

# California State Assembly



## Assembly Budget Agenda

### Subcommittee No. 1 on Health

Assemblymember Dr. Akilah Weber, Chair

Monday, April 22, 2024

Upon Adjournment of Session

State Capitol – Room 127

Items To Be Heard		
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**Public Comment will be taken in person after the completion of the discussion item.**

# Items To Be Heard

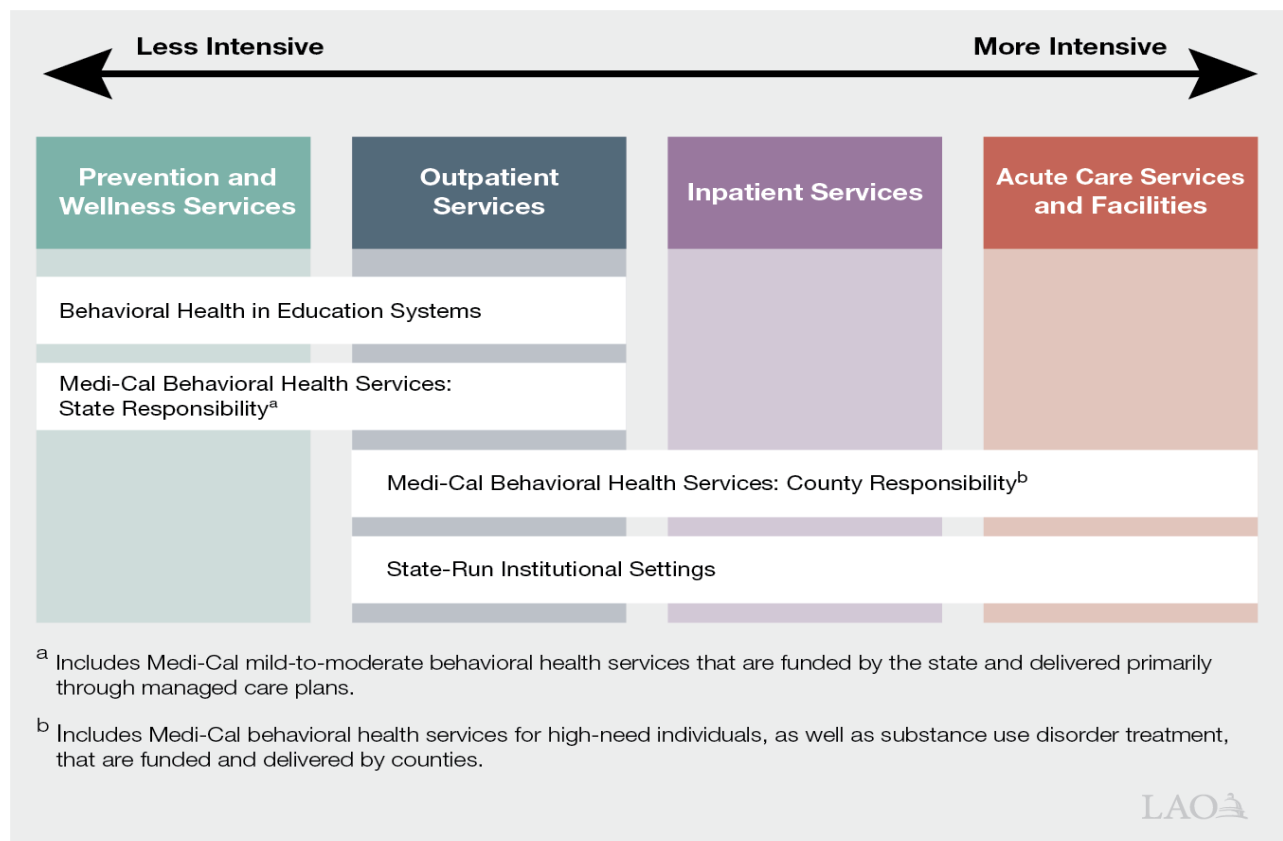
## 4260 Department of Health Care Services

### Issue 1: Behavioral Health

The COVID-19 Pandemic brought behavioral health concerns to the forefront of public attention, highlighting the challenges, gaps, and unmet needs across the system. This has prompted state initiatives to address these gaps, which are now underway and reflected in the budget. This hearing will reflect on these investments, consider the current state of behavioral health, and consider what next steps the state should take in the budget year.

### The Behavioral Health Continuum

There are many frameworks that can be used to describe behavioral health, from the type of service, to the level of care, to a description that specifies by population. For this hearing, the Legislative Analyst’s Office prepared a handout that discusses the continuum and will be included as an attachment to this agenda. That handout includes this helpful graphic to illustrate the continuum:



The California Health and Human Services Agency also provided a document that articulates the continuum based on the spectrum of services. The Agency uses this document to articulate recent state efforts in each of the service categories and that information complements the presentation by the Legislative Analyst's Office. This document is also attached to this agenda and includes the following graphic that demonstrates the continuum:

## Behavioral Health Continuum



This continuum is the combination of disparate actors, functions, policy spaces, and funding streams. As the State attempts to improve services and outcomes in this area, it has to contend with gaps along the continuums as well as the difficulty in coordinating services spread across health care providers, counties, schools, state hospitals, and public safety at all levels.

