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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

KATIE A., by and through her next friend Michael Ludin; MARY B., by and through her next friend Robert Jacobs; JANET C., by and through her next friend Dolores Johnson; HENRY D., by and through his next friend Gillian Brown; AND GARY E., by and through his next friend Michael Ludin, individually and on behalf of others similarly situated,

Plaintiffs,

v.

DIANA BONTA, Director of California Department of Health Services; LOS ANGELES COUNTY; LOS ANGELES COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES; ANITA BOCK, Director of the Los Angeles County Department of Children and Family Services; RITA SAENZ, Director of the California Department of Social Services, and Does 1 through 100, inclusive,

Defendants.

Case No. CV-02-05662 AHM (SHx)
SPECIAL MASTER'S REPORT ON PROGRESS TOWARD COMPLETION OF THE KATIE A. IMPLEMENTATION PLAN

APRIL 23, 2012

Crtroom: 14
Judge: Hon. A. Howard Matz

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SECTION ONE: INTRODUCTION

Purpose of this Progress Report to the Court

This report is submitted to the Court in accordance with the Katie A. Court Order dated February 17, 2012. The purpose of this report is to inform the Court regarding interim progress of the Katie A. Implementation Planning effort since my last report in February. In order to better represent the overall views of the various parties and stakeholders, I have solicited and received considerable feedback from the Negotiation Workgroup regarding this report and have allowed time for the parties to review this progress report before filing it with the Court. Nonetheless, this report reflects the views of the Special Master only and does not necessarily represent the views of the various parties and partners involved in the Katie A. Implementation Plan development process, who may provide the Court with their own written responses to this report.

Overall, I am pleased to report that the parties are continuing to make important progress toward completing the Katie A. Implementation Plan. The Negotiation Workgroup has continued to meet and has convened several writing subgroups that are currently drafting the manuals called for in the Settlement Agreement. In addition, two taskforces have been chartered and members have been identified, and the state departments are preparing for their first taskforce meetings. Other significant progress is being made, which is detailed in the following sections of this progress report. Much work remains, which I believe can be completed on time by the June 29, 2012 Implementation Plan due date. I am confident that with continued progress the Negotiation Workgroup will satisfy the Implementation Plan requirements set forth in the Settlement Agreement.

Background – The Katie A. Class and Subclass

The Katie A. class includes children with an open case in child welfare services who have or may have mental health needs. (For a more specific definition, I would refer interested persons to the Katie A. Settlement Agreement,

1 Paragraphs 3 and 4 (pages 1-2), approved by the Court on December 1, 2011.) This
2 class definition was developed early in the litigation process and sets the field for
3 children who are to receive services under the Katie A. agreement.

4 The Katie A. Settlement Agreement identifies a specific set of objectives that
5 are intended to result from implementation of the agreement. The following
6 language is from Paragraph 19 of the Agreement.

7 The objectives of this Agreement are to:

- 8 (a) Facilitate the provision of an array of services delivered in a coordinated,
9 comprehensive, community-based fashion that combines service access,
10 planning, delivery, and transition into a coherent and all-inclusive approach;
- 11 (b) Support the development and delivery of a service structure and a fiscal
12 system that supports a core practices and services model, as described in (a),
- 13 (c) Support an effective and sustainable solution that will involve standards and
14 methods to achieve quality-based oversight, along with training and education
15 that support the practice and fiscal models;
- 16 (d) Address the need for certain class members with more intensive needs
17 (hereinafter referred to as "Subclass members") to receive medically necessary
18 mental health services in their own home, a family setting or the most homelike
19 setting appropriate to their needs, in order to facilitate reunification, and to meet
20 their needs for safety, permanence, and well-being.

21 (I) Subclass Members are children and youth who are full-scope Medi-Cal
22 eligible, meet medical necessity, have an open child welfare services case,
23 and meet either of the following criteria:

- 24 A. Child is currently in or being considered for: Wraparound, therapeutic
25 foster care or other intensive services, therapeutic behavioral services,
26 specialized care rate due to behavioral health needs or crisis
27 stabilization/intervention; or
- 28 B. Child is currently in or being considered for a group home (RCL 10 or

1 above), a psychiatric hospital or 24 hour mental health treatment facility, or
2 has experienced his/her 3rd or more placements within 24 months due to
3 behavioral health needs.

4 The Katie A. Implementation Plan is being developed to achieve the intended
5 objectives using the activities described in Paragraph 20 of the Settlement
6 Agreement. A summary of how the Negotiation Workgroup will implement the
7 Paragraph 20 activities is presented in Section II of this report, below.

8 ***Katie A. Negotiation Workgroup Composition***

9 The Negotiation Workgroup composition has not changed since my last
10 progress report in February, with the exception of the youth representative who
11 resigned to pursue other career goals (plans are being made to replace the youth
12 representative). A complete list of participant names and titles is included in
13 Exhibit 1.

