

APRIL 22, 2024

# Overview of the Public Behavioral Health System in California

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PRESENTED TO:

Assembly Budget Subcommittee No. 1 on Health  
Hon. Akilah Weber, Chair



LEGISLATIVE ANALYST'S OFFICE

## **Order of Presentation**

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- ▶ **Overview**
- ▶ **Behavioral Health Delivery Systems and Continuum of Care**
- ▶ **Recent Behavioral Health Initiatives**



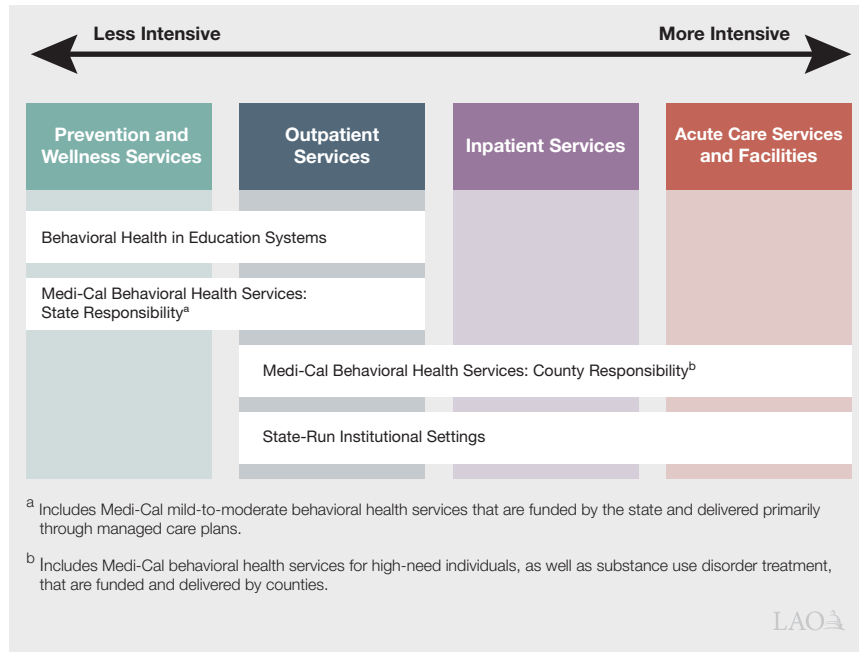
## Overview

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- ***Behavioral Health Care Is Provided at Different Acuity Levels Across a Variety of Delivery Systems.*** The financing of public behavioral health care in community settings is largely a shared responsibility between the state and counties, but services are also provided in educational settings. In addition, the state provides care in state-run institutional settings. These services span the continuum of care, which range from the least intensive (prevention and wellness services like group therapy) to the most intensive (acute care services like acute inpatient hospitals).
- ***California Has Funded a Number of Recent Initiatives Targeted to Improve the Behavioral Health System.*** The state has funded a number of new behavioral health initiatives in recent years that support different areas of the behavioral health system. These programs impact one or more components of the system including behavioral health service delivery, infrastructure, and workforce development. While most of the funding for recent behavioral health initiatives is one time or temporary, a number of ongoing initiatives and policy changes have been also been implemented.



# Behavioral Health Delivery Systems and Continuum of Care



# Behavioral Health Delivery Systems and Continuum of Care

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## Publicly Funded Community Behavioral Health in California: State and County Delivery Systems

- ***Medi-Cal Behavioral Health Services for the Most Severe Needs Primarily Are Funded and Delivered Through Counties.*** Counties have the primary role in the funding and delivery of public behavioral health—encompassing both mental health and substance use disorder (SUD)—services. In particular, counties generally are responsible for arranging and paying for community behavioral health services for low-income individuals enrolled in Medi-Cal with the highest service needs.
- ***Mild-to-Moderate Outpatient Mental Health Services Are Funded by the State and Delivered Primarily Through Medi-Cal Managed Care Plans.*** Medi-Cal mild-to-moderate outpatient mental health services, screening services, and psychotropic medications are funded and delivered through managed care plans or, to a lesser degree, state-administered fee-for-service.



