UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

KATIE A., et al., Plaintiffs, **v.** **DIANA BONTA, et al.,** Defendants.	Case No. CV-02-05662 AHM (SHx) **SPECIAL MASTER'S REPORT ON PROGRESS TOWARD COMPLETION OF THE KATIE A. IMPLEMENTATION PLAN** Judge: Honorable A. Howard Matz Crtrm: 14

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PART ONE

INTRODUCTION

This report is submitted to the Court in accordance with the Katie A. Court's Orders dated December 1, 2011, SETTLEMENT AGREEMENT. Subsequent orders issued by the Court on July 23, 2012 and September 13, 2012, further clarified expectations and timelines for completing the Katie A. Implementation Plan and the Special Master's evaluation. As a result of these orders, the Implementation Plan and Special Master's evaluation of the Plan was divided into two phases. Phase One of the Implementation Plan was reviewed by the Court and approved on September 13, 2012; Phase Two, along with the State's progress report on Phase One implementation is to be reviewed on December 13, 2012.

A Summary of the Special Master's Findings for Phase One and Two can be found in Part Four of this report. The State's Progress Report on the implementation of Phase One, titled 'State Progress Report On Katie A. Phase One Implementation Plan', dated November 29, 2012, is included in Exhibit 1 of this report.

It is my pleasure to report that on November 20, 2012 the parties have reached agreement on a Phase Two of the Katie A. Implementation Plan (hereinafter referred to as Phase Two). Phase Two, Exhibit 2, reflects the consensus of the Parties, including the Negotiation Workgroup. The Special Master's evaluation of the Phase Two and the Phase One Implementation Update and recommendations are those of the Special Master only, and does not necessarily represent the views of the various parties and partners involved in developing the Phase Two or the Phase One Update, who may provide the Court with their own written responses to this report.

Phase Two has been developed through an intense and collaborative effort. Since January 2012, the Negotiation Workgroup has been engaged in a process that supports the development of Phase One and Phase Two of the Implementation Plan, including meeting as an entire group, often on a weekly basis, and leading various workgroups, completing specific tasks and facilitating the development of the subgroup charters to help guide further development of the implementation plan.

The Purpose Of This Report

This report has three purposes: (1) to inform the Court regarding the progress on the implementation of Phase One, approved September 13, 2012, by reviewing and commenting on the

State's progress report on Katie A. Phase One implementation; (2) review Phase Two and make recommendations consistent with Paragraph 25(b) of the Settlement Agreement, 'the Special Master shall determine whether the Implementation Plan is reasonably calculated to ensure that State Defendants meet the terms of the Agreement and objectives set forth in Paragraph 19'; and (3) provide the Court with a recommendation regarding the completed Katie A. Implementation Plan, considering Phase One and Phase Two together, consistent with Paragraph 25(b) of the Settlement Agreement.

Katie A. Negotiation Workgroup Composition

The Negotiation Workgroup composition has changed since my last progress report in April 2012. (A complete list of participant names and titles is included in Exhibit 2 at the end of this Report.)

The Workgroup includes representatives of the California Department of Social Services (CDSS); the California Department of Health Care Services (CDHCS); the Department of State Hospitals, formerly the Department of Mental Health; the California Department of Justice, Office of the Attorney General; representatives of the class and class perspective including counsel, parents, families, and provider organizations; the County Welfare Directors Association of California; the California Mental Health Directors Association; and the County of Los Angeles. At the time of writing this report the long-standing vacant Youth representative has been filled effective December 1, 2012. Additionally, the California Mental Health Directors' Association has withdrawn from active participation in the Negotiation Workgroup during the development of the Phase Two Implementation Plan.

Organization of this Document

The remainder of this report to the Court is divided into the following parts: *Part Two* presents the Special Master's review of the progress on the implementation of Phase One, by reviewing and commenting on the State's Progress Report on Phase One implementation; *Part Three*, Special Master's evaluation of Phase Two as required in the AGREEMENT paragraph 25(b) and the Court's Orders dated July 23, 2012 and September 13, 2012; *Part Four*, the Special Master's Summary Findings for the Katie A. Implementation Plan, which includes Phase One and Phase Two, as required in the Agreement paragraph 25(b) and *Part Five* presents the Special Master Recommendations to the Court.

PART TWO
SPECIAL MASTER'S PROGRESS REPORT ON
PHASE ONE IMPLEMENTATION

The State's Progress Report includes a Phase Two discussion that addresses the alignment of Phase Two and Phase One Implementation Plan formats. The remainder of the Progress Report reviews each section of Phase One.

The Special Master provides the Court with the following observation and comments on the State's 'Progress Report on Katie A. Phase One Implementation', dated November 29, 2012. Special Master Summary Comments are made at the conclusion of the end of Part Two.

Phase Two

Phase Two provides an update on the revision of Phase One's format to align with Phase Two. This format change improves the readability between Phase One and Phase Two Implementation Plan. Additionally, the format underscores the Implementation Plan's strategic framework which contemplates the services, core practice, service delivery rollout, training, and family and youth involvement described in Phase One and Two working together as whole, with the Shared Management Structure at one end, and Data and Quality Assurance (Accountability, Communication and Outcomes) at the other end. These bookends manage, improve and sustain the service delivery system by using qualitative and quantitative information.

Section I. Shared Management Structure (SMS)

The update identifies the continued work and activities undertaken by California Departments of Health Care Services (DHCS) and Social Services (DSS) initial and basic shared management structure. Greg Rose, Deputy Director, DSS and Dina Kokkos-Gonzales, Chief, DHCS, representing their department directors, have continued to meet regularly to coordinate and direct activities of their respective staffs to implement Phase One and take the leadership in drafting the Phase Two Implementation Plan. There has also been partial co-location of staff as part of this shared management approach.

The Joint Management and Core Practice Model (CPM) Fiscal Taskforces have begun meeting as scheduled and will have finalized their work plan to implement the Charters for each taskforce by

January 15, 2013. Insuring youth have meaningful participation in the taskforces continues to be a challenge. The Joint Management Task Force (JMT) successfully identified a youth with child welfare and mental health experiences to participate on the taskforce, beginning in December 2012.

Section II. Core Components

Part A: Core Component Elements

As required in Phase One, the Med-Cal Documentation Manual describing Intensive Care Coordination (ICC) and Intensive Home Based Services (IHBS) was developed through a collaborative process and put out for 30-day public comment period. Additionally, an All County Letter (ACL) has been drafted to provide new procedure codes to facilitate claiming and reimbursements for ICC and IHBS. Planning for the initial training and technical assistance to providers and counties on the Documentation Manual and ACL is well underway.

