AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1

ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

MONDAY, MARCH 11, 2019
2:30 P.M. - STATE CAPITOL ROOM 444

ITEMS TO BE HEARD

LIST OF PANELISTS IN ORDER OF PRESENTATION

ISSUE 1: *SPECIAL GUEST SPEAKER*: **MAYOR DARRELL STEINBERG**
THE MENTAL HEALTH SERVICES ACT: LESSONS LEARNED

4260 DEPARTMENT OF HEALTH CARE SERVICES
4265 DEPARTMENT OF PUBLIC HEALTH
4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 2: PREVENTION AND EARLY INTERVENTION ISSUES

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 3: ALL CHILDREN THRIVE UPDATE

PANELISTS

- **Harold Goldstein**, DrPH, Executive Director, Public Health Advocates
- **Monica Morales**, MPA, Deputy Director, Center for Healthy Communities, Department of Public Health
- **Hinnaneh Qazi**, Finance Budget Analyst, Department of Finance
- **Iliana Ramos**, Principal Program Budget Analyst, Department of Finance
- **Sonja Petek**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 4: COUNTY MENTAL HEALTH INNOVATION PLANNING

PANELISTS

- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

ISSUE 5: GOVERNOR'S MENTAL HEALTH WORKFORCE FUNDING

PANELISTS

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal & Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 6: MENTAL HEALTH WORKFORCE, EDUCATION AND TRAINING (WET) NEW WET 5-YEAR PLAN

PANELISTS

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 7: PRIMARY CARE PSYCHIATRIC FELLOWSHIP UPDATE

PANELISTS

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 8: PROPOSAL TO FUND BEHAVIORAL HEALTH PEER NAVIGATORS IN EMERGENCY ROOMS

PANELISTS

- **Aimee Moulin, MD,** Emergency Physician, U.C. Davis Medical Center
- **Tommy Trevino,** Peer Navigator, UC Davis Medical Center Emergency Department

Public Comment

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 9: INVESTMENT IN MENTAL HEALTH WELLNESS ACT OVERSIGHT

PANEL

- **Frank Moore**, Executive Director, California Health Facilities Financing Authority
- **Carolyn Aboubechara**, Treasury Program Manager, California Health Facilities Financing Authority
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

4260 DEPARTMENT OF HEALTH CARE SERVICES
4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 10: MENTAL HEALTH SERVICES ACT STATE ADMINISTRATION FUNDING

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 11: MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION OVERSIGHT

PANELISTS

- **Toby Ewing,** Executive Director, Mental Health Services Oversight & Accountability Commission
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE 12: MENTAL HEALTH SERVICES ACT OVERSIGHT AND POLICY DEVELOPMENT BUDGET CHANGE PROPOSAL

PANEL

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ITEMS TO BE HEARD

ISSUE 1: *SPECIAL GUEST SPEAKER*: **MAYOR DARRELL STEINBERG**
THE MENTAL HEALTH SERVICES ACT: LESSONS LEARNED

SPEAKER

Mayor Darrell Steinberg – Sacramento, former CA Senate President Pro Tem, Founder, Steinberg Institute, Author, Mental Health Services Act (Proposition 63)

ISSUE

The Subcommittee has invited Mayor Steinberg to speak to the Subcommittee on his observations and conclusions about the implementation, impacts, and effectiveness of the Mental Health Services Act (MHSA) (a.k.a. "Proposition 63"), a tax on millionaires in California passed by voters in 2004, for the purpose of raising revenue to address unmet mental health needs in California.

Mayor Steinberg was the leading author of the MHSA, provided significant leadership on mental health policy during his many years serving in the State Legislature, and founded the Steinberg Institute to continue to provide high quality leadership, advocacy and policy development on mental health issues in California.

BACKGROUND

The Mental Health Services Act (MHSA) passed as Proposition 63 in 2004, became effective January 1, 2005, and established the Mental Health Services Fund (MHSF). Revenue generated from a one percent tax on personal income in excess of one million dollars is deposited into the MHSF. The 2019 Governor's Budget indicates approximately $2,094.8 billion was deposited into the MHSF in Fiscal Year (FY) 2017-18. The 2019 Governor's Budget also projects that $2,398.1 billion will be deposited into the MHSF in FY 2018-19 and $2,377.6 billion will be deposited into the MHSF in FY 2019-20. Approximately $2,085.5 billion was expended from the MHSF in FY 2017-18, $2,294.1 billion is estimated to be expended in FY 2018-19, and $2,250.1 billion is estimated to be expended in FY 2019-20.

The MHSA addresses a broad continuum of prevention, early intervention, and service needs as well as providing funding for infrastructure, technology, and training for the community mental health system. The MHSA specifies five required components:

1. Community Services and Supports (CSS) - 76% of Revenue
2. Prevention and Early Intervention (PEI) - 19% of Revenue
3. Innovation (INN) - 5% of Revenue
4. Capital Facilities and Technological Needs (CF/TN)
5. Workforce Education and Training (WET)

On a monthly basis, the State Controller's Office (SCO) distributes funds deposited into the MHSF to counties. Counties expend the funds for the required components consistent with a local plan, which is subject to a community planning process that includes stakeholders and requires approval by the County Board of Supervisors. Per Welfare and Institutions Code (W&I) Section 5892(h), counties with population above 200,000 have three years to expend funds distributed for CSS, PEI, and INN components. Counties with less than 200,000 have five years to expend funds distributed for CSS, PEI and INN components. All counties have ten years to expend funds distributed for CF/TN and WET components.

In addition to local programs, MHSA authorizes up to 5 percent of revenues for state administration. These include administrative functions performed by a variety of state entities and is detailed in Issue 10 of this agenda.

Table 2: MHSA Estimated Revenue By Component[4] (Dollars in Millions)

	FY 2017-18	FY 2018-19	FY 2019-20
Community Services and Supports (Excluding Innovation)	1,512.4	1,731.5	1,716.6
Prevention and Early Intervention (Excluding Innovation)	378.1	432.9	429.1
Innovation	99.5	113.9	112.9
State Administration[5]	104.7	119.9	118.9
Total Estimated Revenue	**2,094.8**	**2,398.1**	**2,377.6**

Staff Recommendation: Subcommittee staff recommends no action as this is an informational issue.

4260 DEPARTMENT OF HEALTH CARE SERVICES
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4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 2: MENTAL HEALTH: PREVENTION AND EARLY INTERVENTION ISSUES

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue for the Subcommittee to delve into mental health prevention and early intervention (PEI) services provided by counties, their impact and effectiveness, and recommendations for changes in the future.

BACKGROUND

The MHSA allocates 19% of MHSA funds distributed to counties for PEI programs and services. The overall purpose of the PEI component is to prevent mental illnesses from becoming severe and disabling, with an emphasis on improving timely access to services for underserved populations. The PEI component enumerates outcomes that collectively move the mental health system from an exclusive focus on late-onset crises to inclusion of a proactive "help first" approach.

PEI focuses on reducing negative outcomes that may result from untreated mental illness, including:

1. Suicide
2. Incarceration
3. School failure or drop out
4. Unemployment
5. Homelessness
6. Prolonged suffering
7. Removal of children from the family home

The Mental Health Services Oversight and Accountability Commission (MHSOAC) provides oversight of county mental health systems, including county prevention and early intervention strategies. The MHSOAC issues and provides technical assistance for PEI regulations. As part of this work, the MHSOAC has developed a database to track the PEI programs, who they serve and available outcomes.

As part of an ongoing effort, the MHSOAC established a Learning Collaborative, designed to provide counties with guidance and support needed for successful program implementation. To highlight successes, tackle challenges, and encourage inter-county collaboration, this quarterly learning community meets throughout the year in order to address concerns and drive improvement initiatives.

