MHSOAC Innovation Incubator

Executive Summary

Ensuring access to appropriate and effective mental health services is a challenge that touches on health, safety, education, housing, and the economic and social needs of millions of Californians, their families and our communities. This challenge presents a golden opportunity to leverage innovation to transform how we approach mental health by focusing on prevention, early intervention, recovery and outcomes that promote health, safety, independence and opportunity.

The goal of innovation should not just be to serve more people, but to serve people better. The focus of innovation should not just be to expand interventions, but to transform processes, policies, regulations and systems to remove barriers getting in the way of success. The role of county behavioral health departments should not just be direct service, but to collaborate with and empower cross-sector partners to expand reach and impact. The measured outcomes of mental health services should not just be number of people served, but sustained reduction of homelessness, incarceration, suicide, and unemployment.

The Innovation Incubator has the potential to transform and improve the efficiency of the mental and behavioral health system to become more consumer-centric and data-driven, while focusing on community engagement, quality improvement, and capacity building.

Five key problems have been consistently identified during the facilitated discussions with more than 100 members of the mental and behavioral health field, including behavioral health directors, county and statewide staff, academics and researchers, human-centered design experts, business leaders and entrepreneurs, service providers and practitioners, stakeholders and advocates, and consumers and family members[i]:

1. Stakeholders at every level expressed frustration that the current state of innovation is not meeting its promise of being a driver of transformational change, often pointing to the structural, regulatory, and systemic barriers of government.
2. Consumers, family members, and other community members often feel disconnected from Counties' innovation processes and that their needs are not being met.
3. Stakeholders at every level expressed frustration that there's a lack of a clear definition of transformational innovation, and some county behavioral health departments find it challenging to get their innovation projects approved by the Commission due to the opaque requirements.
4. Many county behavioral health departments find it challenging to identify, implement, and robustly evaluate truly innovative projects.
5. Many county behavioral health departments find it challenging to learn from each other's experiences and discover applicable ideas and practices from other fields and industries.

The following changes could address these problems:

1. A cultural shift that would encourage, support and rewards experimentation and learning could benefit stakeholders at every level.
2. Regular and continuous engagement between behavioral health departments, consumers, and family members at every point in the innovation process, from identifying needs and data gathering to prototyping and scaling, could create better solutions and generate more positive impact.
3. Clarifying what transformational innovation looks like, how proposals are evaluated, and how the Commission prioritizes and makes final funding decisions could improve the innovation approval process.
4. A deeper understanding of how to engage in a transformational innovation process, from identifying needs and data gathering to prototyping and scaling, could benefit behavioral health departments.
5. Creating a way to access data and learnings across counties to more efficiently and effectively address problems and design solutions could benefit the entire mental health ecosystem and improve outcomes.
6. Being able to work with a cross-sectoral team that can help engage and leverage the necessary knowledge, skills, and resources to effectively and efficiently drive innovation could benefit local government staff and elected officials.

The following solutions could effectively deliver these desired changes:

1. Assemble a cross-sectoral cohort of leaders across counties who are well-trained in innovation processes to be advocates for and drivers of innovation, responsible for "reimagining the system," and finding better ways to approach and solve problems
2. Establish processes for engaging consumers and family members, including incentives for data gathering and training in human centered design and empathy interviews
3. Offer a clear definition of and roadmap for transformational innovation and provide behavioral health departments with guidelines to use in evaluating the features of their innovation processes and desired outcomes
4. Offer county departments the option to train employees on the innovation process, and/or use a la carte consulting services that can aid in the process as needed
5. Create an online clearinghouse to share information across California with a community of learners comprised of county professionals, service providers, entrepreneurs, researchers, advocates and consumers. This community can access actionable data and examples that can inform the innovation process and identify gaps in the system that can be addressed.
6. Establish "Challenges and Design Competitions" where entities submit specific problems that they're struggling to solve, inviting cross-sector collaborations across the state to design solutions in exchange for monetary incentives, technical assistance, and prizes

These solutions form the foundation of an **Innovation Ecosystem**. The Innovation Ecosystem will leverage the resources, organizations, and partners that already exist in the

field while also building additional services as needed to support behavioral health departments, service providers and stakeholders. There are three key components of an Innovation Ecosystem:

1) **Innovation Roadmap** – providing a clear definition of what processes and capacities are essential to foster transformational innovation, and provide criteria for Commissioners to approve, reject or require additional action for counties to receive an approval to expend innovation funds

2) **Learning Community** – building an online clearinghouse of information and a community of researchers and practitioners, issue-specific task forces, and a series of virtual and in-person events to disseminate data and stories on challenges and progress throughout the field of mental and behavioral health

