HUMBOLDT COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES

Transition Organizational Assessment Study

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EXECUTIVE SUMMARY

Purpose of the Assessment/Study

The Director of Humboldt County's Department of Health and Human Services (DHHS), Phillip Crandall, has announced his upcoming retirement, effective January 2016. Mr. Crandall has served as the Director of DHHS since 2001. He led the consolidation of six separate departments into the now consolidated DHHS. Recognizing the rapidly changing health and human services environment and the critical importance of these services to the community, along with this significant change for DHHS, the Humboldt County Board of Supervisors made the decision to assess the current organization and to determine the ideal leadership qualities and characteristics for the future Director of DHHS.

Humboldt County Board of Supervisors contracted with W. Brown Creative Partners (WBCP) to execute a transition organizational assessment (hereafter: organizational assessment, report, or study) for DHHS. This change in leadership is an opportune time to review the work effectively being executed by the department, seek opportunities for improvement, and identify the ideal candidate's competencies for the next leader of the DHHS. WBCP's consultants have more than 100 years of combined California County experience specifically in health and human services, including executive leadership in County Health and Human Services Departments; fiscal and program experience; organizational effectiveness; and executive recruitments in the Health and Human Service industry.

The Board of Supervisors and County Administrative Officer (CAO) are to be applauded for their foresight in conducting this assessment at this critical time, as well as for their commitment to strong community partnerships. Furthermore, the Board of Supervisors' active participation in the study process demonstrates its commitment to improving the overall health and human services delivery system, and the community's quality of life in Humboldt County. Many thanks to the CAO and DHHS staff for their assistance in coordinating events, calendars and meetings, and responding to requests for information, data, reports, etc. Our gratitude goes out to all those who provided input and participated in the study. It was our pleasure and privilege to collaborate with the dedicated DHHS staff and leadership, County Department Heads, tribal members, community partners, clients and community members.

Study Scope, Methodology and Limitations

The scope of this study sought to identify the current critical issues in the health and human services industry, specifically related to Humboldt County as DHHS transitions to new leadership. This study focuses on future improvements and brings to light key issues, identifies where further examination is needed and provides recommendations where appropriate. This study also includes a strategic process for conducting a recruitment for the Director of Humboldt County DHHS, and the ideal competencies for the next DHHS Director that were identified from various stakeholders.

Methodology:
This study and the related processes were designed to assess the strengths, weaknesses, opportunities and barriers (SWOB) of the organization by gathering and analyzing input from staff, service providers, clients, community stakeholders and County leadership.

Information was gathered through surveys, interviews and focus groups. In addition, WBCP researched and analyzed Department documents, compared data from five benchmark counties, and reviewed trends and best practices affecting complex funding streams and health and human service programs at the local, state and federal levels (details are outlined in the full study).

Limitations: This study identifies what is working well, and brings to light some of the existing challenges, weaknesses and barriers. Recommendations throughout may require a more in-depth study and more thorough level of analysis in order to identify the underlying issues and root cause to provide a more specific recommendation.

DHHS Director - Ideal Candidate Profile:

Throughout the study we captured the ideal candidate competencies from all stakeholder groups we communicated with. The next page summarizes top competencies identified from the electronic surveys completed by 419 participants.

IDEAL CANDIDATE COMPETENCIES IDENTIFIED BY 419 SURVEY PARTICIPANTS:					
No.*	**Staff Survey Top Ideal Competencies** Answered: 307	**No.***	**Community Partners/Providers Survey Top Ideal Competencies** Answered: 31	**No.***	**Community Member Survey Top Ideal Competencies** Answered: 81
106	Financially/fiscally astute and responsible	9	Solution-oriented	28	Accountable
90	Supportive of staff	9	Collaborative	23	Empowers employees/ Delegates
83	Accountable	9	Creative/Innovative	23	Ethics/Integrity
80	Ethics/Integrity	8	Communicator/Listener	23	Financially/Fiscally astute and responsible
76	Fair/Equitable treatment of staff	8	Complexity capable	19	Accessible
63	Communicator/Listener	8	Compassionate/Caring	19	Supportive of staff
54	Accessible	7	Approachable	18	Collaborative
54	Empowers employees/ Delegates	7	Leadership skills	17	Creative/Innovative
54	Leadership skills	6	People skills	15	Fair/Equitable treatment of staff
47	Approachable	6	Accountable	13	Communicator/Listener
44	Knowledgeable about operations	6	Culturally competent	11	Leadership skills
42	Develops employees	5	Develops employees	10	Develops employees
40	Collaborative	5	Ethics/Integrity	10 ea.	Transparent / Trustworthy & trusting of others / Visionary

* This is the number of respondents identifying each competency as important.

Summary:

As the industry of health and human services evolves and funding, accountability and client-centered services continue to develop, Humboldt County is well positioned to adapt to these changes. Humboldt is a leader among rural counties both nationally and statewide for implementing creative programs and increasing funding through successful revenue-drawing strategies. This is a department that is a proactive-thinking organization that looks for opportunities to improve the lives of the residents of Humboldt County. The Humboldt County community should be proud of this department and all that it has accomplished.

The recommendations in this report are made in the context of a changing landscape of delivering Health and Human Services Programs. Although DHHS is very strong in some areas, there are other areas that require change in the organization. These main areas for improvement include:

- Build upon the existing infrastructure while continuing to move toward a fully Integrated Health and Human Services System.
- Improve communications with staff and community partners.
- Involve staff and community partners to develop a new strategic plan and an accountability strategy.
- Review the organizational structure to become more streamlined and accountable.
- Review the relationship and processes between DHHS and the other county departments, the CAO and the Board of Supervisors.
- Develop broader fiscal oversight regarding DHHS's budget and assess the risk to programs and to the County, especially with the State and Federal government shifting accountability to the Counties.
- Continue the strategy of looking for opportunities to collaborate with local and regional partners to deliver comprehensive and accessible services to clients in rural areas.
- Continue to gather critical data but use the data in a strategic fashion and include stakeholders internally and externally.
- Continue to protect and improve services to the populations that are most vulnerable.

Recommendations:

The study reviews detailed findings (weaknesses or barriers) and then provides recommendations. While all the recommendations are important, many have varying levels of risk, while others are recommendations to continue the good work that has already begun. See Appendix 1 for a listing of all recommendations.

Humboldt County is in an ideal position to bring in a new Director. The Board of Supervisors and the CAO are supportive of the services provided by DHHS to the community. As the transition progresses, the Board should continue to review all the recommendations and determine in which order of importance they should be implemented. Below are the consultant's top six recommendations that should be addressed within the first six months of hiring a new DHHS Director:

1. Convene a Blue Ribbon Task Force to assist the new Director in transitioning into the position. This task force can help with developing a blue print for maintaining critical services while implementing change.
2. Address the fiscally high-risk Mental Health and CalWORKs Work Participation Rates issues.
3. Assign responsibility for increased Fiscal Oversight, along with any resources needed, to either the CAO's Office or the Auditor/Controller.
4. Address the Programmatic issue immediately regarding foster care placements to ensure correct placement of Humboldt's most vulnerable population.
5. Improve Communication between DHHS Administration, staff and community partners.
6. Continue building on the path to full departmental integration while maintaining the excellent reputation of Humboldt County as a "cutting-edge, forward thinking" department.

I. Introduction

Purpose of the Study

The Director of Humboldt County's Department of Health and Human Services (DHHS), Phillip Crandall, has announced his upcoming retirement, effective January 2016. Mr. Crandall has served as the Director of DHHS since 2001. He led the consolidation of six separate departments into the now consolidated DHHS. Recognizing the rapidly changing health and human services environment and the critical importance of these services to the community, along with this significant change for DHHS, the Humboldt County Board of Supervisors made the decision to assess the current organization and to determine the ideal leadership qualities and characteristics for the future Director of DHHS.

Humboldt County Board of Supervisors contracted with W. Brown Creative Partners (WBCP) to execute a transition organizational assessment (hereafter: organizational assessment, report, or study) for DHHS. This change in leadership is an opportune time to review the work effectively being executed by the department, seek opportunities for improvement, and identify the ideal candidate's competencies for the next leader of the DHHS. WBCP's consultants have more than 100 years of combined California County experience specifically in health and human services, including former and current executive leadership in County Health and Human Services Departments; one with fiscal and program experience; and consultants with extensive backgrounds in organizational effectiveness and executive leadership recruitments for Health and Human Service.

The Board of Supervisors and County Administrative Officer (CAO) are to be applauded for their foresight in conducting this assessment at this critical time, as well as for their commitment to strong community partnerships. Furthermore, the Board of Supervisors' active participation in the study process demonstrates its commitment to improving the overall health and human services delivery system, and the community's quality of life in Humboldt County. Special acknowledgement goes to CAO Phil Smith-Hanes, who provided insight and guidance throughout the assessment process. Many thanks to the CAO and DHHS staff for their assistance in coordinating events, calendars and meetings, and responding to requests for information, data, reports, etc. Our gratitude goes out to all those who provided input and participated in the study. It was our pleasure and privilege to collaborate with the dedicated DHHS staff and leadership, County Department Heads, community partners, clients and community members.

II. Overview of Humboldt County & Department of Health and Human Services (DHHS)

Humboldt County Demographics

Humboldt County is located in a primarily rural region, along the coast of Northern California, approximately 275 miles north of San Francisco. The population is spread over 3,573 square miles and more than fifty percent of the residents live in the rural communities. Eureka is the largest city and is the County seat. There are eight federally recognized American Indian Tribes, including:

1. Bear River Band of the Rohnerville Rancheria
2. Big Lagoon Rancheria
3. Blue Lake Rancheria
4. Hoopa Valley Tribe
5. Karuk Tribe
6. Trinidad Rancheria
7. Wiyot Tribe
8. Yurok Tribe

Humboldt County Demographic information

- The population of the County is 134,623
- 49% of the population lives in incorporated cities
- 77% Caucasian
- 10% Hispanic
- 6% Native American
- 4% Multiracial/other
- 2% Asian/Pacific Islander
- 1% black/African-American
- Non-English speaking residents represent about 8% of the population
- 90% of those over the age of 25 are high school graduates and 26% possess a bachelor's degree or higher
- Median family income is $40,830
- Nearly 1 in 5 residents is living below the poverty level (19.5%)
- 28% of children under the age of 5 are living in poverty
- Unemployment rate is declining post-recession; at 6.8%, it is currently below the State overall average (7.5%) [1]

Humboldt County DHHS History, Overview and Department Structure

Beginning in 2001 and in accordance with State laws and with agreement of federal agencies, DHHS became a consolidated Health and Human Services Agency, consisting of the formerly separate Departments of: Social Services, Public Health, Mental Health, Employment and Training, Public Guardian and Veterans Services. Other department details:

[1] Data retrieved from a variety of sources, including Humboldt County DHHS reports; The California Center for Rural Policy; the California Department of Labor Statistics; among others

- $165 million operating FY2015/16 budget, including $4 million in County General Fund
- 1,238 allocated Department positions
- DHHS provides direct services to more than 38,000 individuals each year through numerous programs:
  - Adult Mental Health
  - Substance Abuse Treatment and Prevention
  - Adult Protective Services
  - Public Guardian
  - In-Home Support Services
  - Public Health Programs (Public Health Nursing, Immunization, Nurse Family Partnerships)
  - Child Welfare Services
  - Children's Mental Health Services
  - Employment and Training
  - Eligibility and Enrollment
  - Public Assistance (CalWORKs, General Relief)
  - CalFresh (formerly food stamps)
  - Environmental Health

Since many clients receive services from more than one program, the reference to the discrete number of individuals served annually does not adequately reflect the volume of services provided by DHHS, specifically related to public assistance programs. Such programs have a significant and positive financial impact for program clients, as well as an important economic benefit to the County as a whole.

Program	Numbers
CalFresh	20,851 # of clients as of March 2015*
CalWORKs	1,724 # of average monthly case load CY2014**
Medi-Cal	38,216 # of clients as of March 2015*

*Humboldt County Health and Nutrition Services April 2015 Monthly Report

**Humboldt County Proposed Budget FY2015/16

In addition to provision of direct services to clients, DHHS provides services that benefit overall community health, including public health laboratory testing, and Environmental Health and Emergency Medical Services.

Department Integration: Consolidation into a single large Department was to improve "funding and delivery of services and benefits through an integrated and comprehensive county health and human services system" (AB1881 Berg). The consolidated Department structure sets the framework for a coordinated system of care (see Appendix 2 for DHHS Organizational Chart), which research and data show:

- Improves quality of care.
- Reduces duplicative services.

- Provides for an enhanced administrative structure capable of meeting compliance standards.
- Provides an opportunity for the County to optimize multiple funding streams effectively.
- Improves outcomes for clients through better access to necessary services.

DHHS, following the lead of other California Counties with consolidated agencies, initially consolidated all administrative functions into a centralized and co-located Administration Division. Shortly thereafter, program support functions, such as research and planning and staff training and development, were consolidated under the Administration Division. By consolidating its administration and program support functions, the Department was able to increase revenues by claiming reimbursement for the federal share of costs for the consolidated Administration Division. Through this consolidated claiming process, along with DHHS efforts to actively seek new sources of State and Federal revenue, the Department's budget has grown from $92 million in FY 2001/02 to $165 million in FY2015/16, while the County General Fund (CGF) contribution has only increased from $4.1 million to $4.4 million annually. Concurrently, the staffing levels have increased 42% over the same time period, growing from 892 to 1,264 allocated positions. In California, counties provide health and social services through a combination of staff and contracted providers. The amount of services provided through contracts varies considerably, depending on the availability of organizations qualified to provide the necessary services, as well as the County Board of Supervisors' policies regarding outsourcing.

						Sonoma**	
County*	**Humboldt**	**Yolo**	**Mendocino**	**Shasta**	**Solano**	**Human Services**	**Public Health**
Population	134,809	207,590	87,869	180,021	424,788	496,253	
Budget	$165m	$141m	$108m	$169m	$315m	$339m	$247m
Gen. Fund	$4.4m	$9.2m	$7.2m	$4.9m	$24.2m	$19.5m	$8.4m
Staffing	1,238	590	646	940	1,264	956	600

**Information generated from benchmark data collected from reporting Counties.*
***Note: Sonoma is a non-integrated County used here for comparison and benchmarking purposes*

The amount of Federal and State revenues earned directly impacts DHHS' ability to meet the demand for services by the County's most vulnerable populations. The additional revenue allows DHHS to provide a higher level of services to more people, with the goal of improving the health and well-being of county residents. The additional Federal funding provides an economic boost for the community through funding provider organizations and creating jobs.

Consolidation vs. Integration

The concepts of consolidation and integration are referenced and discussed throughout this report. There is an important distinction between a "consolidated agency" and a "fully integrated service delivery system."

Consolidation refers to the grouping of similar health and human service-related organizations under a single administrative structure and/or department. It is generally the first step, and is considered a best practice in achieving full service integration. A fully ***integrated*** health and human services system:

- Is designed to best meet client needs; not driven by programs.
- Has a budget which is consolidated; funds are utilized to optimize revenue.
- Includes a single, centralized administrative structure, including fiscal operations and compliance activities.
- Is collaborative in nature; individual programs are not autonomous.
- Has a shared mission, goals and values across all levels within the Department.
- Has a senior management team that supports the entire organization with shared responsibility for outcomes.[2]

The term "integration" is most commonly used when describing consolidated health and human services departments in California, even if they have not reached "complete" integration. For purposes of this study the term "integration" and "consolidation" are used interchangeably to describe DHHS.

Consolidating multiple departments into a single agency is a complicated process, which is often met initially with resistance from staff, and clients. The process receives limited assistance from the State and Federal agencies; and is both lengthy and time-consuming. However, the consolidation process presents the best opportunity to achieve true collaboration and ultimately full integration, which promises the greatest community impact and improve outcomes for clients.

Humboldt County is an integrated agency; however, it has not reached full integration in a majority of its programs. In fact, the organizational structure has maintained separate branches relating back to the original three separate departments. This arrangement allows the Department to align with the Federal and, until recently, the State's separate agencies. While maintaining the three separate branches appears to maintain the status quo of separate departments operating in silos, however this branch structure is very similar to most consolidated/integrated health and human service departments in California. The Branch Directors have expertise in their specific program areas, which is essential in an integrated agency where the Director typically has a solid background in one discipline or another. Subject matter expertise at the branch levels ensures programmatic and fiscal compliance during the transition to full integration of services. Consolidating the branches into one Department with a shared vision and goals, supported by a centralized administrative structure, provides a framework for further integration of services.

[2] Compiled from several resources including: American Public Human Services Association; National Workgroup on Integration presentations; the Urban Institute; and the San Diego State University/Southern Area Consortium of Human Services

II. 1. Recommendation – Continue Integration Efforts: DHHS should continue to move toward a fully Integrated Health and Human Services System. The present objective is to now build upon the existing infrastructure and take the next steps toward true integration of DHHS' human service delivery system.

III. Study Scope, Methodology and Limitations

The scope of this study sought to identify the current critical issues in the health and human services industry, specifically related to Humboldt County as DHHS transitions to new leadership. This study focuses on future improvements and brings to light key issues, and identifies where further examination is needed and provides recommendations where appropriate. This study also includes a strategic process for conducting a recruitment for the Director of Humboldt County DHHS, and the ideal competencies for the next DHHS Director which were identified from various stakeholders.

Methodology:
This study and the related processes were designed to assess the strengths, weaknesses, opportunities and barriers (SWOB) of the organization by gathering and analyzing input from staff, service providers, clients, community stakeholders and County leadership.

Information was gathered through surveys, interviews and focus groups. In addition, WBCP researched and analyzed Department documents, compared data from five benchmark counties, and reviewed trends and best practices affecting complex funding streams and health and human service programs at the local, state and federal levels.

Interviews: Were conducted with County leadership, including individual members of the Board of Supervisors, the County Administrative Officer, County Administrative Officer staff, DHHS executive and senior management staff, and other Humboldt County Department Heads whose department services interface or have cross-functional relationships with DHHS. Additional interviews were conducted with other residents, staff and DHHS clients.

Focus Groups: Were conducted utilizing a SWOB analysis to solicit input from employees, community partners, Tribal members, and the general public (see Appendix 3 for the SWOB focus group handout).

- Staff (line staff, supervisors and managers) focus groups were conducted over two days and delivered in four different sessions, resulting in more than 10% staff participation.
- Community partners/providers and stakeholder focus groups were conducted over two days, at four different locations throughout the County (Eureka, Garberville, Willow Creek/Hoopa and McKinleyville).
- A community member focus group session was conducted.
- Tribal consumer and provider/partner focus groups were conducted over two days in two different locations, Willow Creek/Hoopa and Trinidad areas.

- Four tribes were represented at these meetings: Yurok Tribe, Hoopa Valley Tribe, Big Lagoon Rancheria, Trinidad Rancheria. Two Feathers, a non-profit charter, was present to represent Big Lagoon Rancheria as their designated Indian Child Welfare Act (ICWA) partner. The Hoopa Valley Tribe is the only Tribe currently with a Child Welfare (Title IV-E) program; however the Yurok Tribe is in the process of implementing a Title IV-E program and may contract these services to other Tribes. All non-Title IV-E tribes are dependent on services solely provided through the County and therefore much of the feedback from the Tribes is from a "consumer's" perspective. The Hoopa Valley Tribe also provided input as a "partner/provider" as well as relating client service needs.

In addition to interviews and focus groups, online surveys were made available and distributed to DHHS employees, community partners/providers and stakeholders, Tribal members and the general public.