SB 1004 (Wiener, Moorlach, Chapter 843, Statutes of 2018)

SB 1004 was signed into law last year and requires, on or before January 1, 2020, the MHSOAC to establish priorities for the use of PEI funds that include, but are not limited to:

1. Childhood trauma prevention and early intervention, as defined, to deal with the early origins of mental health needs;

2. Early psychosis and mood disorder detection and intervention, as defined;

3. Outreach and engagement strategies that target secondary school and transition-age youth, with priority on partnerships with college mental health programs;

4. Culturally competent and linguistically appropriate prevention and intervention;

5. Strategies targeting the mental health needs of older adults, as specified; and,

6. Other programs the MHSOAC identifies, with stakeholder participation, that are proven effective in achieving, and are reflective of, the PEI component goals stated in the MHSA.

The bill also requires, on or before January 1, 2020, the MHSOAC to develop a statewide strategy for monitoring the implementation of MHSA PEI programs, including enhancing public understanding of PEI and creating metrics for assessing the effectiveness of how PEI funds are used and the outcomes that are achieved.

Finally, the bill requires the MHSOAC to establish a strategy for technical assistance, support, and evaluation to support the successful implementation of the objectives, metrics, data collection, and reporting strategy required in this bill.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests the panelists to provide their assessment of the quality of PEI provided by the counties, and respond to the following:

1. How is PEI defined? I.e., does PEI only consist of early medical care or are there other types of PEI outside of health care altogether?

2. What PEI do counties provide and is it only funded with Proposition 63 funds or with other funding sources as well?

3. How much of Proposition 63 PEI funds go to PEI that is targeted to children?

4. What is known about how much Proposition 63 PEI funding has reduced the seven negative outcomes named in the MHSA and listed above? Does DHCS monitor progress in this area through performance contracts and Annual Revenue and Expenditure Reports (RER) reviews?

5. Do the counties need and want additional technical assistance and support for providing PEI services effectively?

6. Please provide an update on the implementation of SB 1004 (described above).

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

ISSUE 3: ALL CHILDREN THRIVE UPDATE

PANELISTS

- **Harold Goldstein**, DrPH, Executive Director, Public Health Advocates
- **Monica Morales**, MPA, Deputy Director, Center for Healthy Communities, Department of Public Health
- **Hinnaneh Qazi**, Finance Budget Analyst, Department of Finance
- **Iliana Ramos**, Principal Program Budget Analyst, Department of Finance
- **Sonja Petek**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue to better understand the All Children Thrive program and receive an update on its implementation.

BACKGROUND

As proposed by advocates, the 2018 budget appropriates $10 million in MHSA State Administration funds (one-time) to the Department of Public Health to fund a three-year project called "All Children Thrive."

All Children Thrive / California (ACT/CA) is a three-year, equity-focused, community-driven initiative to develop, test, and refine the tools and support that diverse communities need to prevent adverse childhood experiences (ACEs), counter their effects, promote healing, and foster individual and community resilience, thereby giving all California children the opportunity to thrive. Project coordinators will gather best practices from around the world and, together with community leaders and residents from low-income California cities and counties, establish and evaluate prevention and intervention strategies.

ACT/CA builds on the ACT national initiative that supports transformative innovation and improvement to prioritize children's health and development in more than a dozen cities around the country. By the end of the initiative, project leaders intend to demonstrate measurable outcomes in these pilot communities and to have evidence-based models ready to scale throughout the state.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests Public Health Advocates and the Department of Public Health to provide an overview of this project and an update on implementation of the project since passage of the 2018 Budget Act.

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 4: COUNTY MENTAL HEALTH INNOVATION PLANNING

PANELISTS

- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue for the Subcommittee to delve into mental health innovation (INN) services provided by counties, their impact and effectiveness, and recommendations for changes in the future.

BACKGROUND

The MHSA allocates 5% of MHSA funds distributed to counties for the INN component, which provides counties the opportunity to design and test time-limited new or changing mental health practices that have not yet been demonstrated as effective. The purpose of INN is to infuse new, effective mental health approaches into the mental health system, both for the originating county and throughout California. The purpose of an INN project is to increase access to underserved groups, increase the quality of services including measurable outcomes, promote interagency and community collaboration, or increase access to mental health services, including but not limited to, services provided through permanent supportive housing.

For the past few years, the MHSOAC has been working to strengthen the overall strategy for mental health Innovation by encouraging counties to be more strategic in their investment, providing technical assistance and training, assisting with research and evaluation and dissemination. The INN component requires counties to invest in innovations that have the potential to fundamentally transform mental health services and the outcomes achieved. INN funding allows counties to test new, unproven approaches to service delivery, or adapt existing strategies with a potential to become tomorrow's best practices to improve mental health services.

The MHSOAC reviews and approves funding for INN programs for county mental health departments. Additionally, the MHSOAC provides technical assistance to help counties in their planning process. Since 2016, the MHSOAC has authorized more than $338 million in funding to support INN programs statewide.

In February 2018, the MHSOAC hosted its first innovation summit and brought together more than 300 stakeholders, mental health care professionals, policy makers and innovation leaders and others together to share and accelerate innovative approaches for transformation. The MHSOAC has since helped to establish seven multi-county collaboratives to develop and support INN efforts.

As a follow up to that effort, the MHSOAC proposed the establishment of an Innovation Incubator. The 2018-19 Budget included an allocation of $2.5 million to enhance innovation strategies to reduce the numbers of those deemed incompetent to stand trial (IST) in the criminal justice system. The MHSOAC is currently developing a business plan to launch the Incubator.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests the Commission to provide an overview of INN and their work in this area, and for the panelists to share their experiences with, and recommendations on, INN programs/efforts, and respond to the following:

1. Have counties experienced more difficulty in spending INN funds than other types of mental health funding for other mental health services and purposes?

2. How has spending INN funding been challenging for counties?

3. How is the State trying to help counties in this area?

4. Should the State try to help counties with these funds or should these funds become more flexible?

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

4140 OFFICE OF STATEWIDE HEALTH PLANNING & DEVELOPMENT

ISSUE 5: GOVERNOR'S MENTAL HEALTH WORKFORCE FUNDING PROPOSAL AND BUDGET CHANGE PROPOSAL

PANEL

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

PROPOSAL

The Governor's budget proposes $50 million in one-time General Fund to expand the mental health workforce. Specifically, the Office of Statewide Health Planning and Development (OSHPD) requests multi-year appropriation authority of $50 million General Fund beginning in Fiscal Year (FY) 2019-20, through 2024-25, to support mental health workforce development programs.

BACKGROUND

OSHPD administers healthcare workforce development programs in two areas of the department - the Healthcare Workforce Development Division (HWDD) and the Health Professions Education Foundation (HPEF). These organizations administer scholarship and loan forgiveness programs that provide a financial incentive to qualified mental health professionals in exchange for working in underserved areas of California.

HWDD conducts healthcare workforce research and identifies areas of unmet need, educates decision makers on the healthcare workforce, and provides financial incentives to encourage individuals and organizations to provide services in areas of unmet need. Through repayment of qualified mental health educational loans, HWDD's State Loan Repayment Program increases the number of primary care physicians, dentists, dental hygienists, physician assistants, nurse practitioners, certified nurse midwives, and pharmacists, including mental/behavioral health providers practicing in federally designated shortage areas. Award recipients include those in mental health disciplines such as: psychiatric nurse specialists, psychiatrists, psychiatric mental health nurse practitioners, licensed clinical social workers/licensed professional counselors,

marriage and family therapists, and health service psychologists. In exchange for a loan repayment award, recipients agree to practice in a medically underserved area for a two-year period.

HPEF is a 501(c)(3) nonprofit benefit corporation housed within OSHPD that administers a total of 13 scholarship and loan repayment programs to health professional students and graduates in exchange for providing medical and mental health services in underserved areas throughout the state. Award recipients include those in mental health disciplines such as: psychiatrists, psychiatric mental health nurse practitioners, psychologists, psychological assistants, psychological trainees, marriage and family therapists, clinical social workers, clinical counselors, and psychiatric technicians. Service obligation periods vary by program. HPEF programs are funded by licensing fees, budget appropriations, and private grants and donations.

