buildings (entrances ramped, restrooms wheelchair accessible, automatic door openers and elevators in multi-story buildings) and parking lots with sufficient designated parking for vehicles with handicap permits.

VI. Service monitoring and oversight: Quality management

The LME must ensure that services provided to consumers and families meet federal and state regulations and outcome standards, and ensure quality performance by qualified providers in the network. In order to be effective, the quality management system must integrate and analyze information from multiple sources and functions within the organization such as customer services, access, consumer advisory groups and programs as well as external sources.

1. The local business plan describes a quality management process to meet the State Plan requirements, including how the LME will address the following: *(W)*

- Monitoring all risk management and health and safety issues in the LME and its qualified provider network to include formal review of incident and death reports and compiling and analyzing this information for meaningful use in quality improvement.
- Ensuring the safety of persons being served, while limiting the use of coercive or restrictive interventions that may interfere with the support plan, the process of recovery or that may abridge the individual's rights as a citizen and/or recipient of services.
- Monitoring all qualified providers in their network for compliance with privileging/credentialing

and staff core competencies. Describe a written feedback mechanism for informing qualified providers of monitoring results.

- Implementation of an on-going system for collecting consumer satisfaction data and state outcome data, including data from qualified providers receiving public funds for mh/dd/sa services.
- Implementation of an effective client rights program that protects the rights, health, safety and welfare of consumers.
- A process for identifying, documenting, reporting and investigating individual complaints and incidents in a timely manner. This must include how the LME will coordinate with other agencies and organizations responsible for licensure, complaints and investigations.
- Implementation of an on-going system of internal utilization management and qualified provider profiling (state facilities and any qualified provider receiving public funds for mh/dd/sas).
- Development and implementation of preventive and corrective action plans and follow-up.
- Development of an integrated system across points of access to monitor and improve timely access to services.
- A process for the meaningful involvement of consumers and families through a provision for adequate supports and training in the quality management process to meet State Plan requirements.

2. The local business plan contains a policy that adopts state identified best practices for each target population and individual outcome-based goals. *(NW)*

3. The local business plan describes management information systems (MIS) capabilities sufficient to meet State Plan requirements including the ability to effectively track service events, track outcome data related to public funding and generate performance indicators. *(NW)*

a) The minimum data sets necessary to generate the performance indicators include:

- Qualified provider network composition.
- Referrals, length of engagement and discharges prior to completion of treatment.
- Consumer registration and characteristics; target population information.
- Managed care program participation and development.
- Service tracking (scheduling, recording and billing).
- Medical record management.
- Assessment and person-centered plan development.
- Consumer service encounters.
- Consumer status and outcomes.
- Summaries of grievances and appeals.
- Summaries of denials and appeals.
- Summaries of restrictive interventions and other required client rights reports.
- Access to services standards.
- Satisfaction surveys.
- Report cards.
- Compliance monitoring.
- Other data required for specific target populations such as SAMHSA[3] data, & minority disparities.

b) A description of how data will be used for planning is provided.

4. The local business plan describes how the LME will provide the state with timely and accurate federal and state data as required, including: *(NW)*

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[3] *The federal Substance Abuse and Mental Health Services Administration.*

- NC TOPPS for all substance abuse treatment populations.
- SAMHSA admission/discharge data.
- CSAP Minimum Data Set (MDS) for prevention programs.
- DD wait list (single portal) database.

VII. Evaluation

Self-evaluation is based on statewide outcome standards and participation in independent evaluation studies.

1. The local business plan provides for external accreditation or certifications consistent with state standards. *(NW)*

a) A plan for obtaining future national accreditation is provided, including an interim external evaluation plan if necessary.