14 The Workgroup includes representatives of the California Department of
15 Social Services (CDSS); the California Department of Health Care Services
16 (CDHCS); the California Department of Mental Health; the California Department
17 of Justice, Office of the Attorney General; representatives of the class and class
18 perspective including counsel, parents, families, and provider organizations (the
19 youth representative position is currently vacant); the County Welfare Directors
20 Association of California; the California Mental Health Directors Association; and
21 the County of Los Angeles.

22 ***Background – The Katie A. Negotiation Workgroup Planning Process***

23 The Special Master proposed and the Court approved a Work Plan for the
24 Negotiation Workgroup that approaches the implementation process in three
25 phases:

26 Phase I – Planning (4 to 6 months) to form/reform the planning team, clarify
27 and align the objectives, and write the implementation plan;

28 Phase II – Implementation (30 to 32 months) to launch, monitor, and correct the

1 plan; and

2 Phase III (Post Court Exit) – Sustain permanent structures and services that
3 meet the needs of children in the class and their families.

4 The Workgroup is nearing the end of Phase I – Planning. Progress of the planning
5 effort is detailed in the following sections of this report.

6 ***Update on State Department Leadership of the Katie A. Effort***

7 In my February 10, 2012 progress report, I noted the commitment of the
8 California Departments of Social Services and Health Care Services to resolve
9 leadership questions regarding the Katie A. Implementation Planning effort, and
10 recommended that the Court require the departments to develop an Interim Joint
11 Leadership Plan. The Court so ordered and the departments submitted their Joint
12 State Leadership Plan for Katie A. Planning and Implementation on March 1, 2012.
13 I am satisfied with the departments' response and the Workgroup is moving forward
14 with co-leadership from the two department representatives, Greg Rose, CDSS
15 Deputy Director for Children and Family Services, and Dina Kokkos-Gonzales,
16 Chief of the Waiver and Rates Division (BWARD) within DHCS.

17 **SECTION TWO: KATIE A. FIVE POINT IMPLEMENTATION PLAN**
18 **PROGRESS AS OF APRIL 23, 2012**

19 As noted in my February progress report, the Negotiation Workgroup
20 reviewed all the plan requirements identified in Paragraphs 19 and 20 of the
21 Settlement Agreement and reorganized these requirements into five "clusters"
22 identifying key points of the implementation plan. The Workgroup divided into
23 two Implementation Planning Teams tasked with developing and integrating each
24 of the five points into a comprehensive and holistic implementation plan. The
25 clusters, now tentatively referred to as the "Five Point Plan" are summarized later in
26 this section.

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1 ***Concrete Deliverables and System Change***

2 The Katie A. Settlement Agreement focuses on Medicaid services to eligible
3 children in the foster care system who have or may have mental health needs. As
4 such three of the four core components of the agreement include intensive services
5 identified as Intensive Care Coordination (ICC), Intensive Home Based Services
6 (IHBS), and – to the extent it is covered or coverable by Medi-Cal/Medicaid –
7 Therapeutic Foster Care (TFC). These services will be accompanied by a detailed
8 documentation and billing manual that clarifies how providers must deliver and
9 document these intensive services. The parties also agreed that, in order for these
10 intensive services to be delivered in a manner that would benefit the targeted sub-
11 class members, and for any other mental health services to benefit any member of
12 the class, staff in children's mental health and child welfare services would have to
13 work together in new ways at the state and county levels, requiring the development
14 of collaborative service delivery and work practices (multiple agencies working
15 together to serve the same person at the same time) across both agencies. To
16 accomplish this collaboration, staff in children's mental health and child welfare
17 services will have to adopt a new practice approach, which the parties have
18 identified as the fourth core component, the Katie A. Core Practice Model.
19 Consequently, the Settlement Agreement calls for a Core Practice Model (CPM)
20 Guide as a deliverable document to accompany the ICC, IHBS, and TFC Services
21 Documentation Manual.

22 ICC, IHBS, and TFC and their accompanying documentation manual and
23 CPM guide, along with training and technical assistance needed to support this
24 array of services, all constitute concrete deliverables that the Negotiation
25 Workgroup is required to develop under the terms of the Settlement Agreement. As
26 Special Master, I am closely involved in the development of these deliverables and
27 am confident that the Implementation Plan will include very precise objectives and
28 achievable milestones that describe the development, rollout, periodic updating, and

1 continuous improvement of these concrete mental health services and manuals over
2 the course of the three-year period of Court jurisdiction in the Katie A. matter.