OSHPD's scholarship and loan forgiveness mental health programs serve to increase access to and the retention of providers in mental health professions, especially in underserved areas. The funding requested in this proposal would allow for additional loan repayment and scholarship awards for eligible practitioners to increase the number of mental health providers throughout the state.

OSHPD proposes to fund the following programs with these resources:

Loan Repayment and Scholarship Programs	Mental Health Professions	Maximum Award Amount	Service Obligation Period
Allied Healthcare Loan Repayment Program	• Community Health Worker/Promotoras • Medical Assistant • Social Worker	$8,000	1 Year
Licensed Mental Health Services Provider Education Program	• Licensed Clinical Social Worker • Licensed Marriage and Family Therapist • Licensed Professional Counselor	$15,000	2 Years
Advanced Practice Healthcare Loan Repayment Program	• Clinical Nurse Specialist • Nurse Practitioner • Physician Assistant	$25,000	2 Years
State Loan Repayment Program	• Health Service Psychologist • Licensed Clinical Social Worker • Licensed Professional Counselor • Licensed Marriage and	$50,000	2 Years

	Family Therapist • Psychiatric Mental Health • Nurse Practitioner • Psychiatric Nurse Specialist • Psychiatrist		
Steven M. Thompson Physician Corps Loan Repayment Program	• Psychiatrist	$105,000	3 Years
Allied Healthcare Scholarship Program	• Community Health Worker/Promotoras • Medical Assistant • Social Worker	$8,000	1 Year
Advanced Practice Healthcare Scholarship Program	• Clinical Nurse Specialist • Nurse Practitioner • Physician Assistant	$25,000	1 Year
Mental Health Loan Assumption Program	• Consumer or Peer Counselor • Licensed Marriage and Family Therapist • Licensed Clinical Social Worker • Licensed Professional Counselor • Licensed Psychologist • Mental Health Admin or Support Staff • Psychiatric Mental Health • Nurse Practitioner • Psychiatrist • Rehabilitation Counselor	$10,000	1 Year

STAFF COMMENTS/QUESTIONS

The Subcommittee requests OSHPD to present this proposal, and respond to the following:

1. What criteria has OSHPD used to select these particular programs for receipt of the proposed funding?

2. What data does OSHPD have on the effectiveness of these programs in expanding, and increasing access to, the mental health workforce over the long-term?

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

ISSUE 6: MENTAL HEALTH WORKFORCE EDUCATION AND TRAINING (WET) PROGRAM NEW 5-YEAR PLAN

PANEL

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue for the Subcommittee to better understand the Mental Health Workforce Education and Training (WET) program, created as a component of the MHSA, and the current status of the program.

BACKGROUND

Established with the passage of Proposition 63, the WET programs were developed to address the growing need for a more diverse public mental health workforce. Statute required a fund be created where revenues were deposited between Fiscal Years 2004-05 and 2007-08. At the end of this period, a total of $444.5 million was allocated to support counties and OSHPD to enhance the public mental health workforce.

Local WET Programs
In FY 2006-07 and FY 2007-08, counties received $210 million of the total allocation for local WET programs. They had through FY 2016-17 to expend these funds.

Statewide WET Programs
Pursuant to W&I Section 5820, OSHPD develops and administers statewide mental health workforce development programs to increase the number of qualified personnel serving individuals who have a serious mental illness. In 2008, $234.5 million was set aside from the total $444.5 million WET allocation for state-administered WET programs. From 2008 to 2013, the former Department of Mental Health (DMH) administered the first Five-Year Plan of $119.8 million. The responsibility for administering the plan was transferred to OSHPD in 2013.

The California Behavioral Health Planning Council (CBHPC) approved the 2014-2019 WET Five-Year Plan. The Plan, which OSHPD administered, includes program descriptions and funding levels. The $114.7 million in funding for the WET Program expired on June 30, 2018.

2018 Budget Act

The FY 2018-19 Budget Act allocated $10 million in one-time funding to support stipend programs and educational capacity (Psychiatric Mental Health Nurse Practitioner Program) for the final year of the Plan.

In addition, a one-time appropriation of $1 million was included in the budget to support the Primary Care Clinical Psychiatry Fellowship Scholarship Program, administered in partnership with the University of California at Irvine Medical School, and discussed in more detail in Issue 7 of this agenda.

The following describes statewide WET programs and related activities:

Stipend Program: In FY 2017-18, $8.2 million was allocated for this program. In FY 2018-19, $5 million was allocated for this program. In FY 2017-18, the program supported seven educational institutions that awarded 310 stipends to students seeking to become mental health professionals, in exchange for working 12-months in the County PMHS. Sixty-seven percent of the awardees were from under-represented communities and 61 percent spoke a language in addition to English. In August 2018, OSHPD awarded grants to three educational institutions to fund stipend programs. The stipend programs are projected to support 112 stipend recipients in FY 2018-19 and 38 stipend recipients in FY 2019-20. OSHPD intends to award additional grants in FY 2018-19

Psychiatric Residency Programs: In FY 2016-17, OSHPD administered $411,322 in available funding related to a contract awarded during the 2008-13 Five-Year Plan. The awardee used the funds to support eight psychiatric residents as they perform their rotations, exposing the students to careers in the PMHS. Funding did not continue in FY 2017-18, as these programs have been replaced by the Education Capacity-Psychiatrists program.

Education Capacity – Psychiatrists: In FY 2017-18, $2.1 million was allocated for this program. In FY 2017-18, this program supported two psychiatric residency/fellowship programs, which allowed 21 psychiatric residents/fellows an opportunity to experience supervised time in PMHS. In April 2018, OSHPD awarded grants to support three additional psychiatric residency/fellowship programs, which will allow up to 39 psychiatric residents/fellows an opportunity to experience supervised time in the PMHS. The funding for this program ended in FY 2017-18.

Education Capacity – Psychiatric Mental Health Nurse Practitioners: In FY 2017-18, $2.1 million was allocated for this program. In FY 2018-19, a total of $5 million was allocated for this program. In FY 2017-18, the program supported six training programs in co-locating 98 Psychiatric Mental Health Nurse Practitioner students and staff in the PMHS. In August 2018, OSHPD awarded grants to four organizations, which are projected to train an additional 81 individuals in the PMHS. OSHPD intends to award additional grants in FY 2018-19.

Regional Partnerships (RPs): In FY 2016-17, CBHPC (formerly the California Mental Health Planning Council) approved $3 million for the RPs to create career development programs, on-line psychosocial rehabilitation programs, and expand the number of supervised hours in the PMHS leading to licensure. Five RPs were developed to represent counties in the Bay Area region, Central Valley region, Southern California region, Los Angeles region, and the Superior region. As a consortium of county mental health, community-based organizations, and educational institutions, RPs planned and implemented programs that built and improved local WET resources to expand the PMHS in their respective regions. There was no funding allocated in FY 2017-18 or FY 2018-19 and all five RP grant agreements were closed out in September 2017.

Mental Health Shortage Designation Program: For FY 2018-19, an MHSA Administrative Funds allocation of $150,772 augmented federal funds to support this program. The Shortage Designation Program (SDP) is related to mental health workforce development, but is not part of the five-year plan. The SDP identifies communities experiencing mental health professional shortages as defined by the Federal Health Resources and Services Administration. The shortage designation allows mental health sites and individuals to draw down federal and state funds to support workforce development through student loan repayment programs (National Health Service Corps Loan Repayment Program and the State Loan Repayment Program). As of July 2018, OSHPD facilitated federal approval of 15 new Mental Health Professional Shortage Area (MHPSA) designations, bringing the total to 210. There are 8.5 million Californian’s living in these designated MHPSAs.

