

HOT TOPICS: MHSA EMERGENCY FLEXIBILITIES AND PENDING LEGISLATION

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AGENDA

1. Factors Leading to MHSA Flexibilities
2. MHSA Emergency Flexibilities
3. Pending MHSA Legislation

Pre COVID-19 MHSA Environment

- MHSA Economic Outlook
- Newsom Administration Call for Reform
- CBHDA Reform Agenda

COVID-19 State and Local Mandates

- Transition to Tele-mental health services
- Community Planning and Local Approval Process

COVID-19 Induced Economic Downturn

- Realignment \$\$ decrease/stabilize at lower level
- MHSA Revenue decrease beginning FY 19-20, including dramatic decrease in May-July 2020

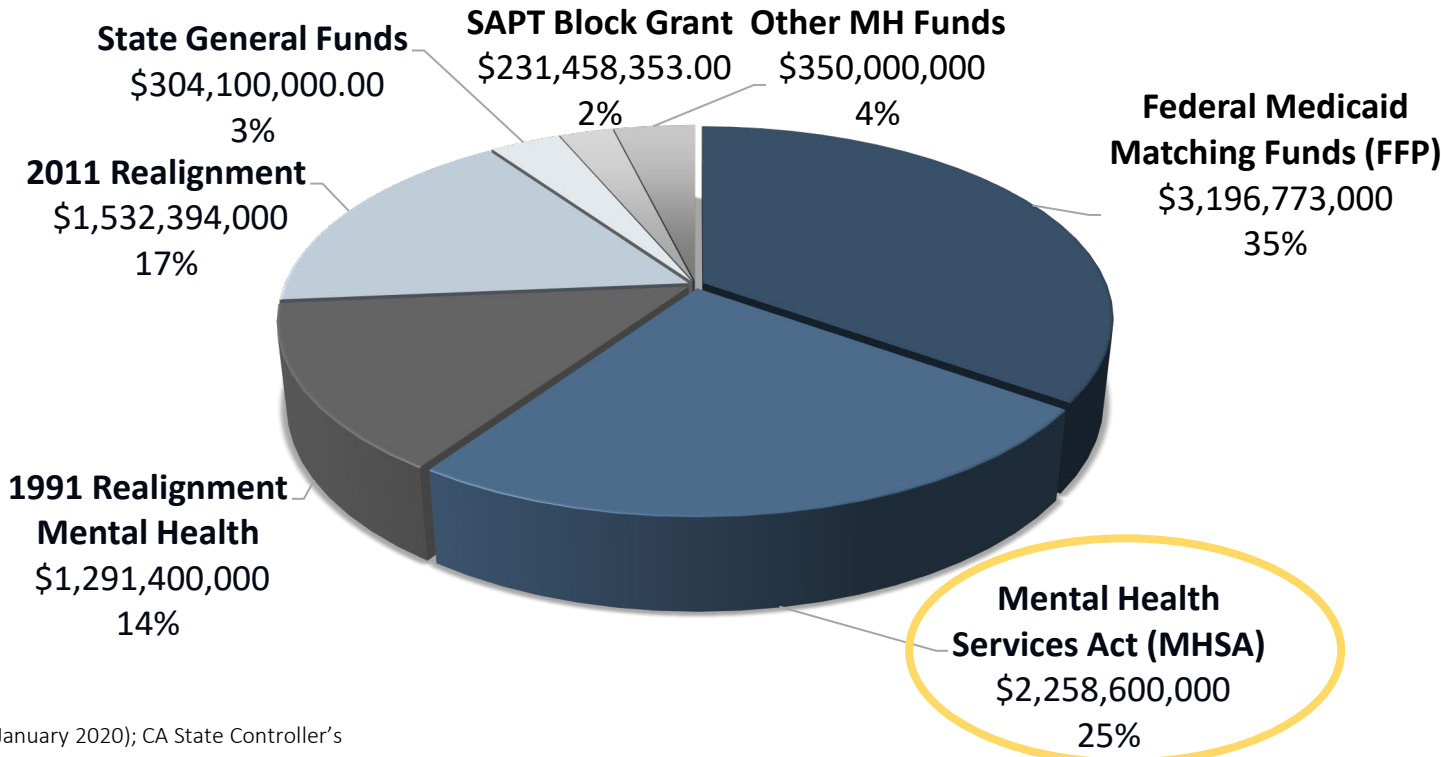
FACTORS LEADING TO MHSA FLEXIBILITIES



Pre-COVID-19 Funding for County Behavioral Health: \$9 Billion total, \$6 billion Medi-Cal (FY 2019-20 Estimate)

Total Medi-Cal:
\$105.2 billion
\$23 billion GF

Covers 13 million
(1 in 3) Californians



Sources: CA Governor's 2020-21 Budget (January 2020); CA State Controller's Office; and DHCS Medi-Cal Estimates

**MHSA Estimated Funding
(Dollars in Millions)**

	18/19	19/20	20/21	21/22	22/23	% Change 18/19- 22/23
MHSA	\$2,105.3	\$1,847.8	\$2,242.3*	\$1,919.3	\$1,704.0	-19.1%
Dollar Change		-\$257.5	\$394.5*	-\$323.0	-\$215.3	
Percent Change		-12.2%	21.3%	-14.4%	-11.2%	

*The increase in FY 20/21 is due to the deferral of MHSA funds from FY 19/20 to FY 20/21.

MHSA FISCAL FORECAST

For County Representatives

Is the County where you work enacting reductions in MHSA activities? a) now, b) within next 6 months, c) later?

POLL QUESTION



Stakeholder Letters on Relief – not Reform