3 On the other hand, the manner in which the state and counties will adopt and
4 implement the fourth core component, the Core Practice Model, along with the joint
5 management and joint accountability structures and processes also required by the
6 Settlement Agreement, involves many unknowns that make specific planning
7 objectives and timelines very difficult to predict. Stated simply, the concrete
8 mental health services required in the agreement will be implemented in a changing
9 statewide service delivery environment of tremendous uncertainty, where
10 significant forces and influences challenge the Workgroup's ability to predict what
11 types and levels of changed services will occur by the end of Court jurisdiction and
12 be sustained into the future. As such, some portions of the Implementation Plan
13 dealing with system change may of necessity be broad, possibly extending beyond
14 Court Jurisdiction and, in some instances, without precise deliverables and
15 timelines. One concern is that if the Implementation Plan spells out specific system
16 change requirements in rigid detail that prove to be unworkable, the parties will end
17 up back in Court – a more desirable approach would be to establish clear objectives
18 and processes that allow sufficient flexibility for the counties and the state
19 leadership to make mid-course corrections suited to both the needs of the local
20 effort and the overall statewide goal of improved outcomes and services to children
21 in the class and their families. This ongoing change development effort within the
22 first three years and beyond would be guided by the Joint Management Structure at
23 the state and county levels, with periodic review and recommendations via the
24 Data, Accountability, and Quality efforts also at both the state and county levels.
25 The Workgroup members have discussed at length the difference between writing a
26 plan for concrete deliverables and planning for the system change that is anticipated
27 to begin at the time of plan implementation, and they are working to come up with a
28 satisfactory way to describe all of these inter-related efforts in a coherent manner.

1 Nonetheless, the challenge to crafting and installing a detailed plan for system
2 change at the state and county levels is worth noting.

3 The Los Angeles County experience in rolling out its Katie A. settlement
4 serves as an example of what happens when significant services are rolled out in a
5 partnership between two departments – Children and Family Services and County
6 Mental Health, Children's Mental Health/Foster Care Division – impacting two
7 differing work cultures that have evolved separately over many decades: staff from
8 the two departments who are tasked to work together to implement the Los Angeles
9 Katie A. agreement have and are continuing to encounter enormous structural,
10 procedural, practice, and service philosophy barriers that seriously complicate joint
11 service delivery and that defy precise planning and predictability. The Los Angeles
12 Katie A. Panel and county staff have had to adapt their efforts to meet and respond
13 to many unforeseen barriers, and the initial concepts of coordinating services across
14 two county departments have required considerable re-planning and re-configuring
15 in order to sustain forward progress. To its great credit, LA County has maintained
16 its effort, responding to emerging challenges, and is continuing to push both
17 departments toward a coordinated practice approach – albeit, not necessarily in
18 ways that were initially planned and projected in the original LA settlement. The
19 point here is that planning for system change is not a predictable process that can be
20 laid out in step-by-step detail in advance, and the statewide Katie A.
21 Implementation Plan will need to account for this. Perhaps the best approach will
22 be to articulate how this system change process will improve outcomes for children
23 in the class and their families, using broad and simple terms that can be understood
24 and owned at a fundamental level by the people who will do or be affected by the
25 work, so that, when they encounter barriers, they can refocus on the broad vision
26 and discover their own ways through.

27 Our Los Angeles representatives have commented on how helpful it has been
28 to be assisted by the LA Panel and by the efforts of outside consultants who

1 specialize in "implementation science" who have firsthand experience with system
2 change in other states. The Workgroup has discussed bringing expert consultants
3 such as these into the statewide implementation effort – I will make a
4 recommendation regarding outside consultants in Section Three of this progress
5 report.

6 The key point here is that the Katie A. Implementation Plan will most likely
7 include planning at two levels: one level will identify specific concrete deliverables
8 and timelines, while the other level will describe the intended system change
9 process in broad terms, involving desired progress benchmarks and on-going
10 planning and decision-making throughout the period of Court jurisdiction and into
11 the future. Concrete products and deliverables will be precisely identified, while
12 efforts involving coordinated core practice, joint management at the state and
13 county levels, and accountability structures will be described in process steps that:

- 14 • identify intended results,
- 15 • are sufficiently transparent to detect progress,
- 16 • are flexible to react to changing conditions,
- 17 • are empowered to re-plan and reconfigure services and resources in order to
18 meet the objective conditions in the field, and
- 19 • are sufficient to sustain continuous meaningful progress and improvement
20 throughout the period of Court jurisdiction and into the future.

21 The Joint Management Structure and the Data, Accountability, and Quality
22 components of the Implementation Plan will be essential to ensure the sustained
23 success of this ongoing effort. There also may be an important ongoing role for the
24 Negotiation Workgroup, or some similar representative stakeholder group, to keep
25 watch and advise the state departments as the change process matures during the
26 period of Court jurisdiction and is sustained beyond Court exit.

27 Overall, I am confident that the Negotiation Workgroup has the capacity –
28 perhaps with the addition of some key outside consultants – to complete the Katie

1 A. Implementation Plan by the June 2012 deadline. My specific observations and
2 comments are presented in the following paragraphs.

3 *The Five Points*

- 4 1. Joint Management Structure (formerly referred to as the Governance
5 Integration Structure) which covers the three task forces identified in the
6 Settlement Agreement;
- 7 2. Core Components which is developing key manuals to guide service
8 delivery and billing;
- 9 3. Training and Support to prepare and sustain workers in the Core
10 Practice Model and provide time limited technical assistance and
11 training on the delivery of ICC, IHBS, and TFC;
- 12 4. Rollout/Service Delivery to develop a Katie A. rollout strategy;
- 13 5. Data, Accountability and Quality (formerly referred to as Data and
14 Quality Assurance) to ensure accountability at the state and local levels.