Mental Health Loan Assumption Program: CBHPC approved $10 million for FY 2017-18. This program encouraged mental health providers to practice in underserved locations in California by providing qualified applicants up to $10,000 in loan repayment in exchange for a 12-month service obligation in a designated hard-to-fill or hard-to-retain position in the PMHS. In FY 2017-18, MHLAP received 2,289 applications requesting over $22 million. MHLAP awarded 1,383 individuals a total of $11 million, which includes $1 million of prior year unspent funds. Of those awardees, 68 percent self-identified as consumers and/or family members and 57 percent spoke a language in addition to English. The funding for this program ended in FY 2017-18.

Peer Personnel Preparation: For FY 2017-18 and FY 2018-19, a total of $4 million in MHSA administrative funds were allocated to this program. Peer Personnel is a related activity, but is not included in the five-year plan. This program supports organizations that provide training to peer personnel on issues that may include crisis management, suicide prevention, recovery planning, targeted case management, and other related challenges. The program supported 12 organizations that recruited, trained, and placed 734 individuals in peer personnel positions across 40 counties in FY 2017-18. In May 2018, OSHPD awarded grants to an additional five organizations to recruit, train, and place a projected number of 663 individuals in peer personnel positions across 21 counties. OSHPD intends to award additional grants in FY 2018-19.

Consumer and Family Member Employment: In FY 2017-18, $4 million was allocated for this program. This program supported nine organizations that engaged in activities to increase and support consumer and family member employment in the PMHS in FY 2017-18 and FY 2018-19. Activities included, but are not limited to, providing training and technical assistance to employers, engaging consumers and family members in mentoring, self-help/support groups, trainings, professional development opportunities, and developing a comprehensive consumer and family member workforce assessment. The funding for this program ended in FY 2017-18.

Mini-Grants: In FY 2017-18, $447,331 was allocated for this program. Mini-Grants funded organizations that engaged in activities to promote careers in mental/behavioral health to students. In FY 2017-18, OSHPD awarded grants to 31 organizations to support programs that encouraged unrepresented, economically disadvantaged, and educationally disadvantaged students to pursue mental/behavioral health careers. The funding for this program ended in FY 2017-18.

Retention: In FY 2017-18, $500,000 was allocated for this program. This program supported ten organizations that engaged in retention activities for over 7,200 workers across 28 counties.

Evaluation: In FY 2017-18, $250,000 was allocated for evaluation. These funds will be used to identify changes in the mental health workforce and to determine the effectiveness of state level programs. In FY 2017-18, OSHPD entered into contracts with California State University, Sacramento (CSUS) and University of California, San Francisco (UCSF). CSUS is responsible for sending an online stakeholder engagement survey, facilitating focus groups and community meetings across the state. UCSF is responsible for completing an Educational Institution Capacity Study, literature reviews, and peer review of WET evaluation. OSHPD staff is evaluating the effectiveness of the state level programs through outcome performance measurements and through surveys of county PMHS programs.

Public Mental/Behavioral Health Pipeline Program: In FY 2017-18, $500,000 was allocated to this program. Additionally, in FY 2017-18, the CBHPC approved the allocation of $1.7 million in unspent WET funds to support this program. This program supported organizations that construct region- and/or community-specific programs, such as "Grow-Your-Own Models." This program implemented new or supplemented existing pipeline programs or coursework for target populations. In May 2018, OSHPD awarded grants to 12 organizations providing services across 19 counties.

WET Plans and Funding

The MHSA requires OSHPD to create a statewide WET plan every five years yet only provided ten years of funding which supported the first two plans. OSHPD recently completed the development of the third 5-year plan (2020-2025), as required by law, however the Plan has not been funded nor has a cost estimate been completed.

The new Plan states:

- "The purpose of the WET Plan is to guide efforts to improve and expand the Public Mental Health System workforce throughout California.

- The WET Plan includes the vision, values, mission, measurable goals, objectives, funding principles, performance indicators, a statewide needs assessment, and career pathway recommendations.

- The WET Plan carries forth the MHSA vision to create a transformed, culturally-competent system that promotes wellness, recovery, and resilience across the lifespan of infants, children, adolescents, transition age youth, and older adults."

The new WET Plan seeks to end the siloed approach to funding many different programs, and instead seeks to create a more comprehensive, systematic approach based on state-regional partnerships. The new Plan has a two-pronged framework of supporting individuals and supporting systems. Specifically:

Supporting Individuals:

- Pipeline development
- Undergraduate college and university scholarships
- Clinical master and doctoral level graduate education stipends
- Educational loan repayment

Supporting Systems:

- Peer Personnel Preparation
- Psychiatric Education Capacity Program

- Train New Trainers Psychiatry Fellowship
- Research and Evaluation

STAFF COMMENTS/QUESTIONS

The Subcommittee requests OSHPD provide an overview of the history, current status, and accomplishments of the WET program, and respond to the following:

1. Please describe what is in the new WET 5-year plan and how it is different from the prior WET plans?

2. What data does OSHPD have on the effectiveness of these programs in expanding, increasing access to, and diversifying the mental health workforce over the long-term?

3. Please explain what the reasons are that OSHPD is not proposing to fund the new WET plan, or some portion of it, with the Governor's proposed $50 million.

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight item.

ISSUE 7: PRIMARY CARE PSYCHIATRIC FELLOWSHIP UPDATE

PANELISTS

- **CJ Howard**, Deputy Director, Healthcare Workforce Development Division, Office of Statewide Health Planning and Development
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Lorine Cheung**, Finance Budget Analyst, Department of Finance
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This issue is an oversight issue to learn more about the implementation of the $1 million in Proposition 63 state administration funds included in the 2018 budget to provide scholarships to physicians in medical shortage areas in order to support their enrollment in primary care psychiatric fellowship programs.

BACKGROUND

As proposed by advocates, the 2018 Budget Act appropriates $1 million in MHSA State Administration funds (one-time) to OSHPD to support scholarships for primary care physicians in medical shortage areas to participate in one-year fellowship programs for training in the essentials of primary care psychiatry offered at UC medical schools.

Often patients with mental health needs present early in the course of their illness to their primary care physicians. They often present with physical ailments that upon closer examination are psychiatric in nature, or physical ailments that are accompanied by psychiatric symptoms. Moreover, as a result of the increase in demand for mental health services, primary care physicians are seeing more patients with early signs of mental illness. Given the shortage of psychiatrists in California, especially in rural and remote areas, many primary care physicians must address these issues without the ability to quickly refer these patients or even consult with a psychiatrist. Primary care physicians receive at best rudimentary training in psychiatry in primary care training programs and lack the assessment and treatment skills needed to address the needs of patients with mild to moderate mental illnesses. The lack of experience with mental health conditions limits these physicians' knowledge of the system of care and relationships with mental health providers. As a result, many patients are not provided necessary assistance, particularly at the early stages of their mental health challenges. Experts state that the early onset of these conditions is the most important time for them

to be addressed and the longer treatment is delayed, the more severe symptoms are when finally addressed, and the less likely patients will experience good outcomes when compared to peers receiving early interventions and preventative care.

There are two fellowship programs in the UC system, at UC Davis and UC Irvine, which are providing mentorship and training in the area of primary care psychiatry through one-year fellowship programs. Trainees learn how to complete an efficient and evidence-based psychiatric interview in the primary care or medical setting, and also receive training to diagnose and treat commonly encountered psychiatric conditions such as mood, anxiety and psychotic and substance use disorders. In addition, because these two programs use a "train the trainer" model, trainees learn how to teach these principles to their primary care colleagues back in their "home" treatment setting, thus multiplying the effects of their fellowship. These programs are one year in duration so as to allow the primary care physicians' participation without disrupting their practices, and include intensive weekends in residence at one of the UC programs, online content and interaction with their primary care physician peers, and, each fellow is assigned a UC faculty mentor for the course of the fellowship, who then is also available after graduation. This provides psychiatric liaison and consultation on an ongoing basis in the primary care practice. Finally, the program faculty are dual board certified in psychiatry and either internal medicine or family practice, which means that fellows are in fact both taught by their peers, as well as specialists in the practice of psychiatry. The tuition for this program is $15,000.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests OSHPD to provide an update on the implementation of this funding and requests other panelists to share any experiences they have had with this program and/or funding. The Subcommittee requests OSHPD to respond to the following:

1. How many physicians have or will receive scholarships for this fellowship program?

2. In order to qualify for a scholarship, is a physician required to be working in a mental health workforce shortage area?