To increase community awareness and participation in our meetings and survey, we coordinated with public information staff to distribute press releases. Two local stations carried a news story about the process, including references to both the survey and the focus group meetings. Meeting and survey participation results:

Estimated Participation	MEETINGS AND SURVEYS
Focus Groups, 2015	
65	staff meeting June 8
65	staff meeting June 8
25	staff meeting June 8
6	staff meeting - south County June 25
25	community members June 23
60	community partners June 23 - June 25
8	Tribes meeting – representing four Tribes, June 24 and August 16
254	
Individual Meetings/Phone Interviews	
60	DHHS county staff, department heads, other County staff and community partner meetings; pre-arranged meetings
25	Additional call-ins and emails with: community members, former staff, community partners/providers
85	**Total**
Surveys	
462	staff surveys completed
81	community member surveys
34	community partner surveys
577	**Total participants who completed surveys**

916	**Total participants**

Other Research: WBCP reviewed pertinent documentation related to operations of DHHS, including budget and audit documents, organizational charts, planning documents, including the DHHS "AB315 Integrated Services Initiative and Strategic Plan Update," the DHHS "Integrated Progress and Trends Report" for 2014 and prior years, the Board of Supervisors' strategic framework and various other relevant reports and data. WBCP also conducted a literature search relative to the health and human services marketplace, successful models of service integration, and pending State and Federal legislative and policy direction.

Benchmark Counties: WBCP developed a survey which was sent to selected comparable benchmark counties:

1. Mendocino
2. Sonoma
3. Solano
4. Yolo
5. Shasta

Results from this survey were used to assist in findings and recommendations (Appendix 4).

Limitations: This study identifies what is working well, and brings to light some of the existing challenges, weaknesses and barriers. Recommendations throughout may require a more in-depth study and more thorough level of analysis in order to identify the underlying issues and root cause to provide a more specific recommendation.

IV. Changes in the Health and Human Services Environment/ Key Factors

Overview

California counties are dealing with a rapidly changing environment, which directly impacts one of their major areas of responsibility – the health and wellbeing of the community. Under Federal and State regulations, counties are responsible for provision of health and human services. Funding for these programs is derived from all three sectors – local, State and Federal. The passing of the Affordable Care Act (ACA) in 2010 has profoundly impacted the entire health care delivery system, demanding improved health outcomes for both the individual and the community as a whole.

Change Factor 1. - Impact of the 2011 Realignment in California: At the same time that the ACA was implemented in California, the State, for the second time, "realigned" its fiscal relationship with the counties. Building upon the 1991 Realignment, which shifted some responsibility for human services costs to the counties, the 2011 Realignment shifted all risks associated with the affected programs from the State to the counties. As a result of both the 1991 Realignment and 2011 Realignment legislation, the following programs are "realigned":

- Public Health
- Indigent Health Care
- Mental Health
- Substance Abuse
- Child Welfare Services
- Adult Protective Services
- In-Home Supportive Services
- CalWORKS
- Foster Care
- Adoptions

Realignment provides a dedicated funding stream (sales tax) to replace the State General Fund, which had been the source of the State's share of the costs of these programs. Realignment revenues are distributed to a relatively large number of separate and distinct funds, very similar to the way in which separate allocations of State General Funds were apportioned in the past. However, the State no longer has any fiscal responsibility for most realigned programs, and the full risk has been shifted to the counties. The advantage to counties in this arrangement is that the actual dollar amounts going to one program or another in any given year are no longer allocated to realigned programs through the budget process. Sales tax revenues are relatively predictable and stable over time, allowing counties to plan for future years and set reserves aside. On the other hand, if sales tax revenues decline rapidly, counties will bear the full burden of the costs of these

programs, many of which are mandated and are entitlement programs. The FY2015/16 budget for Humboldt County DHHS includes $26.4 million in 2011 Realignment funding. As an officially recognized integrated County, the State has authorized Humboldt to re-allocate these funds internally to meet local needs *(The fiscal and related policy impact of 2011 Realignment is discussed in Section VI.).*

The 2011 Realignment also affected public safety, which among other changes, transferred responsibility for supervision of State non-violent parolees to the Counties, under AB109. DHHS was also impacted by this policy change and is actively participating in the development of the "Re-entry" programs *(more information regarding DHHS implementation of AB109 is discussed in Section VI. B.).*

Change Factor 2. - Implementation of the ACA - Expanded Coverage under Medi-Cal:

The ACA, also known as "Covered California", has expanded Medi-Cal coverage to more than two million Californians who were previously ineligible for the program. Under Covered California, the State made a concerted effort to enroll as many eligible individuals and families as possible. The State has contracted with DHHS to operate a Regional Call Center to assist individuals in enrolling in Medi-Cal or other low income health coverage plans now available. While call volume has decreased since the rush to meet enrollment deadlines in 2014, the call center volume of calls in 2015 continues to be very high.

The cost for the expansion of the Medi-Cal program is primarily with Federal and State governments. Counties do not share in the costs associated with determining eligibility and enrolling individuals in Medi-Cal. Currently, the County has no financial responsibility associated with the costs of care for the clients who are "newly eligible" for Medi-Cal. Beginning in 2020, the County will be responsible for ten percent (10%) of the costs for provision of behavioral health services to this population.

In addition to the overall challenges all states faced implementing the ACA, other changes existed in California. Implementation of ACA in California was the impetus for the execution of the final phase of the statewide managed care initiative, expanding managed care to the rural counties in Northern California, including Humboldt:

- The Managed Care plan eliminates the fee for service (volume) payment system and converts to a capitated payment plan.
- Partnership Health Plan of California (PHC) was selected as the managed care organization for these rural northern California counties. PHC is recognized as a premier managed care organization for the Medi-Cal population, and is currently providing services to Medi-Cal clients and providers in fourteen counties.

Managed Care will have significant impacts on the operations, reimbursement mechanisms and quality expectations for both the private and nonprofit healthcare sector in Humboldt County. Managed Care implementation has a major impact on DHHS service provision related to behavioral health care (mental health and substance abuse treatment services). This study discusses the impact of the ACA, Mental Health Services Act and AB109 in Section VI. B.

APHSA's top ten reasons why states should be integrating their Health and Human Services Business Processes and Information Technology Systems now:

Opportunity, Client Needs/Services, Performance Improvement, Cost Savings, Confidentiality Preserved, Workforce, Bending the Cost Curve, Accountability, Increased Caseloads, Modernization [3]

Change Factor 3. - Integration of Human Services – *a nationwide trend:*

For more than twenty years, many local governments have sought to improve the quality and cost effectiveness of health and human services. These efforts have been hampered by the fact that most health and social service programs are funded by Federal program- specific allocations to the States. To ensure accountability, the Federal government dictates program design and strictly controls the use of funds through complicated claiming and reporting processes. The complexity of the program regulations, and more importantly the funding restrictions, created an ineffective human services delivery "system", which operated in "silos." Services are fragmented and inefficient. Clients receiving benefits through one public assistance program are still required to re-enroll to obtain related benefits through a different program. Frustrated with the overly complex system and poor outcomes, local government led the reform initiatives (See Appendix 7 for details regarding human services funding and the human services integration reform efforts).

"A fully integrated health and human services system operates a seamless, streamlined information exchange with shared services and coordinated care delivery that is consumer focused, designed to improve client outcomes, improve population health over time, decrease poverty and ultimately bend the health and human services cost curve by 2025". [3]

The ACA is the primary factor driving service integration. Perhaps the most significant human services reform effort since Welfare Reform, ACA incorporates the prevention strategy of healthcare coverage, combined with a payment system tied to outcomes, rather than the volume of services. The ACA requires that clients are screened for other eligible public benefit programs when they apply for Medi-Cal, and permits the sharing of information between agencies in order to better serve the needs of the client. [3]

[3] American Public Human Services Association, APHSA, On The Road To A 21st Century Business Model, Sept. 2013

Achievement of the goals of the ACA – to improve health while reducing the cost of healthcare—relies upon a service delivery system that is fully integrated, across both the health and social services systems. The ACA is a major shift in public policy, embracing the concept that improvements in health status result in healthier, safer and stabilized individuals and families, with a better chance of sustainable independence from government services. While most of the media attention has been focused on the requirement for individual health insurance, the ACA is a sweeping reform package that includes funding for such activities as "community transformations" designed to foster healthy lifestyles, which in the long term will be the most significant contributor to a reduction in health care costs. The ACA also embraces the concept that there are numerous social determinants of health, including poverty, domestic violence, homelessness and social support for families; all of which must be addressed in a comprehensive manner.

Change Factor 4. - Impact of Recent State and Federal Policy and Program Changes:

As previously noted, DHHS has begun the process towards establishing a fully integrated service delivery system. The Department has implemented numerous best practice programs, with measurable outcomes, many of which would not have been possible without the consolidated department framework. DHHS has been very successful in leveraging Federal funds; allowing services to be provided that would otherwise not have been funded. Services have been co-located internally and with community partners to improve access to, and better coordination of care. Staff for the most part has embraced the concept of consolidation and integration and there is evidence of functioning collaboration and cooperation among staff across all of the branches. The ACA, 2011 Realignment, as well as the AB109 re-entry program and the Mental Health Services Act, recognize and support re-designing health and human services to function effectively (The California Department of Mental Health, as well as the California Department of Drug and Alcohol programs were merged with the California Department of Healthcare Services in 2011).

The American Public Human Services Association (APHSA) has articulated the new vision, shared by those in the Federal government, which determines policy and program requirements. Those communities, such as Humboldt County, that have already embarked upon the difficult work of consolidating human service functions into a single agency, are well-positioned to reap the benefits of the ACA, along with its associated reforms, which are rapidly advancing across the entire human service delivery system.

IV. 1. Recommendation: Develop Action Plan to Further Integrate Services (APHSA) - Once the new Director is hired, develop an action plan to guide further service integration. APHSA offers several tools for counties to utilize in assessing the degree of integration within their organization, and identifies areas for improvement. DHHS should utilize this tool when developing their action plan.

V. Department Review of Strengths, Weaknesses, Opportunities, Barriers:

WBCP gathered information from various sources throughout Humboldt County to determine the Strengths, Weaknesses, Opportunities and Barriers (SWOB) of the current Department of Health and Human Services. The sources included online surveys, focus groups, and interviews, and included a variety of audiences (see methodology section for details). On the following pages is a summary of the most frequently mentioned comments, perceptions and opinions from our SWOB focus group meetings (note: indicators may appear in more than one category based on the feedback from different audiences).

DHHS Staff and Community Member Focus Group Meetings	
Top Strengths:	**Top Weaknesses/Barriers:**
• Highly dedicated staff. • Organization has strong cultural competence. • The Department does a good job in securing revenue and grants. • Integration has improved communication between branches. • The Department has a good reach into the community. • Department supervisors support a culture that respects work/life balance. • The Call Center is a great use of technology. • Humboldt utilizes evidence-based programming. • Quality Improvement is stressed as highly important.	• Lack of robust staff development training and succession planning. • Perception that DHHS administration uses favoritism in their hiring and promotional practices. • Organizational culture does not provide a feedback loop for communication. • Employees feel intimidated and perceive a fear-based culture. • Poor communication throughout the organization, and lack of transparency. • Difficult to fill positions and retain staff. • The hiring process is long and convoluted. • The technology is outdated, especially with time sheets and purchasing. • Lack of trust for staff to make decisions outside of upper management. • Data sharing is limited. • No safe zones to give negative feedback. • Perception that DHHS is too top heavy in management and administrative support staff. • Organization is bureaucratic and burdensome.
Top Opportunities/Recommendations	
A. Upgrade technology – time cards and hiring. B. Better and more robust training curriculum. C. Use Social Media to reach “hard to reach communities.” D. Embrace Integration, but reevaluate and improve. E. Hire a director who is a cultural “change agent” and creates an empowering culture. F. Use integration to help staff grow professionally. G. When developing new technology/software, talk directly to users before implementing. H. Improve overall communications and communication transparency. I. Improve hiring policy, practices and processes. J. Strengthen retention practices. K. Allow staff to make decisions at the appropriate level. L. Improve the organization to be more efficient and streamlined.	

Community Partner/Provider Focus Group Meetings	
Top Strengths	**Top Weakness/Barriers**
• Competent frontline staff who work hard; staff are culturally competent; staff have a wealth of education and knowledge. • Relationships: people-to-people works well here. • Creative Leadership; new models of service delivery. • Public/private partnership working with tribes successfully. • DHHS makes efforts to stay current, up to date, and looks forward towards future trends. • Successful at obtaining grants; existing structure is able to leverage financial resources. • Enrollment is outstanding. • CalFresh marketing/partnerships. • System of Care – w/increased communication of stakeholders. • Seamless transition for Partnership Healthcare. • Community inclusiveness/collaboratively strong. • TAY Programs (transitional age youth programs). • Translation services for all health, psychology and court service. • Seamless delivery of service. • Expanding services to diverse population. • New regional Medi-Cal services – Drug Medi-Cal. • Integrated department is more cohesive. • Working with tribes and expanding services to diverse population. • DHHS has a strong reputation as being a leader throughout the State & region.	• Some community members expressed intimidation. • Constructive feedback is not always welcome. • There is poor communication throughout the organization; barriers exist between management and frontline staff. • DHHS is too bureaucratic and has silo leadership. • Services are too centrally located. Outlying areas are not well served; especially related to access to mental health and substance abuse treatment; geography is a large area to cover and needs improved community outreach. • Hiring practices and retention issues: inability to retain staff; challenges with recruiting new staff; negative perception of how leadership positions are filled; lack of diverse workforce. • Communication & collaboration between staff & other agencies. • Dollar-driven not client driven; funding allocations are ridged. • Lack of mental health services in schools. • Foster care system unable to keep up with the need; lack of training & support for foster parents. • Insufficient planning and community coordination with discharged patients. • Lack of private sector partnerships. • Homelessness problem. • Collaboration between faith-based organizations and DHHS. • Union issue on the table will be a significant challenge for new person. • Lack of responsiveness by DHHS to inquiries by partner education and community based agencies.

Top Opportunities/Recommendations

Though similar themes emerged from all the focus groups and individual interviews, community members, partners and providers pointed to several areas the Department should address:

A. Hire a director who will: be a culture change agent, and improve communication internally with the community; will create a culture that fosters effective leadership with shared goals, and who is receptive, open and has honest communication; works collaboratively with partner agencies and stakeholders; ensures communication is two-way; involves community partners in process improvement.

B. The lack of Foster Care placements is having an impact on the placement stability of children in the Child Welfare System. Children too often change placement while they are in Foster Care. The Department needs to be responsive to foster parents and strengthen their relationship to retain them. Request from the community is to create Foster Care parent support, including foster parent support groups, and provide childcare and respite care for foster parents. Note: The California Legislature has recently enacted AB 403, intended to promote a continuum of care within local Foster Care systems in each California County.

C. The relationship between DHHS and Humboldt County's K-12 Education community needs closer attention. Though the current Director has made it a priority to work with county education and school district superintendents, much more work is necessary in bolstering the partnership between DHHS and the education community. Tracking of requests and responses by the department is necessary to assure that the department is responsive to requests.

D. There are significant service gaps regarding mental health and substance abuse treatment. Although this is a challenge in many California Counties, these gaps require continuous attention, priority setting and responsiveness.

E. Faith-based organizations are ready to partner and provide help and should be supported by DHHS. The concern of proselytization by faith-based organizations has been a concern of many other counties; those issues can be negotiated effective via contractual agreements.

F. Continue the Transitional Age Youth (TAY) program for those aging out of foster care. The program has made a positive difference in the lives of those individuals.

G. Leverage local strength to achieve regional improvements.

Tribal Focus Group Meetings	
Top Strengths	**Top Weakness/Barriers**
• Staff who really care about their work, clients and want to impact positive changes; many care about the children and family they serve. • Some culturally competent staff; seeing some improvements with outreach to diverse communities. • System is set-up to succeed if used correctly. • Within the past year have experienced more openness to tribal input. • Experiencing a shift in the meaning of collaboration with the tribes. • Some change in attitude, improvements in cultural training and sensitivity awareness. "Cultural Coaches" have been put in place.	• Inconsistency in services being provided. • Perception that interdepartmental communication and synergies are inconsistent…"Left hand doesn't know what the right hand is doing." • Perception that Tribes are generally not heard or considered. • DHHS doesn't include all Tribes in meetings (only Title IV-E Tribes). • Child Services are not a seamless delivery of services; Tribal advocates are needed to get effective services. • Staff turnover is high; inexperienced staff can't communicate what services are available to consumers. • Top heavy administration; decisions are made at the top; line staff have no decision making power. • Too many levels of management; not enough line staff. • Too difficult for families to access services; public transportation is limited; hours of service futile. • Forums for communication are inconsistent; Tribal members have become frustrated and disengaged, and lost confidence and trust in DHHS leadership. • 39% of the foster children in the County are Native American; foster parents lack training; classes and meetings take place during working hours. • Foster children who need therapy wait too long to receive services – causing added trauma/challenges. • Programs offered, but services are not actually available (due to lack of staff with specialized training to support programs). • Lack of culturally competent mental health providers; lack of services and staff. • Lack of sexual abuse education, investigation or treatment plans offered. • Lack of response by DHHS and law enforcement responding to calls regarding child concerns. • Lack of alcohol rehab and other services for non-incarcerated youth. • Too many steps required to get a client in treatment. • Child perpetrators have to receive treatment outside the County. • No group homes, no therapeutic foster homes; special services are provided outside the County.

Top Opportunities/Recommendations	
A. Put Child Welfare budget dollars towards "boots on the ground" services that help children and families. B. Empower frontline staff to make decisions and implement change. C. Adopt and implement an "evidenced based process" for cultural coaches and Tribal natural healers. D. Be creative within the Medi-Cal funding opportunities; benchmark State of Alaska for examples they are doing in this area. E. Executive management needs to follow through and take action, have integrity, walk the talk, care about community and Tribal members receiving services. F. Provisions of Independent Living Programs Services (ILS) for youth from 16 to 21 should include kids in the outlying areas; decentralize to the east area. G. Create culturally based treatment programs. H. Partner with the United Indian Health Agency. I. Include all Tribes in service delivery and program conversations, not just Title IV-E Tribes. J. Complete a needs assessment to identify the highest need for services before expanding the decentralization program.	

VI. Potential Critical Issues in the Department

Section V. is a summary of the most frequently noted SWOB indicators and presents an overview of the department culture and strengths, weaknesses, opportunities and barriers to success. The information below addresses many of these most critical issues brought to light through all of the research and information gathering process.

A. Community Health Outcomes and Quality of Life Impacts:

Strengths:

- Department collects a large amount of data and reporting is comprehensive (e.g., the "Integrated Progress and Trends Report, 2014, Quarter 4" report includes data on all services offered by the Department).
- Based on survey results, community partners are appreciative of the availability of data received from the Department.

Weaknesses/Barriers:

Data / Quality Improvement

- Data is not used to identify high priority services for improvement.
- Data may be used for decision making, however decisions are made at the top of the organization rather than in collaboration with clients, service providers and staff.
- Department-wide staff participation in data-driven decision making is limited.
- Publication of data is controlled by executive management.
- There is a perception that the data is being manipulated to present a "better picture."
- The Trends Report presents a significant amount of important data, but the reports generally do not identify those outcomes, either positive or negative, that are of importance to the community and to the Board of Supervisors. The report does not include a health outcomes ranking for the County. In addition, the data is not being used to identify and inform the Board of Supervisors of high risk areas for the County.

Children's Foster Care

- Issues related to children in Foster Care are not being adequately addressed, including:
  - Foster Care placement shortages (child welfare).
  - Lack of stability for children in placement.
  - Lack of education, training and support for foster parents.
  - Reactive problem solving instead of proactive/preventative approaches.
  - There is a perception that there is a lack of responsiveness to calls for service.

Work Participation Rate (WPR)

- Federal requirement for County WPR is a 50% participation rate
  - Humboldt County CalWORKs clients WPR is 14.9%; near the bottom of the 58 counties in the state.
  - California statewide WPR average is 26.8% (this represents all 58 counties); it should be noted that the overall average in the State of California as a whole is well under the requirement and poses a financial risk to the Humboldt County General Fund.

- The WPR data is included in published reports, however in these reports it is not identified as a significant risk to the County General Fund.

- **Actual County WPR Significant Risk**: Due to the low WPR, California is at risk of paying a $587 million penalty. If the State of California is fined by the Federal government, all 58 counties in California will share in the penalty, which is estimated to be $293 million.

- Although we are unable to calculate the risk specific to Humboldt County it will likely be a significant impact to the County. While other rural counties are also experiencing low WPR, if the State is sanctioned, all counties will be required to pay their proportionate share.