15 Several additional key issues not directly described in the Settlement
16 Agreement have also been factored into the Workgroup planning process. These
17 include:

- 18 • State agency consolidation of the Community Programs and Compliance
19 Divisions of the Department of Mental Health into the Department of
20 Health Care Services;
- 21 • State/county realignment which has shifted some program authorities and
22 resources from the state agencies to the counties;
- 23 • A Katie A. Communication Strategy that will be needed to rollout the
24 Implementation Plan; and
- 25 • Child Welfare Council out-of-county mental health services
26 recommendations that might best be addressed through the Katie A.
27 Implementation Plan.

28 The five points and the additional key issues are summarized below.

1 ***Joint Management Structure***

2 The Settlement Agreement calls for the formation of two task forces:

- 3 • The *Joint Management Task Force* to create a shared management structure
4 for DSS and DHCS to work together to implement Katie A. and to
5 guide/manage service delivery to foster youth with mental health needs; and
6 • The *Core Practice Model Fiscal Task Force* to develop a strategic plan or
7 proposal that focuses on do-able, achievable, and fiscally sound incentives
8 to deliver Katie A. services within the core practice model framework,
9 reduce administrative barriers, and reduce use of group homes and other
10 institutional placements.

11 As of April 23, 2012, the Workgroup has finalized charters for and identified
12 members of both the Joint Management and Core Practice Model (CPM) Fiscal
13 Task Forces. The Joint Management Taskforce is scheduled to hold its first
14 meeting on May 23, 2012 and the first CPM Fiscal Taskforce meeting will occur in
15 late May or early June. The parties will incorporate the initial CPM Fiscal Task
16 Force recommendations into the Implementation Plan; recommendations from the
17 Joint Management Task Force are due to the California Departments of Health Care
18 Services and Social Services before September 2, 2012. Recommendations from
19 the Core Practice Model Fiscal Task Force will be made to both parties upon
20 completing its strategic report.

21 ***Core Components***

22 The Settlement Agreement calls for the development of a written "Medi-Cal
23 Specialty Mental Health Documentation Manual" to instruct and inform providers
24 on Katie A. Intensive Care Coordination (ICC) and Intensive Home Based Services
25 (IHBS) and to describe how ICC and IHBS should be provided consistent with the
26 Katie A. Core Practice Model. The agreement also calls for planning to determine
27 what elements of Therapeutic Foster Care (TFC) are covered or coverable by Medi-
28 Cal/Medicaid and to identify suitable models for TFC delivery.

1 As noted earlier in this progress report, the Workgroup will fulfill this
2 requirement through two written manuals, a *Katie A. Documentation Manual* to
3 guide delivery of Medi-Cal mental health services, and a *Katie A. Core Practice*
4 *Model Guide* to guide changed practice among county-level child welfare and
5 mental health service staff. Questions regarding how exactly to characterize the
6 ICC and IHBS Medi-Cal services on the existing Medi-Cal menu of services have
7 been resolved with a unique mental health service function code, and writing
8 subgroups are currently working on both documents. A subgroup is also working
9 to resolve questions regarding TFC, and an outside consultant familiar with how
10 other states handle TFC Medicaid coverage has been identified and interviewed per
11 my February progress report and the subsequent Court order. Efforts are underway
12 to finalize consultant selection, along with a scope of work and budget, for the
13 Special Master to request the Court's approval. It is anticipated that the
14 Documentation Manual and the Core Practice Model Guide will be completed,
15 vetted, and distributed for statewide use by September 2012. At this time it is not
16 known if the TFC Medi-Cal/Medicaid coverage questions will have been
17 sufficiently answered to include TFC in the Documentation Manual; if not, it may
18 be necessary to issue an addendum to the Documentation Manual for TFC. If this
19 occurs, I expect the addendum to be completed by November 2012.

20 ***Training and Support***

21 Several subsections of Paragraph 20 in the Settlement Agreement call for
22 training, technical assistance, guidance, and support for child welfare and mental
23 health staff involved in implementing the Core Practice Model to Katie A. class
24 members and technical assistance to counties on the implementation of ICC, IHBS
25 and TFC. The Workgroup has compiled the various training and support
26 requirements into one cluster and is shaping these into a key point of the
27 Implementation Plan – the Workgroup anticipates that solutions will be detailed in
28 the plan by the June deadline. This effort will incorporate recommendations from

1 the CPM Fiscal Task Force to identify strategies to help pay for implementation of
2 the Core Practice Model.

3 ***Rollout/Service Delivery***

4 Paragraph 20 also requires an array of activities to prepare counties to roll
5 out the Katie A. Implementation Plan. The Workgroup has started developing an
6 *Early Implementer Counties* strategy (formerly referred to as Model Counties) to
7 encourage early-implementer counties to participate in an accelerated effort to
8 implement the Katie A. process in their respective counties; selection criteria have
9 been drafted and possible approaches to mobilizing counties are being discussed. It
10 is important to note here that all counties are expected to implement the Katie A.
11 agreement concurrently. The Early Implementer Counties effort will likely begin in
12 Summer of 2012. The Workgroup is finalizing a charter to address service delivery
13 rollout solutions, including the Early Implementer County strategy, in the
14 Implementation Plan.

