CIMH Webinar Series
Wellness Centers and Peer-Driven Programs

Session #4- Sustainability and Funding Streams

Part I: Community Mental Health Funding Update
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Part II: Supplemental Funding and Outcomes
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Estimated Community Mental Health Services Funding in FY

Estimated FY12/13 Community Mental Health Funding
(Dollars in Millions)

- 2011 Realignment: $794.9
- 2012 Realignment: $1,164.4
- 2013 Realignment: $1,364.4
- Other: $150.4
- PPS: $1,582.5

Realignment (1991)

- “Realignment” was enacted in 1991 with passage of the Bronzan-McCorquodate Act.
- It represented a major shift of authority from the state to counties for mental health programs.
- Realignment 1991 created a new dedicated revenue source for counties.
- Instead of community mental health being funded by the State General Fund (and thus subject to the annual state budget process), new “Realigned” revenues would flow directly to counties.
Realignment included two dedicated revenue streams:

- ½ cent increase in state sales tax
- State Vehicle License Fee (VLF)

Medi-Cal Mental Health Services

- Short-Doyle/Medi-Cal (SD/MC) started as a pilot project in 1971, and counties were able to obtain Federal Financial Participation (FFP) to match their own funding to provide certain mental health services to Medi-Cal eligible individuals.
- The SD/MC program offered a broader range of mental health services than those provided by the original Medi-Cal fee for service program.

Medi-Cal Specialty Mental Health

- From 1995 through 1998, the state consolidated Fee for Service and Short-Doyle programs into one “carved out” specialty mental health managed care program
- Under this system, all Medi-Cal beneficiaries must receive their specialty mental health services through the county mental health plan (MHP)
Medi-Cal Specialty Mental Health

- Federal Medicaid dollars (FFP) currently constitute the largest revenue source for county mental health programs.

Proposition 63
The Mental Health Services Act (MHSA) (2004)

- Proposition 63 – a California voters’ ballot initiative
- Passed by majority vote on November 2, 2004
- Became effective as statute -- the Mental Health Services Act (MHSA) -- on January 1, 2005

MHSA: What Is it?

- 1% tax on personal income in excess of $1M
- Purpose is to reduce the long-term adverse impact of untreated mental illness
- Intent is to expand mental health services
  - Recovery/wellness
  - Stakeholder involvement
  - Focus on un-served and underserved
  - Focus on effective services and cost-effective expenditures
The most important change that the MHSA brought forward is to bring the voice of the person receiving services and the families – across ethnicity – to the center of the conversation rather than at the margins of the conversation.

(Dr. Marvin J. Southard, Los Angeles County Mental Health Director)

MHSA Is Community-Driven

State Administration Changes/Reorganization 2012-13

- FY 12/13 Elimination of State Department of Mental Health and State Department of Alcohol and Drug
- Transferred into a division at DHCS
  - Administration of some MHSA programs; financial oversight of MHSA funds

MHSA: AB 100 (2011)

- Facing another major budget deficit in FY 2011-12, the Governor proposed and the Legislature adopted AB 100, which fundamentally changed the landscape of the MHSA – in both positive and not so positive ways…
Not so positive:
- Diverted $862 million on a one-time basis from the MHS Fund to backfill SGF obligations for EPSDT, Medi-Cal managed care and Educationally-Related Mental Health Services (formerly AB 3632).

Positive:
- Eliminated State approval of MHSA Plans (thus eliminating significant state-level bureaucracy)
- Created continuous MHSA appropriation to counties
- Maintained community-driven local stakeholder process
- Reduced the state administrative funds reserved for DMH, MHSOAC, California Mental Health Planning Council and other state agencies from five percent (5%) to three and half percent (3.5%) (the difference goes to counties for services).
- Deleted requirement that DMH and the MHSOAC annually review and approve county plans and updates.
- Specified that the "state," instead of DMH specifically, will administer the Mental Health Services Fund (MHSF), and issue regulations.

Pressured by continuing deficits, Governor Brown proposed realigning many public safety and health and human services programs from the state to counties.

He wanted to move responsibility for these services so that they could be more efficiently managed and provided at a level that was "closer to the people."