- While employment services are available to CalWORKS clients, the Department does not have a specific action plan to improve their WPR rate. California Department of Social Services (CDSS) has contracted with national organizations (such as the RAND Corporation and the American Institute for Research) to improve the WPR statewide in California. County Welfare Directors Association (CWDA) is coordinating the Counties in this effort.

The California State Association of Counties summarized the challenge: "The role of counties in the health and welfare of Californians is on the threshold of major change and restructuring. State and County policymakers prepare to redefine health and human services in the context of Federal health care reform. Counties are on the cusp of major changes in the health care system; healthcare, and the County role will be dramatically different by the end of the decade. The challenge to counties: bring it to scale at the local level." [4]

Opportunities/Recommendations:

VI. A. 1. Recommendation: Health Data and Strategic Planning – Develop a new the DHHS Strategic Plan that includes DHHS and County Staff, and community stakeholders. This Strategic Plan should prioritize desired critical outcomes and top strategic goals. The Department's Trends Report should be transparent as well as useful to staff, to the community and to the Board of Supervisors. The Trends report should clearly articulate how well Humboldt County is doing on improving health outcomes. Based upon Healthy People 2020, there is a fairly standard set of critical health outcomes, which have been adopted in many communities. The Robert Wood Johnson Foundation produces an annual report ranking California counties based on a composite score of approximately 20 indicators, including clinical care and healthy behavior, and includes environmental, social and economic factors. Humboldt ranks 48 out of 58 counties on this scale.[4] Rankings have their limitations; however, they serve as a scorecard

[4] Robert Wood Johnson County Health Rankings, 2013.

and benchmark and are utilized by communities to assist in the process of prioritizing their efforts to impact overall health. The California Center for Rural Policy at Humboldt State University publishes health rankings for Humboldt County along with six neighboring rural counties to compare against.[5]

- To improve the Trends Report and make the data more useful and meaningful:
  - Solicit feedback on current reports by convening a group of community stakeholders who are already engaged with the Department to review the current report and identify its strengths along with suggested improvements needed.
  - Through this participatory process, the data can tell a story that can be useful to inform what actions can/should be taken to improve outcomes.

VI. A. 2. Recommendation – Health Data - Secure Services for a Vendor who provides Web-based Health Indicator Data and Reporting: DHHS should secure the services with a vendor who provides web-based health indicator data and reporting. There is a vendor who provides these services. This vendor can provide a review of health indicators and solutions, which should be presented in an open, transparent and accessible way to community and County stakeholders. These reports captures approximately 170 key health indicators from national, state, and public sources and publishes them to the community in a digestible, dashboard fashion. It compares a County's health outcomes against state, national and peer Counties. It also compares the County to the "ideal target" of "Healthy People 2020." In addition, it links each of these indicators to strategies from around the country that have successfully addressed these health indicators. These strategies have been approved by the Centers for Disease Control and Prevention and the National Association of County & City Health Officials (NACCHO). The cost for this program is approximately $5,000 and the maintenance and updating of the local website with the most up-to-date data is currently $6,000 annually. These services will be integral in assisting Humboldt County in identifying key health issues and in assist the community health stakeholders with solutions. An example can be found on Sonoma County's Website: http://sonoma.networkofcare.org/ph/county-indicators.aspx#cat1.

VI. A. 3. Recommendation: Health Data – Organize a Committee of Community and County Health Care Stakeholders: Data should be reviewed and strategies to improve outcomes should be made by a committee of community and County health care stakeholders and County elected officials; this committee should not just include DHHS staff and contract representatives. The committee should prioritize what is most important in the community: chronic diseases, pregnancy, obesity, suicide, etc. Once priorities are set, the committee should create an action plan and identify and implement tools to measure improvements over time.

- **Develop External and Internal Dashboard Committees to Prioritize and Track Success**:
  - Develop an internal and external dashboard
  - Suggest monthly strategy meeting to update and address new issues, concerns, or changes.
  - Quality improvement projects should also be on the dashboard.

  Note: see Appendix # 5 for a sample dashboard.

[5] California Council for Rural Policy, Community Health and Wellness Indicators.

VI. A. 4. Recommendation: Quality Improvement – Implement an internal continuous quality improvement approach and philosophy throughout DHHS. Focus can include outcomes based on the data identified as either high importance to the community, and/or as a high risk factor to the County. Include all levels of staff in the quality improvement process, and ideally other key stakeholders.

VI. A. 5. Recommendation: Foster Care – Implement a Continuous Improvement process to increase the number of foster families in the County and to provide foster families with the support they need to improve permanency for children. Utilize a process similar to the logic-model process to identify the root causes impacting a breakdown of the support system for children who have been removed from their homes. Include key stakeholders (Family Resource Centers, foster families, foster family agencies, associations, community partners, etc.) in the continuous improvement process.

VI. A. 6. Recommendation: Work Participation Rate (WPR) – A low WPR (low income families) highly correlates with health status; low income individuals are more likely to have unhealthy lifestyles. Work closely with CWDA and CDSS towards a solution and/or strategic approach to improve WPR (Federal requirement for County WPR is a 50% participation rate and Humboldt County CalWORKs clients WPR is 14.9%; near the bottom of the 58 counties in the state).

Due to the low WPR, California is at risk of paying a $587 million penalty. The 58 California Counties that do not meet the WPR share in any penalty the State may incur and, if fined, could be liable for $293 million (divided among various Counties). Humboldt County's Administrative Office and the Board of Supervisors should monitor this closely as it poses a financial risk to the County.

B. Impact of Affordable Care Act (ACA)/Mental Health Services Act (MHSA)/ Public Safety Realignment via Assembly Bill 109 (AB109)

Strengths:

ACA Implementation/MHSA: As part of the implementation of the ACA, DHHS has a regional call center contracted with Covered California, which provides enrollment services to individuals seeking health care coverage. The center has been very successful in enrolling clients in Medi-Cal and other low cost insurance, and managing the call volume. There is also the added advantage that during slow periods, staff is able to work on any backlog in eligibility cases, and at the present time, annual renewals are close to 100% on time.

DHHS actively worked to enroll all of its medically indigent clients (formerly enrolled in the County Medical Services Program or CMSP) into Medi-Cal and have reduced their caseload from an average of 2,781 cases per month to only a few cases monthly, which is a significant achievement.

DHHS will be able to bill for reimbursement through Medi-Cal for additional services provided due to the expanded eligibility and behavioral healthcare benefits under the provisions of the ACA.

DHHS has used the MHSA funds to fill in gaps in services, especially support services which cannot be billed to Medi-Cal, including Transitional Age Youth (TAY) programs, which have been perceived as very positive by the consumers and the community. DHHS recently provided the Board of Supervisors with an update on the MHSA programs, and a new three-year plan. A community-wide planning process was conducted in coordination with the local hospitals' community benefit assessment planning process. MHSA is attempting to fill the gaps in service delivery to people experiencing homelessness, transitional age youth (TAY), and other high priority clients.

AB109 has presented an opportunity for the health and human service sector to work closely with the law and justice sector regarding the provision of services to clients they may often "share." The local Community Corrections Partnership (CCP) has provided oversight on the use of these funds, specifically distribution to enhancing law enforcement capabilities and to expand mental health and substance abuse services for re-entry clients. DHHS has participated in this process. Humboldt County has one of the highest rates of CCP funding dedicated for direct services. This indicates that the stakeholders feel the services are critical for a smooth transition back into the community for ex-offenders.

Weakness/Barriers:

ACA Implementation: The larger impact of the ACA is related to the expansion of behavioral health services, including both mental health and substance abuse services. The ACA requires that Medi-Cal clients receive the same level of behavioral health care as those in the community at large. The capacity of the existing safety net system is unable to handle the increased demand for services.

As described below, the State has created a dual system of care for mental health services, with responsibilities for care in Humboldt County split between the County and Partnership Health Plan of California (PHC). The expansion of Medi-Cal to those previously considered ineligible has already had an impact on the demand for behavioral health services. Most counties, including Humboldt, are struggling to keep up with the demand for substance abuse services. Counties have primarily served substance abuse clients who are involved with the criminal justice system, pregnant women, and parents involved with Child Welfare Services, with most of the services provided via community based providers. Those newly eligible Medi-Cal clients are likely to require different types of services, including those available through primary care.

Under the new State guidelines, Mental Health services have been bifurcated. Partnership Health Plan of California (PHC) is responsible for services to individuals who are assessed as "not" seriously and persistently mentally ill, while the County is responsible for those who are.

The County will have responsibility for clients who are considered the most seriously mentally ill, often with chronic conditions, and who are most likely to at some point be hospitalized due to their illness.

The County will also have responsibility for providing behavioral health services to public assistance clients (CalWORKs and Child Welfare), as well as those in the criminal justice system. Clients will likely have difficulty managing across two systems of care, and there is a risk of patients not receiving timely services.

Risk: The impact of this system change has not been assessed by the State. Due to the dual responsibilities between the County and Partnership Health Plan, the County could run the risk of providing services for which they will not be reimbursed, and/or failing to provide services when necessary.

MHSA: Members of the Humboldt County community have perceptions that may be driving unrealistic expectations regarding how MHSA funds can contribute to addressing the issues of homelessness and the gaps in needed mental health services for educational institutions to provide services for special education.

- Some community members have expressed an interest in having all homeless residents referred for mental health services. Homeless individuals who need mental health services should be referred to DHHS regardless of funding sources. However, it is unlikely that all homeless persons need mental health services. MHSA funds in Humboldt County have been fully committed in the current three year plan, which was prepared with considerable input from consumers, stakeholders and the community. The three year plan identified homelessness as a priority and funds were appropriated for a new Innovation Project to establish a Rapid Rehousing Project. Funds will be used to provide housing, peer support and supportive services for homeless mentally ill clients. Participation in the project includes the Humboldt Housing and Homeless Coalition, City of Eureka, Police Department, Redwood Community Action Agency among others. The existing Multiple Assistance Center that has provided services to families has been transition to a short-term housing facility that will accommodate up to 80 people, including adults with serious

> Homelessness is one of the most difficult human service problems counties face. The causal factors and needs of people experiencing homeless vary widely, and therefore there is not one but rather a variety of solutions required to solve the problems. Those communities most successful in addressing these issues across the United States utilize a collaborative effort involving local law enforcement, community leaders elected offices, health and human services providers, nonprofit organizations, business and property owners, partners from the faith communities and representatives of people who have or are experiencing homelessness. Focusing on diverse and varied solutions is critical.

mental illness. However MHSA resources fall significantly short of providing these services.

- There is a history and tension regarding mental health services being provided between schools and/or counties in California. For many years, under the provisions of AB 3632, counties were responsible for provision of mental health services for Seriously Emotionally Disturbed children. Under the jurisdiction of the County, services could be provided to SED children and be reimbursed by Medi-Cal when appropriate. In some counties this worked well, but in many counties, parents advocated strongly for schools to provide the services. In 2010, AB 114 shifted responsibility, and funding, from the counties to the schools, while counties retained responsibility for providing mental health services to non-SED children on Medi-Cal. This has created a number of issues and a lack of clarity regarding the role of schools versus the role of the counties. Schools are not able to bill Medi-Cal for services, unless they develop a Memorandum of Understanding with the county. The result of AB114 has been a lot of confusion, and a breakdown in relationships between schools and counties. Humboldt County's most recent three year MHSA plan includes a new school based project, developed jointly with the superintendents of local schools, referred to as School Climate Models, which will train school personnel in recognizing early signs of mental illness or emotional disturbance.
- Though the relationship may be improving between superintendents and DHHS at the highest level, the relationship between the school sites and DHHS staff need better communication, processes and programming coordination.

AB109 Concerns have been expressed regarding DHHS' requirement that the services provided must be evidenced based. Some DHHS staff members have appeared rigid in their positions, and have not been perceived as working in a collaborative fashion with the members of the CCP. This has weakened relationships and reduced trust, which is detrimental to providing services in collaboration with essential community partners.

Opportunities/Recommendations:

VI. B. 1. Recommendation: Monitor and Inform re: Partnership Health Plan (PHC) of California – Ensure the Quality Assurance team is routinely monitoring visit data to ensure services provided are reimbursable. DHHS needs to ensure that the protocol between PHC and DHHS for screening clients is clear and workable and that there is a reasonable process to ensure clients receive services, especially if they cross over between the two systems. Consumers and their families should receive information regarding managed care changes; community partners should also be made aware of the new system, and the potential problems.

VI. B. 2. Recommendation: Expand Capacity – DHHS has been working with providers to expand capacity. This effort should be intensified and include medical providers serving the Medi-Cal population, as well as hospital outpatient programs.

VI. B. 3. Recommendation: AB109 – DHHS should continue to work cooperatively with its other partners regarding the types of services provided and discuss the merits of best practice models applied to a criminal justice population. Efforts should be made to find reasonable solutions so the goal of reducing recidivism can be achieved. A shared understanding of the desired outcomes, as well as shared responsibility, is critical.

VI. B. 4. Recommendation: MHSA – To help address the community's expectations regarding mental health services and residents living with mental illness (including those people experiencing homelessness who are also living with mental illness), DHHS should improve public awareness regarding available services, and help residents also understand barriers to solving the problem.

Efforts should be made at all levels within the County to engage the community in developing realistic goals and workable strategies to reduce the impacts of homelessness on the County. Homelessness is one of the most difficult human service problems counties face. The causal factors and needs of people experiencing homeless vary widely, and therefore there is not one but rather a variety of solutions required to solve the problems. Those communities most successful in addressing these issues across the United States utilize a collaborative effort involving local law enforcement, community leaders, elected offices, health and human services providers, nonprofit organizations, business and property owners, partners from the faith communities and representatives of those who have or are experiencing homelessness. Focusing on diverse and varied solutions is critical. Humboldt has formed the collaborative Humboldt Housing and Homeless Coalition, implementing Mobile Intervention and Services Team (MIST) and other programs. MIST combines law enforcement officers and mental health workers in street level interventions for persons experiencing homelessness with mental illness. DHHS should continue to participate in these programs and inform the public about them.

VI. B. 5. Recommendation: Schools – The Director currently has regular meetings with all Humboldt County School Districts Superintendents; and these meetings should continue. The DHHS Director should involve line staff in collaborative working groups at school sites and ensure staff is accountable to the concerns of the schools. School Districts to be served should be identified based on the highest need. In addition, a school's strategic plan should be developed with clear goals and ideal outcomes identified. A communications plan should also be developed and implemented regarding these services and the successes achieved through this collaborative relationship.

C. Effectiveness of Community Partnerships

Strengths:

- DHHS has implemented a number of programs with community partners. One of the key components of the Department's strategy is to geographically decentralize services as exemplified by their partnership with the Family Resource Centers (FRC).

- DHHS has contracted with the network of FRCs to provide a wide variety of services, including enrolling clients in Cal Fresh, and providing alternative response services to clients who need assistance but who do not meet the level of need required for intervention from Child Protective Services. The services, sometimes referred to as "place-based," have been very successful, primarily due to the ease of access and culturally appropriate provision of services. Clients have better access to services, resources of DHHS are used effectively, and the local FRC is supported. The McKinleyville Center is considered the model community center and has been designed to meet the local needs of the community. The active participation of the Director of DHHS in the development of this model was one of the key factors in its success.

- Recently, DHHS implemented a new program with one of its partners, the Redwood Community Action Agency, to operate a housing program for adults experiencing homelessness, which will include services provided on site by DHHS staff. This program can also serve as a step-down placement for clients who remain in the Sempervirens Psychiatric Health Facility (given the lack of any other appropriate placement). The criminal justice re-entry program could also utilize the facility as an option for initial placement.

- DHHS operates two mobile vans, primarily providing health related services, which are available at a number of community locations, including homeless centers, FRCs and libraries. All of the feedback regarding the mobile vans was positive.

- DHHS has an Administrative unit to oversee the processing of contracts, which helps to ensure basic compliance with regulations. All contracts in the Department are processed through this unit, which is understood to improve compliance with program requirements.

Weakness/Barriers:

- The availability of community-based organizations in Humboldt is limited. The multi-service type contracts have been limited primarily to FRCs.

- DHHS coordinates some of its activities with the schools, but there are no formal contracts for services provided on site. While staff has been assigned to coordinate with the school districts, there have been periods when they were not available due to staff being re-

assigned or to turnover. The lack of continuity has contributed to difficulties for the school districts to coordinate and communicate effectively with DHHS.

- DHHS also has limited involvement with the faith-based community, which are often support organizations to assist with re-entry programs and other needs (such as homelessness) in communities.

- California has an aging population. There are few programs and services targeted to this population, and there is a lack of strategic planning for the impending aging population growth in Humboldt County, and the state.

- The Tribal communities perceive an assertiveness approach to enforcement and policy versus an engaged, collaborative approach to partnering to effectively leverage the varying requirements and standards for better outcomes for clients. The Tribal communities also experience a lack of inclusion in how they are informed and engaged in service delivery options and requirements, which is perceived to create limitations to addressing the needs of their local communities.

- Although survey results indicate positive relationships exist with the many of community partners and DHHS, based on some key informant interviews, some extreme challenges exist with a few community partnerships. Some providers fear financial retribution if they disagree or are perceived to be in opposition with DHHS. This culture does not foster partnership, collaboration, or an open honest dialogue to address issues needing improvement and effective outcomes; some community partner/provider relationships are strained and need mending.

Opportunities/Recommendations:

VI. C. 1. Recommendation: Develop Contracts with Community-based Organizations – DHHS should continue to develop contracts with community-based organizations to include provisions for multiple services at single sites in different parts of the county. Services may be provided by more than one organization, but co-located to improve access. Development of more geographically decentralized programs targeted at specific populations should be pursued. In some cases, expansion of services provided at the FRC would provide a more effective method of service delivery.

VI. C. 2. Recommendation: Multi Service Contracts with Schools – Humboldt County should work more collaboratively with school districts to achieve optimal outcomes for the community. DHHS should contact Humboldt County School Districts to determine if schools are interested in multi-service contracts at school sites. Programs could include MHSA prevention, nutrition, parenting classes, etc. The concept of utilizing the school site as a community center is likely to work well in rural areas, where the school may already be serving informally as the community

center. There is a statewide and national trend to bring health and human services closer to the students and their families, also known as Community Schools.

VI. C. 3. Recommendation: Outreach to Faith-based Community – DHHS should increase outreach to the faith-based community to enhance services. The faith-based communities could provide key services to help people reenter into the community successfully (e.g. foster care, TAY, reentry services, senior services, etc.). Some faith-based organizations are reluctant to contract with governmental entities due to requirements related to non-proselytizing. However, these issues have been resolved successfully in other communities.

VI. C. 4. Recommendation: Decentralize Services – Continue the DHHS initiative to decentralize services (e.g., McKinleyville Collaborative). However, expansion of decentralized services should be strategically coordinated to align with DHHS priorities and community needs.

VI. C. 5. Recommendation: Tribal Cultural Competence – Partner with the Tribal communities to provide culturally competent, effective services and that achieve ideal outcomes for the County and Tribal members. DHHS staff that are properly informed of Tribal customs and possess knowledge of Tribal mores, rules and regulations would be better able to serve these community members.

VI. C. 6. Recommendation: **Build Tribal Relationships** – The new Director will want to meet with Tribal members and leadership to understand and address concerns and foster future effective and functional communications. Although communications have started, there is a lack of consistency to address current, new and ongoing issues.

D. Opportunities for Regional Collaboration

Strengths:

- DHHS has several community initiatives in place, including those related to Emergency Medi-Cal Services, Nurse Family Partnerships and the Covered California Call Center.
- DHHS has formed a workgroup of health providers and other partners to develop plans to expand behavioral health services and other services related to the ACA.
- The Administration Division within DHHS provides administrative support to a number of projects that are being implemented jointly with neighboring counties, reducing costs for each of the participating counties; including Humboldt County.

Weakness/Barriers:

- Based on survey results and interviews, there is a mix of positive and negative collaborations.