15 ***Data, Accountability and Quality***

16 The charter for the Data, Accountability and Quality (DAQ) Taskforce is
17 currently under development. The Workgroup has refined its strategy regarding
18 this taskforce – the taskforce will be more closely integrated into the Joint
19 Management Taskforce so that the data, accountability and quality effort will fit
20 seamlessly into policy and decision making by the state departments' Joint
21 Management Team. There was some concern that a stand-alone data taskforce
22 would not effectively tie feedback from the county and stakeholder accountability
23 efforts to the joint management structure – however, by integrating data,
24 accountability and quality into the joint management structure, there will be a more
25 direct linkage between local accountability efforts and overall statewide
26 implementation of the Katie A. agreement.

27 To streamline the DAQ process, a subgroup of the Negotiation Workgroup is
28 beginning an assessment of existing data, accountability, and quality assurance.

1 efforts across both child welfare and mental health services at the state and county
2 levels, focusing on measures and processes currently being utilized and the extent
3 to which they can be coordinated or combined to better identify the effectiveness of
4 the Katie A. effort as it rolls out and matures. Findings from this
5 data/accountability/quality assessment will be presented to the Joint Management
6 Taskforce during one of its early meetings, with the goal of better tasking the Data,
7 Accountability and Quality Taskforce as a direct component of the joint
8 management effort.

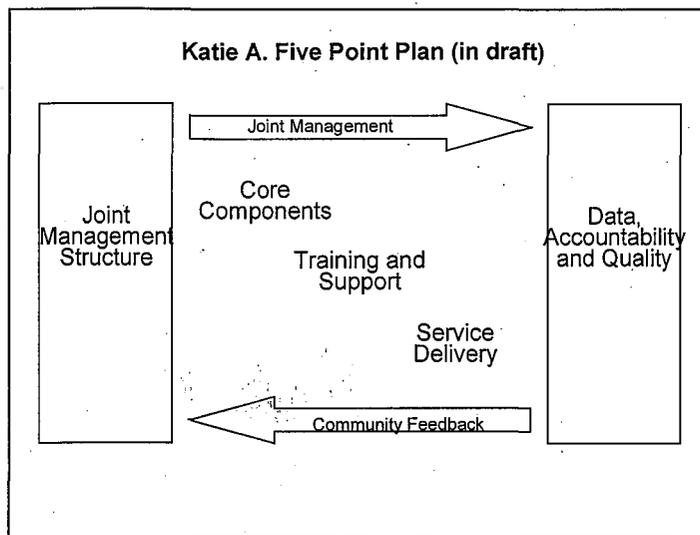
9 Details for this effort will be included in the Implementation Plan and will
10 identify how data, accountability, and quality assurance will provide and sustain an
11 evolving transparent state and local joint governance and accountability framework
12 to ensure that the Core Practice Model and mental health services are having the
13 intended effect on foster children and their families throughout California. To this
14 end the Negotiation Workgroup, not wanting to create a parallel or duplicate
15 system, is considering ways to install the DAQ process into the existing system to
16 the extent possible and consistent with existing federal and state requirements for
17 CDSS and CDHCS.

18 ***Holistic Katie A. Five Point Plan Concept***

19 As I noted in my February progress report, the challenge with designing and
20 implementing a plan as comprehensive and far-reaching as the Katie A. Settlement
21 Agreement is to frame the various elements of the strategy into a holistic approach.
22 The following diagram illustrates in a simple fashion how the Settlement
23 Agreement objectives and activities need to be configured into a holistic and
24 comprehensive approach to implementing the Agreement to meet the needs of
25 children in the Katie A. class – several terms in the diagram have been updated
26 since the February report to the Court. There is a brief description of the
27 mechanism of the model below the diagram.

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A state Department of Social Services and Department of Health Care Services joint management team would oversee the broad Katie A. effort. And – within the context of the larger statewide effort – it is anticipated that 58 county counterpart joint management teams would manage the core practice model for the class and intensive mental health services for the sub-class through the manuals, training and support, and service delivery. Local and state quality assurance and accountability efforts would provide transparent stakeholder feedback to the state and county joint management teams to learn from and improve on activities and ensure that members of the Katie A. class and their families are benefiting from services provided in the context of the Core Practice Model as intended in the Settlement Agreement.