3) **Innovation Incubator** – creating an entity that will help behavioral health departments work collectively to develop partnerships within their communities and among counties, secure technical assistance and connect the incubation process with the formal community planning process, design and implement better community engagement strategies, evaluate projects and emerging practices to encourage replication and continuous improvement, and disseminate information on challenges and progress through a community of practice. The Incubator will have two key products and services:

   a) **Technical Assistance Services** – providing backbone support and a la carte training, capacity building, and consulting services to county-led collaborations and/or Learning Community members to improve innovation capacity and drive measurable outcomes

   b) **Issue-Specific Challenges and Design Competitions** – a Learning Community task force (or potentially other funders) could develop an "investment thesis" based on county-specific and statewide needs, and issues an RFP to attract local collaborations that desire incubator services and participating in a statewide and cross-sector Community of Practice

Summary of Observations and Insights
What we've heard, where we need to go, and how to get there

Across all five design labs, two stakeholder meetings, and dozens of interviews, we've heard five key problems emerge, and begun to flesh out what needs to change, and how to get there:

Stakeholders at every level expressed frustration that the current state of innovation is not meeting its promise of being a driver of transformational change. While it was noted innovation is happening in pockets across the state, it was also stated that there is not enough of it, examples are not widely visible or supported. Often pointing to the

structural, regulatory, and systemic barriers of government, stakeholders across Design Labs expressed that the incentives, cultures, and workflows that exist within their organizations tend to inhibit, rather than support the experimentation and exploration that is necessary for fostering innovation. A common lack of tolerance for failure, fear of change, and comfort with the status quo, alongside minimal incentives for innovative approaches were all described as contributing factors.

> *Where we need to be:* A cultural shift that would encourage, support and rewards experimentation and learning could benefit stakeholders at every level.

> *How to get there:* Assemble a group of people across counties who are well-trained in innovation processes to be advocates for and drivers of innovation, responsible for "reimagining the system," and finding better ways to approach and solve problems.

Consumers, family members, and other community members often feel disconnected from Counties' innovation processes and that their needs are not being met. It was clear that many of the existing process that helps identify needs and proposes solutions was largely disconnected from consumers and family members. Needs are often driven by identifying areas that were costing the county the most amount of money, rather than determining the most systemic root causes. Solutions generation often happened in a vacuum, without prototyping, testing, and iterating the solution with consumers before launching it. This has resulted in programs that are often inefficient or ineffective at addressing the problem due to mismatch with true problems and/or lack of appeal to consumers.

> *Where we need to be:* Regular and continuous engagement between behavioral health departments, consumers, and family members at every point in the innovation process, from identifying needs and data gathering to prototyping and scaling, could create better solutions and generate more positive impact.

> *How to get there:* Establish processes for engaging with consumers and family members, including encouraging continuous data gathering and providing training in human centered design and empathy interviews. Communities should also have a team of dedicated "cultural brokers" who are especially skilled in these areas. These brokers can be responsible for sourcing and understanding needs in the community, identifying consumers and family members to engage throughout the process, and being an active conduit between communities and the innovation teams throughout the design process.

Stakeholders at every level expressed frustration that there's a lack of a clear definition of transformational innovation, and some county behavioral health departments find it challenging to get their innovation projects approved by the Commission. Many stakeholders are frustrated by the lack of clarity from the Commission of what transformational innovation is - both when it comes to the process required to arrive at it and the assessment of proposed projects and solutions. Many behavioral health

departments and stakeholders are also frustrated by the time it takes to move a proposal through the process (both local and with MHSOAC) to get assessed and approved.

> *Where we need to be:* Clarifying what transformational innovation looks like, how proposals are evaluated, and how the Commission prioritizes and makes final funding decisions could improve the innovation approval process.

> *How to get there:* Offer a clear definition of transformational innovation and provide behavioral health departments with guidelines to use in evaluating the features of their innovation processes and desired outcomes

Many county behavioral health departments find it challenging to identify, implement, and robustly evaluate truly innovative projects. The processes county staff undergo when it comes to problem identification, solution design, implementation, quality improvement, and evaluation could be more thorough and systematic. This has resulted in inefficiencies in discovering true community needs, a tendency to conduct a shallow assessment, focusing on "shiny, new" challenges raised by elected and appointed leaders, and identification of "quick fix" solutions (often expanding existing programs that only address the symptoms of the problem rather than the root cause). This is often due to a lack of capacity that adversely impacts the quality and quantity of innovation.

> *Where we need to be:* A deeper understanding of how to engage in a transformational innovation process, from identifying needs and data gathering to prototyping and scaling, could benefit behavioral health departments.

> *How to get there:* Offer county departments the option to either train employees on the innovation process, and/or use a la carte consulting services that can aid in the process as needed.