Barrier: Rural Challenges – Rural Counties, such as Humboldt, face unique challenges in delivering health and human services. With large expanses of undeveloped land, the

geographical dispersion of Humboldt's residents makes it difficult to provide efficient services and offer a full continuum of care in each of the local communities. The ACA also requires that clients receiving services through Medi-Cal must be able to access all mental health and substance abuse services that are available to the community at large, and it is expected that the vast majority of these services will be available at the client's "medical home" (i.e., their primary care provider).

Opportunities/Recommendations:

Opportunity: Economy of Scale –The Federal government has identified and prioritized the need to work with rural counties to find creative approaches to address the issues they face. This includes the difficulty of recruiting the workforce needed to provide the services and the reduced opportunities to achieve economies of scale due to the low density of the population. Humboldt County should actively seek Federal funding to meet the needs of these rural communities.

Opportunity: Rural Challenges – DHHS and County leadership have performed well through leadership and foresight to address rural county issues, and the County is well positioned to address current and future challenges in this changing landscape of Health and Human Services. DHHS should continue to take the lead in working with health care providers in the region to develop new service delivery systems which address economies of scale in order to be efficient, including:

Expanding substance abuse services related to the ACA.

- Partnering with neighboring counties on a number of health related regional initiatives.
- Serving as the regional call center for Covered California through an agreement with the State.

VI. D. 1. Recommendation: Regional Approach to Addressing Challenges – As previously referenced, a regional approach should be considered in developing plans to respond to the impact of the ACA and the requirement to provide a comprehensive Continuum of Care. Collaborative approaches are proven essential in addressing homelessness and Humboldt should continue to actively engage and expand its collaborative efforts.

VI. D. 2. Recommendation: Economy of Scale and Rural Challenges – Collaboration among healthcare providers and coordination with the County needs to be continued to address Economy of Scale and Rural County opportunities.

VI. D. 3. Recommendation: Decentralized Services – DHHS' centralized administrative structure accompanied by the geographically decentralized service delivery model discussed above could easily be adapted to serve multiple counties. Humboldt County is viewed as a leader among rural counties in California, and is uniquely positioned to partner with neighboring counties to develop a regional model for an integrated human services region.

VI. D. 4. Recommendation: Regional Policy – It is important that County leadership provide policy direction to DHHS and other County departments regarding regionalization. By doing so, the County can engage in a coordinated and more cost effective effort to develop regional projects, rather than addressing each project on an individual basis.

E. Organizational Structure and Effectiveness

Strengths:

The Department has successfully merged the administrative functions of three formerly separate departments, and has maintained this infrastructure in spite of the recent economic downturn. DHHS has developed and implemented a consolidated department that has been the basis for developing co-located services and strong partnerships between previously separate organizations. The Department has added services, including research and planning, training, and legislative analysis support, thereby increasing service capacity levels which previously were minimal or non-existent.

Weakness/Barriers:

- **Reporting Relationships of Executive Management:** The staffing configuration at the top of the organization is not conducive to fostering a responsive, proactive or transparent agency.

  There are two Assistant Directors: one primarily overseeing administration and day-to-day operations; the other oversees all program functions in the Department. The managers in charge of Social Services, Public Health, and Mental Health all report to the Assistant Director of Programs.

  In most cases, the executive staff of an agency such as DHHS would report to the Director. They are expected to operate with minimal oversight, essentially managing their service area as a quasi-department head. Open, direct and regular communication between the DHHS Director and executive managers is essential. The lack of direct interaction with the Director interferes with the Director's role of ensuring that operations are consistent with the Department's mission. The current arrangement does not foster a culture of empowerment, could potentially result in loss of managerial control, and is counterproductive to interagency collaboration.

- **Oversight of Programs and Span of Control:** Two of the critical areas of operation within the Department are two levels away from the Director:

- The health and safety of children is one of the most important policy issues and is likely to create the most concern in the community when things go wrong. The Deputy Director of Child Welfare and the Deputy Director of Children's Mental Health are two critical positions overseeing the health and safety of children in the County. However, these positions do not report directly to the Department Director. Due to the higher risk factor to the County, both positions should be more closely tied to the Department Director; communicating and interacting on a regular basis to effectively problem solve and expand awareness of already successful programs.

- Mental Health Children's Services is included under the Social Services Branch, a move intended to begin the process of integrating children's services. However, there is no formal arrangement for oversight of Children's Mental Health services by the Mental Health Branch Director or the Medical Director.

- Mental Health is a clinical service and requires that staff receive supervision either directly or indirectly from appropriately licensed and credentialed managers and supervisors to ensure appropriate delivery of medical care. A risk of serious injury to patients is high with the current structure. There are numerous Federal and State regulations which require a coordinated response from the County, incorporating both Children's Mental Health and Adult Mental Health services. In addition, both Children's and Adult's Mental Health Services are funded through Realignment, MHSA and Medi-Cal reimbursement. Responsibility for these revenues, including appropriate billing for medical care, is not clearly assigned to one Branch Director thereby disseminating oversight and responsibility, making the clients and system vulnerable. In addition to the risk to patient care and fiscal management, there is an additional risk to the County General Fund if billing is done incorrectly. If billing is not done correctly, federal reimbursement could be jeopardized and therefore the cost for the services would fall on the County General Fund.

- We recognize that administration works in a team approach with the Branch Directors, however ultimately there needs to be someone with clinical, medical and program expertise who has final decision making authority.

- **Disproportionate Workload:** The Branch Director for Social Services is responsible for a disproportionate number of programs (eight major programs), with a broad scope of services and multiple functions, including:
  - Child Welfare Services
  - Children's Mental Health
  - Eligibility Services
  - Employment Services
  - All Aid Programs
  - Adult Protective Services

- In-home Supportive Services (IHSS)
- Public Guardian

The Social Services Branch Director has responsibility for a far greater number of staff than the other Branch Directors and may have too many functions to be able to provide effective oversight. Due to the extensive oversight responsibilities, this Branch Director is likely to be inundated with administrative duties, making it extremely difficult to be responsive to emerging issues in a timely manner.

The Public Health Director oversees a number of categorical programs including Environmental Health, Communicable Disease Control, Maternal and Child Health, Emergency Medical Services and Health Education. These programs are all related to core public health functions and state and federal mandates.

The Mental Health Branch Director is responsible for two major programs: the Mental Health Adult Services Program, and the Adult Behavioral Health and Recovery Program. Responsibility for these programs is shared with the Mental Health Medical Director who directly supervisors the medical staff.

- **Environmental Health** – Environmental Health was mentioned for consideration to determine if it should reside in DHHS or in another County Department. Land use functions within Environmental Health seem to be the driver regarding this organizational change. Research indicates (CSAC – California State Association of Counties, County Structure) 33 out of 58 Counties in California have Environmental Health within the Public Health Department, with the balance located in separate agencies or standalone agencies.

- **Management and Support Staff Positions** – There is a perception that DHHS management is too bureaucratic, and too "top heavy" (which was heard from several stakeholder groups). While this study did not conduct a job analysis for any positions, this possible weakness, or "top heavy" perception, was explored by identifying and examining other organizational reporting structures with benchmark counties.

  There are some positions allocated as "management" that do not appear to supervise/manage other staff, or oversee only one or two staff positions. The management structure within each branch varies, and does not appear to be based upon a risk assessment to determine the level of oversight needed (e.g., high-risk programs would need more oversight/management).

  <u>For example</u>: in Mental Health, a Program Manager is reporting to a Senior Program Manager. The extra layer of a "Program Manager" appears to be unnecessary.

However, before any conclusions regarding any staff positions can be made, position and organizational analysis will need to be completed.

- **Organizational Communications:** Communication within the Department is not organizationally effective.
    - The Branch Directors for large service areas are not routinely involved in decision making, and have minimum involvement in budgeting.
    - Planning is also primarily done without involvement from Branch Directors. These functions should minimally include the Branch Directors. Planning should be done on a much wider basis, with input not only from staff, but also from outside the Department by key stakeholders.
    - Management team meetings have been discontinued and/or rarely take place. The Branch Directors do not meet together on a routine basis. Staff does not appear to be involved, or adequately informed of shifts in program direction, or DHHS vision, direction, etc.

- **Decision Making Process:** DHHS utilizes a process entitled Rapid Cycling, described in the DHHS strategic plan and elsewhere, which appears to inadvertently support a "top down," hierarchical structure, limiting executive management participation in decision making. This process is intended to implement projects, especially time-limited grant funded programs, quickly. However, the exclusion of senior management and other critical staff members in the process results in a lack of engagement and buy-in from staff at all levels.

  In addition, managers have indicated that there is little communication regarding new programs, program changes, hiring decisions, and budget issues.

Opportunities/Recommendations:

VI. E. 1. Recommendation: Reorganization & Staffing Changes – The new Director for DHHS should be supported in making staffing changes throughout the organization. It is further recommended that the new Director consider hiring professional support to assist with developing a plan, manage the organizational change process, and provide staff training. Hiring outside assistance will allow the new Director to develop a vision for the future, and implement the necessary changes while still managing the day-to-day business functions of the organization.

VI. E. 2. Recommendation: Organizational Culture – Some modifications to the existing executive management team structure may be necessary to strengthen the team and foster better communication from the bottom up. It will be critical for the new Director to embrace and model a participatory management style, as well as develop a strong executive management team that shares responsibility for program successes and problem solving.

VI. E. 3. Recommendation: Strategic Plan Development – The new Director and the executive team (including other partners as mentioned in recommendation **VI. A. 1.**) must work together to develop a new strategic plan and prioritize goals based on the needs of the community and the Department's capacity to effectively deliver services.

VI. E. 4. Recommendation: Environmental Health – If there are specific communications or service delivery issues (not identified in this report), or the County is considering reorganizing other environmental programs (e.g., planning and zoning services), a study or task force, including Board of Supervisor, CAO, Department of Health and Human Services, and Planning and Building Department and other representative stakeholders, should be created to further examine the issues.

VI. E. 5. Recommendation: Branch Director Engagement during Organizational Change – At the onset of any reorganization, it is important that the Branch Directors be full partners in the Department's decision making process. The new Director should have the opportunity to make changes at the executive level that will best support his/her management style and make best use of the knowledge and skills of all members of the executive management team. However, it is important to ensure Branch Directors are engaged and part of the organizational change process. Branch Directors are experts in their fields and provide the technical expertise in their subject areas and bring in-depth technical expertise and knowledge of program funding requirements that others may not be familiar with.

VI. E. 6. Recommendation: Oversight and Span of Control – As part of an overall review of the management structure at the senior level, the new Director should consider span of control and make adjustments as needed. Managers of critical service areas such as Child Welfare should have direct access to the Department Director, and not report to an Assistant Director. Regardless of the organizational structure, senior management should be able to communicate current and emerging issues directly to the Director and participate as part of the senior management team.

VI. E. 7. Recommendation: Mental Health Oversight and Disproportionate Workload – Given the department structure and state reporting requirements, The Mental Health Branch Director should be assigned responsibility for oversight of mental health clinical operations and fiscal management of both child and adult services. This can be implemented through "matrix management," with the Social Services Branch Director maintaining direct supervision and management of day-to-day operation of children's mental health, with the Mental Health Branch Director operating in an oversight capacity.

VI. E. 8. Recommendation: Management and Administrative Support Position Assessment – DHHS should request that Human Resources, through their staff or via consultant contract, review the DHHS management and administrative support positions to ensure that the positions are appropriately classified and appropriately allocated within DHHS to address the potential issue of too many supervisory or management layers.

VI. E. 9. Recommendation: Staff Empowerment through Collaboration, Communication and Decision-Making Processes – The new Director should take steps to actively re-engage staff in the planning process going forward. As noted in this report, the health and human services environment is changing rapidly and it is critical that staff are aware of these changes, and understand their role in implementation. One method to approach this is to develop a new strategic plan (see Recommendation VI. A. 1.), especially in light of the changes related to the ACA. The process should be as inclusive as possible, involving people both internal and external to the department, which will greatly increase satisfaction with the department and immediately begin to open up communication channels. Also, as part of demonstrated cultural competency, diverse solutions and approaches should be employed to pursue inclusive communication and respectful working relationships.

Staff should be genuinely empowered to make decisions that are appropriate to their level of responsibility within the Department. Empowerment goes hand in hand with responsibility, so staff at all levels of the organization need to be held accountable. In order for staff to feel empowered to participate authentically, DHHS should provide training for staff regarding expectations at every level within the organization.

F. Efficient Provision of Internal Support Services to DHHS (in-house & centralized services)

The following strengths, weaknesses/barriers, opportunities/recommendations were obtained from interviews conducted with subject matter experts and/or end users of services in the County (both DHHS and Countywide services) related to information technology, human resources, audit and control, and facility services. It should be noted that:

- An in-depth analysis of these systems was not conducted to validate strengths or weaknesses identified from interviews.
- The bullets below bring concerns to light and suggest options to address concerns.
- Before any true conclusions are drawn, it is strongly encouraged that an in-depth analysis be conducted.
- It should also be noted that some barriers do exist in system processes, which are designed to follow rules and regulations required of various systems.

For example, human resources systems are very complex regarding mandates and requirements, which in DHHS are exacerbated by a dual system of services (Merit System and Centralized County HR Services)

Concerns highlighted may be systemic issues many counties are struggling to address, however Humboldt County could identify opportunities for improvements through a more in-depth

analysis of processes and procedures in critical service delivery systems that are perceived to be barriers or weaknesses.

Strengths:

- In-house DHHS Information Services (IS) section is managed well, and staff is knowledgeable about the Department's legacy systems and up-to-date on future Federal/ State program changes and legislation.
- The relationship with program staff works well.
- Systems upgrades purchased by DHHS have benefited the County as a whole.
- The Public Information Officer and the Legislative Analyst have served DHHS well by staying ahead of the curve to protect the interests of Humboldt County and to secure additional funding.

Weakness/Barriers:

- **Information Technology:**
  - In-house DHHS IS projects are not always well coordinated with Centralized (County) IT.
  - Centralized Information Technology (IT) has very limited staffing and has an enormous amount of work to do to upgrade both system software and all hardware countywide. In-house DHHS IS program is critical to day-to-day operations. Failure to respond to problems in real time means that all staff are "on hold" since nearly all programs now utilize "real time" online systems as a part of daily work (i.e., data entry becomes part of the immediate record/action and no more batch processes that records things at the end of the day). Because of these reasons Centralized IT is not well positioned to support DHHS IS' needs effectively.
  - Coordination of all IT projects, including DHHS systems, should ideally be done at the County level to achieve the most cost efficient results. However, given the current staffing level and organizational capacity in the County's IT Division, it will be very challenging to manage the significant amount of work needed to upgrade the County's antiquated infrastructure and take on additional oversight of DHHS systems.
  - It is unlikely that County IT has sufficient capacity or understanding of the critical functionality of DHHS legacy systems that would be required to provide both day-to-day and long-term management and oversight.

- **Payroll / Time Studies:**
  - Payroll is not automated. The process is very time consuming and could be a risk in terms of additional errors, and it is burdensome.
  - Staff in DHHS also completes daily, monthly or quarterly time studies that don't automatically sync with payroll data, which creates a revenue claiming risk.

- **Recruitment and Selection:** Merit Systems –
  - Merit Systems is currently staffed under a contract with Cooperative Personnel Systems (CPS), which will be undergoing some major changes. All staff members assigned to "social service functions" in DHHS are hired through Merit Systems; while all other staff members are hired through County Human Resources. Over the last 3-4 years, the Counties who use Merit Systems as their Human Resources Agency for Social Service and Child Support activities have engaged in a review of the system to simplify and streamline the process. That review has resulted in changes to State regulations that guide the operation of a Local Agency Personnel System (LAPS) in many of California's Counties including Humboldt County. It is expected that these new regulations will be adopted by the State before the end of 2015 and will offer local counties a number of options in how they conduct business with their Human Resources in the future. In Humboldt County, 53% of the employees at Health & Human Services who work in Social Service programs are currently covered by Merit System Services. The significant changes contained in the new Section 17021 of the LAPS Manual are listed in Appendix 6 – Merit System – Emerging Issues. In interviews with many Counties, who operate both a local Human Resource System and a Merit Services System, a disconnect was often found between the two systems; both at a systems and an operational level.
  - Centralized hiring practices are process driven (not strategically driven) and the time-to-hire a new employee is protracted. Some rules and regulations regarding hiring practices may be outdated and may be contributing to the delays and cumbersome recruiting and hiring practices.

- **Legislative Analyst / Public Information Officer**
  - DHHS dedicated Legislative Analyst staff are not coordinated with the CAO and relationships are not formalized. Without coordination, the Legislative Analyst may be working in conflict with County policy or identified goals.
  - DHHS dedicated Public Information Officer, and related activity, is not coordinated with the CAO or Board of Supervisors and not formalized. Without coordination, the Public Information Officer may be working in conflict with County policy.

Opportunities/Recommendations:

VI. F. 1. Recommendation: Consolidation of IT Services – An assessment, including County IT, should be considered to investigate potential opportunities for improved operations and efficiencies through consolidation or enhanced oversight of the DHSS IS function. County IT has been making extensive upgrades to systems and the County's IT infrastructure, however resources to do additional work are limited. At this particular point in time, assigning the additional responsibility to County IT to participate in such an assessment may not be possible, due to the other goals and objectives they are currently focused on. DHHS IS seems to be functioning well in delivering the critical day-to-day IT operational needs for the Department and should remain to do so until such time as an assessment is completed and all parties agree to an action plan to consider partial or full partnership with County IT. DHHS should continue to work cooperatively with County IT.

VI. F. 2. Recommendation: Payroll / Time study – Automate payroll and include DHHS time studies as part of the automation process. Form a user committee which includes representatives from HR, DHHS, Sheriff, and others identified by the CAO or the Board of Supervisors who will work with the Auditor-Controller (who is currently taking the lead on this project) to develop a plan, set timelines and work with departments to implement an automated payroll and time study system. Including an automated interface with the DHHS time study process in the payroll system will save time, be more accurate and ensure compliance with funding requirements.

VI. F. 3. Recommendation: Time to Hire – Conduct a workflow analysis of all steps in the hiring process to determine how the system can be improved to speed up time-to-hire. The workflow process should include user Departments such as DHHS, Sheriff, etc. The analysis should include a comparison of the time-to-hire for centralized recruitment as well as positions currently managed through CPS (Cooperative Personnel Systems, HR Consulting), Merit System Services. These studies need to be conducted before detailed recommendations can be made to the Board of Supervisors. This analysis should also examine how selection rules and regulations are being interpreted, what processes were put in place to meet those rules and which processes are antiquated. This is a challenge that many Counties are facing, but many are identifying more effective and efficient methods to recruit talent that are still compliant with civil service and other selection rules.

VI. F. 4. Recommendation: Merit System and Selection Process – Human Resources should coordinate with affected County Departments, primarily DHHS, and provide a recommendation to the Board of Supervisors in the near future in anticipation of changes to Merit System Services. It is recommended that one of the joint tasks assigned to County Administration, County Human Resources, and DHSS in 2016 be a review of the options available to Humboldt County with the overall objective to modernize, simplify and streamline the Humboldt County Human Resources System (See Appendix 6 – Merit System -- Emerging Issues for more details regarding changes at the State level).

VI. F. 5. Recommendation: Legislative Analyst/Public Information Staff – Consideration should be given to the appropriate reporting relationship for DHHS Legislative Analyst and Public Information staff, and the roles and responsibilities of these positions should be reviewed. Legislative Analysts and Public Information staff are typically located in the Board of Supervisors and/or the CAO's office. These positions typically communicate on behalf of the CAO and/or the Board of Supervisors. In larger counties, additional staff may be assigned to, or co-located with a major County Department; however they work closely with the Board of Supervisors and CAO. In the interim, a written procedure for Legislative Advocacy and for Public Relations should be developed by the CAO/Board of Supervisors and DHHS to ensure that the DHHS staff seeks advance approval for communications and messages where appropriate, and that the CAO is informed as needed regarding these activities.

G. Fiscal Management and Oversight

Strengths

- **Enhancing Revenue:** The overall budget of DHHS is $165 million, with staff of 1,238 allocated positions for FY2015/16 – stronger funding and additional staff provide more services for the community. These are relatively large numbers for a County the size of Humboldt, and this is due to the department's success accessing Federal funds. Success in implementing pilot projects and best practice programs has also resulted in grants, increased funds, in some cases increases in permanent funding.