The plan was to create a new, dedicated, constitutionally protected revenue source for counties that was approved by voters by ballot initiative.
Unfortunately, the plan that the Legislature ultimately adopted did not include support for a ballot initiative. The Governor remains committed to ongoing funding and to achieving Constitutional protection. He has filed a ballot initiative with the Secretary of State that includes Constitutional protections for counties. He has submitted 1.5 million signatures to qualify measure for ballot.

“Public Safety” Realignment 2011-12

- Mental Health one of many programs realigned to counties
- Substance use disorder programs also realigned
- Mental health is in what is called the Behavioral Health Subaccount
- One monthly deposit into Behavioral Health Subaccount
  - County decides how to allocate funding between realigned obligations
- Next slide has a picture of the structure of 2011 realignment

2011 Realignment Funding Structure

[Diagram showing the structure of 2011 realignment funding]

County Local Revenue Fund

Other Realignment Sources

Behavioral Health Subaccount

- Care Coordination and Case Management
- Transitional Living and Youth Services
- Prevention and Early Intervention Services
- Mental Health Services
- Substance Use Disorder Services

- Public Safety Realignment
- Court Security Realignment
- Public Safety Realignment

[Diagram showing specific allocation between realignment sources]
Big Question
◆ The behavioral health subaccount includes both entitlement and non-entitlement programs – how to manage?

Opportunities and Challenges
◆ Majority of community mental health funding driven by economy and not demand for services
◆ Counties being given more flexibility in return for increased responsibility and risk

How can you provide leadership in these major policy areas?
◆ Realignment, 2011
◆ Federal Health Care Reform
◆ Federal Mental Health Parity
◆ Elimination of DMH/ADP

Are you ready??
Supplemental Funding

- Donations (non-profit status)
  - Individuals
  - Corporations/ Businesses
- Fundraising (non-profit status)
  - Events
  - Sales
  - Annual Fund or Auction
- Grants

Non-Profit Organizations

- Requirements
  - Stable, committed (and talented!) board of directors
  - Bylaws and board policies
  - Vision and mission statements
  - Compliance with state and local nonprofit regulations
  - Certificate of incorporation
  - Employer identification number (EIN)
  - Bank account and established check signing procedures
  - May file for federal tax exemption

- Benefits
  - Allows for the development of a fundraising program
  - Allows for the creation of revenue producing programs (i.e. business/job program)
  - Ability to apply for tax exempt status (Federal)
  - May increase eligibility for grants
  - Provides donors with tax exemptions (and reassurance)
  - Possible exemptions and reduced rates for operations

Successful Grants

- A history of prior grants and successful outcomes
- Start local or in collaboration with a larger grant. Document outcomes
- Capacity and credibility
  - Qualified staff
  - Sufficient technological resources
  - Right site or space to run your proposed program
- Reflects best practices and is supported by evidence
  - Statistics, demographics, community descriptions, anecdotes, etc.
  - Use peer reviewed literature and national databases
- A credible evaluation plan
  - Multiple evaluation types
  - Assess short-term and long-term success
  - Relevant collaborations that are backed up in writing
  - Memoranda of Understanding
  - Letters of Support

Source: http://nonprofit.about.com
Identifying and Documenting Outcomes

“If you don’t know where you’re going, how are you gonna’ know when you get there?” – Yogi Berra

- **Program Logic Model** - “links outcomes (both short- and long-term) with program activities/ processes and the theoretical assumptions/principles of the program”. (Kellogg Foundation). Provides a visual representation of planned work (resources/ inputs & activities), as well as intended results (outputs, outcomes, impact).

- **Outcome Reporting** (sample for low population areas provided). Goals and objectives, summary, evidence.

Developing Resources (Get Help!)

- Become familiar with government and foundation databases and websites (Need computer proficiency)
- Recruit experts for board positions and as volunteers or paid positions for special projects. (Lawyers, accountants, business people, researchers, etc)

Closure

**Resources**

Webinar Resources available from CIMH or from Anne MacRae

- Logic Model Development Guide – W.K. Kellogg Foundation
- Small Counties Project Reporting form – Anne MacRae

**Where do we go from here?**

Which of the webinars in this series should be repeated? (with updates)

- Webinar 1: Recovery Perspectives in Wellness Models
- Webinar 2: Wellness Centers: Models and Programming
- Webinar 3: Employees with Lived Experience within County Systems
- Webinar 4: Sustainability and Funding Streams

What new topics should be presented in Webinars?

**Feedback is welcomed!**

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