2. The local business plan is consistent with State Plan requirements for managing a continuous quality improvement process. *(NW)*

a) A description of how the LMEs earlier configuration of counties/area programs participated in evaluation processes for the last two years and actions taken as a result of the evaluations is provided and may include:

- Consumer outcome studies.
- Accreditation or self-evaluation for accreditation.
- Plans for continuous quality improvement, etc.

b) A minimum of one example/study of how evaluation results have been used to improve client outcomes is provided.

c) A plan for the development of a quality improvement process is provided and includes:

- A systematic means for reviewing and analyzing the performance indicator data.
- Incorporation of the use of the data sets listed in Section VI.
- The valued involvement of consumers and families.

3. The local business plan meets State Plan requirements (per State Plan section on quality management) for evaluating system performance. *(NW)*

a) The plan for development of the quality improvement process (see Section VII, 2, c above) adopts system performance indicators in internal evaluation reports that include:

- Access (penetration rate, timeliness of receipt of service and adequacy of qualified provider network).
- Quality of care (engagement/retention in treatment, continuity of care and caregivers, completion of service plans and consumer/family education).
- Administrative processes (collaboration in planning, effectiveness of system quality improvement processes and activities and training).
- Consumer outcomes (Core Indicators Project and Client Outcomes Inventory).

b) The document demonstrates LME capacity to collect and analyze data to be utilized for planning and decision support.

VIII. Financial management and accountability

The LME must function efficiently and effectively, do cost sharing and manage system resources. The LME must complete financial stability checklist requirements, standardized reports and other reports and data submissions as required by legislative, federal and state mandates. The state may impose sanctions for failure to comply with reporting requirements that may include fines per day for lateness of reports, incomplete or failure to report in approved media or format. The penalties will be prescriptive, impacting senior management and avoiding any direct or indirect impact on service provision. Any data, information or reports collected or prepared by the LME and its network of qualified providers in the course of performing their duties and obligations for the state will be owned by the State of North Carolina.

1. The local business plan includes a *financial management plan* that assures proper internal controls throughout the operation in accord with state, federal and professional requirements. *(NW)*

a) The financial management plan addresses the following internal control elements:

- A plan of organization that provides separation of duties and responsibilities among employees.
- A provision that limits access to resources to authorized personnel whose use is required within the scope of their assigned duties.
- A system of authorization and record keeping procedures to control assets, liabilities, revenues and expenditures.
- A system of practices to be followed in the performance of duties and functions.
- Recruitment and retention of qualified personnel who maintain a level of competence.
- Requirement of an annual independent audit of financial records.
- Assessment mechanisms to determine that internal control techniques are effective and efficient.

b) The financial management plan demonstrates that financial data are integrated with the information system in a way that reconciles the determination of care costs by unit service type, episode, population, provider and administrative cost distribution with 45 days of closing a reporting period.

c) The financial management plan includes reporting mechanisms that provide for early identification of potential problem areas and systems in place to assure timely analysis and follow-up action called for by the information.

- Three examples are provided of reports utilized by the LMEs earlier configuration of counties/area programs during the fiscal year ending June 2002 that reflect practices (type of reports) that will be utilized throughout the service area effective July 1, 2003.
- A policy is evident requiring financial statements to be generated and published at a state-required frequency during the fiscal year and distributed to the board of directors and administrative management staff.

d) Mechanisms are in place that assure timely receipt of invoices from and payments to network providers.

e) Expenditures are recorded in a way that enables identification of administrative costs as distinct from other costs, including the costs to administer direct service operations.

f) A policy is in place that assures that the LME will share budget information on service and support dollars for eligible children with the community collaborative.

g) A policy/procedure for processing clams, including denied or disputed claims, in a timely manner.

2. The local business plan ensures that the LME and qualified providers in the local network understand and comply with applicable federal and state fiscal requirements. *(NW)*

a) There is documentation of a capable reporting system linked to qualified providers.

b) A policy is provided indicating that the LME is able and willing to comply with federal and state fiscal requirements.

c) There is a policy to indicate that all contracts/provider network agreements will include compliance with federal and state fiscal requirements.

d) A policy is attached that indicates that all contracts/provider network agreements require each provider to identify and actively pursue all first and third party revenues**.**

e) A policy is evident that requires LME management to use all other available funding to supplant mental health funds when appropriate.