- **Financial Management:** DHHS Administration Division provides the necessary financial management to support the Department including financial reporting to the State and Federal government. DHHS Administration is knowledgeable about the numerous requirements for claiming reimbursements in Social Services, and for patient billing requirements for mental health and substance abuse, seeking to maximize revenue wherever possible.

- **Healthy Reserve:** Despite the recent economic downturn, and the increased demand for services, DHHS currently has a fund reserve of approximately $7 million. While this report is not an audit, based on our review of budgets and a limited number of audits, it appears that this is an adequate reserve for the Department.

- **Use of Financial Flexibility to Serve the Public:** DHHS uses 2011 Realignment interchangeably among the branches, pursuant to language included in the 2011 Realignment Bill authorizing counties with integrated departments to do so. DHHS tracks all the transfers between Divisions. The Branch budgets are maintained separately, allowing costs and revenues to be attributed to the Branch.

- **Using Resources Wisely:** DHHS also uses its in-house resources to provide services between branches and "reimburses" the branch accordingly. *For example, nurses in the Public Health Branch provide services to families served by Child Welfare. The cost associated with the positions are charged to the Child Welfare budget and included in the social services claim for Federal reimbursement. DHHS is therefore able to draw down Federal revenue that would not otherwise by available to the Public Health Branch.*

- **Centralized Fiscal Management Advantages:** Fiscal management of the Department is centralized, which provides the best opportunity to optimize revenue. It also provides a level of control and consistency in fiscal operations that is necessary to support a consolidated department (See Appendix 7 for detailed information regarding the complexities of human services funding and associated revenue streams).

Weakness/Barriers:

- **Realignment Risks:** 2011 Realignment transferred all of the risks for the costs of the Realigned programs to the Counties. There is no mechanism for a county that experiences a sudden increase in demand for services to be reimbursed by the State, even though the State mandates these services. The potential for a shortfall in Realignment funds in any given year increases the County's risk. DHHS has established a Realignment reserve account which appears to be adequate at the present time, but there has been no outside actuarial review. 2011 Realignment established separate funds associated with the different programs that were realigned, creating a complex set of accounts at the State and Local level. The intention was to ensure funding levels for specific programs remained intact and that funding was distributed equitably to support each of the Realigned programs.

  For most counties, the 2011 Realignment funds cannot be re-allocated from one functional area to another. However, as noted above, Humboldt County and other officially authorized integrated counties are allowed to do so. The ability to transfer 2011 Realignment and other funds among the branches allows the Department to cover unavoidable revenue delays and unexpected costs by offsetting with revenues or savings from another branch. DHHS has utilized this authority to transfer these funds to manage budget shortfalls. While this is a benefit to Humboldt County, it can create greater risk for the County without adequate controls in place.

  The Board of Supervisors did not adopt any criteria or policy to direct when funds can be transferred, nor the mechanisms to do so. Lacking such policy direction, and with minimal oversight outside of the department, DHHS has utilized this authority to transfer these funds to manage budget shortfalls. This contributes to the perception that one division is "bailing out" another, and that management is not held fiscally accountable.

- **Compliance and Internal Audits:** DHHS has limited capability for internal audits and compliance.

  - **Compliance:** One person is assigned as the Department's Compliance Officer, and is primarily focused on privacy and confidentiality pursuant to the Health Insurance Portability and Accountability Act (HIPAA), with less attention on programmatic compliance. Fiscal staff in the department primarily focuses on budget preparation, monitoring expenses, and claiming revenue. There are limited staff resources to monitor fiscal compliance for specific programs, Federal Office of Management & Budget regulations and County policy. Given the large volume of separate programs with unique requirements, as described more fully in the Appendix, this creates a risk for the County.

  - **Fiscal Audits:** The Auditor-Controller's Department is not sufficiently staffed to monitor internal controls and does not conduct internal audits of County departments. DHHS

Realignment funds have not been audited by the State in recent memory. The auditing firm that prepares County's consolidated financial statements and the "single" audit is primarily analyzing Federal funds, and would not in the normal course of business detect any issues involving Realignment. In summary, there is little oversight within the County to ensure fiscal compliance.

- **Mental Health Budget Shortfall:** The Mental Health Branch has been experiencing a budget shortfall for the last several years. As approved by the Board of Supervisors, Social Services Realignment reserves have been utilized to offset the deficit. DHHS indicated that one of the factors contributing to the deficit was the implementation of a new patient management and billing system, which resulted in delayed billing and loss of productive staff time during installation and training periods. However, it should be noted that the deficit pre-dates the installment of the new system, and is in part attributable to other factors, including: productivity below expectations, costs for institutional placements exceeding expectations and increased costs for non-reimbursed services. Funding for Mental Health Services in California is extremely complex and most counties have difficulty fiscally managing these programs, especially related to billing for services provided to Medi-Cal patients. This is an area of high risk for the county and solutions need to be identified. Further information regarding mental health financing is included in Appendix 7.

Opportunities/Recommendations:

VI. G. 1. Recommendation: The Board of Supervisors Should Set Budget Priorities for Realignment Funds – The Board of Supervisors should adopt a policy framework and establish its funding priorities related to 2011 Realignment to provide guidance to DHHS and the CAO. DHHS should prepare annual reports for the Board of Supervisors on the amount of Realignment funds that are projected to be received, as well as how those funds will be used.

VI. G. 2. Recommendation: DHHS Budget Oversight – While DHHS has staff dedicated to managing their budget, and there appears to be adequate fiscal controls in place, the lack of knowledge and oversight regarding DHHS budget outside the Department is a concern. The lack of knowledge and oversight could be addressed through training of CAO and/or Auditor-Controller staff to take a larger oversight role. Although fiscal controls are monitored well by the Department, there should be an oversight reviewing process outside the Department. DHHS has already begun to work more closely with the CAO on these issues and they should continue to work together towards a better oversight solution.

VI. G. 3. Recommendation: CAO and DHHS Staff Fiscal Management Training – DHHS should consider contracting with an outside consultant/expert in California human services fiscal management. This outside consultant will be able to immediately identify high risk funding issues and provide training for CAO and DHHS staff across the organization (identify staff across divisions who could take on more budget oversight responsibilities). Training would increase the understanding of human services financing across DHHS and improve oversight at the CAO's

office. This will also provide DHHS staff with a better understanding of budget finances, while building a team made up of cross-functional departments working together to ensure that funds are spent appropriately with a shared responsibility for fiscal oversight. This approach could be implemented immediately, and should create a long-term sustainable approach to shared responsibility for fiscal management of County funds.

VI. G. 4. Recommendation: Budget Automation and Tracking System – As the County moves forward with payroll automation, the County should also explore (ideally with the same vendor) automating budget development and fiscal tracking system.

VI. G. 5. Recommendation: Mental Health Balanced Budget – DHHS should continue on the path it has already begun, taking the necessary steps to achieve a balanced budget within the Mental Health branch (however this could take 2 – 3 years to accomplish).

Mental Health services are experiencing a period of significant change both in how services are delivered, what services the county is responsible for, along with a significant expansion of the Medicaid population and the implementation of Medi-Cal Managed Care. Deficits in Mental Health programs in California are fairly common. In reviewing the recent audit of the Mental Health branch it was noted that there are a number of systemic issues that limit the amount of reimbursements received. Many of these can be corrected through training and supervisory oversight, especially those audit exceptions related to improper documentation. While some of the documentation issues may be related to the new Electronic Health Record (Avatar), the Department should currently be in a position to implement corrective actions using the new system and also utilize the new system to monitor these activities on a proactive basis. Mental Health should provide staff training and provide the tools necessary for management to monitor the documentation and ensure proper billing. The Board of Supervisors should be informed regarding the corrective action plan, and receive periodic updates until the situation is resolved.

H. Leadership Role and Organizational Change Management Capacity

Although several issues regarding organizational effectiveness and leadership have been shared in various parts of the study, this section focuses on key areas to assist the County and DHHS' focus on organizational issues that are likely to bring about the largest impact and influence on positive change.

Strengths:

- DHHS staff is dedicated and talented.
- The Department systematically looks for opportunities to improve outcomes.
- Staff is supportive of the concept of integrated services and understands the organizational and programmatic benefits.
- When the Director gets personally involved with a Department initiative, the resources and attention get results (e.g., Transitional Age Youth Program and McKinleyville Collaborative).
- Frontline staff generally feels supported by their supervisors.

Weakness/Barriers:

- New initiatives get implemented too quickly with insufficient time to prepare and insufficient resources to the detriment of core programs.
- Perceived "fear-based" culture from internal staff and some external community partners.
- Staff and providers do not feel safe to speak up or give feedback to upper management.
- The organization consistently operates reactively rather than proactively.
- Staff does not have the ability/authority to reorganize to meet programmatic needs in their own divisions and programs – change management decisions are only made at the top of the organization.
- Staff is not encouraged to share ways to increase revenue or improve costs.
- Poor communication in many areas including desired outcomes, changes to programs, strategic planning, hiring staff and budget needs.
- Systematic succession planning is not in place to prepare staff for advancement.

Opportunities/Recommendations:

The Health and Human Services landscape is rapidly changing. New expectations of county accountability and responsibility of programs must be distributed to all parts of the organization to be effective and accountable. The involvement in decision-making must be inclusive throughout the organization.

VI. H. 1. Recommendation: New Initiatives – Develop decision making criteria for new projects and initiatives. Involve staff in the process to the extent it is practical. Key program managers who will be responsible of implementing initiatives should be included as early in the process as possible. Decisions should be communicated to all participants involved. Workload issues and a focus on positive client outcomes should be a priority.

For new initiatives that don't directly impact clients, such a new IT system, it is important to make a client connection for staff. Most staff in health and human service agencies are motivated by assisting others, and the client connection assists in the staff engagement process.

VI. H. 2. Recommendation: Staff Delegation, Engagement and Empowerment – The Board of Supervisors should select a new Director with strong fiscal management, a solid understanding of human services and organizational development leadership strengths to empower and enhance staff involvement in decision-making, accountability and career development. By delegating authority at the appropriate level, this will build accountability and empower staff. The new Director should:

- Support a positive environment that delegates authority, responsibility and accountability.
- Include Branch Managers in decision-making processes especially regarding new programs and program budgets.
- Make decisions in a less hierarchical and more inclusive manner.

VI. H. 3. Recommendation: Strengthen Communication through Staff and Community Engagement – Establish a cross-functional "Communications Committee," consisting of staff members from all levels within the Department and across all branches. This Committee would

be responsible for developing internal communication tools to foster and improve internal communication. This committee could also be assigned to review all major departmental publications to ensure more transparency. To make reports, such as "Trends", more useful to community partners, this committee could form a community communications group on an ad hoc basis to review these reports before they are released.

VI. H. 4. Recommendation: Succession Planning, Hiring Practices and Training – Hire a consultant to develop a succession plan which also includes training, coaching and mentoring components, and/or assign the Department's training coordinator to develop a succession plan, modeled after many already adopted by other counties within California. Additionally, DHHS staff should be encouraged to participate in the countywide leadership training program. An increase in staff retention was noted specifically by one of the benchmark counties since investing in staff training. As suggested in a previous recommendation, hiring processes need to also be evaluated to ensure hiring processes and practices are effective and efficient.

I. Relationship of DHHS Director to the CAO and the Board of Supervisors

The Humboldt County DHHS Director has a unique relationship with the Board of Supervisors and the CAO. The Board of Supervisors appoints the Director of DHHS. The Board of Supervisors has day-to-day administrative supervision of the DHHS Department Head. In other counties, it is not unusual for the Board of Supervisors to make the appointment of the Director. However, other Boards of Supervisors typically assign their County Administrative Officers to administratively supervise the Department Head on a day-to-day basis. There are several reasons for this:

- The Board of Supervisors remains at the policy level and are relieved from day-to-day decisions of running the department.
- This creates a better coordination of County resources and supports that the County Administrative Officer will have more effective day-to-day overview.
- Minimizes the possibility of the Board of Supervisors getting involved in lawsuits, personnel conflicts, depositions and administrative conflicts.
- Minimizes duplicate efforts.

VI. I. 1. Recommendation: Board and CAO relationship to the DHHS Director – The Board of Supervisors should continue to appointment the DHHS Director, however the Board of Supervisors should assign the CAO to "administratively" supervise the DHHS Department Director on a day-to-day basis. This will support and encourage more effective coordination and communication between DHHS and the County. The DHHS Director will continue to have direct access to the Board of Supervisors.

J. Study Summary:

As the industry of health and human services evolves and funding, accountability and client-centered services continue to develop, Humboldt County is well positioned to adapt to these changes. Humboldt is a leader among rural counties both nationally and statewide for implementing creative programs and increasing funding through successful revenue-drawing strategies. This is a department that is a proactive-thinking organization that looks for

opportunities to improve the lives of the residents of Humboldt County. The Humboldt County community should be proud of this department and all that it has accomplished.

The recommendations in this report are made in the context of a changing landscape of delivering Health and Human Services Programs. Although DHHS is very strong in some areas, there are other areas that require change in the organization. These main areas for improvement include:

- Build upon the existing infrastructure while continuing to move toward a fully Integrated Health and Human Services System.
- Improve communications with staff and community partners.
- Involve staff and community partners to develop a new strategic plan and an accountability strategy.
- Review the organizational structure to become more streamlined and accountable.
- Review the relationship and processes between DHHS and the other county departments, the CAO and the Board of Supervisors.
- Develop broader fiscal oversight regarding DHHS's budget and assess the risk to programs and to the County, especially with the State and Federal government shifting accountability to the Counties.
- Continue the strategy of looking for opportunities to collaborate with local and regional partners to deliver comprehensive and accessible services to clients in rural areas.
- Continue to gather critical data, but use the data in a strategic fashion and include stakeholders internally and externally.
- Continue to protect and improve services to the populations that are most vulnerable.

Humboldt County is in an ideal position to bring in a new Director. The Board of Supervisors and CAO are supportive of the services provided to the community. As the transition progresses, the Board of Supervisors should continue to review recommendations and determine which to move forward and implement.

VI. J. 1. Summary: Recommendation: Blue Ribbon Task Force - The Board of Supervisors should appoint members to a Blue Ribbon Task Force (i.e., a task force that is developed for a single specific short-term purpose). On behalf of the Board of Supervisors, review the approved recommendations and assist the new Director with developing a work and implementation plan. Once the new director has sufficiently accomplished meeting the recommendations, the Blue Ribbon Task Force will disband.

VII. Recruitment Strategy and Candidate Profile:

Identify a recruiting agency (Agency), or assign Humboldt County Human Resources Department to manage the recruitment process (the industry standard phases of this recruitment are the same).

Contracted Executive Search Fees: Pulled from a publicized executive search proposal process from 2013, retained executive search services range in price from $17,000 – $25,000, plus expenses. Expenses are typically between $5,000 – $7,000 depending upon on which expenses are being covered by the Agency. In addition, many Agencies provide a 12 – 24 month candidate replacement guarantee.

The following are typical phases of a recommended executive search process:

- Client & Stakeholder Interviews.
- Development of a Recruitment Strategy and Marketing Plan.
- Timeline Development.
- Brochure Development.
- Marketing Strategy Implementation.
- Communication with Candidates.
- Resume Assessment.
- Report to Client – short list recommendations.
- Candidate Selection.
- Interview Selection Process.
- Background & References.

Timeline: An executive recruitment, with a community and staff engagement strategy, can take up to five months to complete. The first three to five weeks of a recruitment process include coordinated efforts to reach community members and staff, and to gain input on the ideal candidate. Based on the amount of work already completed in this study, a good portion of the engagement process has already been completed. It will be important to provide the selected recruitment Agency, and/or Humboldt County Human Resources Department, with all the information gathered in this study regarding the organization, candidate profile and recommended recruitment strategy.

Sample Timeline for DHHS	
Week of	**Recruitment Elements**
~~Week 1 - 3~~	• Secure services with search agency • ~~Agency: review search parameters and recruiting processes with Client~~ • ~~Interview with hiring authority and other stakeholders for competencies~~ • ~~Identification of advertising venues and ideal candidate prospects~~ • ~~Calls, meetings, or coordination with other stakeholders for information gathering~~
Week 1 - 2	• Develop and finalize recruitment competencies / announcement • Develop and approve: recruitment process, deadlines, ad plan and strategy, recruitment timeline and graphic brochure • Print coordination (if applicable) - timeline may be extended if direct mail piece is included (i.e., print/postage)
Week 3	**OPEN RECRUITMENT:** • Implement marketing plan and direct mail (if applicable) • Identify panel members; secure panel member calendars • Finalize: interview logistics and invitations to panel members
Week 4 - 7	• Receive applications – continue to collect and source applicants until recruitment closes
Week 8 - 9	**CLOSE RECRUITMENT AND ADVERTISING** • Conduct initial phone screens to identify short list of candidates • Preliminary check on short list candidates (Internet search) • Candidate profiles developed and short-list recommendations to client; agency should meet with client for short-list selection and confirmation
Week 10	**MEETING - Client confirms selection of candidates to be advanced to panel interviews** • Finalize questions, presentation, in-basket (as determined) • Coordinate invitations with selected top candidates (short list) • Produce panel interview packets
Week 11 - 12	**Agency facilitates interview process**. *A sample process includes the following back-to-back interviewing days* • **Day 1**: Panel Interviews conducted • **Day 2**: 2nd Interviews with Executive Leaders (CAO) • As needed, schedule staff and/or community discussions/meetings
Week 13 - 14	• **Day 3**: Interviews with Board of Supervisors
5 days	• Agency conducts background and reference checks (backgrounds may be conducted by County if current contract exists with HR; may also include a LifeScan, etc.) • Agency should conduct full reference checks for candidate
Hire Negotiations	**HIRE** • Determine hire date to accommodate possible candidate relocation • Client conducts offer and facilitates salary negotiations with preferred candidate

This timeline could be affected by the quality of applicants, Client's desired timeline, and availability of panel members, candidates and decision makers.

Recruitment Challenges: A Health and Human Service (HHS) recruitment is one of the most complex recruitments to manage and becomes more intense in an integrated agency. Some of these challenges include:

- **Heightened Interest:** health and human service departments have a majority of county staff and typically one of the largest employers in many rural communities. HHS departments typically have the largest departmental organizational budgets and a significant economic impact for community partners' budgets. Because HHS budgets are largely funded by state and federal funds, these funds can create a positive or negative impact to other county departments and/or the general fund. In addition, the services either funded or provided by HHS organizations are assisting the most vulnerable children, adults, elderly, indigent, etc. For these reasons, HHS recruitments have a higher level of interest than many other department director recruitments and a heighted desire by many to be part of the hiring process. Therefore, it is important to include an engagement process that includes elected officials, community partners/providers, community members, staff members and union representatives.

- **Limited number of ideal applicants:** There are a limited number of ideal candidates, particularly in California, with the skills to address health and human service technical challenges in an integrated agency (including complex funding streams, programs, ACA, AB109 Realignment Act, etc.), and who also have the leadership skills to address the community needs. In addition there have been over 40 director level recruitments in Social Services and a similar number of Mental Health Department recruitments in California Counties since 2013; there are only 58 California Counties. Not only are there many recent leadership changes, there are future leaders and secondary leaders (Assistant Directors) retiring soon, not only in California but across the nation. Because of the limited applicant pool, and time and effort needed to attract and retain candidate interest, HHS recruitments need a more in-depth and targeted marketing and candidate screening strategy.

- **National Search:** Due to the limited applicant pool in California, and this being an integrated agency, a Director having California experience is ideal, but not a recommended minimum qualification (as technical expertise is typically supported at the administrative and branch levels within an integrated agency). Consequently, a national search is highly recommended for this recruitment. However, not all states are equal, and services at the County level in one state may not resemble services offered in California Counties. Therefore, having a national sense of the complex landscape of health and human services will be advantageous.

- **Dedicated Hours:** An effective executive recruitment process with an engagement strategy can take well above 200 hours to manage from beginning to final selection.