Additional Implementation Issues

In addition to the objectives and activities contained in the Settlement Agreement, the Negotiation Workgroup has identified several important matters that it must account for in the Implementation Plan. These issues include the following:

- State agency consolidation, especially as it impacts the redistribution of state mental health authorities, resources, and functions into the state

1 DHCS. As of April 2012, former Department of Mental Health staff are
2 being integrated into DHCS with the goal of full transfer of mental health
3 authorities on July 1, 2012,

- 4 • State/county realignment of mental health and child welfare service
5 authorities, resources, and functions from CDSS and CDHCS to the 58
6 California counties. As discussed in earlier Special Master's reports to the
7 Court, there remains a high level of fiscal and policy uncertainty regarding
8 adequate realignment funding of these programs for fiscal year 2012/13. As
9 a result, the shift in specific state and county responsibilities, authorities,
10 and expectations has not been sufficient resolved, further adding to the
11 atmosphere of uncertainty.
- 12 • A comprehensive Katie A. Communication Strategy to inform and engage
13 with counties, providers, families and youth, and other key stakeholders in
14 the Katie A. process as the Implementation Plan rolls forward.
- 15 • Child Welfare Council – Out-of-county mental health services
16 recommendations regarding the potential to integrate and/or coordinate out
17 of county mental health services alongside the Katie A. mental health
18 services delivery process. The Negotiation Workgroup has accepted a
19 request from the California Health and Human Services Agency to include a
20 representative of the California Child Welfare Council in some Workgroup
21 planning and discussions.

22 ***Special Master Comments Regarding Overall Progress of the Katie A.***
23 ***Implementation Plan***

24 Overall, I am very pleased with the progress the Negotiation Workgroup is
25 making to complete a comprehensive Katie A. Implementation Plan. At this point
26 in the planning process, satisfactory progress is being made to develop the plan by
27 the June 29, 2012 deadline set by the Court.
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SECTION THREE: SPECIAL MASTER'S RECOMMENDATIONS

- I recommend that the Court authorize the Special Master to contract with an outside consultant(s), subject to Court approval, to provide recommendations that assist the state and the Negotiation Workgroup in addressing the system change dimensions of the Katie A. Implementation Plan.
- I recommend the Court approve the Special Master's 2011-12 Revised Budget for the period April 1, 2012 – June 30, 2012 (Exhibit 2).
- I recommend the Court Approve the Special Master's fiscal year 2012-13 Budget for the period July 1, 2012 – June 30, 2013 (Exhibit 3).
- I recommend that the Negotiation Workgroup continue developing the Katie A. Implementation Plan.

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. The Negotiation Workgroup is making progress toward completing the Katie A. Implementation Plan by the June 2012 deadline identified in the Settlement Agreement.

Dated: April 23, 2012

Respectfully submitted,

/s/ Richard Saletta

RICHARD SALETTA, LCSW
Special Master

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EXHIBITS

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Exhibit 1: Katie A. Negotiation Workgroup Members

- DeAnna Avey-Motikeit, Deputy Director, Child Welfare Services Division, San Bernardino County Department of Social Services, Representing County Welfare Directors Association of California.
- Diana Boyer, Senior Policy Analyst, County Welfare Directors Association of California, Sacramento.
- Fran Bremer, Senior Staff Counsel, Legal Division, California Department of Social Services, Legal Services.
- Mary Ellen Collins, Family Advocate, Voice4Families, Camarillo.
- Susan Diedrich, Assistant Chief Counsel, Legal Division, California Department of Social Services, Legal Services.
- Patrick Gardner, Deputy Director, National Center for Youth Law.
- David Gray, Special Master's Assistant, Facilitator.
- Don Kingdon, Deputy Director, California Mental Health Directors Association.
- Dina Kokkos-Gonzales, Chief, Medi-Cal Benefits Waivers Analysis and Rates, California Department of Health Care Services.
- Steve Korosec, Special Master's Assistant, Facilitator.
- John Krause, Senior Staff Counsel, Legal Services, California Department of Health Care Services.
- Greg Lecklitner, Clinical District Chief, DMH, Child Welfare Division, Los Angeles County Department of Mental Health.
- John Lessley, Chief, Specialty Mental Health Services Policy and Implementation Department of Health Care Services/California Department of Mental Health.
- Kim Lewis, Managing Attorney, California, National Health Law Program, Los Angeles.
- Debbie Manners, Senior Executive Vice President, Hathaway-Sycamores Child and Family Services, Los Angeles.
- Ernest Martinez, Deputy Attorney General, Department of Justice, Office of the Attorney General.
- Vickie Mendoza, Director of State Wide Community Network, United Advocates for Children

- 1 and Families, Sacramento.
- 2 • Adrienne Olson, LCSW, Division Chief, Child Welfare Mental Health Services, Bureau of the
- 3 Medical Director, LA County Department of Children and Family Services.
- 4 • Greg Rose, Deputy Director, Children and Family Services Division, California Department of
- 5 Social Services.
- 6 • Richard Saletta, Federal Court Special Master.
- 7 • Carmen Snuggs, Deputy Attorney General, Department of Justice, Office of the Attorney
- 8 General.
- 9 • VACANT, Youth Representative.
- 10 • Suzanne Tavano Ph.D., Director, Contra Costa County Mental Health, Representing California
- 11 Mental Health Director's Association.
- 12 • Cheryl Treadwell, Bureau Chief, Resource Development and Training Support, California
- 13 Department of Social Services.
- 14 • Barbara Zweig, Senior Staff Counsel, Legal and Forensic Services, California Department of
- 15 Mental Health.
- 16

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2 **Exhibit 2: Special Master's 2011-12 Revised Budget for the period April 1, 2012 –**
3 **June 30, 2012**

4
5 Budget Amendment: April 1, 2012 – June 30, 2012 - \$57,855.00

6
7 The Special Master proposes the following budget amendment to the Special Master's Budget approved
8 by the Court on October 6, 2011. This budget amendment will augment the Special Master's existing
9 budget. This amendment is necessary to cover Special Master expenses between April 1, 2012 and June
10 30, 2012, necessary to finalize the Katie A. Implementation Plan.