The Update provides an excellent summary of the positive response received during the public comment. After reviewing with both Parties the extensive, critical and constructive public comment on the Medi-Cal Documentation Manual, additional time will be required to finalize and distribute the Documentation Manual beyond the December 31, 2012 date specified in the Phase One. The Special Master will make a formal Recommendation to the Court requesting additional time to finalize and distribute the manual. It is expected that the ACL and other activities by the DHCS informing providers and counties will continue to occur in preparation for the distribution of the Medi-Cal Documentation Manual. An unintended, but positive, outcome of the proposed delay is that the Core Practice Model Guide (CPM Guide) and the Medi-Cal Documentation Manual could be released statewide to provide holistic guidance to the field.

Part B: Core Practice Model Adoption

The Draft CPM Guide is undergoing its third review by the CPM Guide Subgroup on December 5, 2012. The parties have agreed to modify the public comment process for the CPM Guide from what was stated in Phase I of the Implementation Plan. The Guide will be released for stakeholder input on December 14, 2012, with an abbreviated time frame for public comments. CDSS will review the input provided by stakeholders and revise the CPM Guide as appropriate. The release date of January 31, 2013, remains the same. The proposed stakeholder comment approach now taken by the Parties will maintain the level of transparency and key stakeholder input desired by the Negotiation Workgroup but will also expedite the process of finalizing the CPM Guide.

Section III. Family and Youth Involvement

As identified in the Special Master's comments on SMS, identifying youth and providing meaningful opportunities for engagement has been challenging. The State, along with the Negotiation Workgroup continues to reach out to youth organizations. Invitations have been made to the California Youth Connection and Youth In Mind, both statewide organizations, requesting their participation in the implementation of Phase Two. The encouraging news is that within the past two weeks a youth, active in state and county policy and program development and implementation, will be joining the Negotiation Workgroup in December 2012.

The Negotiation Workgroup made a significant effort to increase and enhance this section as it developed Phase Two. Additionally, family and youth involvement were included in specific activities throughout each section of Phase Two.

Section IV. Service Delivery and Rollout

Phase One anticipated the completion and distribution of the Readiness Assessment. That timeline was adjusted to March 1, 2013, to maximize the rollout of services and CPM. The Negotiation Workgroup, as it developed Phase Two, determined it would be beneficial for the successful implementation of Service Delivery Rollout in Phase Two if the counties completed a Readiness Assessment Tool together with a Service Delivery Plan to develop and guide the implementation of Intensive Care Coordination (ICC), Intensive Home Based Services (IHBS), Therapeutic Foster Care (TFC) and CPM. Additionally, Phase Two requires the counties to provide the state with semi-annual progress reports. The State is concerned that these activities may be interpreted by the counties as 'new requirements'. This concern, and the state and county relationship, will be discussed in Phase Two, Service Delivery Rollout.

The Negotiation Workgroup also modified the term "Early Implementer' to "Learning Collaborative Counties' in Phase Two. The change reflects a strategy that emphasizes transfer of lessons learned and promotes a model of strong collaboration between mental health and child welfare for other counties.

Section V. Training and Technical Assistance

Training and technical assistance identified in Phase One remains on track. The development of

training and technical assistance for the implementation of the Medi-Cal Documentation Manual and CPM Guide is underway. Phase Two identifies additional training and technical assistance activities. The recommendations from the CPM Fiscal Taskforce and subsequent decisions by the DHCS and DSS are expected to enhance training strategies and resources to promote CPM statewide.

Section VI. Data and Quality Assurance

Phase Two has established timelines for the Accountability, Communication and Outcome (ACO) Mapping Group to be convened by January 31, 2013, and the ACO Taskforce will start meeting by February 28, 2013. The Special Master addresses Phase Two, Data and Quality Assurance, in Parts III and IV of this current report.

Special Master's Summary Comments on Phase One Implementation Progress

The State brought additional and valuable staff resources to focus on the implementation of Phase One and to support the development of Phase Two. This is reflected in the quality of the Phase Two Implementation Plan. Although the Special Master will be requesting the Court to consider minor adjustment in timelines for the Medi-Cal Documentation Manual, the Readiness Assessment, the State should be commended on its focus and attentiveness to meeting the Phase One timelines and deliverables. The State's leadership during this period has been critical to developing and finalizing Phase Two for the Court's review.

The Special Master is concerned, as it appears that the California Mental Health Directors' Association (CMHDA) has withdrawn from active participation in the Negotiation Workgroup since the last Court Report dated September 13, 2012, during the development of Phase Two. California counties' engagement is key to successful implementation of the Katie A. Agreement.

It was not until earlier this year that CMHDA decided to join the Negotiation Workgroup. Their recent absence from active participation with the Negotiation Workgroup is most unfortunate. There is an extensive history with the CMHDA in the Katie A. and Emily Q cases over the past 5 years. The exact reasons for their withdrawal from 'actively' participating are not fully understood at this time but the Special Master will follow-up with DHCS and request a meeting with CMHDA. The California Welfare Directors Association (CWDA) continues to be very active and well represented in all aspects of the Negotiation Workgroup, Taskforces and Subgroups. The Special

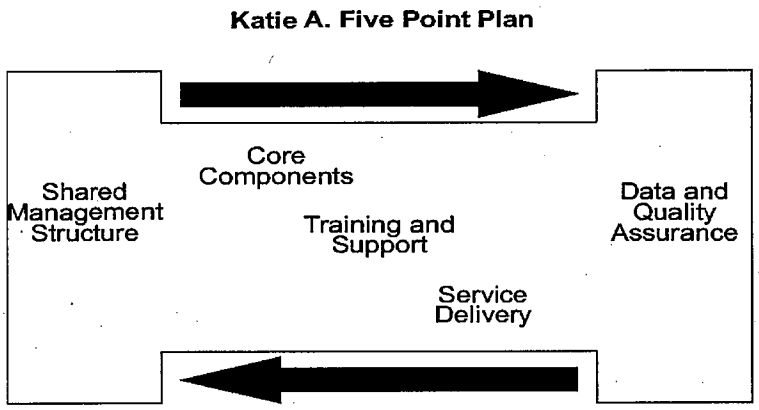
Master will discuss the county role, responsibilities and participation in the implementation in Part Three, *Section IV, Service Delivery Rollout,* of this current report.

PART THREE
SPECIAL MASTER'S REVIEW OF KATIE A.
PHASE TWO IMPLEMENTATION PLAN
DATED NOVEMBER 21, 2012

This section of the report to the Court presents the Special Master's evaluation and recommendations regarding Phase Two of the Katie A Implementation Plan.

As discussed in the Special Master's August 28, 2012, report to the Court that reviewed and evaluated Phase One, the challenge with designing and implementing a plan as comprehensive and far-reaching as the Katie A. Settlement Agreement is to frame the various sections, objectives and activities of the strategy into a holistic approach that does not split apart into disconnected activities as different groups work independently to solve the many problems associated with preparing the state and counties for full implementation of the plan. Phase Two has been divided into six sections: Shared Management Structure (SMS), Core Components, Family and Youth Involvement, Service Delivery and Rollout, Training and Technical Assistance and Data and Quality Assurance. The six sections continue to fit into the Katie A. Five Point Plan structure as presented to the Court in previous reports. The addition of the Family and Youth Involvement Section connects to all five points of the Plan.