Many county behavioral health departments find it challenging to learn from each other's experiences and discover applicable ideas and practices from other fields and industries. Stakeholders have minimal established processes, frameworks or locations for sharing and sourcing data and "best practices" with each other. This realization has highlighted inefficiencies that arise because of constantly "reinventing the wheel." Additionally, agencies are often disconnected from the resources and knowledge available outside the government, specifically business and technology. It was clear across labs that they appreciated the valuable role they could play in the innovation process and were interested in engaging with them. However, there is a lack of knowledge of exactly what value they could offer, how to engage them, and how their processes and interests could align. In addition to wanting to tap into industry-specific expertise, there was also interest in finding ways to engage in democratizing the innovation process and soliciting input from the broader community.

> *Where we need to be:* Creating a way to access data and learnings across counties to more efficiently and effectively address problems and design solutions could benefit the entire mental health ecosystem and improve outcomes. Being able to work with

a cross-sectoral team (including public, private, and nonprofit sectors as well as members of multiple departments and agencies) that can help engage and leverage the necessary knowledge, skills, and resources to effectively and efficiently drive innovation could benefit local government staff and elected officials.

How to get there: Create an online clearinghouse to share information across California (e.g. reports, studies, stories, successes, failures, proposals, and relevant articles on where other counties, service providers and researchers have succeeded, failed and learned from) so they can access actionable data that can inform the innovation process. Establish a cross-sector community of leaders, where they can interact through facilitated conferences and meetings and participate on task forces about specific topic areas based on specialty and interest. Establish "Issue-Specific Challenges and Design Competitions" where entities submit a specific problem that they're struggling to solve and invites experts and community-members across the state to design collaborative solutions.

Landscape Review and Analysis[ii]

Why Incubators are Important
Incubators provide innovators and entrepreneurs access to the critical resources they need to launch scalable and sustainable products, services, and solutions. The resources provided by incubators vary broadly, but can include knowledge, training, expertise, funding, physical resources (such as space), network, and human capital.

Incubators span across sectors, areas of focus, and stage of initiative. There are incubators in for-profit, nonprofit, government and academic settings. They can focus on launching startups, building specific initiatives within an organization, teaching the principles of innovation, facilitating connections across sectors or communities, or a combination of these elements. They can work with individuals and organizations in identifying problems, designing solutions (prototyping, testing, refining), scaling an existing solution, or a combination of these stages. Incubators can also work with individuals, teams of individuals or entire organizations.

No matter the nature of the problem, stage of the solution, or context in which the innovation is being launched, without an incubator these resources and opportunities are typically otherwise unattainable by innovators and entrepreneurs due to cost, lack of expertise, and/or access constraints inherent in designing and testing a new innovation. Therefore, by gaining access to incubators and their associated benefits, innovators can more effectively and efficiently deliver and scale products and services to their target user and maximize the potential impact on the problem-to-be-solved.

What does the mental and behavioral health field stand to gain from an incubator?
Stakeholders at every level, including county behavioral health departments, stand to gain a tremendous amount from implementing an incubator that is tailored to address the unique, intricate, and complex processes inherent in implementing and scaling innovation both locally and statewide. By gathering the necessary resources (physical, monetary and

human) and suite of services, counties will become empowered to more effectively and efficiently address the mental health challenges that are currently unaddressed, misaddressed, or underserved under the current solutions. If done right, and with appropriate evaluation, these solutions will not only reach more people and deliver superior results but can also do so in a more cost-efficient manner.

How do incubators work across sectors?
In order to design the most effective incubator to address the unique challenges of the counties and state, we conducted an extensive landscape review of the various incubator business models. While there are several business models not represented, the examples below represent those we believe are the most relevant within this context.

Lab@OPM (federal government hosted and funded)
The Innovation Lab at the Office of Personnel Management (Lab@OPM) is a program run by human-centered design experts from the Office of Personnel Management who partner with government organizations looking to design innovative solutions for their most complex problems. The core function of the Lab is to build the Federal Government's innovation capacity by training existing employees across organizations on how to effectively innovate by taking a human-centered design approach to solve problems. Depending on the project, this could include providing technical assistance to help on user experience design, service design, product design, program design, policy design, design strategy and/or design research. The Lab also offers community-building initiatives aimed to bring innovators together to share insights through an innovators network, thought leader talks, monthly education products, and publications. It also conducts and disseminates applied research around how to adapt design methodologies to address the unique processes and challenges of Federal Government organizations. Two of the notable partners that the Lab has engaged in government are 18F and the United States Digital Service (both of which are organizations that leverage private sector professionals to partner within government to build and scale solutions) to implement wide scale cultural change to better support innovation within government.