- **Compensation/Salary Study:** It is recommended that a compensation study be conducted which compares Humboldt County with other rural integrated health and human services agencies in

California counties. Below are Social Services Director and/or Health and Human Services Director salaries and/or salary ranges from 2014/15 for selected Counties in California; data pulled from: www.transparentcalifornia.com; with various county online salary schedules; recent compensation studies. Note: Mendocino, Placer, Shasta, Solano and Yolo Counties are integrated agencies. Sonoma County is not an integrated agency; therefore the scope of oversight is not as large, and not as complex regarding services and budget funding streams.

Information Obtained from 2014/15	Salary / Salary Range
Mendocino County (integrated)	$125,236
Placer County (integrated)	$160,680 – 195,374
Shasta County (integrated)	$132,216 – 163,756
Solano (integrated)	$180,540 – 219,448
Sonoma (Social Services Director only)	$181,413
Yolo County (integrated)	$125,880 – 153,012

Humboldt County (integrated)	$14,166/month	$169,992/annually

- **Salary Compaction Analysis:** Other salary considerations include possible compaction issues. For example, the County Administrative Officer's (CAO) salary is $14,365/month (1.4% higher than the Director of Health and Human Services). This study recommends the CAO should assume greater responsibility for daily supervision of the Director of Health and Human Services. If a salary adjustment or changes to reporting structures are considered, a salary compaction analysis and study should also be conducted for the CAO position. A formula to consider is setting salaries between the CAO and the DHHS Director at 5% apart. This could be accomplished by setting the DHHS Director salary at $13,681/month ($164,172 annually), which should not impact existing pay relationships among other Humboldt County department heads and also maintains a spread of more than 20% between the DHHS Director and the Assistant Directors. However, $164,172 may not be a competitive salary to attract the ideal candidate. For these reasons a compensation study and compaction analysis are highly recommended. Compensation studies should include a full compensation (salary and benefits) analysis, as well as other comparisons, such as cost of living and agency size and scope of responsibilities: community population, and department budget, staffing, and integration.

Recruitment Application Strategy: The recruitment should use a "resume recruitment" process to collect applicant information, and not require applicants to apply through the County's application system. This is the simplest process for applicants to apply and will increase the quantity of applicants, and likely the quality of applicants as well; an easier application processes will attract more passive applicants (those not actively looking, however attracted to the opportunity). If County applications are required due to County policy, we must ensure the process is as simple as possible and does not include a supplemental questionnaire, etc. A hybrid alternative strategy some Counties use for exempt positions is to conduct a "resume recruitment" strategy and only require candidates who are invited to the interviews to complete a County application.

Panel Interview Strategy: The engagement process for this recruitment has already been completed through this study. Because of heightened interest regarding this recruitment, it is recommended to have a multi-panel interviewing process. One of the other benefits of having a multiple panel process that includes leadership, community members and/or staff as part of the interviewing process is that it allows for inclusiveness which creates connections and gives the incumbent a head start with critical internal and external relationships.

While multiple panels have proven to be an excellent tool to provide an inclusive and transparent interviewing process, it is important to point out that the hiring decision ultimately remains with the Board of Supervisors. Panels are formed to provide feedback and recommendations; they are not final decision makers. Multiple diverse panels provide an optimal opportunity to assist the Board of Supervisors in selecting the best candidates for final Board of Supervisor interviews.

Recruitment Announcement:
Humboldt County will be facing some recruitment challenges, as are other Counties. However, every County has its strengths. Humboldt County:

- A great reputation at the state and federal level as a premier, rural health and human services agency.
- A robust budget and resources that most rural counties do not have.
- Exciting, innovative programs and projects which have received statewide and national recognition.
- Talented and dedicated staff of professionals at all levels in the organization who are engaged and excited to participate in organizational and cultural change.
- A quaint, coastal community with affordable California cost of living/housing.
- An incredibly beautiful geographical area: which includes national forests, including legendary California Coastal Redwoods which are home to the world's tallest trees, and largest and best redwood parks, coastal landscapes, and a host of outdoor recreational activities.
- Educational institutions: Humboldt State University, College of the Redwoods.

In addition to these strengths, there are many other unique qualities in Humboldt County that make it an ideal community to live, work and play. These attributes will be important to highlight in the recruitment announcement to attract candidates not familiar with the area. The recruitment announcement should include the following sections regarding the:

- Community
- County
- Health and Human Services Department
- Current and Future Departmental Opportunities/Challenges
- Position/Job Overview

- Ideal Candidate Profile
- Salary / Benefits
- How to Apply

Ideal Candidate Competencies: results from surveys from three different stakeholder groups: community members, providers/partners, staff.

IDEAL CANDIDATE COMPETENCIES IDENTIFIED BY 419 SURVEY PARTICIPANTS:					
No.*	**Staff Survey Top Ideal Competencies** Answered: 307	**No.***	**Community Partners/Providers Survey Top Ideal Competencies** Answered: 31	**No.***	**Community Member Survey Top Ideal Competencies** Answered: 81
106	Financially/Fiscally astute and responsible	9	Solution-oriented	28	Accountable
90	Supportive of staff	9	Collaborative	23	Empowers employees/ Delegates
83	Accountable	9	Creative/Innovative	23	Ethics/Integrity
80	Ethics/Integrity	8	Communicator/Listener	23	Financially/Fiscally astute and responsible
76	Fair/Equitable treatment of staff	8	Complexity capable	19	Accessible
63	Communicator/Listener	8	Compassionate/Caring	19	Supportive of staff
54	Accessible	7	Approachable	18	Collaborative
54	Empowers employees/ Delegates	7	Leadership skills	17	Creative/Innovative
54	Leadership skills	6	People skills	15	Fair/Equitable treatment of staff
47	Approachable	6	Accountable	13	Communicator/Listener
44	Knowledgeable about operations	6	Culturally competent	11	Leadership skills
42	Develops employees	5	Develops employees	10	Develops employees
40	Collaborative	5	Ethics/Integrity	10 ea.	Transparent / Trustworthy & trusting of others / Visionary

* This is the number of respondents identifying each competency as important.

CANDIDATE PROFILE:

The County of Humboldt seeks a Director of Health and Human Services who is a collaborative, executive leader with significant experience in the field of Health and Human Services. The ideal candidate will have expertise working with community-based organizations and elected officials, understands the complexities of overseeing a multi-million dollar budget and managing an integrated agency, and is a professional who seeks service excellence. This position leads the County's largest Department that provides comprehensive social, behavioral health, and public health services. As Director your leadership, passion and dedication will lead excellence in programs and services, and the Department's vision to improve the lives of County residents.

Ideal Candidate:
The ideal candidate for Director of Health and Human Services will help build a vision for the future that is shaped by the desire to work collaboratively, and create a better quality of life for everyone in our diverse community. This candidate takes initiative, is an experienced organizational leader who excels at leveraging the technical expertise of internal and external resources, and is an effective communicator. The ideal Director will have a passion for public service, a desire to serve the most vulnerable, and be dedicated to respecting and supporting diverse ethnic and cultural values and diversity in rural communities.

Employment Standards: *preferred background and credentials*

- A degree from an accredited college or university with major course work in health administration, psychology, social work, substance abuse, business administration, public administration, or a related field; an advanced degree is desirable.
- Seven years of progressively responsible management and administrative experience in a complex health, behavioral health or social service organization within a public and/or non-profit organization; California health and human services experience desirable.
- Valid California Driver's license at the time of hire.

In addition to preferred background and credentials, our ideal candidate will have demonstrated competence and qualities to:

LEADERSHIP / COMMUNICATION / INTERPERSONAL:

- Empower employees through delegated authority at the appropriate organizational levels.
- Build internal and external relationships with colleagues, elected officials, community-based organizations, management and staff.
- Employ a leadership style that is consistent, clear, fair and decisive.
- Endorse accountability and create an open, trusting, and learning organizational culture
- Inspire employees and create a rewarding work environment.
- Use best practices in organizational management to increase efficiencies and effectiveness.
- Effectively collaborate with Tribal communities and other community-based organizations.

- Lead with integrity, transparency and ethics.
- Utilize a servant leadership style which supports and respects staff.
- Use strong facilitation and negotiation skills to manage, and unite differences.
- Be a clear and effective communicator, and an articulate public speaker.
- Develop trusted relationships, and ensure words and actions align.

BUSINESS ADMINISTRATION / ORGANIZATIONAL DEVELOPMENT / FISCAL OVERSIGHT:

- Build an organization that is client centered, safe, and mission and vision focused.
- Be a forward focused leader who aligns the organization to meet the evolving health and human services environment through innovative methods.
- Oversee fiscal management of a multi-million dollar budget and complex funding streams.
- Be a team player who works collaboratively with other County Departments.
- Value diversity in the workplace.
- Take a proactive approach to addressing organizational, program and service challenges.

COMMUNITY PARTNERSHIPS / LEGISLATIVE AFFAIRS / POLICY ACUMEN:

- Understand internal and external needs related to weaving services between government and community-based organizations to support the needs of the community.
- Develop and maintain a close partnership with the law and justice community.
- Successfully work with and maintain relationships with labor management organizations.
- Represent the County at community meetings and sit on multiple boards, groups and committees.
- Monitor legislation and engage decision makers on policy that may affect programs and services.

HEALTH AND HUMAN SERVICES PROGRAMS / SERVICES:

- Have knowledge of state and federal laws and mandates related to health and human services.
- Stay well-informed of new and emerging trends and best practices.
- Ensure programs and services are accountable to all.
- Use technology to promote efficient delivery of quality services to the community.
- Use data to measure accomplishments, communicate meaningful outcomes and make informed decisions.

COMPENSATION/BENEFITS: $XXX,XXX; Salary is supplemented by a generous benefit program that includes the following elements:

- Retirement
- Insurance
- Leave Allowances
- Deferred Compensation
- Other

HOW TO APPLY: Apply by _____for first consideration (this language creates flexibility and allows an open continuous option while securing final applicants, processing final application requirements, etc.)**.**

- **Email your cover letter and resume to**: [include email address here], or
- Fax to: [include fax number here]

Contact [recruiter name here] with questions: [phone number and email address here]

GLOSSARY

AB109 - California Assembly Bill 109, historic legislation to enable California to close the revolving door of low - level inmates cycling in and out of state prisons

ACA - Affordable Care Act

ACO – Auditor-Controller's Office

APHSA - The American Public Human Services Association

Benchmark Counties: include five counties: Mendocino, Shasta, Solano, Sonoma, Yolo

BOS - Board of Supervisors

Cal Fresh - Federal Food Assistance Program (formerly called Food Stamps)

CalWorks - California's program name for low-income families receiving cash assistance

CAO - County Administrative Officer

Centralized HR- Humboldt County Human Resources Department

Covered California - California's name for the Affordable Care Act eligibility program

CCP - Community Corrections Partnership- AB109 requires a specific group of stakeholders to meet and plan community programs for those being released from state prison and being returned to county responsibility.

CGF - County General Fund

CMSP - County Medical Services Program - Indigent Health Services

CPS - Cooperative Personnel Services, HR Consulting - Merit Service System - Employment for Social Workers/Eligibility (CPS ins another term which is commonly used to refer to Child Protective Services, which in this study is referred to as Child Welfare Services.)

CSAC - California State Association of Counties

DHHS - Humboldt County Department of Health and Human Services

Foster Care - Court Order placement of child outside of the family home due to allegations of risk of harm to the child.

FRC - Family Resource Centers

LAPS - Local Agency Personnel System

HIPPA - Federal Privacy and Confidentiality Laws- Health Insurance and Accountability Act of 1996

HHS - Health and Human Services industry

ICWA - Indian Child Welfare Act

IT - Information Technology

Medi-Cal - California name for federal Medicaid

MHSA - Mental Health Services Act - Law that taxes high-income earners and uses the tax dollars for mental health services.

PHC - Partnership Health Plan of California - Managed Care Program for Medi-Cal Clients

GLOSSARY

SWOB - Strengths, Weaknesses, Opportunities, Barriers

TAY - Transitional Age Youth

WBCP - W. Brown Creative Partners

WPR - Work Participation Rate- Refers to the number (percentage) of Welfare-to-Work recipients participating in the county work program.

APPENDIX 1 - RECOMMENDATIONS

Dashboard Recommendations:

The areas in red should be reviewed after the hire of a new DHHS Director and addressed during the first six months. The areas in orange should be addressed within the first 18 months of the new Director's hire. The areas in blue are currently a positive and key focus area of the department should continue.

RED	0 – 6 months after new Director hire
ORANGE	0 – 18 months after new Director hire
BLUE	Work has started. Continue engaging in this activity-

VI. A. 5. Recommendation: Foster Care – Implement a Continuous Improvement process to increase the number of foster families in the County and to provide foster families with the support they need to improve permanency for children. Utilize a process similar to the logic-model process to identify the root causes impacting a breakdown of the support system for children who have been removed from their homes. Include key stakeholders (Family Resource Centers, foster families, foster family agencies, associations, community partners, etc.) in the continuous improvement process.

VI. A. 6. Recommendation: Work Participation Rate (WPR) – A low WPR (low income families) highly correlates with health status; low income individuals are more likely to have unhealthy lifestyles. Work closely with CWDA and CDSS towards a solution and/or strategic approach to improve WPR (Federal requirement for County WPR is a 50% participation rate and Humboldt County CalWORKs clients WPR is 14.9%; near the bottom of the 58 counties in the state).

Due to the low WPR, California is at risk of paying a $587 million penalty. The 58 California Counties that do not meet the WPR share in any penalty the State may incur and, if fined, could be liable for $293 million (divided among various Counties). Humboldt County's Administrative Office and the Board of Supervisors should monitor this closely as it poses a financial risk to the County.

VI. E. 2. Recommendation: Organizational Culture – Some modifications to the existing executive management team structure may be necessary to strengthen the team and foster better communication from the bottom up. It will be critical for the new Director to embrace and model a participatory management style, as well as develop a strong executive management team that shares responsibility for program successes and problem solving.

APPENDIX 1 - RECOMMENDATIONS

VI. E. 5. Recommendation: Branch Director Engagement during Organizational Change – At the onset of any reorganization, it is important that the Branch Directors be full partners in the Department's decision making process. The new Director should have the opportunity to make changes at the executive level that will best support his/her management style and make best use of the knowledge and skills of all members of the executive management team. However, it is important to ensure Branch Directors are engaged and part of the organizational change process. Branch Directors are experts in their fields and provide the technical expertise in their subject areas and bring in-depth technical expertise and knowledge of program funding requirements that others may not be familiar with.

VI. E. 6. Recommendation: Oversight and Span of Control – As part of an overall review of the management structure at the senior level, the new Director should consider span of control and make adjustments as needed. Managers of critical service areas such as Child Welfare should have direct access to the Department Director, and not report to an Assistant Director. Regardless of the organizational structure, senior management should be able to communicate current and emerging issues directly to the Director and participate as part of the senior management team.

VI. E. 7. Recommendation: Mental Health Oversight and Disproportionate Workload – Given the department structure and state reporting requirements, The Mental Health Branch Director should be assigned responsibility for oversight of mental health clinical operations and fiscal management of both child and adult services. This can be implemented through "matrix management," with the Social Services Branch Director maintaining direct supervision and management of day-to-day operation of children's mental health, with the Mental Health Branch Director operating in an oversight capacity.

VI. E. 9. Recommendation: Staff Empowerment through Collaboration, Communication and Decision-Making Processes – The new Director should take steps to actively re-engage staff in the planning process going forward. As noted in this report, the health and human services environment is changing rapidly and it is critical that staff are aware of these changes, and understand their role in implementation. One method to approach this is to develop a new strategic plan (see Recommendation VI. A. 1.), especially in light of the changes related to the ACA. The process should be as inclusive as possible, involving people both internal and external to the department, which will greatly increase satisfaction with the department and immediately begin to open up communication channels. Also, as part of demonstrated cultural competency, diverse solutions and approaches should be employed to pursue inclusive communication and respectful working relationships.

Staff should be genuinely empowered to make decisions that are appropriate to their level of responsibility within the Department. Empowerment goes hand in hand with responsibility, so staff at all levels of the organization need to be held accountable. In order for staff to feel empowered to participate authentically, DHHS should provide training for staff regarding expectations at every level within the organization.

APPENDIX 1 - RECOMMENDATIONS

VI. G. 1. Recommendation: The Board of Supervisors Should Set Budget Priorities for Realignment Funds – The Board of Supervisors should adopt a policy framework and establish its funding priorities related to 2011 Realignment to provide guidance to DHHS and the CAO. DHHS should prepare annual reports for the Board of Supervisors on the amount of Realignment funds that are projected to be received, as well as how those funds will be used.

VI. G. 2. Recommendation: DHHS Budget Oversight – While DHHS has staff dedicated to managing their budget, and there appears to be adequate fiscal controls in place, the lack of knowledge and oversight regarding DHHS budget outside the Department is a concern. The lack of knowledge and oversight could be addressed through training of CAO and/or Auditor-Controller staff to take a larger oversight role. Although fiscal controls are monitored well by the Department, there should be an oversight reviewing process outside the Department. DHHS has already begun to work more closely with the CAO on these issues and they should continue to work together towards a better oversight solution.

VI. G. 3. Recommendation: CAO and DHHS Staff Fiscal Management Training – DHHS should consider contracting with an outside consultant/expert in California human services fiscal management. This outside consultant will be able to immediately identify high risk funding issues and provide training for CAO and DHHS staff across the organization (identify staff across divisions who could take on more budget oversight responsibilities). Training would increase the understanding of human services financing across DHHS and improve oversight at the CAO's office. This will also provide DHHS staff with a better understanding of budget finances, while building a team made up of cross-functional departments working together to ensure that funds are spent appropriately with a shared responsibility for fiscal oversight. This approach could be implemented immediately, and should create a long-term sustainable approach to shared responsibility for fiscal management of County funds.

VI. G. 5. Recommendation: Mental Health Balanced Budget – DHHS should continue on the path it has already begun, taking the necessary steps to achieve a balanced budget within the Mental Health branch (however this could take 2 – 3 years to accomplish).

Mental Health services are experiencing a period of significant change both in how services are delivered, what services the county is responsible for, along with a significant expansion of the Medicaid population and the implementation of Medi-Cal Managed Care. Deficits in Mental Health programs in California are fairly common. In reviewing the recent audit of the Mental Health branch it was noted that there are a number of systemic issues that limit the amount of reimbursements received. Many of these can be corrected through training and supervisory oversight, especially those audit exceptions related to improper documentation. While some of the documentation issues may be related to the new Electronic Health Record (Avatar), the Department should currently be in a position to implement corrective actions using the new system and also utilize the new system to monitor these activities on a proactive basis. Mental Health should provide staff training and provide the tools necessary for management to monitor the documentation and ensure proper billing. The Board of Supervisors should be informed regarding the corrective action plan, and receive periodic updates until the situation is resolved.

APPENDIX 1 - RECOMMENDATIONS

VI. H. 2. Recommendation: Staff Delegation, Engagement and Empowerment – The Board of Supervisors should select a new Director with strong fiscal management, a solid understanding of human services and organizational development leadership strengths to empower and enhance staff involvement in decision-making, accountability and career development. By delegating authority at the appropriate level, this will build accountability and empower staff.
The new Director should:

- Support a positive environment that delegates authority, responsibility and accountability.
- Include Branch Managers in decision-making processes especially regarding new programs and program budgets.
- Make decisions in a less hierarchical and more inclusive manner.

VI. H. 3. Recommendation: Strengthen Communication through Staff and Community Engagement – Establish a cross-functional "Communications Committee," consisting of staff members from all levels within the Department and across all branches. This Committee would be responsible for developing internal communication tools to foster and improve internal communication. This committee could also be assigned to review all major departmental publications to ensure more transparency. To make reports, such as "Trends", more useful to community partners, this committee could form a community communications group on an ad hoc basis to review these reports before they are released.

VI. I. 1. Recommendation: Board and CAO relationship to the DHHS Director – The Board of Supervisors should continue to appointment the DHHS Director, however the Board of Supervisors should assign the CAO to "administratively" supervise the DHHS Department Director on a day-to-day basis. This will support and encourage more effective coordination and communication between DHHS and the County. The DHHS Director will continue to have direct access to the Board of Supervisors.