The goal is to have a holistic and comprehensive system of individualized services that is capable of addressing the complex and interrelated needs and strengths of children and youth in the Katie A. class and subclass and their families. In the interest of keeping the integrity and connectedness of this Settlement Agreement at the forefront of the many implementation planning activities and tasks currently underway and identified in Phase One and Two of the Implementation Plan, the Special Master has developed the following diagram:



The diagram illustrates that the CDSS and DHCS Shared Management Structure would oversee the broad Katie A. effort. And – within the context of the larger statewide effort – the 58 local county Shared Management Teams would manage the CPM and mental health services through the utilization of manuals, training and technical assistance, and service delivery. Local and state quality assurance and accountability efforts would provide transparent stakeholder feedback to the state and county Shared Management Teams to learn from and improve on implementation activities and ensure that members of the Katie A. class and their families are benefiting from services as intended in the Settlement Agreement.

Phase Two, as did Phase One, includes an introduction and six sections that identify specific objectives implementation activities, timelines, anticipated results and responsible parties for each of the six sections. Accomplishments to date are summarized in an addendum to reflect the intensive efforts that have been invested in navigating and completing work that is related to implementation of Phase One and Phase Two. The Special Master's evaluation begins below with a review each of the six Sections: Shared Management Structure, Core Components, Family and Youth Involvement, Service Delivery and Rollout, Training and Technical Assistance, and Data and Quality Assurance.

As indicated above, the intent is for Phase Two of the Implementation Plan to be holistic and comprehensive, but for the purposes of this report the Special Master will be evaluating each of the Implementation Plan's six sections individually to determine "whether, Phase Two is reasonably calculated to ensure that State Defendants meets the terms of the Agreement and objectives set forth

in Paragraph 19 of the Settlement Agreement". I expect a number of the Phase Two Sections will not in themselves be sufficient to meet the full set of expectations set forth in the Settlement Agreement Objectives, Paragraph 19(a-d) or the Agreement Terms, specifically Paragraph 20 (a-m). Therefore, the Special Master will, upon completing his evaluation of all six sections of the Phase Two, provide in Part IV of this report, the Special Master's Summary Findings – Phase One and Phase Two, that will take into consideration the Court approved Phase One and proposed Phase Two of the Katie A. Implementation Plan.

The Pathways to Mental Health Services

Section 1. Shared Management Structure (SMS)

Shared Management Structure (SMS) of the Implementation Plan, Phase Two, identifies objectives, activities, deliverables, timelines and anticipated results to ensure: a shared management structure between CDHCS and CDSS is established consistent with the CPM and that it continue through post-jurisdiction; cross-system processes and procedures are created to support and manage the shared responsibility for engaging and delivering services to children with an open child welfare case; models are developed and provided to local agencies to consider in order to work more effectively together consistent with the CPM and that involves families and youth in decision-making; policies and procedures are aligned and revise them jointly; a process is provided for quickly resolving conflicts; a reduction in barriers to services that arise due to a lack of understanding of federal and state rules and regulations and to eliminate local rules that impede access to care and the adoption of the CPM; a shared management approach purposefully builds productive collaboration with youth and their families and involves them in decision-making and in implementing solutions.

Special Master's Summary Evaluation – Shared Management Structure

Shared Management Structure, Phase Two, identifies a wide range of specific steps, deliverables, timelines and process that when accomplished is intended to: continue convening the JMT and CPM Fiscal Taskforces and establish work plans consistent with the charters and make recommendations to develop a SMS at the state level and promote it's implementation at the local level that involves youth and their families in decision making; reasonably task SMS to respond to the recommendations from the CPM Fiscal and Accountability, Communication and Oversight Task Forces; use the county readiness assessment tool as a mechanism to ensure family and youth voice

in this process and utilize the findings to provide additional guidance or technical assistance relating to local agencies; evaluate the recommendations from the JMT for possible adoption by the State and for inclusion in an ACL or All County Information Notice (ACIN) to the counties describing options for the counties to consider; communicate statements and guidance regarding the state and county shared management structure recommendations and make administrative changes necessary to successfully implement and support the SMS; promote the SMS and ACO Taskforce and CPM Fiscal strategies statewide; implement the strategic plan or proposal for financing of the CPM and direct services consistent with the efforts of the Continuum of Care Reform recommendations.

The establishment of a SMS is a significant undertaking and is a first in California. Patience and support will be needed to ensure it fulfills its intended results. It may require legislation and/or regulation to establish its legitimacy and ensure its sustainability. The State should recognize the significance of this decision and seek the necessary support to ensure its success.

The Special Master has determined Phase Two implementation activities, deliverables and timelines, have the sufficient steps and correct timeframes identified that when accomplished, will have satisfied, in part, the following Terms and Objectives of the Settlement Agreement:

Paragraph 19

- *(a)(Facilitate the provision . . . array of services . . . delivered in a coordinated . . . fashion . . .into a coherent and all inclusive approach)(Page 5);*
- *(b)(Support . . . delivery service structure . . . supports a . . . practice . . . services model)(Page 5);*
- *(c)(Support . . . sustainable solution . . . standard methods . . . quality based oversight)(Page 5);*
- *(d)(Address the need for certain class members . . .to receive mental health services)(Page 5-6);*

Paragraph 20

- *(d)(1-4)(Establish a Joint Management Taskforce)(Establishment . . . joint management structure between CDMH and CDSS . . ..)(Building upon existing relationship . . . state agencies . .Creating a-cross system management . . . . at the county/local level.)(Developing models . . .local agencies . . . work more effectively together . . .)(Page 9-10;*
- *(g)(1)(guidance on state and federal laws . . . to implement this Agreement . . . provide ongoing technical assistance to include manuals, policy-guidance, education and training,*

program development . . . fidelity . . . to principles . . . CPM(Page 1);

- *(h)(Seeking to improve methods and adequacy of data collection . . . sharing to support the Core Practice Model . . . state, county and provider level . . .)(Page 11 -12).*

Section II. Core Components

Core Component Elements, Phase Two, Part A and Part B of the Implementation Plan identifies objectives, activities, deliverables, timelines and anticipated result to ensure: the provision of an array of services delivered in a coordinated, comprehensive, community-based fashion that combines family and youth engagement, service access, planning, delivery and transition into a coherent and all-inclusive approach referred to as CPM; subclass members with more intensive needs receive medically necessary mental health services that include Intensive Home Based Services, Intensive Care Coordination and Therapeutic Foster Care; the department establish a CPM Fiscal Taskforce to guide and inform implementation to the fullest extent possible to deliver IHBS, ICC and TFC within the CPM framework and reduce the use of group homes and other institutional placements; a CPM Guide is developed and distribute statewide that is easily understood by multi-agency teams and stakeholders; components of TFC services/model program are identified that are Medi-Cal reimbursable and any components that are covered by Title IV-E; all steps necessary to implement the services/model are determined; a statewide practice model is fostered where representatives of family and youth organizations are included in opportunities to advise administrators, contribute to policy development, provide systematic feedback on agency performance, and participate in staff development and program evaluation.