Challenge.gov (government clearinghouse)
Challenge.gov is an online platform on which agencies across the federal government can post and run various challenge and prize competitions that solicit ideas and solutions from the public in exchange for monetary rewards. The goal of the program is to engage the broader public in public sector problem solving and infuse a diversity of new ideas and approaches into problems the government lacks the knowledge, expertise and/or resources to efficiently or effectively address. The initiative was launched in 2010 after the White House's Strategy for American Innovation urged agencies to increase their ability to promote innovation with tools such as prizes and challenges. Since its launch in 2010, over 825 challenges have been run, over $250 million in prize money has been awarded, over 250K problem solvers from over 180 congressional districts have engaged, and over 5 million people from every state in the US (and several countries across the globe) have engaged with the website.

San Francisco's Entrepreneurship in Residence (EIR) Program (government and for profit)

San Francisco's EIR Program brought in teams of entrepreneurs to work alongside city officials for 16 weeks on addressing specific challenges and designing more effective public-sector initiatives. The program was started in 2013 in an effort to bring new ideas and innovative tech approaches to the city and give entrepreneurs a chance to enter the public-sector market (there was a lot of demonstrated interest, but lack of awareness of opportunities to productively engage). Teams of entrepreneurs applied and were chosen based on their demonstrated capacity to address a relevant issue, and plan to create a solution with at least $100m worth of economic potential that could be scaled to meet the needs of other cities or municipalities. Projects of the EIRs included things like: finding ways to more efficiently leverage open data, better utilizing public assets, improving healthcare, and improving the transportation system. A similar program was started by the US Citizenship and Immigration Services Department.

Stanford d.school (academic hosted, multi-sector funded)
The Stanford "d.school" (Design School) offers a variety of courses and programs designed to teach students within and beyond the Stanford campus how to use design thinking tools and methodologies to identify and design innovative solutions to real world problems. They take the necessary steps to build scalable and sustainable products, services, and companies. While the options are widely variable in terms of application, audience, and duration, all of them have an educational component at the core of the curriculum. Two examples of programs offered by the d.school are Hacking for Defense, and the d.School Fellowship Programs:

- Hacking for Defense: Hacking for Defense (H4D) is a Stanford course run in partnership with the Department of Defense (DoD) and Intelligence Community (IC), designed to provide students the opportunity to learn how to work with the DoD and IC to better address the nation's emerging threats and security challenges. Students from across the graduate programs work in teams to design real solutions to real problems faced by the DoD and IC and have the potential to get follow-on funding for further refinement and development of prototypes so they can be applied in the field.
- d.School Fellowship Programs: *Project Fellowships* are granted to experts across fields who are passionate about innovating new solutions, platforms and initiatives within their respective fields. During the program, fellows use design thinking methodologies to actively conduct in-field experiments that have the potential to advance their field, or benefit the broader systems they operate, live and work within. The fellows are supported by the design thinking experts and incredible network the d.school affords. *Teaching Fellowships* are granted to people inside and outside the Stanford community looking to spend one year learning how to apply and teach the principles of design thinking. Teachers build courses, make connections, and build new design thinking methodologies.

New Ventures (international, for profit hosted, cross-sector projects, government funded)
New Ventures is an incubator based in Mexico that focuses on building and scaling social impact startups. The incubator is privately run by seasoned entrepreneurs and investors but raises funds from the Mexican government to invest in the participating startups. The Mexican government started the program because they needed more innovative solutions

for government problems and wanted to support the startup ecosystem, but they didn't know how to effectively do so themselves. Each year, the government provides the incubator with an "investment thesis" or area of focus based on the most pressing governmental needs, and the incubator recruits entrepreneurs and startups that offer solutions for that problem (for example: energy, homelessness). Teams are taken through a defined 6-month curriculum (including: business, marketing, operations, human resources), offered a suite of resources (e.g. physical space), and are granted access to mentors and relevant experts across sectors to guide them through product development, testing, and implementation. At the end of the program, startups have the opportunity to pitch their company to raise government funding and are given access to highly favorable loans from the National Bank (otherwise very hard to secure for startups in Mexico). In addition to the incubator program, New Ventures also hosts a series of Grand Challenges, which solicit ideas and solutions from entrepreneurs and innovators across society to address specific problems in exchange for a financial reward. The program has been highly successful in generating innovative solutions to real government problems and fueling the startup ecosystem in Mexico.