3. The local business plan provides for an adequate audit trail. ***(NW)***

a) A policy is attached requiring an audit for all LMEs that are separate and distinct from any other entity.

b) There is a calculation of working capital (current assets less current liabilities) and net worth (total assets less total liabilities) as of June 30, 2004 and annually on June 30 thereafter.

c) A policy indicating that all contracts/provider network agreements include audit compliance with state requirements.

4. The local business plan provides for an accounting of all real assets of the LME. ***(NW)***

a) A policy is evident that safeguards the value or retains the use of all real property acquired through the use of public funds to serve and support members of the target population.

- A list of all real property transactions in the previous thirty-six (36) months is attached.
- The list notes the amount of sale or recurring income from each transaction.

b) A list is attached that describes each project that the current area authority or county program has in progress (or a project proposed for the ensuring year) for the alteration, improvement and rehabilitation of real property, which is in whole or in part funded using local funds. For each project indicate if the real property is owned or leased and the name of the entity that owns or leases the property.

IX. Information systems and data management

1. The local business plan is in compliance with IPRS (Integrated Payment and Reporting System) and MMIS (Medicaid Management Information System) requirements. ***(W)***

a) There is evidence that the following is in place and will be substantiated in the readiness review:

- Signed DMH/DD/SAS and Division of Medical Assistance trading partner agreements on file.
- Use of the following HIPAA compliant transaction sets:
- ANSIX12N837 (Professional Claim Format) for claim submission.
- ANSIX12N 834 for reporting of client eligibility enrollment.
- ANSIX12N835 for receiving remittance advice information electronically from IPRS.
- Use of IPRS browser screens and Report2Web report for managing eligibility and enrollment, and identifying persons being served in the Common Name Data Service (CNDS), managing the enrollment of qualified providers, internal utilization management, financial management of client and agency accounts.
- Use of Secure Socket Layer (SSL) technology with 128-bit encryption that meets RC4 or Triple Data Encryption standard.

- The local business plan demonstrates LME’s capacity to adhere to all IPRS and MMIS requirements.

2. The local business plan adheres to the state technology standards. *(W)*

a) There is documentation of compliance with statewide technical architecture as published by IRMC.

b) There is documentation of adherence to the “Wiring Topologies and Data Link Standards”, “Disaster Recovery and Security”, “Network Operating Systems”, “Administration, Support, and Training” as published by Information Technology Services (ITS).

3. A policy is evident that adopts all security procedures established by the Division of MH/DD/SAS both for the protection and the safeguarding of electronic data, financial assets and other material resources. *(W)*

a) There is evidence that the LME has the capacity to adhere to state required security procedures.

b) There is documentation of the movement towards compliance of the federal regulations as found in the *HIPAA Security and Electronic Signature Standards: Proposed Rule 45 CFR Part 142 Published August 12, 1998. Note: Final Rule expected in 2003.*

c) There is a description of how the LME will demonstrate compliance with electronic claims submission, electronic data transfers and HIPPA transactions in item 1.a. above in addition to overall MIS capabilities. This includes contact information for LAN and IT management staff and documentation of IT infrastructure including LAN, WAN, and workstation capacity.

d) There is a list of the specific actions taken towards compliance of the federal regulations as found in the HIPAA Health Insurance Reform: Standards for Electronic Transactions: Announcement of Designated Standard Maintenance Organizations: Final Rule and Notice 45 CFR Parts 160 and 162, Published August 17, 2000. Note: Compliance Date- October 16, 2002, or October 16, 2003 if extension is requested.

e) A list is included that identifies the specific steps towards compliance of the HIPAA Privacy regulations as found in 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information: Published December 28, 2000 with a Compliance Date- April 14, 2003 and the Federal CFR regulations for Substance Abuse. In addition, a policy statement adopts the privacy rules as prescribed in NC General Statutes and the Division. Note: State statutes supercede federal regulation only if state law is more stringent.

f) A policy is evident which addresses the intent to comply with other HIPAA regulation once they are proposed and finalized, e.g. National Provider ID Number (NPIN), National Plan Number and National Individual ID Number, etc.