3. What level of scholarships are provided (i.e., the full cost of the tuition?)?

4. How much demand has there been for these scholarships?

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

ISSUE 8: PROPOSAL TO FUND BEHAVIORAL HEALTH PEER NAVIGATORS IN EMERGENCY ROOMS

PANEL

- **Aimee Moulin, MD,** Emergency Physician, U.C. Davis Medical Center
- **Tommy Trevino,** Peer Navigator, UC Davis Medical Center Emergency Department

Public Comment

PROPOSAL

Assemblymember Dr. Arambula and the California American College of Emergency Physicians request $30 million to support the hiring of trained substance use disorder peer navigators and behavioral health peer navigators in emergency departments of acute care hospitals.

BACKGROUND

For too many Californians, hospital emergency departments can be at the front line of responding to behavioral health crises, including substance abuse needs. OSHPD reports that mental disorders are the seventh leading cause for an emergency room visit that does not resulting in a hospital admission. To address this challenge, counties, hospitals, behavioral health providers and other have begun to deploy peer navigators as a strategy to reduce reliance on emergency departments and as an access strategy to direct individuals needing behavioral health services, including mental health and substance use treatment services and supports, into community-based programs that can respond more quickly and more cost-effectively. Emerging strategies in behavioral health, which includes mental health and related substance use needs, recognize the value of employing peers to provide services to people in our behavioral health systems. Expanding access to peer strategies, including strategies to reduce reliance on hospital emergency services, can reduce costs, improve access to care, improve the alignment of services to needs and support recovery.

Brief interventions are successful in a variety of settings, but there is a unique opportunity to provide this intervention in the emergency department (ED). Patients presenting to the ED are more likely to be having a mental health crisis or have a substance use disorder than those presenting to primary care. For patients coming into the ED with a substance use disorder, the visit offers the opportunity for a “teachable moment” due to the crisis that precipitated the ED visit. The drunk driving accident or the opioid overdose may be the catalyst needed for the patient to seek treatment. A variety of studies have shown direct referrals to treatment have enrollment rates as high

as 50%. In New Jersey, the newly established Opioid Overdose Recovery Program provides ED intervention for patients who experience an opioid overdose. In

the first 6 months of implementation, over 80% accepted bedside intervention, over 40% of those patients accepted recovery support services, and 45% accepted detox, substance use disorder treatment and/or recovery. Over 60% of the overdose patients were Medicaid patients. A study in Washington found that chemical dependency treatment cut monthly ED costs almost in half.

Patients with substance use disorders are more likely to have high ED utilization, as well as hospitalization rates. The UC Davis Medical Center ED applied for a grant through the UC Office of the President over a year ago to employ a certified drug and alcohol counselor to provide interventions in their ED which has shown impressive results. Over a 12-month period, the Medi-Cal insured patients who received a brief intervention and referral to treatment experienced a 60% decline in ED utilization after the intervention. Based on an average cost to Medi-Cal of $861.50 per visit, this one program resulted in savings to the Medi-Cal program of more than $350,000. This is only the savings from reduced ED visits. There are also savings associated with reduced hospital admissions. While that data has not yet been compiled at UC Davis, studies have shown persons who needed substance abuse treatment and did not get it were 81% more likely to be admitted to the hospital during their current ED visit and 46% more likely to have reported making at least one ED visit in the previous 12 months.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests Dr. Moulin and Tommy Trevino to present this proposal.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 9: INVESTMENT IN MENTAL HEALTH WELLNESS ACT OVERSIGHT

PANEL

- **Frank Moore**, Executive Director, California Health Facilities Financing Authority
- **Carolyn Aboubechara**, Treasury Program Manager, California Health Facilities Financing Authority
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Dawan Utecht**, Director of Behavioral Health/Public Guardian, County of Fresno
- **Jacob Lam**, Principal Program Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue on the Investment in Mental Health Wellness Act and Children's Crisis Services Grants to better understand the availability of crisis services in California and the impacts of California's recent financial investments.

BACKGROUND

Crisis Services Capacity Expansion - Grant Programs

SB 82 (Committee on Budget and Fiscal Review, Chapter 34, Statutes of 2013) authorizes the California Health Facilities Financing Authority (CHFFA) to administer a competitive selection process for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, and specified personnel resources. These funds were to be made available to counties or to private nonprofit corporations and public agencies. The 2013-14 Budget provided $142.5 million one-time General Fund, $4 million in ongoing Mental Health Services Act (MHSA) funding, and $2.8 million in federal matching funds (reimbursements) for these purposes. The one-time General Fund grants support capital improvement, expansion and limited start-up costs to increase capacity for crisis intervention, crisis stabilization, crisis residential treatment, and rehabilitative mental health services. The MHSA and federal funds grants support personnel costs associated with operation of mobile crisis support teams.

CHFFA reports that the full $142.5 million in one-time grants for capital projects has been allocated, resulting in an increase of 400 crisis mental health "beds," and expected to eventually lead to a total of 760 new beds. CHFFA expects all 760 new beds to be operational by December 2021 (based on extensions to the availability of the funds approved of through the 2017 Budget Act).

Triage Personnel. SB 82 implements a process by which the MHSOAC allocates funding based upon requests for application of need and description of deployment of triage personnel to assist individuals in gaining access to needed services, including medical, mental health, substance use disorder assistance and other community services. The 2013-14 budget included $54 million ($32 million MHSA State Administrative Funds and $22 federal funds) for this purpose, ongoing. The 2018 budget reduced the ongoing Proposition 63 state administration funds from $32 million to $20 million.

Children's Crisis Services

SB 833 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2016) established a competitive grant program to provide a continuum of crisis services to children under 21 years of age with the following objectives:

1. Provide for early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.
2. Expand community-based services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness-, resiliency, and recovery-oriented.
3. Add at least 200 mobile crisis support teams.
4. Add at least 120 crisis stabilization and crisis residential treatment beds.
5. Add triage personnel to provide intensive case management and linkage to services for individuals with mental health disorders in community-based service points, such as homeless shelters, schools, and clinics.
6. Expand family respite care.
7. Expand family supportive training.
8. Reduce unnecessary hospitalizations and inpatient days.
9. Reduce recidivism and unnecessary local law enforcement expenditures.
10. Provide local communities with increased financial resources to leverage public and private funding sources to improve networks of care for children and youth with mental health disorders.

The total investment in children's crisis services was $31 million ($17 million General Fund and $14 million MHSA funds). The General Fund was composed of approximately $7 million reappropriated from unspent funds previously allocated to the Investment in Mental Health Wellness Grant Program and $10 million of new General Fund resources.

In January 2017, CHFFA was notified that the Governor's proposed 2017-18 budget recommended reverting the $16 million allocated from the General Fund in the 2016-17 budget. As a result of the possible funding reversion, CHFFA postponed development of the program pending resolution of the funding mechanism. In June of 2017, AB 97, the enacted 2017-18 state budget, reverted the previous General Fund allocation and replaced it with $16,717,000 from the MHSA Fund.

The unintended consequence of funding this grant program over two different budgets with multiple deadlines and provisions created administrative challenges for CHFFA to develop and administer a robust program that aligns with county partners' needs.

CHFFA closed its grant application process on February 28, 2019 and has stated that the response and interest from counties was quite minimal – CHFFA received only 6 applications (from Santa Cruz, Sacramento, Marin, San Francisco, Monterey, and Butte Counties) for $1.3 million of the total available of $27.7 million in capital funds and for $2.9 million, out of a total of $4 million, in personnel funding. CHFFA has begun a process of surveying counties to learn more about the lack of interest and response, but also states that they believe that for most counties it reflects challenges with the project and funding timeline of three years.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests CHFFA and the Commission to provide an overview of these programs and resources, updated information on the specific dollar amounts expended, and on accomplishments (gains) in crisis mental health services that have resulted. Please also respond to the following:

CHFFA

1. What is your timeline on surveying counties on their interest level and challenges associated with the children's crisis services grants?