Y Combinator (learning community, for profit hosted and funded)
Y Combinator is a large, highly acclaimed incubator in Silicon Valley for startups. Y Combinator invests a small amount of money ($120K) into a highly selective cohort of startups in exchange for equity (6% of the company). Y Combinator teams participate in an intensive and immersive 3-month program during which they are guided through a training program and curriculum on how to design and scale their companies. For entrepreneurs, much of the value of the incubator comes from the unique access to a network of seasoned entrepreneurs, expert investors, domain experts, and Y Combinator Alumni who can provide specific, actionable, and strategic advice on how to address challenges and capitalize on opportunities across various aspects of the business. At the end of the program, startups participate in Demo Day, during which they pitch their business to Venture Capitalists and Angel investors in an effort to raise funding. In addition to training and network access, Y Combinator also provides other resources, such as physical space, human resource support, and other perks (e.g. advertising credits, free legal counsel). Y Combinator has been one of the most successful incubators, with over 1,700 alumni startups, a community of over 3,500 founders, and a combined valuation of $80B for participating startups. Some of the notable alumni include: Airbnb, Dropbox, Stripe, Reddit, Twitch, Coinbase, DoorDash, and InstaCart.

Proposed Innovation Ecosystem

1) Innovation Roadmap (Guidelines and Assessment)
Goal: Provide a clear definition of what processes and capacities are essential to foster transformational innovation, and provide criteria for Commissioners to approve, reject or require additional action for counties to receive an approval to expend innovation funds

    A. Published Criteria and Rubric
    B. Proposed DRAFT Categories and Standards
        a. Capacity for Innovation

        i.   Innovation Process (sourcing needs, identifying root causes, solution generation, prototyping/experiments, going to market, learning culture/quality improvement, evaluation, scale/institutionalizing)

       ii.   Organization Capacity of County (e.g. leadership, culture, staffing, dedicated resources, mandate/buy-in)

     iii.   Community Engagement Process (beginning to end, stakeholder focus groups, consumer and family empathy interviews, engaging advocates)

b. Capacity for Collaboration

        i.   Capacity of Collaboration and Community of Practice (e.g. leadership, culture, staffing, dedicated resources, ability to be high performing team)

       ii.   Diversity of Local Collaborators (composition of team, multi-sector, multi-department, demographic and stakeholder categories)

     iii.   Diversity of Community of Practice (e.g. multi-county, multi-sector)

c. Capacity for Learning and Potential for Impact

        i.   Learning Culture and Quality Improvement (e.g. experimenting, testing, measuring, adapting, failing fast)

       ii.   Evaluation and Research (improving social determinants/outcomes, ROI)

     iii.   Systems and Process Improvement (driving systemic change)

     iv.   Potential of Innovation (move needle on outcomes or systemic change)

2) **Learning Community**

Goal: Build an online clearinghouse of information and a community of researchers and practitioners, issue-specific task forces, and a series of virtual and in-person events to disseminate data and stories on challenges and progress throughout the field of mental and behavioral health

A. Membership

    a. Diverse members (multi-sector, multi-county, multi-department, academia, business, philanthropy, service providers, stakeholders, consumers, practitioners)

    b. Issue-specific communities

B. Products

    a. Online Clearinghouse (well-designed repository of reports, studies, stories, successes, failures, proposals, and relevant articles)

    b. Publications (newsletters, aggregated digests, journals, articles)

    c. Events (conferences, webinars, award ceremonies)

    d. Curated and robust database of partners in the ecosystem

C. Task Forces

    a. Sponsors can create consortiums of members to focus on a specific issue area, policy, or component of the healthcare system

      b. Findings of Task Forces could range from policy change to new Issue-Specific Challenges and Design Competitions for the incubator to explore (with pledged support from counties, foundations, and/or business)

      c. Task Forces can also purchase Technical Assistance Services from Incubator

      d. Policy and systems change will have a direct channel to commissioners, legislators, county superintendents and BHDs, and DHCS leadership

3) <u>Innovation Incubator</u>

<u>Goal:</u> Create an entity that will help behavioral health departments work collectively to develop partnerships within their communities and among counties, secure technical assistance and connect the incubation process with the formal community planning process, design and implement better community engagement strategies, evaluate projects and emerging practices to encourage replication and continuous improvement, and disseminate information on challenges and progress through a community of practice. The Incubator will have two key products and services:

A. <u>Technical Assistance Services</u>

<u>Goal</u>: Provide backbone support and a la carte training, capacity building, and consulting services to county-led collaborations and/or Learning Community members to improve innovation capacity and drive measurable outcomes