Core Components consists of two parts: Part A outlines the CPM approach and the tools to support the provision of services and describes the plan to promote adoption of the CPM; Part B describes the departments' commitment to determine which components of TFC are covered by Medi-Cal or Title IV-E and to design a plan to implement TFC statewide.

<u>Special Master's Summary Evaluation – Part A. Core Practice Model Guide and Adoption</u>

Part A, Phase Two, identifies a wide range of specific activities, deliverables, timelines and process that when accomplished is intended to: provide statewide notification to counties and key stakeholders on the purpose, goals of the CPM Guide and timeline for statewide implementation and initial and ongoing expectations for its use; distribute the CPM Guide for statewide implementation; provide scheduling for basic orientation and training on the CPM Guide; provide

orientation of stakeholders on CPM Guide adoption strategies; ensure CPM Fiscal Task force submits a strategic plan or proposal to finance the implementation of the CPM; update the CPM Guide when TFC is implemented.

Adoption of the CPM across the mental health and child welfare systems will require time, resources and system patience and support. The implementation of Section I, SMS, and Section VI, Data and Quality Assurance, as contemplated may prove to be the 'tipping point' for the state and counties to install statewide CPM at all levels of policy, practice, performance and evaluation.

The Special Master has determined the implementation activities, deliverables, and timelines described in Section II of the Phase Two implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have satisfied, in part, the following Terms and Objectives of the Settlement Agreement:

Paragraph 19

- *(a)(Facilitate the provision . . . array of services . . . delivered in a coordinated . . . fashion . . .into a coherent and all inclusive approach)(Page 5);*
- *(d)(Address need for certain class members . . . more intensive needs . . . subclass to receive . . . mental health services in . . . own home . . .appropriate to their needs . . . facilitate reunification . . . safety, permanence and well-being)(Page 5);*

Paragraph 20

- *(d)(CDMH and CDSS . . . develop core practice guide)(Page 9);*
- *(e)(CDSS and CDMH . . . develop . . . tools, training curriculum . . . to support Core Practice Model . . . to support service integration . . . for class members)(Page 10);*
- *(f)(1-3)(develop cross system training curriculum and materials for . . . staff)(initiate a request to . . . STEC . . .develop process and timeline . . .)(materials are intended to be used . . . counties and providers . . . including a joint tool kit . . . teams)(curriculum . . . promote . . . teaming . . .)(Page 10-11);*
- *(g)(1)(Provide ongoing technical assistance to include manuals, policy-guidance, education and training, program development . . . fidelity . . . to principles . . . CPM)(Page 11);*
- *(m)(1-3)(CPM Fiscal Task Force . . . State . . . Negotiation Workgroup . . . strategic plan . . . delivery services within core practice model)(Page 15-16).*

Special Master's Summary Evaluation – Part B Therapeutic Foster Care Model and Coverage

Part B, Phase Two, identifies a wide range of specific activities, deliverables, realistic timelines and process that when accomplished is intended to: identify a model of TFC for California; address, if necessary, propose law changes, provide for stakeholder and Negotiation Workgroup review, modification and adoption of a proposed TFC model; identify components of TFC model/models program that are Medi-Cal reimbursable and any component Title IV-E covered; identify all steps necessary to implement, include any necessary federal approvals.

TFC has required more time than initially anticipated. It is the Special Master's observation that the time taken by all parties to identify the best TFC for fit California is very encouraging and holds promise for unique and effective service for the Katie A. Sub-Class.

The Special Master has determined the implementation activities, deliverables, and timelines described in Section II of the Phase Two implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have satisfied, in part, the following Terms and Objectives of the Settlement Agreement:

Paragraph 19

- *(a)(services delivered in a coordinated, comprehensive . . . all-inclusive approach(Page 5);*
- *(d)(Address need for certain class members . . . more intensive needs . . . subclass to receive . . . mental health services . . . appropriate to their needs . . . facilitate reunification . . . safety, permanence and well-being)(Page 5-6);*

Paragraph 20

- *(a)(2) (develop and disseminate Documentation Manual)(Page 6-7);*
- *(b)(1-3)(Manual consistent . . . Core Practice Model . . . developed . . . collaborative . . .) (Page 6-7);*
- *(g)(1) (guidance on state and federal laws . . . to implement this Agreement . . . provide ongoing technical assistance to include manuals, policy-guidance, education and training, program development . . . fidelity . . . to principles . . . CPM)(Page 11);*
- *(l)(The . . . plan . . . TFC . . . to scale statewide)(Page 15).*

Section III. Family and Youth Involvement

Family and Youth Involvement, Phase Two, identifies objectives, activities, deliverables, timelines and anticipated results to ensure: family and youth involvement is prioritized and integrated into all levels of practice, program, and systems; DHCS and CDSS utilize family and youth partnerships to assist with orientation, training strategies needed to strengthen and/or change the state and local system to meet the terms of the Agreement; satisfaction and quality review measures that are meaningful, easily understandable and reflective of the family and youth perspective.

Special Master's Summary Evaluation – Family and Youth Involvement

Family and Youth Involvement, Phase Two, identifies specific activities, deliverables, realistic timelines and process that when accomplished is intended to: increase family and youth participation in all aspects of the Katie A. Implementation at the state and county level; support specific strategies for involving family and youth by the State issuing a joint ACL or ACIN for involving family and youth, e.g. provide administrative and budgetary orientation and training, provide contract and community grant opportunities, build collaborative working relationships by reaching out to parent and youth organizations, establish a stipend program; build collaborative working relationships with agencies that work with parents (e.g., schools, child care centers) to recommend parents participate in planning, conduct focus groups that address issues with specific groups in the treatment population (i.e., teenage parents, single parents, grandparents, foster parents, or adoptive parents); continually support and acknowledge the contributions of parents, family members, and community support for the CPM service delivery model; acknowledge the benefits of partnering with youth and families; continuously solicit input from and incorporate family and youth partners in the implementation of Katie A.