X. Collaboration

Local management entities are expected to cultivate partnerships among community agencies. Partnerships are necessary to forge linkages for care coordination and to develop cooperative solutions to complex community problems. Community direction, participation and voice are accentuated and public interest considerations are explicitly promoted through community coordination and collaboration.

Examples of efforts to foster collaboration include:

- Structures, such as Multi-Purpose Collaborative Bodies, that facilitate local coordination, promote early intervention, and explore methods for pooling resources.
- Efforts to focus on substance abuse issues as a thread running through multiple community problems.

- Collaborative efforts to address needs of older adults and the mental health/corrections systems interface.
- Coordination of specialty services with local physical health care organizations.

Specialty mental health services for children and adolescents are regarded as part of a broader community "child and family services system," which includes education, child welfare, juvenile justice and other community agencies. Collaborative planning between these agencies is heavily promoted and the urgent need for expanded inter-agency efforts to address targeting subpopulations

The collaborative efforts by the LME with local and regional communities to support the prevention and outreach activities of mh/dd/sa systems are documented at both a system and client specific level. This includes prevention of disabilities through early intervention and collaborating with law enforcement agencies, merchants and community organizations in the development of community policies and norms that prohibit youth access and that discourage underage use to tobacco and alcohol products. The LME must show that it is collaborating with other state and local public and private service systems to ensure access and coordination of services at the local level.

1. The local business plan delineates a process that supports and encourages collaboration among community agencies and organizations.

a) A plan for developing a community collaboration process throughout the geographic (catchment) area is provided (no more than 8 pages) and includes:

- A methodology for ensuring broad-based active participation with the following: local departments of social services, public health, vocational rehabilitation, corrections, legal services, court system, juvenile justice and delinquency prevention, developmental evaluation centers, homeless shelters, domestic violence programs, law enforcement, jails, school systems, faith-based community programs, family support programs including First in Families, employment programs, transportation, child and family teams and other human service agencies/qualified providers.
- A description of how non-public agencies, faith-based organizations, universities/ colleges and non-profit organizations will be involved in community collaborative efforts.
- A mechanism for involving people with disabilities and their families in community collaborative efforts.
- A description of how community collaboration will minimize the *silos*[4] that currently exists within our system.
- A methodology for ensuring that collaboration efforts include a focus on target populations, including those with co-occurring disorders.
- A list of key indicators for successful collaboration is provided with an accompanying means of analysis and methods for improvement.
- There is a description of the communities within the LME, including population, demographics, size, etc.; analysis of the number and variations of communities with the LME catchment area; and how the LME collaboration efforts will be implemented within communities with a large geographic area or widely diverse population.
- A policy is attached indicating that the LME can and will play an ongoing key leadership role in local community collaboration in integrating and coordinating with the services of other state and local agencies.

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[4] *Silo is a term used to describe an agency practice of operating without input or involvement of other agencies or parts of agencies.*

- There is a letter attached of endorsement of the community collaboration process and/or a report of issues and concerns submitted by the CFAC

2. **The local business plan meets the requirements of all applicable state rules and regulations regarding collaborative relationships, including:**
   - System of care for children's funding.
   - Adult, child and adolescent substance abuse services.

3. **The local business plan describes how the LME will identify, build on, develop and manage a network of informal services and resources necessary to provide the foundation for individualized support and community integration at the consumer, family and community level. The LME identifies community resources such as:**
   - Medical services.
   - Nutrition services.
   - Transportation resources.
   - Local employee assistance programs.
   - Self advocacy groups.
   - Employment training/counseling.
   - Shelters.
   - Specific faith-based groups.
   - Special purpose groups, such as bereavement groups.
   - Educational groups, such as parenting classes.
   - Leisure activities.
   - Other resources needed in the community.