In 2022, the Administration announced the Master Plan for Kids' Mental Health, which looked to articulate a five-year \$4.7 billion initiative to try to coordinate the continuum for the youth population, with a focus on prevention and early intervention for youth impacted by the pandemic.

### Proposition 1

In March, voters passed Proposition 1, which provide bond funding for behavioral health related facilities and housing and change the funding mechanisms for behavioral health. The initiative had three provisions:

- Authorizes \$6.4 billion in bond funding. Of this amount, \$4.4 billion will be for mental health care, drug, or alcohol treatment facilities. The other \$2 billion is for housing grants to local governments to provide housing for individuals (1) experiencing homelessness or at risk of becoming homeless and (2) have mental health, drug, or alcohol challenges. Just over half of the \$2 billion would be set aside for veterans.

- Proposition 1 increases the share of the MHSAs tax that the state gets for mental health programs. The proposition also requires the state to spend a dedicated amount of its MHSAs money on increasing the number of mental health care workers and preventing mental illness and drug or alcohol addiction across communities. Because the state would receive a larger share of the tax, counties would receive a somewhat smaller share.
- Proposition 1 requires that counties spend more of their MHSAs money on housing and personalized support services like employment assistance and education. While counties currently can use MHSAs money to pay for these types of services, they are not required under MHSAs to spend a particular amount on them now. Counties would continue to provide other mental health services under the proposition, but less MHSAs money would be available to them for these other mental health services. Examples of other mental health services include treatment, responding to people in a mental health crisis, and outreach to people who may need mental health care or drug or alcohol treatment. How much counties would spend on different services would depend on future decisions by the counties and the state. The proposition also allows counties to use MHSAs money on treatment for drugs and alcohol for people without a mental illness.

### **Governor’s Budget Proposals in Behavioral Health**

The January budget includes three budget proposals related to behavioral health:

- A proposed wellness coach benefit in Medi-Cal;
- A proposed \$265 million shift of funding for the Behavioral Health Bridge Housing program from the Behavioral Health Services Fund (formerly the MHSF) to the General Fund
- A BCP to increase expenditure authority from the Narcotic Treatment Program Licensing Trust Fund by \$500,000 to avoid the need for additional General Fund for the program.

#### **Panel**

- Will Owens, Legislative Analyst’s Office
- Stephanie Welch, California Health and Human Services Agency
- Tyler Sadwith, Department of Health Care Services
- Toby Ewing, Mental Health Services Oversight and Accountability Commission
- Michelle Cabrera, County Behavioral Health Directors Association of California
- Dr. Alexis Seegan, California State Association of Psychiatrists
- Diana Vazquez-Luna – Department of Finance
- Nathanael Williams – Department of Finance

**Staff Comments**

This hearing provides the Subcommittee with an opportunity to reflect on the state's recent investments in behavioral health. The Governor's Budget does not include new major provisions or programs in this area but continues the vast portfolio on initiatives already underway. In addition, with Proposition 1's recent passage, this hearing may help shape expectations about any related potential May Revision proposals.

Given the chance to evaluate the state of behavioral health overall, staff provides the following questions to prompt discussion:

**The State of the Continuum**

- Looking at the entire behavioral health continuum, which segments are the most robust and which are the most limited in addressing the needs of Californians, including access and equity?
- How continuum is impacting most vulnerable Californians, and how effectively is the continuum addressing access and equity?
- Are there examples of recent success or improvements to the continuum that resulted from state investments?
- How can the state track the outcomes of its investments moving forward?
- Were the gaps in the continuum the most acute?
- Which parts of the continuum are the strongest and which are the weakest right now?
- What future trends do we see impacting the continuum, like demographic changes, and what actions are we taking to prepare for them?
- How integrated and coordinated are the continuum segments? Are there challenges managing caseload between the segments?

**The Role of the State of California**

- How do we differentiate our role as the State of a California from the role of the counties and other actors in the continuum?
- What are the outcome and performance measures that we, as the state, use to determine how well we are doing in our role in behavioral health?
- How do we add value to the services provided by counties?
- Why has our spending rate for behavioral health program funding been so slow?
- What does the administration think the state should do with the extra MHSA funding that we now control?
- Do we expect bond proposals to be included in the May Revision?

## Recent State Initiatives

- How does the care court initiative fit into the continuum?
- What are the next steps for Proposition 1 implementation?
- Does our crisis intervention approach, including mobile crisis centers, have training and best practices for interventions that involve individuals on the autism spectrum?

Workforce shortages are a key challenge facing all segments of the behavioral health continuum. Given the Subcommittee discussed workforce issues at the April 8<sup>th</sup> hearing with HCAI, staff did not revisit those issues in detail on this agenda.

Staff believes the three budget proposals included in the budget are reasonable and will recommend adopting them at a later time.

## Staff Recommendation: Hold Open

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 1 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Christian Griffith.