VI. J. 1. Summary: Recommendation: Blue Ribbon Task Force - The Board of Supervisors should appoint members to a Blue Ribbon Task Force (i.e., a task force that is developed for a single specific short-term purpose). On behalf of the Board of Supervisors, review the approved recommendations and assist the new Director with developing a work and implementation plan. Once the new director has sufficiently accomplished meeting the recommendations, the Blue Ribbon Task Force will disband.

APPENDIX 1 - RECOMMENDATIONS

VI. A. 1. Recommendation: Health Data and Strategic Planning – Develop a new the DHHS Strategic Plan that includes DHHS and County Staff, and community stakeholders. This Strategic Plan should prioritize desired critical outcomes and top strategic goals. The Department's Trends Report should be transparent as well as useful to staff, to the community and to the Board of Supervisors. The Trends report should clearly articulate how well Humboldt County is doing on improving health outcomes. Based upon Healthy People 2020, there is a fairly standard set of critical health outcomes, which have been adopted in many communities. The Robert Wood Johnson Foundation produces an annual report ranking California counties based on a composite score of approximately 20 indicators, including clinical care and healthy behavior, and includes environmental, social and economic factors. Humboldt ranks 48 out of 58 counties on this scale (Robert Wood Johnson County Health Rankings, 2013). Rankings have their limitations; however, they serve as a scorecard and benchmark and are utilized by communities to assist in the process of prioritizing their efforts to impact overall health. The California Center for Rural Policy at Humboldt State University publishes health rankings for Humboldt County along with six neighboring rural counties to compare against (California Council for Rural Policy, Community Health and Wellness Indicators).

- To improve the Trends Report and make the data more useful and meaningful:
  - Solicit feedback on current reports by convening a group of community stakeholders who are already engaged with the Department to review the current report and identify its strengths along with suggested improvements needed.
  - Through this participatory process, the data can tell a story that can be useful to inform what actions can/should be taken to improve outcomes.

VI. A. 2. Recommendation: Health Data - Secure Services for a Vendor who provides Web-based Health Indicator Data and Reporting: DHHS should secure the services with a vendor who provides web-based health indicator data and reporting. There is a vendor who provides these services. This vendor can provide a review of health indicators and solutions, which should be presented in an open, transparent and accessible way to community and County stakeholders. These reports captures approximately 170 key health indicators from national, state, and public sources and publishes them to the community in a digestible, dashboard fashion. It compares a County's health outcomes against state, national and peer Counties. It also compares the County to the "ideal target" of "Healthy People 2020." In addition, it links each of these indicators to strategies from around the country that have successfully addressed these health indicators. These strategies have been approved by the Centers for Disease Control and Prevention and the National Association of County & City Health Officials (NACCHO). The cost for this program is approximately $5,000 and the maintenance and updating of the local website with the most up-to-date data is currently $6,000 annually. These services will be integral in assisting Humboldt County in identifying key health issues and in assist the community health stakeholders with solutions. An example can be found on Sonoma County's Website: http://sonoma.networkofcare.org/ph/county-indicators.aspx#cat1.

APPENDIX 1 - RECOMMENDATIONS

VI. A. 3. Recommendation: Health Data – Organize a Committee of Community and County Health Care Stakeholders: Data should be reviewed and strategies to improve outcomes should be made by a committee of community and County health care stakeholders and County elected officials; this committee should not just include DHHS staff and contract representatives. The committee should prioritize what is most important in the community: chronic diseases, pregnancy, obesity, suicide, etc. Once priorities are set, the committee should create an action plan and identify and implement tools to measure improvements over time.

- **Develop External and Internal Dashboard Committees to Prioritize and Track Success**:
  - Develop an internal and external dashboard
  - Suggest monthly strategy meeting to update and address new issues, concerns, or changes.
  - Quality improvement projects should also be on the dashboard.

  Note: see Appendix # 5 for a sample dashboard.

VI. A. 4. Recommendation: Quality Improvement – Implement an internal continuous quality improvement approach and philosophy throughout DHHS. Focus can include outcomes based on the data identified as either high importance to the community, and/or as a high risk factor to the County. Include all levels of staff in the quality improvement process, and ideally other key stakeholders.

VI. B. 1. Recommendation: Monitor and Inform re: Partnership Health Plan (PHC) of California – Ensure the Quality Assurance team is routinely monitoring visit data to ensure services provided are reimbursable. DHHS needs to ensure that the protocol between PHC and DHHS for screening clients is clear and workable and that there is a reasonable process to ensure clients receive services, especially if they cross over between the two systems. Consumers and their families should receive information regarding managed care changes; community partners should also be made aware of the new system, and the potential problems.

APPENDIX 1 - RECOMMENDATIONS

VI. B. 4. Recommendation: MHSA – To help address the community's expectations regarding mental health services and residents living with mental illness (including those people experiencing homelessness who are also living with mental illness), DHHS should improve public awareness regarding available services, and help residents also understand barriers to solving the problem.

Efforts should be made at all levels within the County to engage the community in developing realistic goals and workable strategies to reduce the impacts of homelessness on the County. Homelessness is one of the most difficult human service problems counties face. The causal factors and needs of people experiencing homeless vary widely, and therefore there is not one but rather a variety of solutions required to solve the problems. Those communities most successful in addressing these issues across the United States utilize a collaborative effort involving local law enforcement, community leaders, elected offices, health and human services providers, nonprofit organizations, business and property owners, partners from the faith communities and representatives of those who have or are experiencing homelessness. Focusing on diverse and varied solutions is critical. Humboldt has formed the collaborative Humboldt Housing and Homeless Coalition, implementing Mobile Intervention and Services Team (MIST) and other programs. MIST combines law enforcement officers and mental health workers in street level interventions for persons experiencing homelessness with mental illness. DHHS should continue to participate in these programs and inform the public about them.

VI. B. 5. Recommendation: Schools – The Director currently has regular meetings with all Humboldt County School Districts Superintendents; and these meetings should continue. The DHHS Director should involve line staff in collaborative working groups at school sites and ensure staff is accountable to the concerns of the schools. School Districts to be served should be identified based on the highest need. In addition, a school's strategic plan should be developed with clear goals and ideal outcomes identified. A communications plan should also be developed and implemented regarding these services and the successes achieved through this collaborative relationship.

VI. C. 2. Recommendation: Multi Service Contracts with Schools – Humboldt County should work more collaboratively with school districts to achieve optimal outcomes for the community. DHHS should contact Humboldt County School Districts to determine if schools are interested in multi service contracts at school sites. Programs could include MHSA prevention, nutrition, parenting classes, etc. The concept of utilizing the school site as a community center is likely to work well in rural areas, where the school may already be serving informally as the community center. There is a statewide and national trend to bring health and human services closer to the students and their families, also known as Community Schools.

APPENDIX 1 - RECOMMENDATIONS

VI. C. 3. Recommendation: Outreach to Faith-based Community – DHHS should increase outreach to the faith-based community to enhance services. The faith-based communities could provide key services to help people reenter into the community successfully (e.g. foster care, TAY, reentry services, senior services, etc.). Some faith-based organizations are reluctant to contract with governmental entities due to requirements related to non-proselytizing. However, these issues have been resolved successfully in other communities.

VI. C. 5. Recommendation: Tribal Cultural Competence – Partner with the Tribal communities to provide culturally competent, effective services and that achieve ideal outcomes for the County and Tribal members. DHHS staff that are properly informed of Tribal customs and possess knowledge of Tribal mores, rules and regulations would be better able to serve these community members.

VI. C. 6. Recommendation: **Build Tribal Relationships** – The new Director will want to meet with Tribal members and leadership to understand and address concerns and foster future effective and functional communications. Although communications have started, there is a lack of consistency to address current, new and ongoing issues.

VI. E. 1. Recommendation: Reorganization & Staffing Changes – The new Director for DHHS should be supported in making staffing changes throughout the organization. It is further recommended that the new Director consider hiring professional support to assist with developing a plan, manage the organizational change process, and provide staff training. Hiring outside assistance will allow the new Director to develop a vision for the future, and implement the necessary changes while still managing the day-to-day business functions of the organization.

VI. E. 3. Recommendation: Strategic Plan Development – The Director and the executive team must work together to strengthen the strategic plan and prioritize goals based on the needs of the community and the Department's capacity to effectively deliver services.

VI. E. 4. Recommendation: Environmental Health – This study identified that Environmental Health may be moved to another department. If there are specific communications or service delivery issues (not identified in this report), or the County is considering reorganizing other environmental programs (e.g., planning and zoning services), a study or task force should be created to further examine the issues. Research indicates (CSAC – California State Association of Counties, County Structure) 33 out of 58 Counties in California have Environmental Health within the Public Health Department, with the balance located in separate agencies or standalone agencies.

VI. E. 8. Recommendation: Management and Administrative Support Position Assessment – DHHS should request that Human Resources, through their staff or via consultant contract, review the DHHS management and administrative support positions to ensure that the positions are appropriately classified and appropriately allocated within DHHS to address the potential issue of too many supervisory or management layers.

APPENDIX 1 - RECOMMENDATIONS

VI. F. 1. Recommendation: Consolidation of IT Services – An assessment, including County IT, should be considered to investigate potential opportunities for improved operations and efficiencies through consolidation or enhanced oversight of the DHSS IS function. County IT has been making extensive upgrades to systems and the County's IT infrastructure, however resources to do additional work are limited. At this particular point in time, assigning the additional responsibility to County IT to participate in such an assessment may not be possible, due to the other goals and objectives they are currently focused on. DHHS IS seems to be functioning well in delivering the critical day-to-day IT operational needs for the Department and should remain to do so until such time as an assessment is completed and all parties agree to an action plan to consider partial or full partnership with County IT. DHHS should continue to work cooperatively with County IT.

VI. F. 2. Recommendation: Payroll / Time study – Automate payroll and include DHHS time studies as part of the automation process. Form a user committee which includes representatives from HR, DHHS, Sheriff, and others identified by the CAO or the Board of Supervisors who will work with the Auditor-Controller (who is currently taking the lead on this project) to develop a plan, set timelines and work with departments to implement an automated payroll and time study system. Including an automated interface with the DHHS time study process in the payroll system will save time, be more accurate and ensure compliance with funding requirements.

VI. F. 3. Recommendation: Time to Hire – Conduct a workflow analysis of all steps in the hiring process to determine how the system can be improved to speed up time-to-hire. The workflow process should include user Departments such as DHHS, Sheriff, etc. The analysis should include a comparison of the time-to-hire for centralized recruitment as well as positions currently managed through CPS (Cooperative Personnel Systems, HR Consulting), Merit System Services. These studies need to be conducted before detailed recommendations can be made to the Board of Supervisors. This analysis should also examine how selection rules and regulations are being interpreted, what processes were put in place to meet those rules and which processes are antiquated. This is a challenge that many Counties are facing, but many are identifying more effective and efficient methods to recruit talent that are still compliant with civil service and other selection rules.

VI. F. 4. Recommendation: Merit System and Selection Process – Human Resources should coordinate with affected County Departments, primarily DHHS, and provide a recommendation to the Board of Supervisors in the near future in anticipation of changes to Merit System Services. It is recommended that one of the joint tasks assigned to County Administration, County Human Resources, and DHSS in 2016 be a review of the options available to Humboldt County with the overall objective to modernize, simplify and streamline the Humboldt County Human Resources System (See Appendix 6 – Merit System -- Emerging Issues for more details regarding changes at the State level).

APPENDIX 1 - RECOMMENDATIONS

VI. F. 5. Recommendation: Legislative Analyst/Public Information Staff – Consideration should be given to the appropriate reporting relationship for DHHS Legislative Analyst and Public Information staff, and the roles and responsibilities of these positions should be reviewed. Legislative Analysts and Public Information staff are typically located in the Board of Supervisors and/or the CAO's office. These positions typically communicate on behalf of the CAO and/or the Board of Supervisors. In larger counties, additional staff may be assigned to, or co-located with a major County Department; however they work closely with the Board of Supervisors and CAO. In the interim, a written procedure for Legislative Advocacy and for Public Relations should be developed by the CAO/Board of Supervisors and DHHS to ensure that the DHHS staff seeks advance approval for communications and messages where appropriate, and that the CAO is informed as needed regarding these activities.

VI. G. 4. Recommendation: Budget Automation and Tracking System – As the County moves forward with payroll automation, the County should also explore (ideally with the same vendor) automating budget development and fiscal tracking system.

VI. H. 1. Recommendation: New Initiatives – Develop decision making criteria for new projects and initiatives. Involve staff in the process to the extent it is practical. Key program managers who will be responsible for implementing initiatives should be included as early in the process as possible. Decisions should be communicated to all participants involved. Workload issues and a focus on positive client outcomes should be a priority.

For new initiatives that don't directly impact clients, such a new IT system, it is important to make a client connection for staff. Most staff in health and human service agencies are motivated by assisting others, and the client connection assists in the staff engagement process.

VI. H. 4. Recommendation: Succession Planning, Hiring Practices and Training – Hire a consultant to develop a succession plan which also includes training, coaching and mentoring components, and/or assign the Department's training coordinator to develop a succession plan, modeled after many already adopted by other counties within California. Additionally, DHHS staff should be encouraged to participate in the countywide leadership training program. An increase in staff retention was noted specifically by one of the benchmark counties since investing in staff training. As suggested in a previous recommendation, hiring processes need to also be evaluated to ensure hiring processes and practices are effective and efficient.

APPENDIX 1 - RECOMMENDATIONS

II. 1. Recommendation: Continue Integration Efforts - DHHS should continue to move toward a fully Integrated Health and Human Services System. The present objective is to now build upon the existing infrastructure and take the next steps toward true integration of DHHS' human service delivery system.

IV. 1. Recommendation: Develop Action Plan to Further Integrate Services (APHSA) - Once the new Director is hired, develop an action plan to guide further service integration. APHSA offers several tools for counties to utilize in assessing the degree of integration within their organization, and identifies areas for improvement. DHHS should utilize this tool when developing their action plan.

VI. B. 2. Recommendation: Expand Capacity – DHHS has been working with providers to expand capacity. This effort should be intensified and include medical providers serving the Medi-Cal population, as well as hospital outpatient programs.

VI. B. 3. Recommendation: AB109 – DHHS should continue to work cooperatively with its other partners regarding the types of services provided and discuss the merits of best practice models applied to a criminal justice population. Efforts should be made to find reasonable solutions so the goal of reducing recidivism can be achieved. A shared understanding of the desired outcomes, as well as shared responsibility, is critical.

VI. C. 1. Recommendation: Develop Contracts with Community-based Organizations – DHHS should continue to develop contracts with community-based organizations to include provisions for multiple services at single sites in different parts of the county. Services may be provided by more than one organization, but co-located to improve access. Development of more geographically decentralized programs targeted at specific populations should be pursued. In some cases, expansion of services provided at the FRC would provide a more effective method of service delivery.

VI. C. 4. Recommendation: Decentralize Services – Continue the DHHS initiative to decentralize services (e.g., McKinleyville Collaborative). However, expansion of decentralized services should be strategically coordinated to align with DHHS priorities and community needs.

VI. D. 1. Recommendation: Regional Approach to Addressing Challenges – As previously referenced, a regional approach should be considered in developing plans to respond to the impact of the ACA and the requirement to provide a comprehensive Continuum of Care. Collaborative approaches are proven essential in addressing homelessness and Humboldt should continue to actively engage and expand its collaborative efforts.

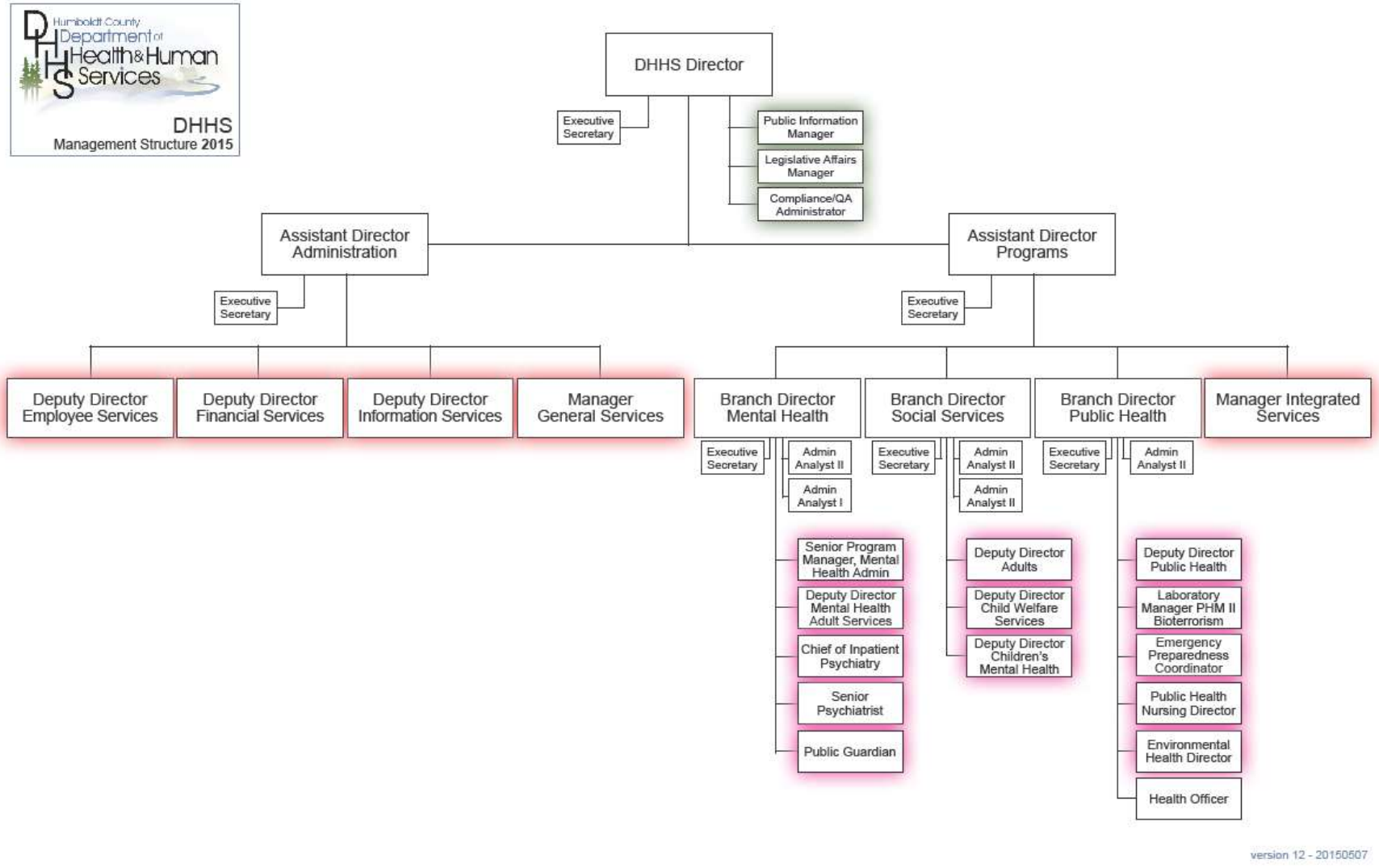
VI. D. 2. Recommendation: Economy of Scale and Rural Challenges – Collaboration among healthcare providers and coordination with the County needs to be continued to address Economy of Scale and Rural County opportunities.

APPENDIX 1 - RECOMMENDATIONS

VI. D. 3. Recommendation: Decentralized Services – DHHS' centralized administrative structure accompanied by the geographically decentralized service delivery model discussed above could easily be adapted to serve multiple counties. Humboldt County is viewed as a leader among rural counties in California, and is uniquely positioned to partner with neighboring counties to develop a regional model for an integrated human services region.

VI. D. 4. Recommendation: Regional Policy – It is important that County leadership provide policy direction to DHHS and other County departments regarding regionalization. By doing so, the County can engage in a coordinated and more cost effective effort to develop regional projects, rather than addressing each project on an individual basis.