4. **The local business plan has a plan to meet the federal Synar amendment, including:**
   - Designation of liaison for reducing youth accesses to tobacco products.
   - Leadership in community implementation of provisions.
   - Provision of a minimum of 8 hours per month of consultation, education and primary prevention specifically directed toward youth access community collaboration, merchant education and law enforcement activities.
   - Appropriate event documentation through standardized reporting format.

APPENDIX A: COUNTY/AREA PROGRAM AS LME AND DIRECT SERVICE PROVIDER

A program manages publicly funded services within a specified geographic area. The county/area program is responsible for insuring objective case management (case management that is independent of service provision) and service coordination.

County/area programs may not be the qualified provider of direct services other than management functions, core services and case management functions, unless permitted by the DHHS Secretary through the approval of the local business plan. Approval may be granted for a temporary period, based on one or more of the following conditions:

- Pre-existing obligations.
- Access.
- Lack of available qualified providers.
- Service necessity as a model of best practice.
- Consumer choice in accordance with criteria established by the Secretary.

LMEs that are authorized to provide direct services must obtain independent case management for any and all direct services that the LMEs are authorized to provide, *with the single exception of psychiatric medication management*. LMEs authorized to provide psychiatric medication management may choose external case management, but this is not required.

Requests for permission to provide services shall be made in conjunction with submission of the local business plan. Approval may be granted for a period of up to three years.

1. Required elements if requesting approval to provide direct services.

a) There is a narrative explaining the intentions of the LME regarding services provision during the next three years.

b) A *Divestiture of Services* policy is evident.

c) A plan for divestiture is included and contains the identification of all services and a schedule of annual publication of RFA/RFP documents for each service.

d) The plan contains a description of and a certification that the agency has developed a firewall (barrier) between the LME and case management functions.

e) The application contains an attachment from the local Consumer and Family Advocacy Council regarding the necessity for service provision by the LME.

f) The plan includes a list of contractual obligations that inhibit divestiture and a timeframe for eliminating these obstacles.

g) There is a plan to eliminate services that do not meet best practice standards.

2. Requirements if approved

a) The county/area program must submit for each area for which it plans to provide service a description and history of at least the last two years of public/private relationships and contracting. Supply supportive evidence including minutes of meetings and efforts at public/private partnerships.

b) County/area programs applying for approval to provide direct services other than core functions will focus their efforts on serving consumers in the targeted populations who have multiple, complex needs not easily met by individual or small group qualified providers.

3. **If approved to provide services other than core functions the county/area program must adopt written policies to assure that consumers are informed about the full array of qualified provider choices and that they re not steered toward services that are county/area program owned, operated, managed or affiliated. The policies must demonstrate:**
   a) The consumer has been provided with complete and non-biased information regarding the policy for qualified provider choice.
   b) The consumer has reviewed all qualified provider options available to the consumer within the area.
   c) The consumer indicates that it is his/her desire to retain the county/area program as the direct service qualified provider.

4. **If the county/area program is approved as a direct service qualified provider, then care management must be provided independent of the county/area program.**
   - A list of agreements, memoranda of understanding or contracts with other agencies and systems is attached and provides assurance that there is the capacity to provide independent care management
   - A description of how the LME will assure objective, state-directed monitoring of LME-provided services is attached.

Appendix B: Service delivery divestiture options

Some area programs (APs) have initiated efforts of *spinning out* (movement of AP direct service staff to existing provider organizations) and/or *spinning off* (movement of AP direct service staff to newly developed provider organizations) as part of an overall strategy of developing a sound and comprehensive competitive provider network. The rationale behind *spin out* and *spin off* is as follows:

- To ensure that transition efforts are not disruptive and/or create a break in services for people with disabilities who are currently being served. This includes preventing a full-scale comprehensive shift at a single point in time of staff delivering services.
- As a mechanism to provide opportunities for staff to remain employed in the field, including increasing their certainty of future employment. This is particularly intended to minimize an increase in staff turnover and the corresponding problems in service delivery during the state reform transition timeframe.

