

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



April 28, 1998

REASON FOR THIS TRANSMITTAL

ALL-COUNTY LETTER NO. 98-26

- State Law Change  
 Federal Law or Regulation Change  
 Court Order or Settlement Agreement  
 Clarification Requested by One or More Counties  
 Initiated by CDSS

**TO:** ALL COUNTY WELFARE DIRECTORS  
 ALL COUNTY WELFARE TO WORK COORDINATORS  
 ALL COUNTY CAL-LEARN COORDINATORS  
 ALL COUNTY MENTAL HEALTH DIRECTORS  
 ALL COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS

**SUBJECT:** PROVIDING MENTAL HEALTH SERVICES TO CALIFORNIA WORK  
 OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)  
 PARTICIPANTS

**REFERENCE:** ALL COUNTY LETTER (ACL) NO. 97-72  
 COUNTY FISCAL LETTER (CFL) NO. 97/98-16  
 COUNTY FISCAL LETTER (CFL) NO. 97/98-42

The purpose of this letter is to provide further guidelines for the provision of mental health services to CalWORKs recipients, and to provide clarification regarding the county's ability to transfer funds between the mental health services and substance abuse services allocations for State Fiscal Year (SFY) 1997/98. General CalWORKs welfare-to-work program guidelines were issued in ACL 97-72, dated October 29, 1997. Claiming instructions relative to mental health treatment services were issued in CFL 97/98-42, dated January 21, 1998.

Pursuant to Assembly Bill 1542 (Section 114), the County Welfare Department (CWD) and the county department of mental health are required to jointly develop mental health employment assistance services. These services are to be available for CalWORKs recipients and will provide for the treatment of mental or emotional disabilities that may limit or impair an individual's ability to make the transition from welfare-to-work or to retain employment over a long-term period.

CFL 97/98-16, dated September 10, 1997, provided CWDs with their combined substance abuse and mental health treatment allocation of \$22 million from the State General Fund (SGF). These funds were allocated in this manner to provide the counties flexibility to transfer funds between the two programs during the fiscal year and to allow each county to retain any unspent funds for expenditure for the same purposes during the succeeding fiscal year.

Within this \$22 million allocation, \$10 million in SGF was identified in SFY 1997-98 for mental health treatment services, with corresponding matching reimbursement authority of \$10 million in federal Title XIX (Medi-Cal) matching funds. These are supplemental funds and are not intended to supplant mental health services current CalWORKs recipients may already be receiving. The county, whenever possible, shall ensure that the services provided qualify for federal reimbursement. The ability to use these SGF as match for Title XIX in SFY 1998-99 has not yet been determined. Additional information will be provided in a subsequent ACL.

Reimbursement for services will be through the CWD for the state portion of the costs (reference CFL 97/98-42). To the extent that related services are Title XIX eligible, the county mental health department will receive the federal Medi-Cal reimbursement for eligible services through the state's Short-Doyle/Medi-Cal claiming system for the federal portion of the costs for eligible services.

The remaining \$12 million of the combined SGF allocation has been identified for substance abuse treatment services. However, it is not possible to match any portion of the \$12 million SGF allocation with Title XIX funds even if transferred for the purpose of providing mental health services due to the Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) requirements and the SFY 1997/98 budget assumption that the \$12 million is MOE countable. The Department is in the process of developing an ACL to address the use of these substance abuse treatment funds. It is anticipated that it will be released in the near future.

The mental health services made available to CalWORKs recipients must include all of the following elements:

1. Assessment for the purpose of identifying the level of the individual's mental health needs and the appropriate level of treatment and rehabilitation for the participant.
2. Case management, as appropriate, as determined by the county.
3. Treatment and rehabilitation services that must include counseling, as necessary to overcome mental health barriers to obtaining and retaining employment, in coordination with an individual's welfare-to-work plan.

In cases where a secondary diagnosis of substance abuse is made in a person referred for mental or emotional disorders, the welfare-to-work plan must also address the substance abuse treatment needs of the participant.

4. A process by which the county can identify those individuals with severe mental disabilities that may qualify them for aid under the State Supplementary Program for Aged, Blind and Disabled.

It is anticipated that in most cases, the services provided by the county mental health department or their contractors to reduce barriers to employment will be case management, mental health services, and medication management. The county, whenever possible, shall ensure that the services provided meet the requirements for Medi-Cal reimbursement for specialty mental health services.

Each county shall report annually the number of CalWORKs program recipients who received mental health services and the extent to which the allocation is sufficient to meet the need for these services as determined by the county. The CDSS will work with the county welfare departments, the DMH, and the county mental health programs to determine the optimum way to meet these requirements using existing reporting and claiming systems wherever possible.

In addition, concerns have been raised regarding the level of funding provided in the Governor's Budget in FY 1998/99 for mental health services for CalWORKs recipients. The Department, in conjunction with the DMH, are looking at this issue. Any adjustments will be addressed in the May Revision of the Governor's Budget.

If you have any questions concerning the provision of mental health services, you may call Karen Kennedy, Manager, Work Support Services, CDSS, at (916) 657-3400 or Bill De Risi, Managed Care Implementation, DMH, at (916) 654-2617.



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