Parent and Youth involvement at all levels of implementation continues to be an outcome that has not been easily obtainable. Other initiatives, e.g., Mental Health Services Act and Wrap Around have attempted to elevate Family and Youth voice and meaningful participation in decision-making at all levels with mixed, and often, temporary results. The activities and deliverables in this section alone will not accomplish this outcome, nor is it intended to. Phase Two, Sections I, SMS and VI, Data and Quality Assurance, contemplate Family and Youth Voice being imbedded in the processes. The Implementation Plan recognizes that having Family and Youth engaged in a meaningful and sustained manner in the SMS and Data and Quality Assurance activities at the state

and county level, and in additional activities identified in this Section, over time may realize the intended outcome envisioned. The State, and the Negotiation Workgroup should be commended for identifying and elevating Family and Youth's role in Phase Two, as it was not clearly spelled out in the Agreement.

The Special Master has determined the implementation activities, deliverables, and timelines described in Section III, Family and Youth Involvement of the Phase Two implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have fully satisfied the following Terms and Objectives of the Settlement Agreement:

Paragraph 20

- *(b)(2)(d)(documentation Manual . . . developed . . . collaboration . . . negotiation workgroup) (establish a shared management structure to develop . . . in consultation with . . . negotiation workgroup)(Page 7);*
- *(j)(4)(Data and Quality Task Force . . . stakeholder meeting . . . ideas . . . about data)(Page 13);*
- *(k)(2)(Models . . . readiness assessment informed by . . . family members . . . and youth)(Page 14).*

Section IV. Service Delivery and Rollout

Service Delivery and Rollout, Phase Two, identifies objectives, activities, deliverables, timelines and anticipated results to ensure: a process or processes exist to identify/screen, refer and firmly link class members to services; statewide implementation of ICC and IHBS(and TFC, once determined to be a Medi-Cal covered service); county Mental Health and Child Welfare agencies jointly complete a CPM Readiness Assessment Tool and develop a Service Delivery Plan; semi-annual progress reports to the state; a forum is available to provide a timely response to county and provider reports of challenges in implementing services; a statewide application of CPM; DHCS and CDSS coordinate the work of the JMT, ACO and CPM Fiscal taskforces to ensure that service delivery is supported and improved over time by governance, quality/accountability, fiscal systems and structures that are consistent with the CPM.

Special Master's Summary Evaluation – Service Delivery and Rollout

Service Delivery and Rollout, Phase Two identifies a wide range of specific activities, deliverables, realistic timelines and process that, when accomplished, is intended to: provide a forum for problem resolution; assist counties, as necessary, to determine subclass members for

whom IHBS and ICC (and TFC, once determined to be a Medi-Cal covered service) is necessary; provide counties a Subclass Certification Form for identifying subclass member; inform counties of the criteria and selection process for designating Learning Collaborative Counties (previously referred to as Early Implementer Counties); implement a Learning Collaborative approach with selected county teams; identify County Mental Health Plans (MHP's) and child welfare agencies as having lead responsibility for jointly completing a readiness assessment tool and developing a service delivery plan; ensure that each county has an ICC and IHBS service delivery plan that is capable of achieving statewide implementation of these services; ensure DHCS and CDSS complete a statewide analysis of the information provided by county readiness assessments and service delivery plans; develop and model child welfare and mental health service delivery systems based on the CPM; identify opportunities for and challenges to providing full access to services for subclass members and broad, statewide application of the CPM; provide an initial framework for an ongoing process of communication, engagement, collaboration, and problem-solving with county partners and other stakeholders.

The Special Master commends the State along with the Negotiation Workgroup for developing a detailed and focused set of thoughtful activities, timelines and strategies for Service Delivery and Rollout. In particular, the decision to have the county Mental Health and Child Welfare Agencies collaboratively prepare a Readiness Assessment and a County Implementation Plan. The Readiness Assessment and County Implementation provides the counties the opportunity for self-assessment and reflection on their current capacity, gaps and sets expectations for implementation. The requirement for semi-annual progress reports along with the ongoing collaboration between the state and counties will provide invaluable information for monitoring, supporting and improving statewide implementation of IHBS, ICC, TFC and CPM and other mental health services to class and sub-class members. Deciding to recast the 'Model/Early Implementer County' approach into a 'Learning Collaborative' approach utilizing implementation science underscores Phase Two's statewide strategy to transfer of knowledge and the CPM across counties and work cultures. The range of activities and interventions, in particular the use of incentives and sanctions the state committed to continuously undertake, as necessary, to ensure the counties are successful in implementing the requirements set forth in Phase Two, is not to be understated.

There will be many challenges ahead to successfully implement this section, none more important than the engagement process with the county Mental Health and Child Welfare Agencies.

The Special Master has observed and appreciated throughout the Katie A. process the State's initiative and ongoing commitment to partnering with the Mental Health and Welfare Directors Association representatives. At times, the State and County representatives, as part of the Negotiation Workgroup, while continuing to maintain and build new relationships and solve problems have had to pause and 'take a deep breath' and sort through the new 'order and structure' as a result of the passage of realignment legislation and the consolidation of the Department of Mental Health with the Department of Health Care Services. It will be some time before the full impact and positive effects of the passage of realignment and Mental Health consolidation is known. As such, it is expected that implementing the Katie A. Agreement will continue to successfully move forward but, at times, be challenged by the new and uncertain nature of state and county relationships.

Although DHCS and DSS do not need to be reminded, as the Single State Agency responsible for administering the Medicaid and Foster Care, Child Welfare Services, Abuse, Neglect and Adoption programs it may be necessary to further exercise their authority in meeting Federal requirements to administer, manage and ensure compliance in order to fully implement this section of the Phase Two.

The Special Master has determined the implementation activities, deliverables, and timelines described in Section IV of Phase Two implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have satisfied, in part, the following Terms and Objectives of the Settlement Agreement:

Paragraph 19

- *(a)(services delivered in a coordinated, comprehensive . . . all-inclusive approach)(Page 5);*
- *(b)(Support . . . delivery service structure . . . supports a . . . practice . . . services model . . .)(Page 5*
- *(c)(Support . . . sustainable solution . . . standard methods . . . quality based oversight . . .)(Page 5);*
- *(d) (Address need for certain class members . . . more intensive needs . . . subclass to receive . . . mental health services in . . . own home . . . appropriate to their needs . . . facilitate reunification . . . safety, permanence and well-being)(Page 5-6);*

Paragraph 20

- *(a)(1)(develop and disseminate Documentation Manual)(Page 6-7);*

- *(b)(1-2)(Documentation Manual describe . . . consistent with the Core Practice Model)(page 7);*
- *(d)(1-4)(Establish a Joint Management Taskforce)(Establishment . . . joint management structure between CDMH and CDSS . . . .)(Building upon existing relationship . . . state agencies . .Creating a-cross system management . . . . at the county/local level.)(Developing models . . .local agencies . . . work more effectively together . . .)(Page 9-10);*
- *(g)(1)(guidance on state and federal laws . . . to implement this Agreement . . . provide ongoing technical assistance to include manuals, policy-guidance, education and training, program development . . .. fidelity . . . to principles . . . CPM)(Page 11);*
- *(k)(1-7)((Models . . . conduct readiness . . . collaborative input . . . select counties . . . transfer knowledge)(Page 14-15);*
- *(i)(A process . . . developed . . identify class . . . firmly link them to services)(Page 13);*
- *(l)(The . . . plan will address how the CPM and IHBS/ICC and TFC will be brought to scale statewide)(Page 15).*

Section V. Training and Technical Assistance

Training and Technical Assistance, Phase Two, identifies objectives, activities, deliverables, timelines and anticipated results to ensure: joint training and/or technical support is developed for a child welfare and mental health leadership and workforce that is in line with the CPM; the integration and coordination of how child welfare and mental health leadership and workforces can deliver consistent and quality services and to include families and youth in the training process; state and federal laws as needed to implement the Settlement Agreement are clarified and provide guidance; practice tools, training and coaching curriculum, practice improvement protocols and quality control systems are developed and endorsed to support the shared CPM; family and youth involvement is included in all aspects of training and support development and activities.