11 The Special Master will conduct the following activities:

- 12 • Convene and oversee the regular Katie A. Negotiation Workgroup meetings, initially
13 semi-monthly and moving to monthly in the fall of 2012.
14
15 • Participate with defendants, plaintiffs, Negotiation Workgroup Members and other
16 stakeholders in completing subgroup tasks necessary to finalize the Implementation Plan.
17
18 • Participate and Monitor Task Force Meetings and related implementation activities.
19
20 • Participate, Monitor and Support the Development of the Implementation Plan at the
21 State and County level.
22
23 • Participate in meetings with defendants and plaintiffs.
24
25 • Meet with other stakeholders as necessary to receive input and provide information to
26 assist and promote implementation of the Agreement and Plan.
27
28 • Appear in Court as required to present Katie A. Negotiation Workgroup recommendations
29 and/or Special Master observations and recommendations.
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36 Assistance and support from consultants to the Special Master:

- 37 • Co-facilitate scheduled Katie A. Negotiation Work Group. As necessary facilitate Subgroup
38 or Task Force Meetings or provide subject matter expertise or assigned projects. Prepare written
39 summaries.
40 • Provide technical assistance to defendants and plaintiffs in developing proposals as assigned.
41

- 1 • Assist the Special Master with monitoring plan implementation activities.
- 2
- 3 • Assist the Special Master with Court reports.
- 4

5 The Special Master will be reimbursed at \$150.00 per hour and consultants will be reimbursed at
6 \$100.00 per hour.

7 Please note that this budget amendment will augment the existing Special
8 Master's budget approved by the Court on October 6, 2011.

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2 **Exhibit 3: Special Master's Fiscal Year 2012-13 Budget for the period July 1, 2012 –**
3 **June 30, 2013**

4 This Proposed Budget is for the fiscal year 2012-2013 effective July 1, 2012 thru June 30, 2013. This
5 proposed budget lays out the steps Mr. Saletta has taken and will continue to take to fulfill the duties
6 required by the Court to ensure the implementation of the Katie A. Settlement Agreement and the
7 Implementation Plan. Included is a summary of Mr. Saletta's approach to satisfy the Court order and to
8 assist the parties in achieving the intended outcomes and objectives of the Settlement Agreement and
9 Implementation Plan. A fiscal year 2012-2013 budget is included in this proposal. As of April 23, 2012
10 it is expected the *Phase 1 – Planning*, described below will have been successfully completed by July 1,
11 2012 and the Negotiation Workgroup will transition into *Phase 2*, Implementation.
12

13 **Katie A. Implementation Plan**

14 Implementation of the Settlement Agreement will take place in three phases: *Planning*, and
15 *Implementation* for three years, resulting in *Post Exit Sustained or sustainable Structures and Services*
16 following Court exit.
17

18 **Phase 1 – Planning – I currently anticipate its completion on or before July 1, 2012**

19 The Planning Phase involved three steps over a period of four to six months.

20 **Step 1: Forming / Reforming the Team**

21 Bring everyone onto the Katie A. Negotiation Workgroup, including prior members and new people who
22 have not participated in Interest Based Decision Making (IBDM) approach before. New members
23 received an IBDM Orientation before the first meeting. The full group received an IBDM refresher in the
24 context of the Settlement Agreement.
25

26 **Step 2: Clarify and Align the Objectives**

27 The Settlement Agreement, especially Paragraphs 19 and 20, plus the Appendices, required clarification
28 so that everyone fully understood the agreement and the context in which it will be implemented.
29 Additionally, the objectives, activities and anticipated deliverables needed to be further aligned and
30 linked together to ensure a coherent approach to implementing the full agreement. We approached this
31 through a full group discussion that involved sorting and fitting together the objectives, activities, and
32 anticipated deliverables within the boundaries of the Settlement Agreement and in the context of state

1 reorganization and realignment (or other issues that surfaced during Step 1).

2
3 The Workgroup also discussed state and county structures and their capacity to implement the agreement,
4 existing resources and organizational vehicles that need to be included in planning and implementation,
5 and various methods issues, and we looked for any low-hanging fruit that could help us launch the plan.
6 We worked toward a common understanding and Negotiation Workgroup consensus across the array of
7 objectives and issues. During this step the Workgroup developed and adopted Implementation Planning
8 Team Charters, that framed out the deliverables and 'works in progress' to include in the implementation
9 plan, and how the Workgroup will set priorities for implementation.