1. <u>Training, Capacity Building, and Certification Services</u>
   a. **Innovation Process**– capacity building training will teach participants how to lead a team through an innovation process including sourcing needs from communities, identifying root causes of challenges, generating solutions, prototyping and experimenting, delivering services to consumers, creating a learning culture and process for quality improvement, evaluation, and scaling and institutionalizing. Successful completion will build internal capacity through a *Certified Innovation Ambassador*
   b. **Community Engagement Process**– capacity building training will teach participants how to build an effective community engagement process from beginning to end, including assembling a diverse steering committee, conducting stakeholder focus groups, consumer and family empathy interviews, and engaging advocates. Successful completion will build internal capacity through a *Certified Engager*
   c. **Capacity of Collaboration and Community of Practice**– capacity building training will teach participants how to build an effective cross sector collaboration and innovative community of practice, including assessing and building leadership, trust, culture, managing power dynamics, and high performing teams. Successful completion will build internal capacity through a *Certified Collaborator*
   d. **Capacity of County (or Organization)**– capacity building training will teach participants how to build an effective culture of innovation and collaboration within their organization, including assessing and building leadership and

trust, changing culture, and supporting a high performing team. Successful completion will build internal capacity through a *Certified Innovator*

e. **Learning Culture and Quality Improvement**– capacity building training will teach participants how to build a flexible and learning culture, including effective experimenting, testing, measuring, adapting, failing fast, and driving for continuous quality improvement. Successful completion will build internal capacity through a *Certified Learner*

2. Consultative and Matchmaking Services
   a. **Evaluation and Research**– this consultative service will include assessing the evaluation and research plan including its focus on social determinants, mental health service outcomes, and measuring return on investment (ROI). The consultant will identify potential evaluators (people and organizations) who could enhance the research strategy and evaluation process. This matchmaking service may include seeking advice, support and connecting with Learning Community partners.
   b. **Diversity of Local Collaborators** and **Diversity of Community of Practice**– this consultative service will include assessing the diversity of local collaborators and communities of practice to identify what sectors and populations are being excluded. The consultant will work with key stakeholder groups to help identify potential *Cultural Brokers* (people and organizations) who could enhance the collaboration and be more inclusive. *Cultural Brokers* could also be trained to become *Certified Collaborators.* This matchmaking service may include seeking advice, support and matchmaking with subject matter experts from MHSOAC's stakeholder contractors.
   c. **Systems and Process Improvement** and **Potential of Innovation**– this consultative service will include assessing the innovation project's hypothesis on driving systemic change and its potential for innovation. The consultant will identify potential improvements and key performance indicators to ensure the innovation project has the potential to move needle on outcomes and/or systemic change.

B. **Issue-Specific Challenges and Design Competitions**
   Goal: A Learning Community task force (or potentially other funders) could develop an "investment thesis" based on county-specific and statewide needs, and issue an RFP to attract local collaborations that desire incubator services and participating in a statewide and cross-sector Community of Practice

1. Request for Proposals
   a. **Incentives** – some challenges will have financial rewards (and/or matching funds) for local collaborations to compete for while others will just provide facilitation support by assembling a like-minded Community of Practice connected to paid incubator services
   b. **Acceptance** – all applicants will be assessed using the Innovation Roadmap Guidelines and the incubator will invite some or all of the applicants to join

the Community of Practice, while ensuring readiness to innovate and diversity of approach and county size (ability to pay for incubator services may also be a criteria)

2. Community of Practice
    a. **Innovation Fellows** – 4-6 members of each county collaborative participates in cohort with monthly video calls and quarterly in-person sessions (they become *Certified Collaborator, Innovation Ambassador, Innovator(s), Engager, and Learner*)
    b. **Collective Learning** – Fellows learn from each other throughout the challenge and test hypotheses in multiple communities to advance learning
    c. **Disseminated Findings** – final solutions, lessons learned, what's working, and what needs additional investigation will be shared with Learning Community and can be pre-approved by MHSOAC (i.e. additional counties can get expedited approval for innovation funds so long as they follow Innovation Roadmap Guidelines and can show community interest and need)

3. Products and Services (tiered pricing based on county/population size)
    a. **Capacity Building** – Training, Coaching, Facilitation
        i.   Access to Technical Assistance Services as needed
        ii. Every participating organization in a collaboration will need a *Certified Innovator*
        iii. Every collaboration will need at least one *Certified Collaborator, Certified Innovation Ambassador, Certified Engager, and Certified Learner*
    b. *Collaboration Backbone*
        i.   If collaborations do not have the resources or capacity to have a dedicated, experienced *Certified Collaborator* (or would like a coach for an inexperienced *Certified Collaborator*), they can request the services of a *Collaboration Backbone* to provide backbone support
        ii. *Collaboration Backbone*'s serve as imbedded consultants who offer support including, ensuring vision and strategy alignment, supporting aligned activities, sourcing community needs and building public will, identifying root causes, solution generation, prototyping and experimenting, mobilizing funding and take new products to market, fostering a learning culture and quality improvement, establishing shared measurement practices, and scaling results by advancing policy change. The duration of their engagement may vary depending on the needs of the initiative.

Proposed Business Model

All three of these components will be required to create an Innovation Ecosystem able to enhance and transform the mental and behavioral health field. However, each element may need a tailored business model.