CBHDA and Cal Voices-Led Call for Compromise



Over 20 BH Organizations Unified in Requesting Relief



Work with DHCS and the Legislature on AB 81 – MHSA Relief Trailer Bill



DHCS Guidance ONE Day after the Budget was signed on MHSA Relief

TRANSITION FROM REFORM TO RELIEF

76%

- MHSA Allocation to Community Services and Support (CSS) Component

19%

- MHSA Allocation to Prevention and Early Intervention (PEI) Component

5%

- MHSA Allocation to Innovations (INN) Component

20%

- CSS funds can be transferred to prudent reserve, workforce & capital investments

33%

- Of the 5-year average CSS allocations is the prudent reserve cap

MHSA BASICS

MHSA EMERGENCY FLEXIBILITIES

BEHAVIORAL HEALTH INFORMATION NOTICE 20-040



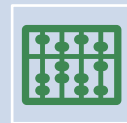
Ability to Access MHSA Prudent Reserves in the Current FY



Safeguard MHSA Funds Subject to Reversion



Extension of the Deadline for the Submission of the Three-Year MHSA Plan



Flexibility in using MHSA Community Services and Support funds

MHSA EMERGENCY FLEXIBILITIES:

IN 20-040 PRUDENT RESERVES

EXISTING RULES

- Specific conditions must be met to access MHSA prudent reserves
 - DHCS must declare fiscal deficiency based on an analysis of the 5-year average, or
 - Counties use DoF January MHSA estimates to determine deficiency of MHSA funds

DHCS GUIDANCE ON FLEXIBILITIES

- Counties can access prudent reserves in FY 20-21 for CSS / PEI so long as the county notifies DHCS (MHSA@dhcs.ca.gov) in 10 business days, include in update and RER

For County Representatives

How many of you anticipate that you will need to use the county's MHSA prudent reserve to address fiscal gaps in FY 20-21?