<u>Special Master's Summary Evaluation – Training and Technical Assistance</u>

Training and Technical Assistance, Phase Two, identifies a wide range of specific activities, deliverables, realistic timelines and process that when accomplished is intended to: implement a statewide training plan for the adoption of the Medi-Cal Documentation Manual; implement a statewide training plan for the adoption of the CPM; provide continuous and ongoing technical

assistance to successfully implement statewide implementation of ICC, IHBS, TFC and their interrelationship with CPM.

The plan provides specific detail on the activities to be undertaken to accomplish the objectives for this section. It is also noted, and commendable, that the plan spells out the specific role for family and youth participating in all aspects training and technical assistance, including development and implementation. Additional resources will be needed to provide coaching and mentoring in order to successfully promote CPM statewide. This need, in part, is to be addressed by SMS implementing the funding strategies recommended by the CPM Fiscal Taskforce for promoting CPM statewide.

The Special Master has determined the implementation activities, deliverables, and timelines described in Section V, Phase Two, implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have satisfied, in part, the following Terms and Objectives of the Settlement Agreement:

Paragraph 19

- (b)(Support . . . delivery of a services structure . . . supports a core practices and services . . .)(Page
- (c)(Support . . . sustainable solution . . . along with training and education . . .)(Page 5);

Paragraph 20

- *(e)(CDSS and CDMH . . . develop . . . tools, training curriculum . . . to support Core Practice Mode to support service integration . . . for class members)(Page 10);*
- (f)(1-3)(develop cross system training curriculum and materials for . . . staff)(. . . initiate a request to . . . STEC . . .develop process and timeline . . .)(materials are intended to be used . . . counties and providers . . . including a joint tool kit . . . teams)(curriculum . . . promote . . . teaming . . .)(Page 10-11);
- (g)(2)(Ensuring audits compliance . . . follow . . . guidelines developed . . . consistent . . .)(Page 11).
- *(l)(The . . . plan will address how the CPM and IHBS/ICC and TFC will be brought to scale statewide)(Page 15);*
- *(k)(5-7)((Models . . . conduct readiness . . . collaborative input . . . select counties . . . transfer knowledge)(Page 14-15).*

Section VI. Data and Quality Assurance

Data and Quality Assurance, Phase Two, identifies objectives, activities, deliverables, timelines and anticipated results to ensure: the accountability Communication and Oversight (ACO) Taskforce is established and produces a report with recommended actions and timelines to the JMT/SMS; youth and families are engaged in all aspects of data and quality assurance planning, design, decision-making and implementation; a method is established to track the use of IHBS, ICC and TFC services for subclass members; a stakeholder meeting is held to solicit ideas about the data DHCS and CDSS should routinely produce and post; a procedure and timeline is established to produce and post data; data is identified and posted regarding the use of less restrictive, informal services, and natural linkages used to address youth and families' strengths and needs; a plan is developed for the collection of data and information about children in the class who receive mental health services; existing data specific to the class (and subclass) is collected in order to evaluate utilization (patterns, type, frequency, intensity of services) and timely access to appropriate care, including informal services and natural linkage; that data and quality assurance measure the success of the processes to identify/screen, refer and firmly link class members to services and to adapt and modify Implementation Plan strategies to resolve problems or eliminate barriers that may arise and impede access to IHBS, ICC, TFC, or the application and use of the CPM.

Special Master's Summary Evaluation – Data and Quality Assurance

Data and Quality Assurance, Phase Two, identifies a wide range of specific activities, deliverables, timelines and process that when accomplished is intended to: implement new procedure codes in the SD/MC II system incorporating IHBS and ICC; establish and convene an ACO Mapping Group to inventory and report on the current array of ongoing state and county data efforts; establish an initial date the ACO Taskforce will begin convening monthly meetings and provide recommendations to DHCS and CDSS to inform the design, development and support of the SMS; analyze and evaluate utilization (patterns, types, frequency and intensity of services) and timely access to care; share publicly data and subsequent analysis and evaluation of utilization with counties, providers and all stakeholders through postings on both departments' websites, every six months; the ACO Taskforce will produce a report with recommended actions and timelines related to identifying, devising and collecting qualitative and quantitative information on outcomes, satisfaction and accountability are consistent with CPM.

This section of Phase Two, along with Section I, Shared Management Structure, implemented as contemplated by their Charters, holds significant promise for fulfilling the Settlement Agreement Objectives a-d and can provide the cornerstone for sustainability and system improvement that promotes and assures positive outcomes for children, youth and families.

At this time the Special Master does not have the capacity to determine if this section is calculated enough to meet the requirements of the Agreement and Court for the following reasons: the ACO Taskforce will not meet until late February 2013; leadership and membership has been not confirmed; no work plan has been developed, or is in the process of being developed to implement the Charter as there is with JMT and CPM Fiscal Task Forces; uncertainty exists on how the work of ACO Taskforce activities will be coordinated with other accountability and quality assurance activities underway as a result of realignment.

Therefore, additional time is needed to observe and understand how the ACO Taskforce will be staffed by the state, it's membership determined, a work plan defined that addresses how the other state accountability and quality assurance activities, just underway, compliments and/or incorporates the ACO Taskforce recommendations or Charter. The Special Master is optimistic that there will be sufficient information to determine if Section VI, Data and Quality Assurance, of Phase Two is calculated sufficiently to meet the intent of the Settlement Agreement on or before March 1, 2012. The Special Master will address this issue in his recommendation to the Court to allow additional time for this section of Phase Two.