2. What recommendations do you have for most effectively spending these funds?

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

4260 DEPARTMENT OF HEALTH CARE SERVICES
4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 10: MENTAL HEALTH SERVICES ACT STATE ADMINISTRATION FUNDS

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Toby Ewing**, Executive Director, Mental Health Services Oversight & Accountability Commission
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

ISSUE

This is an oversight issue for the Subcommittee to gain a better understanding of the MHSA/Proposition 63 State Administration funds.

BACKGROUND

MHSA authorizes up to 5 percent of revenues for state administration. These include administrative functions performed by a variety of state entities.

The following table shows where State Administration funds are expended and the table on the subsequent page describes the various uses of the MHSA State Administration funding:

Table 3b: MHSA Expenditures
State Administration
Governor's Budget 2019
(Dollars in Thousands)

	Actual	Estimated	Projected
	FY 2017-18	FY 2018-19	FY 2019-20
State Administration			
Judicial Branch	1,128	1,134	1,134
California Health Facilities Financing Authority	254	16,453	0
OSHPD – Administration	13,306	3,051	3,051
Department of Health Care Services	8,739	14,540	14,878
California Department of Public Health	9,142	23,845	33,307
Department of Developmental Services • Contracts with Regional Centers	426	479	480
Mental Health Services Oversight & Accountability Commission • Triage Grants beginning January 2014	13,491	39,566	16,567
Department of Corrections and Rehabilitation	237	1,182	1,182
Department of Education	137	163	163
University of California	869	961	0
Board of Governors of the California Community Colleges	94	99	99
Financial Information System for California	132	0	(18)
Military Department	1,387	1,420	1,467
Department of Veterans Affairs	225	256	256
Supplemental Pension Payment to CalPERS	0	156	356
Statewide General Administration[8]	2,867	2,826	1,842
Total Administration	**52,434**	**106,131**	**74,764**
Total Local Assistance (Table 3a)	**2,033,033**	**2,187,961**	**2,175,311**
Total of Local Assistance and Administration	**2,085,467**	**2,294,092**	**2,250,075**

Judicial Branch Positions for workload relating to mental health prevention and early intervention for juveniles in the juvenile court system. Positions to address workload relating to mental illness in adults in the criminal justice system.
California Health Facilities Financing Authority One-time MHSA funds for county mobile crisis personnel grants.
Office of Statewide Health Planning & Development Funds Statewide Workforce Education & Training (WET) program to develop mental health workforce.
Department of Health Care Services Funds the work of the Mental Health Services Division which provides fiscal and program oversight of MHSA. Funds staff of California Mental Health Planning Council which advocates for children and adults with serious mental illnesses, and advises the state on mental health issues. Provides statewide technical assistance to improve the MHSA.
Department of Public Health Funds staff for the California Reducing Disparities Project within the Office of Health Equity and, funds the All Children Thrive program.
Department of Developmental Services Administer a statewide community-based mental health services system (via Regional Centers) for people with developmental disabilities.
Mental Health Services Oversight & Accountability Commission Funds oversight & accountability of the MHSA.
Department of Education Funds positions to increase capacity in staff and students to build awareness of student mental health issues and promote healthy emotional development. CDE is the student mental health contractor for CalMHSA to provide stigma reduction strategies.
Community Colleges Board of Governors Supports one position to develop policies and practices to address the mental healht needs of community college students.
Financial Information System for California (FI$Cal) Supports the development of FI$Cal, the state's integrated financial management system, used by state agencies with accounting systems.
Military Department Funds positions for provide 24/7 support for a behavioral health outreach program to improve coordination between the California National Guard, local County Veterans' Services Officers, county mental health departments, and others to meet mental health needs of guard members and their families.
Department of Veterans Affairs Funds positions to inform veterans and their family members about federal benefits, local mental health department services, and other mental health services. Administers grant programs to improve mental health services to veterans, develops Veteran Treatment Courts, and educates incarcerated veterans about benefits and services.
University of California One-time funds for two Behavioral Health Centers of Excellence (at UCLA and UCD) for research on behavioral health care and the integration of medical and mental health services.

The following table details the Administration's estimate of MHSA State Administration (5%) Fund. The table shows that the Administration estimates that $123 million will remain after appropriating this Fund for various purposes already designated in the Governor's proposed budget.

Mental Health Services Fund State Directed Purposes - 2019-20 Governor's Budget

(dollars in thousands)

Fiscal Year	Monthly Cash Transfers	Accruals	Interest	Total Revenue	Admin Cap[4]	Expenditures & Appropriations[3]	Available Cap	Comments
				(A+B+C=D)	(D[.035 or .05])		(E - F = G)	
	A	B	C	D	E	F	G	
2012-13[1]	$1,204,444	$479,780	$721	$1,684,945	$58,973	$31,572	$27,401	Item 4265-001-3085 ($15m appropriated w/o regard to FY in 2012 BA, but not spent, reflected in FY 16/17 and beyond) Item 6440-001-3085 ($12.3m appropriated in 2014 BA but not spent).
2013-14	$1,187,411	$94,253	$548	$1,282,212	$64,111	$39,474	$24,637	Item 4265-001-3085 ($15m appropriated w/o regard to FY in 2013 BA, reflected in FY 16/17 and beyond)
2014-15	$1,366,501	$464,136	$844	$1,831,481	$91,574	$78,989	$12,585	**2014-15 Budget Act** Item 4265-001-3085 ($15m approp. w/o regard to FY in 2014 BA, but not spent, reflected in FY 16/17 and beyond) Items 4560-491 and 6440-001-3085 (subject to available funds through June 30, 2017).
2015-16	$1,423,508	$446,046	$1,196	$1,870,750	$93,538	$78,246	$15,292	**2015-16 Budget Act** Item 4265-001-3085 ($15m appropriated w/o regard to FY in 2015 BA, but not spent, reflected in FY 16/17 and beyond). Chapter 6, Statutes of 2016 (AB 847) appropriated $1 million.
2016-17	$1,484,054	$272,547	$2,599	$1,759,200	$87,960	$94,037	($6,077)	**2016-17 Budget Act** Of the $60m appropriated for the CA Reducing Disparities Project in the 2012, 2013, 2014, and 2015 BA, $9.94m was spent for the CA Reducing Disparities Project (4265). As of 2016 BA, of the remaining CA Reducing Disparities Project funds, $9.56m will be spent in FY 17/18, and $40.5 is anticipated to be spent in FY 18/19. $500k for MHSA performance contracts (per AB 1622). Reappropriation $1.043m from Budget Acts of 2013, 2014 and 2015 to continue funding triage personnel grants through June 30, 2018. $1.952m for data contracts (reflected as savings in GB) One-Time Funding DHCD (2240) - $6.2m for No Place Like Home Housing Program CHFFA (0977) - $11m for Children's Crisis Services Grant Program (Subject to availability of funds) Funds released May 8, 2017. MHSOAC (4560) - $3m for Children Crisis Services (Subject to availability of funds) Funds Released May 8, 2017. DHCS (4260) - $4m for Suicide Hotlines (Subject to availability of funds) Funds released May 8, 2017.
2017-18/e[2, 6]	$1,675,447	$413,988	$5,347	$2,094,782	$104,739	$48,888	$55,851	**2017-18 Budget Act** MHSOAC (4560) - includes $157k (ongoing) for MH advocacy contract admin and $309k (ongoing) for prevention and early intervention plan reviews Reappropriation MHSOAC(4560) - $5.6m for Triage, Advocacy, and Evaluation Grants One-Time Funding CHFFA (0977) - Includes $16.7m for Children's Mental Health Crisis Grants MHSOAC (4560) - Includes $100k for development of a Statewide Strategic Suicide Prevention Plan DHCS (4260) - Includes $4.3m for Suicide Hotlines (Subject to availability of funds).