- a) Yes, will need to use the prudent reserve
- b) No, will not need to use the prudent reserve

POLL QUESTION

MHSA EMERGENCY FLEXIBILITIES:

IN 20-040 THREE-YEAR PLAN

EXISTING RULES

- Most counties were required to submit their Three-Year MHSA Plan by June 30, 2020

DHCS GUIDANCE ON FLEXIBILITIES

- Counties that need an extended deadline to revise or to complete the county Three-Year MHSA Plan can submit the plan by July 1, 2021 so long as complete Form 5510.
 - Narrative on COVID-19 impact on timely submission
 - submitted to MHSA@dhcs.ca.gov by August 31, 2020

MHSA EMERGENCY FLEXIBILITIES:

IN 20-040 FUNDS SUBJECT TO REVERSION

EXISTING RULES

- Funds subject to reversion include
 - unencumbered and unspent by 5 years for small counties or 3 years for other counties (some exceptions)
 - excess prudent reserves
 - AB 114 funds

DHCS GUIDANCE ON FLEXIBILITIES

- Funds subject to reversion by July 2019 and July 2020, as well as interest, are safeguarded until July 2021
 - DHCS will provide counties with notice on amounts of unspent funds

MHSA EMERGENCY FLEXIBILITIES:

IN 20-040 FLEXIBILITY WITH CSS FUNDS

EXISTING RULES

- Counties must spend the majority of their CSS funds on Full Service Partnerships – a whatever it takes approach to serving the most critical beneficiaries

DHCS GUIDANCE ON FLEXIBILITIES

- For FY 20-21, counties have flexibility with this requirement so long as the county notifies DHCS in 10 business days (MHSA@dhcs.ca.gov)
 - Counties must include in next Plan/Update



OUTSTANDING MHSA EMERGENCY FLEXIBILITIES

- Using Innovation Funds and the Safeguarded Funds that Were Subject to Reversion to Support Community Services and Supports and Prevention and Early Intervention

For County Representatives

Please respond in the Chat.

What additional MHSA administrative flexibilities could help your county address the current fiscal situation and the challenge of serving the behavioral health needs of the community?

POLL QUESTION

MHSA PENDING LEGISLATION

These bills have not passed out of the Legislature.
They are still active in the current Legislative Session.

MHSA PENDING LEGISLATION

AB 8 (CHU and Garcia)	SB 665 (UMBERG)
<p>AB 8 requires that one “mental health” professional be placed in every school with a certain number of students and that all other schools have access to a “mental health” professional. AB 8 includes credentialed school counselors, social workers and school nurses as mental health providers and requires MHSA PEI funds to pay for the mental health professionals.</p> <p>CBHDA position:</p> <ul style="list-style-type: none">• All school credentialed staff are not mental health professionals without additional training• All MHSA PEI funds will be used for its purposes defunding many other important PEI programs.	<p>SB 665 allows MHSA funds to be used for services within county jails.</p> <p>CBHDA position:</p> <ul style="list-style-type: none">• MHSA funds are intended to be used for community-based services. MHSA funds are already available to use to support discharge planning and parolees to help those with behavioral health needs leaving jail and to help prevent recidivism. SB 665 is an inappropriate use of MHSA funds.• CBHDA supports diversion programs to keep those with behavioral health needs from going to jail in the first place.

MHSA PENDING LEGISLATION

AB 2265 (QUIRK-SILVA)

AB 2265 clarifies that MHSA funds can be used for individuals that have a substance use disorder (SUD) and another mental health condition. Requires counties to report how many individuals with co-occurring disorders (COD) are served with MHSA and how many ultimately turn out to have only a SUD – likely none will only have a SUD.

CBHDA Position:

- MHSA can already serve individuals with COD. This bill will help inform external stakeholders of the prevalence of COD.

AB 2576 (GLORIA)

AB 2576 asks counties that receive funds from the Reversion Account to consider using these funds to serve those experiencing homelessness, justice-involved individuals, and/or children and youth. Requires counties to report the number of those experiencing homelessness served with MHSA funds.

CBHDA Position:

- MHSA is already used to serve all three target populations. This bill will help inform external stakeholders on the use of MHSA to help address homelessness.

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