The Special Master expects that with the additional time requested he will be able to determine that the implementation activities, deliverables, and timelines described in Section VI of Phase Two implementation activities have the sufficient steps and correct timeframes identified that, when accomplished, will have

<u>satisfied, in part, the following Terms and Objectives of the Settlement Agreement:</u>

Paragraph 19

- *(a)(services delivered in a coordinated, comprehensive . . . all-inclusive approach)(Page 5);*
- *(b)(Support . . . delivery service structure . . . supports a . . . practice . . . services model . . .)(Page 5)*
- *(c)(Support . . . sustainable solution . . . standard methods . . .quality based oversight . . .)(Page 5);*
- *(d)(Address need for certain class members . . . more intensive needs . . . subclass to receive . . . mental health services in . . . own home . . . appropriate to their needs . . . facilitate*

reunification . . . safety, permanence and well-being)(Page 5-6);

Paragraph 20

- *(d)(1-4)(Establish a Joint Management Taskforce . . .Establishment . . . joint management structure between CDMH and CDSS . . . .)(Building upon existing relationship . . . state agencies . . .Creating a-cross system management . . . at the county/local level.)(Developing models . . .local agencies . . . work more effectively together)(Page 9-10);*
- *(e)(CDSS and CDMH . . . develop . . .quality control system . . . to support Core Practice Model . . . support service integration . . . for class members)(Page 10);*
- *(h)(Seeking to improve methods and adequacy of data collection . . . sharing to support the Core Practice Model at the state, county and provider levels)(Page 11-12);*
- *(i)(A process . . . developed . . . identify class . . . firmly link them to services)(Page 13);*
- *(l)(The . . . plan will address how the CPM and IHBS/ICC and TFC will be brought to scale statewide)(Page 15);*
- *(j)(1-5)(establish a Data and Quality Taskforce)(Establish a method to track . . . ICC . . . IHBS . . . TFC)(Utilize External Quality Review and California Child and Family Services Review requirements . . . develop a plan . . . collection of data . . .)(Collect data elements . . . to evaluate utilization . . . access to care.)(stakeholder meeting . . . what data . . . produce and post . . .)(to post data on . . . websites)(Page 13-14).*

PART FOUR
SPECIAL MASTER'S SUMMARY FINDINGS
PHASE ONE AND TWO

Part Four of this Report to the Court presents the Special Master Findings and followed by the Special Master's Observations on Accomplishments-Phase One and Phase Two. The Special Master, pursuant to the Court's Orders and Paragraph 25(b) of the Agreement, which specifies the 'Special Master shall determine whether the Implementation Plan is reasonably calculated to ensure that State Defendants meet the terms of the Agreement and objectives set forth in Paragraph 19', accordingly makes the following findings:

The Special Master has determined the implementation activities, deliverables, and timelines described in Sections I thru VI, of the Court approved Phase One and proposed Phase Two of the Katie A. Implementation Plan have the sufficient steps, deliverables and correct timeframes identified that, when accomplished, will have

<u>satisfied, the following Terms, a–m and Objectives, a-d of the Settlement Agreement with the exceptions, 1) and 2) noted at the end of this section:</u>

Paragraph 19

- *(a)(Facilitate . . . services delivered in a coordinated, comprehensive . . . all-inclusive approach) (Page 5);*
- *(b)(Support . . . delivery service structure . . . supports a . . . practice . . . services model . . .)(Page 5)*
- *(c)(Support . . . sustainable solution . . . standard methods . . .quality based oversight . . .)(Page 5);*
- *(d)(1)(Address need for certain class members . . . more intensive needs . . . subclass to receive)(Page 5-6);*

Paragraph 20

- *(a)(1-2) (develop and disseminate Documentation Manual) (Page 6-7);*
- *(b)(1-3)(documentation Manual describe . . . consistent with the Core Practice Model . . . post)(page 7-8);*
- *(c)(amendments to the definition of Targeted Case Management- was addressed by DHCS outside the Implementation Plan)(Page 8);*
- *(d)(1-4)(establish a Joint Management Taskforce . . .Establishment . . . joint management structure between CDMH and CDSS . . . .)(Building upon existing relationship . . . state agencies)(Creating a-cross system management . . . . at the county/local level.)(Developing models . . .local agencies . . . work more effectively together)(Page 9-10);*
- *(e)(CDSS and CDMH . . . develop . . .quality control system. . . to support Core Practice Model . . . t support service integration . . . for class members)(Page 10);*
- *(f)(1-3)(develop cross system training curriculum and materials for . . . staff)(initiate a request to . . . STEC . . .develop process and timeline . . .)(materials are intended to be used . . . counties and providers . . . including a joint tool kit . . . teams)(curriculum . . . promote . . . teaming . . .)(Page 10-11);*

- *(g)(1-3)(Provide ongoing technical assistance to include manuals, policy-guidance, education and training, program development . . . fidelity . . . to principles . . . CPM)(Page 11);*
- *(h)(1-4)(Seeking to improve methods and adequacy of data collection . . . sharing to support the Core Practice Model at the state, county and provider levels)(Page 11-13);*
- *(i)(A process . . . developed . . . identify class . . . firmly link them to services)(Page 13);*
- *(j)(1-5)(establish a Data and Quality Taskforce)(Establish a method to track . . . ICC . . . IHBS . . . TFC)(Utilize External Quality Review and California Child and Family Services Review requirements . . . develop a plan . . . collection of data . . .)(Collect data elements . . . to evaluate utilization . . . access to care.)(stakeholder meeting . . . what data . . . produce and post . . .)(to post data on . . . websites)(Page 13-14);*
- *(k)(1-7)((Models . . . conduct readiness . . . collaborative input . . . select counties . . . transfer knowledge)(Page 14-15);*
- *(l)(The . . . plan will address how the CPM and IHBS/ICC and TFC will be brought to scale statewide)(Page 15);*
- *(m)(1-3)(CPM Fiscal Task Force . . . State . . . Negotiation Workgroup . . . strategic plan . . . delivery services within core practice model)(Page 15-16).*

<u>*Exceptions*</u>

1) After receiving extensive and meaningful public comment on the Medi-Cal Documentation Manual, additional time will be required to finalize and distribute the Documentation Manual beyond the December 31, 2012 date specified in the Phase One. The Special Master will make a formal Recommendation to the Court requesting additional time to finalize and distribute the manual.

2) Because the ACO Taskforce (described in Section VI, Data and Quality Assurance, Phase Two) will not be convened until after the December 13, 2012 hearing date, the work plan for that task force is still being developed, and there is uncertainty as to how the ACO work plan will be coordinated with other accountability and quality assurance activities required to be implemented by the Department, the Special Master will requesting additional time to review the work plan and observe the Taskforce. The Special Master will submit a supplemental Special Master report on the progress of the ACO Taskforce by March 1, 2013, at which time the Special Master will expect to have sufficient information to determine if it meets the terms and objectives of the Settlement

Agreement. The Special Master will make a formal Recommendation to the Court requesting an additional time to evaluate ACO Taskforce.