# Behavioral Health Delivery Systems and Continuum of Care

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## Behavioral Health Care in State-Run Institutional Settings

- ***Department of State Hospitals (DSH).*** Patients served in the DSH system are mostly forensic commitments (referrals from the criminal justice system, including those found incompetent to stand trial), although patients include some civil commitments (referrals from counties for treatment). While the bulk of the population served by DSH are patients receiving daily health care and behavioral health services in one of the five state hospitals, the department also provides outpatient services in the community and has a number of contracted programs. The total estimated state hospital population for 2023-24 is 8,467 patients, which includes the hospitals inpatient population, patients who receive contracted care from counties, and patients participating in a conditional release program.
- ***California Department of Corrections and Rehabilitation (CDCR).*** About one-third of people in prison receive mental health services. Typically, these people can be treated in an outpatient setting. Under certain circumstances, some people may require more intensive inpatient psychiatric or crisis treatment. CDCR also provides SUD treatment services, such as medication-assisted treatment, to people in prison.



# Behavioral Health Delivery Systems and Continuum of Care

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## Behavioral Health in the Education System

- ***Mental Health Services for K-12 and College Students.*** Students receive mental health services on campus and from community providers. K-12 schools are required to provide services to certain students receiving special education, but often choose to provide services to other students as well. University of California, California State University, and California Community College campuses generally also provide mental health services to students. Schools, colleges, and universities hire their own professionals and contract with third parties to provide services. In general, when schools provide services to students enrolled in Medi-Cal, they may seek reimbursement, although the set of eligible services and participation in the program has historically been limited. Medi-Cal reimbursement for services provided in higher education settings is especially uncommon.



# Behavioral Health Delivery Systems and Continuum of Care

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## The Behavioral Health Continuum of Care

- **Prevention and Wellness Services.** Prevention and wellness services include services, activities, and assessments that educate and support individuals to maintain healthy lifestyles and prevent acute or chronic conditions. Individuals may also access general wellness checks at behavioral health centers that are located in the community or at schools and higher education institutions.
- **Outpatient Services.** Outpatient services can range from psychiatric assessments and group therapy to intensive outpatient treatment. Individuals may also participate in narcotic treatment programs or receive SUD medications. Many behavioral health services in the education system are also provided in outpatient settings, such as school-based mental health services.
- **Inpatient Services.** Inpatient services include short-term and residential inpatient treatment for individuals with behavioral health needs, including SUD. These services can help to divert individuals before they reach a behavioral health crisis or they may work as a step-down from acute care services before returning to the community.
- **Acute Care Services and Facilities.** Acute care includes behavioral health services that are provided in intensive inpatient settings for individuals with severe behavioral health needs. Long-term, institutional settings that provide behavioral health services may also be considered to provide acute behavioral health care. Individuals may receive these services in public institutional settings, like DSH, or in an acute inpatient hospital. These services may also include crisis services such as mobile crisis services, crisis stabilization units, and psychiatric emergency programs.





# Recent Behavioral Health Initiatives

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## Behavioral Health Service Delivery: Children and Youth

- ***Virtual Services Platform.*** This virtual platform will provide prevention and wellness services to children and youth age 25 and younger—regardless of payer source—through (1) interactive exercises and games, (2) automated screening and assessment tools, and (3) direct services delivered by peers or coaches. The platform was approved as a part of the Children and Youth Behavioral Health Initiative (CYBHI) in the 2021-22 budget and is projected to cost about \$370 million General Fund through 2024-25 and \$164 million General Fund annually thereafter.
- ***Dyadic Services Benefit in Medi-Cal.*** Another component of the CYBHI, dyadic care is a prevention model that provides integrated physical and behavioral health screening and services to children and their families. The benefit costs around \$170 million total funds ongoing (including about \$70 million from the General Fund).
- ***Mental Health Student Services Act (MHSSA) Grant Program.*** The 2019-20 budget created the MHSSA program, which provides grants to encourage county-school partnerships and increase student access to mental health services. Multiple budgets have provided about \$250 million in total one-time funding from the Mental Health Services Fund (MHSF) for the grant program, in addition to \$10 million ongoing MHSF that was provided in the 2019-20 budget.
- ***School-Linked Statewide Fee Schedule.*** This CYBHI effort seeks to increase Medi-Cal reimbursements for outpatient behavioral health services provided in education settings.