10

11 Step 3: Write the Implementation Plan

12 The Workgroup has developed to the fullest extent possible a shared understanding of the Settlement
13 Agreement and has begun drafting the Katie A. Implementation Plan that will guide implementation over
14 the remaining 30-plus months ordered by the Court.

15

16 ***Phase 2 – Implementation***

17 During the 30-plus months of the Implementation Phase, the Negotiation Workgroup will launch,
18 monitor, and correct the plan.

19

20 ***Phase 3 – Post Exit Sustained Structures and Services***

21 Following Court exit from the case, it is expected that permanent sustainable structures and services will
22 exist or be evolving under the State's leadership and direction throughout California that meet the needs
23 of children in the class and their families. Although the Court and the Special Master will no longer be
24 involved in the process, the various partners on the Negotiation Workgroup most likely will continue
25 their involvement to ensure the long-term success of the Katie A. Settlement Agreement.

26 I am looking forward to continuing as the Court's Special Master and beginning Phase 2 of the
27 implementation process in July of this year and I expect to work with an enthusiastic and committed
28 Negotiation Workgroup and other stakeholders that have the capacity and authority to fulfill the
29 expectations of the Court and the parties as agreed to in the Katie A. Settlement Agreement.

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1 Proposed Budget – July 1, 2012 – June 30, 2013: \$152,085.00

2 The Special Master proposes the following budget to the Court for its approval in order to continue his
3 work on behalf of the Court and ensure the successful implementation of the Settlement Agreement.

4
5 Special Master and Consultants: \$140,835.00

6 The amount of time needed monthly and weekly will vary, depending on the specific activities during the
7 Implementation Phase. The approach utilized to specifically respond to objectives, activities, and
8 deliverables identified in the Settlement Agreement and Implementation Plan would involve a
9 combination of group and individual meetings.

10 The Special Master will conduct the following activities:

- 11 • Convene and oversee the regular Katie A. Negotiation Workgroup meetings, initially semi-
12 monthly and moving to monthly in the fall of 2012.
- 13 • Participate with defendants, plaintiffs, Negotiation Workgroup Members and other stakeholders
14 in completing subgroup tasks in preparation for Roll Out/Service Delivery.
- 15 • Participate and Monitor Task Force Meetings and related implementation activities.
- 16 • Participate, Monitor and Support the Implementation Plan at the State and County level.
- 17 • Participate in meetings with defendants and plaintiffs.
- 18 • Meet with other stakeholders as necessary to receive input and provide information to assist and
19 promote implementation of the Agreement and Plan.
- 20 • Appear in Court as required to present Katie A. Negotiation Workgroup recommendations and/or
21 Special Master observations and recommendations.

22

23 Assistance and support from consultants to the Special Master:

- 24 • Co-facilitate scheduled Katie A. Negotiation Work Group. As necessary facilitate Subgroup or
25 Task Force Meetings or provide subject matter expertise for assigned projects. Prepare written
26 summaries.
- 27 • Provide technical assistance to defendants and plaintiffs in developing proposals as assigned.
- 28 • Assist the Special Master with monitoring plan implementation activities.
- 29 • Assist the Special Master with Court reports.

30

31 The Special Master will be reimbursed at \$150.00 per hour and consultants will be reimbursed at \$105.00
32 per hour.

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Travel and Incidental Costs: \$1,500.00

It is anticipated that the majority of meetings will take place in Sacramento, within one hour of the Special Master's office. At this time it is anticipated that these travel and peripheral expenses can be adequately met through the basic hourly rate, and the Special Master is not planning on submitting an expense invoice for local travel. At this time the Special Master anticipates submitting invoices for the following travel expenses:

Airfare - Special Master - Los Angeles - \$1,500.00 (approximately 5 roundtrips) to attend meetings with plaintiffs, defendants, Katie A Panel, Los Angeles County, and Court hearings.

Parent and County Representative Work Group Participation: \$9,750.00

- I plan on continuing to reimburse parent and county representative travel expenses related to attending Negotiation Workgroup meetings or ad hoc task/sub group meetings. As noted in earlier reports, their employers have donated these members' time – only their travel expenses are included in this request for additional funding.
- I will be submitting an expense invoice for the parent and county representative's participation with the Negotiation Workgroup or related activities.

CERTIFICATE OF SERVICE

Case Name: KATIE A., et al. v. BONTA, et al.

No. CV-02-05662 AHM (SHx)

I hereby certify that on April 23, 2012, I electronically filed the following documents with the Clerk of the Court by using the CM/ECF system:

**STATE DEFENDANTS' SUPPLEMENTAL STATEMENT RE: PLAINTIFFS'
MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT**

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 April 23, 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.
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

Gerald M. Custis, Esq.
Monterey County Counsel
Children's Services Division
201 Centre Plaza Drive, Suite 1
Monterey Park, CA 91754-2143

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 April 23, 2012, at Los Angeles, California.

M. Chacon
Declarant

/s/M. Chacon
Signature