Special Master's Observation on Accomplishments-Phase One and Phase Two:

The Special Master commends the State and the Negotiation Workgroup for its dedication, patience and persistence in overcoming the many challenges as it worked countless hours to identify the specific activities, deliverable, and timelines for the Katie A. Implementation Plan. The following Phase One and Two activities and deliverables have the sufficiency, when implemented, to satisfy specific sections or sub-sections, Paragraph 20 (a-m) and Paragraph 19 Objectives (a-b) of the Settlement Agreement:

- Develop and Disseminate a Medi-Cal, ICC and IHBS Documentation Manual;
- Identify two arrays of services, ICC and IHBS and add to the Medi-Cal Menu of Services;
- TFC- Determine Models, Medi-Cal coverage and add to the Medi-Cal Menu of Services and update Documentation Manual;
- Collaboratively develop the Medi-Cal Documentation and CPM Guide;
- Post Medi-Cal Documentation for public comment;
- Develop and distribute a CPM Guide and bring to scale statewide;
- Describe how the provision of mental health and child welfare services are consistent with the CPM;
- Establish a Joint Management Taskforce and make recommendations to establish a Shared Management Structure formalized at the State and County Level;
- CDHCS and CDSS establish a Shared Management Structure (SMS);
- SMS provide a formalized SMS models for County consideration;
- Establish a CPM Fiscal Taskforce and make recommendation to Shared Management Structure and Plaintiffs;
- Establish an Accountability, Communication and Oversight Taskforce (Data and Quality Assurance) and make recommendations to JMT/ SMS;
- Utilize Cross System Data and Quality Assurance Systems –State and County (Utilizing ACO Taskforce Recommendations;
- A process developed to identify class members in order to link them firmly to services;

- Strategies to identify additional Training and Technical assistance resources (Utilizing CPM Fiscal Task Force Recommendations;
- Develop and endorse cross system practice tools and training curriculum to support CPM-brought to scale statewide;
- Implementation of training, technical assistance, practice improvement protocols to support service integration and/or coordination for mental health services for class members;
- Initiate a request to the Statewide Training and Education Committee to develop curriculum
- Reducing or eliminating barriers to promote CPM implementation (Utilizing CPM Fiscal Task Force Recommendations;
- Statewide adoption of a Shared Practice Model, CPM, between mental health and child welfare;
- Prioritizing Family and Youth Involvement in decision-making at the practice, program, and policy level;
- Identify roles and responsibilities for Family and Youth participation in design, delivery and evaluation of services – State and County level;
- Provide guidance on state and federal laws to support and ensure implementation of the Agreement;
- Established County Learning Collaboratives (Model Counties);
- Implement County Readiness Assessment and County Child Welfare and Mental Health Implementation Plan.

PART FIVE

SPECIAL MASTER'S RECOMMENDATIONS TO THE COURT

Based upon the sufficiency review of the Katie A. Implementation Plan to determine if Phase Two is reasonably calculated to ensure that State Defendants meet the terms of the Agreement and objectives set forth in Paragraph 19, the Special Master makes the following findings and recommendations:

Recommendation 1:

The Special Master finds that the Implementation Plan, Phases One and Two, are reasonably and sufficiently calculated to meet the terms and objectives set forth in Paragraphs 19 and 20 of the Settlement Agreement, except as provided in Recommendations 2 & 3 below, and recommends the Court approve the Katie A. Implementation Plan, Phase Two.

Recommendation 2:

Because the ACO Taskforce (described in Section VI, Data and Quality Assurance, Phase Two) will not be convened until after the December 13, 2012 hearing date, the work plan for that task force is still being developed, and because there is uncertainty as to how the ACO work plan will be coordinated with other accountability and quality assurance activities required to be implemented by the Department of Health Care Services, the Special Master requests additional time to review the work plan and observe the Taskforce. The Special Master will submit a supplemental Special Master report on the progress of the ACO Taskforce by March 1, 2013, at which time the Special Master will expect to have sufficient information to determine if it meets the terms and objectives of the Settlement Agreement.

Recommendation 3:

After receiving extensive and meaningful public comment on the Medi-Cal Documentation Manual, the Special Master is requesting additional time be provided, beyond the December 31, 2012, date specified in the Phase One, to finalize and distribute the Medi-Cal Documentation Manual. The Special Master requests the Court set a new date of February 1, 2013, to finalize and distribute the Medi-Cal Documentation Manual, with the Special Master having the authority to extend the time an additional 30 days to March 1, 2013, if significant progress is being made on

finalizing the manual. The Special Master will submit a supplemental Special Master report on the progress of finalizing and distributing the Medi-Cal Documentation Manual by March 1, 2013, at which time the Special Master will expect to have sufficient information to determine if it meets the terms and objectives of the Settlement Agreement.

Recommendation 4:

The Special Master further requests and recommends that if, during court jurisdiction, either party seeks to modify the Implementation Plan, any modification must be agreed to by the parties. In the event the parties cannot reach agreement regarding any proposed modification of the Implementation Plan during the period of court jurisdiction, either party may seek to mediate the dispute with the Special Master or any other mutually acceptable mediator, consistent with the dispute resolution process provided for in the Settlement Agreement. If the dispute cannot be resolved, then during court jurisdiction, either party may file a motion seeking modification of the Implementation Plan that is reasonably calculated to achieve the terms of the Settlement Agreement and the objectives of paragraph 19.

In closing, as Special Master I would like to thank the Court for affording me the privilege of serving as Special Master for the Katie A. case. I am very proud of the remarkable accomplishments made by the parties and Negotiation Workgroup as reflected in the Implementation Plan, and I look forward to the opportunity to continue to work with the parties and the Court during Phase Two implementation.

Dated: November 29, 2012

Respectfully Submitted

/s/ Richard Saletta, LCSW

Richard Saletta, LCSW
Special Master

CERTIFICATE OF SERVICE

Case Name: **KATIE A., et al. v. BONTA, et al.** No. **CV-02-05662 AHM (SHx)**

I hereby certify that on November 29, 2012, I electronically filed the following documents with the Clerk of the Court by using the CM/ECF system:

SPECIAL MASTER'S REPORT ON PROGRESS TOWARD COMPLETION OF THE KATIE A. IMPLEMENTATION PLAN

Participants in the case who are registered CM/ECF users will be served by the CM/ECF system.

I further certify that some of the participants in the case are not registered CM/ECF users. On November 29, 2012, I have mailed the foregoing document by First-Class U.S. mail, postage prepaid, for delivery within three (3) calendar days to the following non-CM/ECF participants:

Catherine J. Pratt, Esq.
Gerald M. Custis, Esq.
Children Services Division
201 Centre Plaza Dr., Suite 1
Monterey Park, CA 91754-2143

John F. Toole, Esq.
National Center for Youth Law
405 14th Street, 15th Floor
Oakland, CA 94612-2701

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on November 29, 2012, at Los Angeles, California.

M. Chacon	/s/M. Chacon
Declarant	Signature

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