# Recent Behavioral Health Initiatives

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## Behavioral Health Service Delivery: Adults

- **Mobile Crisis Benefit in Medi-Cal.** Effective January 1, 2023, this benefit requires counties to provide, for a five-year period, certain community-based mobile crisis intervention services to Medi-Cal members. The Governor’s 2024-25 budget includes nearly \$300 million (\$45 million General Fund and the remainder from federal funds) for this benefit.
- **Community Assistance, Recovery, and Empowerment (CARE) Act.** The CARE Act creates a new judicial process to compel individuals who meet certain criteria (adults currently experiencing both a severe mental illness and having a diagnosis of schizophrenia or other psychotic disorders) to engage with various behavioral health-related services. These services may include the provision of behavioral health care, stabilization medications, housing, and other supportive services, which are expected to be delivered by counties. In addition to funding for the judicial branch, the budget proposes \$110 million General Fund in 2024-25 for the Department of Health Care Services (DHCS) to implement the act and provide counties with funding.
- **California Advancing and Innovating Medi-Cal (CalAIM).** CalAIM is a large set of reforms in Medi-Cal to expand access to new and existing services and streamline how services are arranged and paid. A number of these reforms are focused on improving behavioral health service delivery, including restructuring how counties receive federal reimbursement for providing behavioral health services, streamlining how individuals can access behavioral health services, and submitting a new waiver to expand the types of facilities that can receive federal reimbursement.
- **Behavioral Health Services Act (BHSA).** In March 2024, voters approved Proposition 1 which amended the Mental Health Services Act to the BHSA. The BHSA changes how counties use existing funding on behavioral health services, with more funding required to be used for housing services and Full-Service Partnerships.



## Recent Behavioral Health Initiatives

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### Behavioral Health Infrastructure

- ***Behavioral Health Continuum Infrastructure Program (BHCIP).*** This program provides grants to develop new behavioral health treatment facilities to serve people throughout the behavioral health continuum. A total of \$6.6 billion total funds across a multiyear period will be provided to BHCIP, including \$4.4 billion Proposition 1 bond funds, \$1.7 billion General Fund, and \$518 million federal funds.
- ***Behavioral Health Bridge Housing.*** This program provides grants to local entities to support transitional housing for individuals experiencing homelessness who also have serious behavioral health conditions. The 2022-23 budget package included \$1.5 billion General Fund over multiple fiscal years for the program.



# Recent Behavioral Health Initiatives

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## Behavioral Health Workforce

- **Behavioral Health Community-Based Organized Networks for Equitable Care and Treatment (BH-CONNECT).** As a part of the BH-CONNECT demonstration in DHCS, \$480 million annually (\$2.4 billion total) in total funds are allocated for short- and long-term efforts to expand the behavioral health workforce. Some activities include expanding partnerships with community colleges and public universities, hiring and retention bonuses, scholarship and loan repayment programs, and other stipends.
- **CYBHI Workforce Programs.** As a part of the CYBHI, the 2021-22 budget included funding across multiple fiscal years for two broad workforce efforts. The local assistance funding included (1) \$338 million General Fund to develop a behavioral health counselor and coach workforce targeted at children and youth and (2) \$427 million General Fund for broad behavioral health workforce capacity, with a particular focus on expanding capacity for SUD treatment.
- **BHSA Behavioral Health Workforce Funding.** The BHSA sets aside up to 3 percent of revenue for behavioral health workforce programs administered by the Department of Health Care Access and Information (HCAI). Based on recent revenues, this would be roughly \$100 million annually (paid from an income tax surcharge). Some current behavioral health workforce programs in HCAI include social work education grants, addiction psychiatry and medicine education programs, and behavioral health training programs.