APPENDIX 2 – DHHS ORGANIZATIONAL CHART



APPENDIX 3 – SWOB HANDOUT

Humboldt County Department of Health & Human Services

Input sessions for Community Members, Clients and Community Partners/Providers

June - August, 2015

THANK YOU for your participation and input related to the organizational analysis and job analysis for the position of Director of Health & Human Services.

W. Brown Creative Partners (WBCP), the consultants working with Humboldt County to conduct the analysis, is seeking input from various community stakeholders and staff. The analysis will include input from these focus groups as well as a survey which is available through June 30th.

MEETING FOCUS: WBCP wants to honor the great work DHHS has done, engage the community, service providers and employees to gather information, consider opportunities and provide recommendations to the County for consideration regarding the future Director of Health & Human Services, and potential priorities of the Department.

CONTEXT: Your input is requested regarding the future leadership of the County of Humboldt Department of Health and Human Services (DHHS).

- The County of Humboldt's current Director of DHHS, Phillip Crandall, has announced his intention to retire in January, 2016
- The position of Director of (DHHS) is appointed by the Board of Supervisors
- Director Crandall has served the Department for over 30 years and has been the department head since the establishment of Health and Human Services in 2001
- Humboldt County DHHS is referred to as an "integrated department," bringing many functions together in one department. DHHS has served as a statewide model for integration of services and is recognized for the provision of services including rural health/mental health services and services to transition- aged youth. The intention of integration is to bring programs, dollars and staff together to deliver cost-effective, easily accessible and comprehensive services
- As the Department leadership transitions, we seek your input to assure a strong department that serves the citizens of Humboldt County well into the future

Your input is being sought regarding the Department of Health and Human Services (DHHS):

- **Strengths, weaknesses, opportunities and barriers in the key focus areas identified**
- **Ideal candidate competencies for the next Director of DHHS**

Keeping in mind these Focus Areas:

1. Providing culturally competent provision of services to diverse populations.
2. Effective seamless delivery of services.
3. Communicating and assessing the community (to improve programs, services and outcome).
4. Availability and access of services.
5. Leadership roles and responsibilities.
6. The existing structure of the integrated department
7. DHHS reentry program – provides community with necessary and successful services.
8. Community partner engagement and recognition.

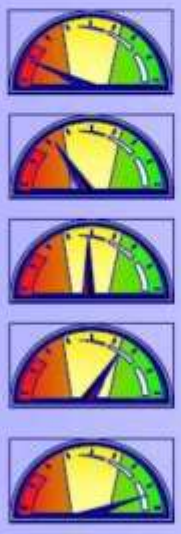
APPENDIX 4 – BENCHMARK COUNTIES AND DATA

Appendix 4 includes five county benchmark data and is in a separate attachment as the files are too large to insert in this report.

APPENDIX 5 – SAMPLE DASHBOARD

FORMAT FOR EXAMPLE PURPOSES ONLY – THIS IS NOT HUMBOLDT COUNTY DATA

INDICATOR	DIVISION	CONDITION	TREND	NOV 07	OCT 07	SEP 07	NOV 06	TARGET
1. Revenues — Percentage of Annual Budgeted Collected	ADMIN			30.4%	20.9%	11.5%	26.4%	25.0%
2. Vacancy Rate/ Unfilled Positions [Note: Includes Frozen Positions.]	ADMIN			8.9%	7.9%	8.3%	12.4%	< 8%
3. Mandated Trainings Completion Rate[1]	ADMIN			71.8%	70.9%	69.5%	69.3%	100%
4. Food Stamp Error Rate (Cumulative)	E&E			SEP 07 2.32%	AUG 07 2.59%	JUL 07 2.78%	JUL 06 5.17%	< 6%
5. CalWORKs Work Participation Rate — All Families[2]	E&E			SEP 07 18.8%	AUG 07 19.4%	JUL 07 18.7%	OCT 06 28.3%	> 50%
6. CalWORKs Work Participation Rate — 2 Parent[2]	E&E			SEP 07 18.5%	AUG 07 35.9%	JUL 07 24.0%	OCT 06 39.0%	> 90%
7. CWS Monthly Visit Completion Rate	CWS			95.7%	96.9%	96.9%	94.5%	> 90% [State] 98% [Federal]



CRITICAL
Condition consistently below target or standard. Trends generally show lack of improvement or are moving in the wrong direction.

SUBSTANDARD
Condition is unsatisfactory and often below target.

CONCERNED
Condition is not clear or shows mixed signals. Condition is not critical but merits continued monitoring.

MANAGEABLE
Generally meets targets or remains close to target.

GOOD
Condition consistently meets or exceeds target and/or remains on track.

TREND IMPROVING
Movement is generally in the direction of what most people would consider as achieving positive results or effects. Situation generally improving.

STABLE OR MIXED TREND
Indicator staying about the same. Situation static.

TREND GETTING WORSE
Movement is generally in the direction of what most people would consider as a negative result or effect. Situation generally getting worse or more challenging.

APPENDIX 6 -- MERIT SYSTEMS – EMERGING ISSUES

Over the past 3-4 years Counties who use Merit Systems as their Human Resources Agency for Social Service and Child Support activities have engaged in a system review as a means to simplify and streamline processes. That review has resulted in changes to State regulations that guide the operation of a Local Agency Personnel System (LAPS) in many of California's Counties, including Humboldt County. It is anticipated that these new regulations will be adopted by The State before the end of 2015 and will provide local counties with a number of options. In Humboldt County 53% of the Health & Human Services employee group and those who work in Social Service programs are currently covered by the Merit System Services.

The significant changes contained in the new Section 17021 of the LAPS Manual are as follows –

1. A County can choose to continue to use Merit Systems as the Human Resource agency for Social Services and Child Support Services. In this case local Counties will continue to do "business as usual" with a Human Resources System operated by the County for all functions other than Social Services and Child Support Services.
2. A County can choose to migrate all of the Social Service and Child Support into to a County Human Resources system. Some counties, such as Shasta County, have already made this choice. Most counties that choose this option will simply absorb Merit System employees into their current system.
3. A County can choose to keep Merit Systems for certain functions for Covered Merit Systems employees, such as recruitment and selection and then convert employees, upon hiring, to the County Human Resources System. Counties that are considering this option believe that Merit Systems generally have a superior recruitment and selection system than most County Human Resource Departments. A County that chooses this option will probably do so to better synchronize Human Resources operations for probationary and permanent employees.
4. A County may choose to expand the number of employees that are covered in the Merit Systems Services System. For example, in the Humboldt County DHSS Agency the County could negotiate a contract with Merit Systems to handle all or some portion of the Human Resource functions through Merit Systems. In this option, current DHSS employees in functions such as Behavioral Health and Public Health would then be covered by Merit Systems.

The proposed LAPS Manual rules that are expected to be adopted by the State regarding options for administration of a Local Agency Administered Approved Merit-Based Personnel Plan are as follows:

§ 17021. Local Agency Administered Approved Merit-Based Personnel Plan for Employees; Total or Partial Approval.

(a) Every Local Agency may operate its Personnel Plan for Program employees in the same manner as it does for other employees of the Local Agency after the Department reviews and approves the Personnel Plan in order to confirm that it is merit-based and satisfies the Federal Requirements. Upon request by a Local Agency, the Department shall review the Local Agency's Personnel Plan, may request additional information as it deems necessary, and shall make a determination and advise the Local Agency.

(b) In determining whether a Local Agency's Personnel Plan is merit-based and consistent with the Federal Requirements, the Department may review elements of the Personnel Plan that relate to the Federal Requirements including:

(1) Procedures and rules for employee recruitment, selection, and advancement.

(2) Compensation policies and procedures.

(3) Training policies and practices.

(4) Performance evaluation standards and procedures, including procedures for correcting and disciplining employees for poor performance.

(5) Overall fairness of the Personnel Plan, including policies regarding equal employment opportunity and nondiscrimination.

(6) Rules regarding conflicts of interest including rules protecting employees from coercion for partisan political purposes and prohibiting employees from using their authority to interfere with actions of others relating to elections.

(c) Once approved to operate its Personnel Plan for Program employees as for other employees, a Local Agency shall certify to the Department in the form and manner that the Department requires that it is operating the merit-based Personnel Plan reviewed and approved by the Department and that it will continue to do so. The certification shall be renewed by the Local Agency on Department request.

(d) Any Local Agency approved to operate its own Personnel Plan prior to January 1, 2014 shall be deemed approved by the Department. The Department may request that the Local Agency acknowledge its acceptance of any new standards adopted by the Department.

(e) A Local Agency that wants to utilize a particular policy, standard, or procedure established in its Personnel Plan for Program employees may ask the Department for approval to do so. If the Department approves the request, the Department will administer the remainder of the personnel management system set out in Chapter 2 for the Local Agency.

(f) If the Department denies the request of a Local Agency to operate all or part of its Personnel Plan for Program Employees, it shall advise the Local Agency of the reasons for the denial in writing. The Local Agency may renew its request at any time.

(g) Any Local Agency approved to operate all or any part of its Personnel Plan for Program employees shall retain records pertaining to personnel management of Program employees. A copy of the policy on retention of personnel and related human resources records or a written advisement on the agency's plan to preserve the records shall be provided to the Department upon request. If the Local Agency has no such policy, the Local Agency shall agree to retain records for seven (7) years from the date of the action or the date of the employee's separation, whichever is longer.

(h) Any Local Agency approved to operate all or part of its Personnel Plan for Program employees is subject to audit by the Department to determine compliance with the Federal Requirements. The audit schedule, scope, and frequency of audits are within the discretion of the Department. The audit process may include an entrance conference with the Local Agency, a review of documentation, field work as necessary to clarify or expand on the documentation, an exit interview, and an opportunity for comment by the Local Agency to the draft report prepared by the Page 4 of 13 2/24/15 Department. If a Local Agency submits written comments in response to a draft report, the response shall be included in the final audit report.

APPENDIX 7 -- HEALTH AND HUMAN SERVICES COUNTY FUNDING OVERVIEW

Department of Health and Human Services (DHSS) Budget overview

DHHS total budget of $159 million is relatively large for a County of its size, and the County General Fund contribution of $4.4 million is relatively small; which is indicative of the success the department has had in accessing Federal funds. Their success in implementing pilot projects and best practice programs has also resulted in increased funds, in some cases resulting in permanent funding sources.

DHHS currently has a fund reserve of approximately $7 million; given the recent economic downturn, and the resulting increase in demand for services, this is a more than an adequate reserve for the Department.

DHHS uses 2011 Realignment funds, which is discussed in more detail below, which is interchangeable among the branches, pursuant to specific language in the 2011 Realignment legislation, authorizing counties with integrated departments to do so. DHHS tracks all the transfers between Divisions. The Branch budgets are maintained separately, allowing costs and revenues to be attributed to each Branch. These "intrabranch transfers" represent only 9% of DHHS revenues. However, they are utilized strategically to enhance Federal revenue. For example, Public Health Nurses (PHN) positions, which are budgeted in the Public Health Branch, are assigned to Child Welfare Services as part of the team providing services to children and their families. The PHN staff costs can then be offset by revenues available to the Social Services Branch, thus not incurring an expense in the Public Health budget. The FY 2015/16 budget includes approximately $15 million in transfers as follows:

- From Social Services to Mental Health: $7.1 million
- From Social Services to Employment and Training: $1.5 million
- From Mental Health to Public Health: $760,000
- From Social Services to Public Health: $5.5 million

Fiscal Background – Federal and State funding

DHHS functions as a County Department; however, most of its activities are governed by State and Federal regulations and program guidance. Most of the programs operated by DHHS are initiated at the Federal level, and regulations are implemented through publication in the Federal Register and include subsequent revisions via the public review process. These regulations are generally comprehensive, outlining specific program requirements, program eligibility, reporting requirements, and funding uses and restrictions. Federal regulations are "one size fits all" and an official "waiver" is required in order to deviate from any part of the regulations. These Federal health and human services programs are funded with a combination of Federal, State and County funds; each level of government is required to budget its "share" of the program cost. In most cases, the Federal government will fund fifty percent of the costs of the program. Depending on the program, the Federal government either allocates a fixed amount of funding to the State, or the program funding is considered "open ended," allowing States to be reimbursed for their actual costs (the only limitation is set by the total amount of funding appropriated in the Federal budget each year).

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Program Revenues

Social Service revenues are earned via quarterly time studies in which staff tracks the amount of time spent on each "program". Programs are identified by various codes related to specific program activities. Staff must ensure accurate time studies which correlate with their time sheet before submitting to payroll. Claims for reimbursement are based upon actual staffing costs for the amount of time claimed to each program code. Overhead costs are distributed proportionately to each program, and are included in the reimbursement claim.

Revenues in **Public Health** are generally received via State grants. Quarterly claims to the State documenting costs consistent with the grant budget are generally sufficient for reimbursement. Certain Public Health funds that receive Federal dollars require time studies. It should be noted that although the process is much simpler in Public Health programs, the State Department of Healthcare Services and or the Department of Public Health routinely conduct annual audits of each program. Public Health also receives a share of Realignment funds (both 1991 and 2011) which funds core Public Health functions, such as PH Lab, PH Nursing, etc.

Mental Health and Substance Abuse Services are billed to the State through two separate programs on a fee for service basis. For Mental Health services, the "unit" of service correlates to a schedule that allows a maximum number of minutes for each type of service. Staff record the time spent, and the "modality" or type of service. Staff is also required to document the "medical necessity" of providing service, which is based upon the assessment of the client and the diagnosis. In addition, the type of service provided must be consistent with the diagnosis and medical necessity. Prior to Realignment, the State General Fund funded a portion of the program costs, and counties contributed the balance of the non-Federal share of the program costs.

California's Realignment of State-County Responsibility

In 1991, the State of California began shifting responsibility for health and human services programs to the county. Under the provisions of the 1991 Realignment legislation, counties assumed responsibility for a greater share of the "local match" to the federal allocations. The result was an alignment of fiscal responsibility with program and operations responsibilities; counties who operated the programs now have a greater incentive to control costs. For example, county staff ultimately makes the decision regarding placement of a child in foster care. Prior to 1991 Realignment, the county expenses were only 5% of the nonfederal share of the program. As a result of 1991 Realignment, the County's share of the local costs dramatically increased to 50%, prompting counties to take a closer look at their placement policies and protocols.

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Prior to the 1991 Realignment, the State annual budgeting process was utilized to determine the funding level for each program. From there, Counties were notified of their "allocation" of program dollars for that fiscal year. Counties would then be required to budget their corresponding share, which was relatively small. Under 1991 Realignment, the State shifted a significant portion of the fiscal responsibility for these programs to the counties, and dedicated a portion of sales tax revenue to pay for these services. The State's annual allocation process was replaced by sales tax revenue allocated to counties through specific formulas included in the Realignment legislation.

The 2011 Realignment legislation was approved as part of the State's budget process and enacted through a series of Budget Trailer bills. The 2011 Realignment shifted more responsibility to the counties along with another dedicated portion of sales tax. The 2011 Realignment was also designed to solve a number of other State budget problems that occurred during the Great Recession, which resulted in confusing and often conflicting regulations. In 2012, SB1020, another budget bill, was introduced to clean up the prior year's legislation and to make some adjustments in funding distributions. Humboldt County, along with other counties with similar integrated health and human service agencies, successfully advocated for a provision allowing "any county authorized to operate as an integrated and comprehensive county health and human services system pursuant to Chapter 12.95 of the Welfare & Institutions Code to transfer funds between the Protective Services Account and the Behavioral Health Account within Realignment flexibility."

The majority of the Social Service programs and all of the Mental Health and Substance Abuse programs are funded via Realignment and Federal matching funds. Counties develop their annual budgets by estimating the amount of Realignment funds available, along with State funds for programs not completely realigned, and including the Federal share of the program costs. If a County exceeds the budget amount, the Federal government will generally continue to provide its share of cost and match the County expenditures. However, the State will not "backfill" if Realignment funds are insufficient. If counties spend below budget, they will only receive the Federal share of their actual costs, however excess Realignment funds can be held in reserve for future years. In order to receive the Federal share of the program costs, counties must submit reimbursement claims to the Federal government.

Realignment funds fluctuate with the economy and in the early years funds could not keep up with growing caseloads and increases medical care costs. In the late 1990s, the situation began to improve, but a significant drop in funding reoccurred during the Great Recession when caseloads were very high. Most counties use some general fund and both 1991 and 2011 Realignment as the 50% match to Federal funds. Large urban counties tend to contribute substantial amounts of the county general fund to these programs.

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Realignment and Risk

2011 Realignment has changed the "rules of the game" as described above. The complex Federal funding process remains intact, and the State funding process is much simpler under Realignment. Sales tax revenues received via the Realignment formulas are easier to project than the outcome of the annual State budget process. These changes allow counties to have a more predictable revenue stream, and also permit counties to create a reserve for Realignment funding, which will fluctuate with the economy. The downside of the picture is that the State has now transferred all of the risks for the costs of these programs to the Counties. There is no provision for "redistribution" of unspent funds among counties. There is no mechanism for a county that experiences a sudden increase in demand for services to be reimbursed by the State, even though the State mandates these services. The potential for a shortfall in Realignment funds in any given year, increases risk to the County.

2011 Realignment established separate funds associated with the different programs that were re-aligned, creating a complex set of accounts at the State and Local level. Each account was allocated a percentage share of the Realignment revenue (sales tax) and for the most part it was based upon prior year expenses. These accounts were then distributed to counties. Although complicated, the intent was to ensure that funding for specific programs stayed intact and was available to support each of the Realigned programs.

For most counties, the 2011 Realignment funds cannot be re-allocated from one functional area to another. However, as noted above, Humboldt County, as well as other officially authorized integrated counties, are allowed to do so. The ability to transfer 2011 Realignment and other funds among the branches allows the Department to cover unavoidable revenue delays and unexpected costs by offsetting with revenues or savings from another branch. DHHS has utilized this authority to transfer these funds to maximize federal matching dollars as noted above, and to also manage budget shortfalls. While this is a benefit to Humboldt County, it can also create greater risk for the county if adequate controls are not in place.

The Board of Supervisors has not adopted any criteria or policy to direct when funds can be transferred, nor the mechanisms to do so. The intrabranch transfers included in the budget for FY2015/16 are not highlighted in the budget documents. In FY 20014/15, as part of the year-end closeout, and due to a deficit, an additional transfer was made of approximately $5 million in unspent Realignment funds from Social Services to Mental Health. This does not violate any rules or regulations and was approved by the Board of Supervisors. However, this transferring of funds is not well understood by staff and the perception within DHHS, and elsewhere in the County, is that one division is "bailing out" another, and management is not held fiscally accountable.

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The Mental Health Branch has incurred a deficit that has existed over a number of years. Mental Health services are billed on a fee for service basis. Federal reimbursements are received for individuals covered by Medi-Cal. Realignment revenues are intended to cover the difference. Most counties struggle with funding for mental health services. The billing methods are extremely complex; services are billed in one-minute increments by type of service. Certain institutional services are excluded completely; a single individual placed in an Institute of Mental Disease for six months can cost well over a half million dollars. It is difficult to anticipate exactly how many clients would need this high level of service in any given year. Case management services are utilized as an attempt to prevent clients from being hospitalized. When budgets are tight, hospital costs often absorb the majority of the funding, and it is difficult to find additional funds for client hospitalization prevention services. Mental Health has instituted a corrective action plan.

DHHS should continue with its current process in order to take necessary steps to achieve a balanced budget within Mental Health branch over the next two to three years. Mental Health services are experiencing a period of significant change in the delivery of services and specifically what services the county is responsible for, coupled with a significant expansion of the Medicaid population and the implementation of MediCal MC. The combination of all these factors creates a high level of uncertainty, and makes it difficult to forecast revenues. In reviewing the recent audit of the Mental Health branch it was noted that there are a number of systemic issues that limit the amount of reimbursements received. Many of these can be corrected through training and supervision, especially those audit exceptions related to improper documentation. While some of the documentation issues may be related to the new Electronic Health Record (Avatar), at this point, the department should be able to implement corrective actions using the new system, as well as monitor these activities on a proactive basis. Mental Health should utilize the services of the consultant assisting with system implementation to train staff and provide policy and procedures related to documentation.

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