1. **Innovation Roadmap**
   The MHSOAC clearly has the authority to provide a definition of innovation and criteria for Commissioners to approve, reject or require additional action for counties to receive MHSA innovation funds. However, we propose that the Commission engage county behavioral health directors and staff, stakeholder and advocacy groups (local and statewide), academic and research partners, technical assistance providers, service providers, and consumers and family members in a process to develop these criteria to create understanding and ownership. This would require building on the current definition and process while being willing to adapt and change based on feedback. Specifically, we propose that the development of these criteria be the first project of the Innovation Incubator. This element has the potential of aligning stakeholders and improving innovation throughout California at a low cost.

   Estimated cost: $100,000 - $250,000 for consultants, design labs, and stakeholder engagement and/or Innovation Incubator operator (plus MHSOAC staff time)

   Proposed payer: MHSOAC

2. **Learning Community**
   Building an online clearinghouse of information, community of researchers and practitioners, and issue-specific task forces would be a critical asset for the field of mental and behavioral health regardless of its connection to the Innovation Incubator. We propose that this component be pursued in parallel with building the Innovation Incubator, potentially in partnership with existing centers of excellence within California. We emphasize that the operator will need to both collect data and information as well as curate and foster an active cross-sector community.

   Estimated cost: $2 million - $4 million for first three years ($250,000-$500,000 for startup and operations plan (identify scope of information, format of clearinghouse, community curation needs, key partners and stakeholders, and potential paid membership model); $1 million - $2 million for launch; $250,000-$500,000 annually for active curation)

   Proposed payer: Seed funding from health-focused foundations with launch and ongoing operating costs from State of California and paid membership model

3. **Innovation Incubator**

The Innovation Incubation should support behavioral health departments in:
- working collectively to develop partnerships within communities and among counties
- securing technical assistance and connecting the incubation process with the formal community planning process
- designing and implementing better community engagement strategies
- evaluating projects and emerging practices to encourage replication and continuous improvement
- disseminating information on challenges and progress through a community of practice

The Incubator should be created by contracting with a new or existing organization that partners with existing technical assistance, research and quality improvement, and stakeholder and community engagement groups throughout California.

Beyond the technical assistance and design challenge services, the Incubator can provide coworking space where members of the Community of Practice can interact and collaborate with each other, *Collaboration Backbones*, *Imbedded Problem Solvers*, *Senior Fellows*, Learning Community members, incubator staff, and those coming into the Incubator for Technical Assistance training. This "hive" will be designed for creativity, cross-fertilization, innovation and serendipity. Membership to this coworking environment could be another revenue generating service to ensure financial sustainability.

We propose that the Incubator be launched with the $5 million in funds set forth by the Governor's budget in FY19-20. While we have proposed a model that is issue agnostic, the initial charge of the Incubator will be reducing the number of people deemed incompetent to stand trial (IST), as this is what is required by the source of funding. These funds will help launch the Incubator, covering startup and infrastructure costs, as well as an issue-specific challenge focused on IST. With the infrastructure built, additional issue areas can be addressed by the Incubator at a lower marginal cost.

Estimated cost: $5 million for first two years ($500,000 for startup costs, $1 million annually for facilities and administration, $1 million -$2 million annually for technical assistance, and $500,000-$1 million per challenge, assuming two to three challenges in first two years)

Proposed payer: Seed funding of $5 million provided by the State of California with a challenge focused on IST, additional funds from foundations and the State of

California could sponsor additional issue-specific challenges, and ongoing operating costs covered by county behavioral health departments (through MHSA Innovation funds and potentially other budgets) and other stakeholders paying for technical assistance services

Sustainability: All challenges are sponsored (either by State of California, foundations, and/or a consortium of county agencies), all technical assistance is paid for (either by county agencies, foundations supporting nonprofit or service provider capacity, and/or other stakeholders seeking services), and facilities and administration covered with an overhead charge on all challenges and technical assistance services

Proposed Model for Management and Operation

We identify the following three potential models for management and operation of the Incubator, and we propose that the MHSOAC pursue the Hybrid Model:

1. **Build from Scratch** – contract with an entity to build the Incubator with all of the essential services and staffing within a standalone organization
   a. Pros – customized for specified purpose and can become a one-stop shop
   b. Cons – most expensive model and doesn't leverage amazing work, past investment, and current excellence already taking place in the field
2. **Connect the Dots** – contract with an existing organization that functions as a curator to connect the current service providers in the mental and behavioral health field and those in need of technical assistance and consulting services
   a. Pros – least expensive model and leverages the best of what already exists
   b. Cons – relies on what already exists that are not currently meeting all needs
3. **Hybrid Model** – contract with a new or existing entity that builds a lean infrastructure that connects top service providers within the field and creates products and services missing within the mental and behavioral health field (e.g. design challenges, backbone support)
   a. Pros – reasonable cost, leverages the best of what already exists, and builds what is missing for the specified purpose
   b. Cons – will require extra time and resources to identify, source and, coordinate with existing service providers (including potential culture conflicts)