Mental Health Services Fund State Directed Purposes - 2019-20 Governor's Budget

(dollars in thousands)

Fiscal Year	Monthly Cash Transfers	Accruals	Interest	Total Revenue	Admin Cap[4]	Expenditures & Appropriations[3]	Available Cap	Comments
				(A+B+C=D)	(D[.035 or .05])		(E - F = G)	
	A	B	C	D	E	F	G	
2018-19/e[2,5]	$1,756,786	$631,968	$9,380	$2,398,134	$119,907	$144,791	($24,884)	**2018-19 Budget Act** Ongoing DHCS (4260) - $725k to support MHSA fiscal oversight - $4.3m ongoing Suicide Hotlines MHSOAC (4560) - $2.5m in FY 18/19 and FY 19/20 for County Mental Health Innovation Planning - $670k for Immigrant Refugee Stakeholder Advocacy Contracts - $20m ongoing amount for Triage Grants CCJBH (5225) - $795k in Criminal Justice MH Stakeholder Advocacy Contracts and Admin - $150k for consultation on Department of State Hospitals' IST Diversion Program for the next three fiscal years CalVets (8955) - $1m County Veteran's Officers Mental Health Coordination One-Time Funding OSPHD (4140) - $215k (one time) included to support close out of the WET Program - $1m Primary Care Mental Health Fellowship - $10m targeted WET Program CDPH (4265) - $10m All Children Thrive UC (6440) - $1.83m for the UC Behavioral Health Centers for Excellence. Reappropriation MHSOAC (4560) - $20m Triage Grant Reappropriation from 2017-18 available until June 30, 2021 **2019-20 Governor's Budget** Carryover CDPH (4265) - Includes $11.5m carryover from 17/18 for CA Reducing Disparities Project MHOAC (4560) - Includes $23m carryover from 17/18 for Triage Personnel Grants
2019-20/e[2,5]	$1,808,214	$559,959	$9,380	$2,377,553	$118,878	$100,774	$18,104	**2019-20 Governor's Budget** Carryover CDPH (4265) - Includes $31m carryover from 18/19 for CA Reducing Disparities Project
TOTALS:					**$739,679**	**$616,771**	**$122,908**	

[1] The admin cap applicable in 11-12 and 12-13 was 3.5%. Display begins with 12-13 as this was the first year that funds were distributed monthly to counties based on unreserved funds. The cap was restored to 5% in 13-14.

[2] e/ = estimate

[3] Source: Expenditures per the 2018-19 Budget Act Fund Condition Statement for fund 3085 for FY 16/17, 17/18, 18/19

[4] Welfare and Institutions Code Section 5892(d) and 5892(e)(4)

[5] 2018-19 and 2019-20 interest is the actual 1st quarter of interest multiplied by 4

[6] Fiscal year 2017-18 expenditures reflect the latest available estimates pending final completion of the year-end financial reports. Review and reconciliation of the 2017-18 ending expenditures will be completed in the spring to evaluate if a budget adjustment is required.

Departments Funded in 2019-20: Judicial Branch (0250), CA State Treasurer (Health Facilities Financing Authority (0977), Office of Statewide Health Planning & Development (4140), Dept. of Health Care Services (4260), Dept. of Public Health (4265), Dept. of Developmental Services (4300), Mental Health Services Oversight & Accountability Commission (4560), Dept. of Corrections & Rehabilitation (5225), Dept. of Education (6110), CA Community Colleges (6870), Financial Information Systems for California (8880), Dept. of the Military (8940), Dept. of Veterans Affairs (8955)

Last updated 01/09/2019

STAFF COMMENTS/QUESTIONS

The Subcommittee requests DHCS, the Commission, and Department of Finance to provide an overview of MHSA State Administration Funds: how these funds are calculated and collected, the original MHSA purpose of these funds, how the base funds are used throughout state government, and projections and recommendations for future uses of the funds.

Staff Recommendation: Subcommittee staff recommends no action at this time as this is an oversight issue.

ISSUE 11: MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION OVERSIGHT

PANELISTS

- **Toby Ewing,** Executive Director, Mental Health Services Oversight & Accountability Commission
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

PROPOSAL

The Mental Health Services Oversight & Accountability Commission (Commission) proposed 2019-20 budget is $36.6 million, a $23 million (39%) decrease from current year funding. This reduction largely reflects the reduction in triage funding from $32 million to $20 million approved through the 2018 budget. The remainder of the reduction reflects the removal of Medi-Cal reimbursement authority that has been inappropriately residing in the Commission budget, and also is reflected in the Medi-Cal estimate. Nearly all of the funding for the Commission is Proposition 63 (Mental Health Services Act) state administration funding. According to the Commission, what appears to be a reduction in positions actually just reflects changes to how the information is displayed. In actuality, the Commission had and continues to have 36 positions, including two vacancies.

Commission Budget
(Dollars in Thousands)

	2017-18 Actual	2018-19 Estimated	2019-20 Proposed	CY to BY Change
Total MHSA Funds	$13,491	$59,566	$36,567	-$22,999 (-38.6%)
Positions	32.4	26.6	27.6	1 (3.8%)

BACKGROUND

The MHSA created the Mental Health Services Oversight and Accountability Commission to provide broad oversight and leadership in the community mental health system statewide. The Commission's primary roles include: (1) providing statewide advice and policy leadership on the community mental health system, including oversight, review, accountability, and evaluation of projects and programs supported

with MHSA funds, (2) ensuring that mental health consumers, family members, and underserved communities are meaningfully involved in every level of the community mental health system, (3) supporting dissemination and adoption of cost-effective best practices in the mental health system, (4) administering the Mental Health Wellness Act of 2013 Triage Personnel Grants, and (5) providing vision and leadership in the exploration of innovative strategies to transform community mental health services, including oversight and approval of over $100 million per year in county innovation projects.

Commissioners

The Mental Health Services Oversight and Accountability Commission (Commission) was established in 2005 and is composed of 16 voting members. These members include:

Elected Officials:

- Attorney General
- Superintendent of Public Instruction
- Senator selected by the President pro Tem
- Assemblymember selected by the Speaker

12 members appointed by the Governor:

- Two persons with a severe mental illness
- A family member of an adult or senior with a severe mental illness
- A family member of a child who has or has had a severe mental illness
- A physician specializing in alcohol and drug treatment
- A mental health professional
- A county sheriff
- A superintendent of a school district
- A representative of a labor organization
- A representative of an employer with less than 500 employees
- A representative of an employer with more than 500 employees
- A representative of a health care services plan or insurer

In making appointments, the Governor is required to seek individuals who have had personal or family experience with mental illness.

Among other responsibilities, the role of the MHSOAC is to:

- Ensure that services provided, pursuant to the MHSA, are cost effective and provided in accordance with best practices;

- Ensure that the perspective and participation of members and others with severe mental illness and their family members are significant factors in all of its decisions and recommendations; and,

- Recommend policies and strategies to further the vision of transformation and address barriers to systems change, as well as providing oversight to ensure funds being spent are true to the intent and purpose of the MHSA.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests the Commission provide an overview of the Commission, its work (particularly on its county data collection efforts), and respond to the following:

1. How much MHSA funds are counties not spending and why?

2. Generally, are counties spending their MHSA funds in accordance with the MHSA statute?

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional time for discussion and debate.

ISSUE 12: MENTAL HEALTH SERVICES ACT OVERSIGHT AND POLICY DEVELOPMENT BUDGET CHANGE PROPOSAL

PANEL

- **Jennifer Kent**, Director, Department of Health Care Services
- **Brenda Grealish**, Acting Deputy Director, Mental Health and Substance Use Disorder Services, Department of Health Care Services
- **Anam Khan**, Finance Budget Analyst, Department of Finance
- **Kris Cook**, Principal Program Budget Analyst, Department of Finance
- **Ryan Millendez,** Fiscal and Policy Analyst, Legislative Analyst's Office

Public Comment

PROPOSAL

DHCS, Mental Health Services Division (MHSD), requests 13.0 permanent positions (12.0 new permanent positions and the conversion of 1.0 limited-term (LT) position to permanent) and expenditure authority of $1,919,000 (Mental Health Services Fund) in fiscal year (FY) 2019-20 and $1,802,000 in FY 2020-21 and ongoing.