These practices are acceptable, however they must adhere to the following conditions:

- They shall neither inhibit nor relieve the AP (emerging LME) of its responsibility to aggressively and continuously recruit and retain a competitive and comprehensive provider network.
- This effort shall be only a part of the overall provider network development strategy.
- The AP (emerging LME) shall have no tie to these organizations that is unlike the ordinary relationship they would have with any other provider organization (for example, the AP [emerging LME] director may not be on the organization's board of directors).
- These organizations shall be legally freestanding organizations.
- The transfer process shall not place these organizations at an unfair advantage over any other provider organizations.
- Any and all components of the transfer and transition shall not create an immediate or future unfair advantage over other provider organizations.
- From the point of transfer and into the future, these organizations shall be expected to compete in an equal and fair manner with all other comparable (in terms of services provided) provider organizations that are in the network.
- As shall be expected of all provider organizations, these organizations shall be required to shift practice expectations to comply with best practice consistent with the State Plan. If service practice expectations as well as quality, effectiveness and efficiency expectations are not met (outcomes, systems performance and regulatory compliance), these organizations shall be treated equally and suffer the same consequences as any other provider organization.
- Area programs (emerging LME's) who divest any or all of the services they currently directly deliver through the recruitment of suitable provider organizations must develop transition plans for the orderly transfer of service components. These plans are to assure that there is no disruptive break in services and that the people being served are fully informed and supported in their transition to the new arrangement.

APPENDIX C: WEIGHTED REQUIRED ELEMENTS

The following are the weighted items in the local business plan. Each item in the LBP is indicated as weighted or non-weighted. [5]

I. 2. The local business plan planning process meets State Plan requirements.

The element is weighted because of the emphasis upon the involvement of the whole community in the preparation of the planning document. The whole means inclusive of consumers, families, persons of diverse cultural, ethnic and racial backgrounds.

I. 3. The local business plan incorporates a 3-year strategic plan (no more than 10 pages) for initial implementation …

The strategic plan is an essential document as it is a three-year strategy complete with goals and objectives to be used as benchmarks of performance.

II. 2. The local business plan defines the proposed demographic configuration of the LME.

Consolidation plan is a key element in the reform effort requiring a reduction in number of local entities and a change in their focus from that of service provision to a local manager of public policy.

III. 2. The local business plan complies with the State Plan requirements in establishing a qualified provider network (QPN).

This part of the plan provides the information necessary required to develop a QPN and the necessary components to establish a viable service system.

IV. 1. The local business plan provides for adequate management of core service functions in accordance with the State Plan.

Requires a management plan for the oversight and operation of core functions and services to target populations.

IV. 4. The local business plan complies with the essential elements of the models of best practice as determined by the state.

Best practices represent the approved models of practice for use by the provider network. This section by default identifies current methods of practice that are no longer appropriate or reimbursable.

V. 1. The local business plan describes the operation of a local access system in compliance with the uniform portal of entry and exit in the State Plan.

A driving force of reform was to design a standardized process for accessing the system across the state.

VI. 1. The local business plan describes a quality management process to meet State Plan requirements.

The establishment of a multi-level, integrated quality management system is essential to reform.

IX. 1. The local business plan is in compliance with IPRS (Integrated Payment and Reporting System) and MMIS (Medicaid Management Information System) requirements.

IX. 2. The local business plan adheres to the state technology standards.

IX. 3. A policy is evident that adopts all security procedures established by the Division of MH/DD/SAS both for the protection and the safeguarding of electronic data, financial assets and other material resources.

Reform can only succeed if each local entity has the technological capacity to support it.