Prototype for Executive Staffing of Hybrid Model

- CEO (Strategy and Business Development)
- CFO (or role absorbed from parent organization or fiscal sponsor)
- COO (Human Capital, Operations, Facilities)
    - Learning Community Liaison

- Network Weaver for connecting dots and encouraging engagement and quality contributions
  - Training Faculty Lead
    - Assumes most trainings will be contracted out to approved vendors
  - Consulting Lead
    - Matchmakers (*Senior Fellows*/Learning Community members)
    - *Collaboration Backbones* (potentially contracted out to approved vendors)
  - Design Challenge Lead
    - Community of Practice Facilitator
    - Community Engagement Lead
    - Quality Improvement and Evaluation Lead
    - *Senior Fellows*– each challenge will assemble a select group of subject matter experts and former BHDs to support the Community of Practice
  - Infrastructure Support
    - Analyst – to capture lessons learned, synthesize and advise on program improvements
    - Software engineer(s) – implement program improvements
    - Graphic designer
    - Facilities and events manager

i **List of Organizations Engaged in Stakeholder Process**
7 Cups
Alameda County Behavioral Health Care Services
American Institutes for Research
Born This Way Foundation
Brainstorm: Stanford Lab for Brain Health Innovation and Entrepreneurship
Bring Change to Mind
CA Council of Community Behavioral Health Agencies
CA Pan-Ethnic Health Network
California Alliance of Child and Family Services
California Council of Community Behavioral Health Agencies
California Forward
California Health Care Foundation
California Institute for Behavioral Health Solutions
California Mental Health Services Authority
CBHDA
Center for theVulnerable Child, UCSF Benioff Children?s Hospital Oakland
CFLC Committee Members
Children Now
CLCC Committee Members
COMMUNITY CLINIC ASSOCIATION OF LOS ANGELES COUNTY
Consumer Advocates
Council on Criminal Justice and Behavioral Health
County of San Diego Health and Human Services Agency, Behavioral Health Services
County of Santa Clara
CPEHN
Depression & Bipolar Alliance
DHCS
DMH Los Angeles County
East Bay Agency for Children
Edegwood Center for Children and Families
former Citi Ventures
Fresno County
Health Access
Kern Behavioral Health and Recovery Services
Kern Behavioral Health and Recovery Services
Lincoln
Los Angeles County Department of Mental Health
Lucile Packard Chidlren's Hospital Stanford
MHALA
MHSOAC
Mindstrong Health
NextGen America
NorCAL MHA
OCHA
Open Source Wellness
Orange County Health Care Agency
Peers Envisioning and Engaging in Recovery Services (PEERS)
Prevention Institute
REMHDCO
Represents schools
San Bernardino County Behavioral Health
San Francisco Behavioral Health Services
San Francisco Department of Public Health

Santa Barbara County Department of Behavioral Wellness
Santa Clara county superior court
Seneca Family of Agencies
Social Interest Solutions
Stanford Psychiatry
Stanford University
Stanislaus County/Behavioral Health and Recovery Services
Steinberg Institute
Swords to Plowshares
TeenzTalk
The Lab at OPM
Third Sector Capital Partners
Transitions Clinic Network
U.S. Department of Labor
UC Davis Dept of Psychiatry
UCSF Children's Hospital Oakland
United Parents
Uplift Family Services
Walter S Johnson Foundation, administered by Whittier Trust
Young Minds Advocacy
Youth Tech Health

[ii] List of Incubator Models Researched
Grand Central Tech
NFX
InBIA
Department of Homeland Security's CyberApex Program
Seneca Family of Agencies
Entrepreneur First
Plug & Play
IDEO
Chobani Incubator
Tipping Point Community
Superpublic
Deloitte's Greenhouse
Booz Allen Innovation Center
1776
City Innovate
Case Foundation
Techstars
Launchpad
Lean Launchpad
BioDesign
Omidyar Network
Emerson Collective
Presidio Institute
World Economic Forum
The Technology Suite (and 7 Cups)

Sources
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- Russell Siegelman, *Lecturer in Management, Stanford Graduate School of Business*
- Robert Chess, *Lecturer in Management, Stanford Graduate School of Business*
- Peter Reiss, *Lecturer in Management, Stanford Graduate School of Business*

- http://www.govtech.com/local/SF-Launches-Entrepreneurship-in-Residence-EIR-Program.html
- https://www.challenge.gov/
- https://lab.opm.gov/
- http://www.ycombinator.com/