DHCS proposes to re-direct a portion of the external contract resources used to support MHSA training and technical assistance to support activities related to implementation of the MHSA and instead to provide oversight and monitoring for the use of MHSA funds.

BACKGROUND

DHCS has statutory responsibility for a range of fiscal and programmatic oversight activities of MHSA-funded programs. DHCS is currently performing fiscal audits and beginning programmatic onsite reviews of 58 counties throughout California to determine compliance with statutes, regulations, and county performance contracts. Fiscal audits and program reviews are performed separately. Specifically these statutory responsibilities include:

1. Annual Revenue and Expenditure Report (ARER): DHCS is responsible for developing and administering the MHSA Annual Revenue and Expenditure Report that identifies county MHSA expenditures, determines any additional funds generated as a result of the MHSA, identify unexpended funds and interest earned, and determine reversion amounts. This expenditure information allows for the evaluation of the MHSA programs. DHCS may withhold funds from

counties that do not submit the MHSA Annual Revenue and Expenditure Report by the specified due date (Welfare and Institutions Code (WIC), Section 5899). In order for DHCS to determine whether a county has appropriately reported its MHSA expenditures on its ARER, DHCS must perform ongoing fiscal audits.

2. Performance Contracts with Counties: DHCS is required to implement mental health services for children/adult/older adult systems of care and prevention and early intervention through contracts with county mental health programs. DHCS is required to conduct program review and fiscal audits of county performance contracts to determine compliance. Each of the 58 counties are required to be reviewed at least once every three years. DHCS may request a plan of correction from a county that does not comply with the performance contract (WIC § 5897).

3. Referrals of Critical Performance Issues from the Mental Health Services Oversight and Accountability Commission (MHSOAC): DHCS may receive issues, from the MHSOAC, deemed as critical performance challenges related to the performance of county mental health programs. Once notified, DHCS must perform a programmatic review of the county to determine if it is failing in a substantial manner with the law and/or its performance contract.

4. Withhold of Funds and Provide Corrective Action Plans if Counties Fail to Comply in a Substantial Manner: If the director determines that there is or has been a failure, in a substantial manner, to comply with a provision within the code of regulations, the Department may withhold part or all of state mental health funds from the county, require the county to enter into a plan of correction (POC), or bring an action in mandamus and any other action appropriate to compel compliance (WIC § 5655). To prevent future challenges, DHCS must perform ongoing program oversight reviews and provide technical assistance to bring counties into compliance.

The CSA conducted two audits of the MHSA and made a series of recommendations to DHCS regarding program oversight, regulation development, and data improvement. DHCS is implementing recommendations from audit 2012-122 and audit 2017-117.

In addition, DHCS contracts with the California Institute for Behavioral Health Solutions (CIBHS) to provide statewide technical assistance to improve the implementation of MHSA and MHSA-funded programs. The contract is funded at $4,144 million per year. CIBHS provides technical assistance and a number of trainings and online learning modules, webinars, and conference trainings in fulfillment of MHSA.

Based on historic contract expenditures, DHCS has determined that $4,144 million is no longer necessary to support the training and technical assistance needs at a statewide level. DHCS states that counties are able to use their local funding to contract with an entity that can provide training and technical assistance to support local needs.

The Mental Health Management Performance Outcomes Branch (MHMPOB) requests the approval of 13.0 permanent positions through the re-direction of a portion of the MHSA external contract funding:

- To enhance two established distinct functional groups - Fiscal Oversight, which monitors and reviews county expenditures through the submission of Annual Revenue and Expenditure Reports; and Program Oversight, which performs onsite program reviews of county MHSA programs.

- To initiate a new functional group - Policy Development, which develops regulations and guidance to counties to implement policy changes and accomplish the audit findings recommendations and each functional group's workload responsibilities.

The requested resources will be used to increase the scope, frequency, and intensity of program oversight. This will allow DHCS to monitor the Mental Health Services Fund and the 58 counties providing MHSA programs and services throughout California. In addition, the requested resources will support policy development, and conduct fiscal oversight necessary to implement the MHSA.

Reversion Requirements for Unspent County Funds.
MHSA requires the reversion of unspent county funds to the state. According to Welfare and Institutions Code section 5892 (h), “any funds allocated to a county which have not been spent for their authorized purpose within three years shall revert to the state to be deposited into the fund and available for other counties in future years”. However, the state has not reverted unspent county funds since 2008.

AB 114 (Committee on Budget, Chapter 38, Statutes of 2017). The Legislature addressed the issue of unspent funds by counties that have not reverted to the state through AB 114, a budget trailer bill. AB 114 clarifies and defines the reversion process for MHSA funds that have been unspent for over three years by counties. Specifically, this bill:

a) Deems all unspent funds subject to reversion as of July 1, 2017, to have been reverted to the Mental Health Services Fund and reallocated to the county of origin for the purposes for which they were originally allocated;

b) Requires the Department of Health Care Services (DHCS), on or before July 1, 2018, in consultation with counties and other stakeholders, to prepare and submit a report to the Legislature identifying the amounts that were subject to reversion prior to July 1, 2017, including to which purposes the unspent funds were allocated;

c) Requires DHCS to provide to counties the amounts it has determined are subject to reversion, and provide a process for counties to appeal this determination;

d) Requires counties with unspent funds subject to reversion, that are deemed reverted and reallocated, to prepare and submit a plan (by July 1, 2018) to expend these funds on or before July 1, 2020;

e) Restarts the three-year clock on expenditure of Innovation funds when a county's Innovation Plan has received approval by the Mental Health Services Oversight and Accountability Commission (Commission);

f) Authorizes small counties, with a population of less than 200,000, to expend MHSA funds for up to five years before unspent funds will be reverted to the state;

g) Requires DHCS, in consultation with the Commission and the County Behavioral Health Directors Association of California, to develop and administer instructions for the Annual MHSA Revenue and Expenditure Report (RER). Requires that the instructions include a requirement that the county certify the accuracy of this report. Requires counties to submit the report electronically to DHCS and to the Commission. Requires DHCS and the Commission to annually post each county's report on its website in a timely manner. Requires the Department, in consultation with the Commission and the County Behavioral Health Directors Association of California, to revise these instructions by July 1, 2017, and as needed thereafter, to improve the timely and accurate submission of county revenue and expenditure data. Specifies the purpose of the Report;

h) Requires DHCS, by October 1, 2018, and by October 1 of each subsequent year, in consultation with counties, to publish on its internet web site a report detailing funds subject to reversion by county and by originally allocated purpose; and

i) Requires that, on or after July 1, 2017, funds subject to reversion be reallocated to other counties for the purposes for which the unspent funds were initially allocated to the original county.

DHCS has begun withholding MHSA funds from the following counties that have not submitted their RERs:

1. Alameda
2. Alpine
3. Colusa
4. Inyo
5. Lake
6. Monterey
7. Plumas
8. San Benito
9. Siskiyou
10. Tehama

STAFF COMMENTS/QUESTIONS

The Subcommittee requests DHCS present this proposal, describe DHCS oversight of the MHSA generally, and respond to the following:

1. Please describe how the contract with CIBHS will change based on this proposed reduction in funding for the contract. I.e., what activities has CIBHS been engaged in that will be discontinued? Which activities will continue?

2. How has DHCS assessed the value that counties place on the services provided by CIBHS?

3. The 2018 budget provides DHCS ten new permanent positions, in large part for MHSA oversight. Have those positions been filled? How has DHCS determined its need for an additional 13 positions for MHSA oversight in light of these prior, recent resources.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional time for discussion and debate.