

So.....

YOU'RE NEW TO BEHAVIORAL HEALTH FINANCE?

CBHAA

Where to Find Resources to Assist in Understanding Funding Sources

CBHAA

Behavioral Health Funding History

- ▶ County Health Funding Leading to 1991 Realignment
- ▶ Realignment – What It Is
- ▶ 1991 Realignment
- ▶ EPSDT/Medi-Cal Specialty Mental Health Consolidation
- ▶ Mental Health Services Act (MHSA)
- ▶ 2011 Realignment
- ▶ Other Funding Sources

CBHAA

County Health Funding Prior to 1991

- ▶ 1933 – W&I Section 17000
- ▶ 1966 – Advent of Medicaid/Medicare
- ▶ 1971 – Creation of State Only MIA Medi-Cal Category

CBHAA

County Health Funding Prior to 1991 (cont.)

- ▶ 1978/79 – Aftermath of Proposition 13
- ▶ 1982/83 – Transfer of MIA's to Counties
- ▶ 1988/1989 – Proposition 99

CBHAA

Realignment – What It Is

► Concept

- Realignment – to adjust two or more components of responsibility
- Transfers or “realigns” funding responsibility by shifting a greater share of cost to the counties

► 1991/92 Realignment

CBHAA

1991 Realigned Programs

AB 8 County Health Services
 Local Health Services
 California Children's Services
 Indigent Health
 CalWORKs
 Employment Services
 County Services Block Grant
 In-Home Supportive Services
 Foster Care
 CWS
 Adoptions
 County Stabilization Subventions
 County Juvenile Justice Subventions (AB 90)
 Mental Health

CBHAA

1994-95 Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

- EPSDT has been a requirement of the Medicaid Program since its inception in 1966
- The federal Omnibus Budget Reconciliation Act of 1989 (OBRA '89) expanded the benefit to include diagnostic and treatment services needed to "correct or ameliorate defects, physical and mental illness and conditions discovered by screening services, whether or not such services were covered under the Medicaid State Plan."
- A 1993 lawsuit against the state Department of Health Services for not sufficiently complying with federal law resulted in increased availability of State General Funds to finance Medi-Cal specialty mental health services to children and adolescents.
- County mental health plans paid a 50% match, pursuant to 1991 Realignment, until it reached its adjusted fiscal year 1994-95 baseline of expenditures for specialty mental health services.
- In 2002, in an effort to ensure that counties had an "incentive" to control costs, an additional 10% county share of cost on growth in the EPSDT program was imposed.

CBHAA

1995-98 Medi-Cal Specialty Mental Health Consolidation

- From 1995 through 1998 the state consolidated Fee-For-Service (FFS) and Short-Dole programs into one "carve out" specialty mental health managed care program under a Medicaid 1915(b) "Freedom of Choice" waiver.
- Under the consolidation, all Medi-Cal beneficiaries were required to access their specialty mental health services through the county Mental Health Plan (MHP).
- Upon consolidation the state Department of Health Care Services transferred the funds it had been spending under the FFS system for inpatient psychiatric and outpatient physician and psychologist services to county MHPs.
- Additional costs for increases in Medi-Cal beneficiary caseloads and COLAs beyond the base allocation for consolidation, were to be paid for with county 1991 Realignment.

CBHAA

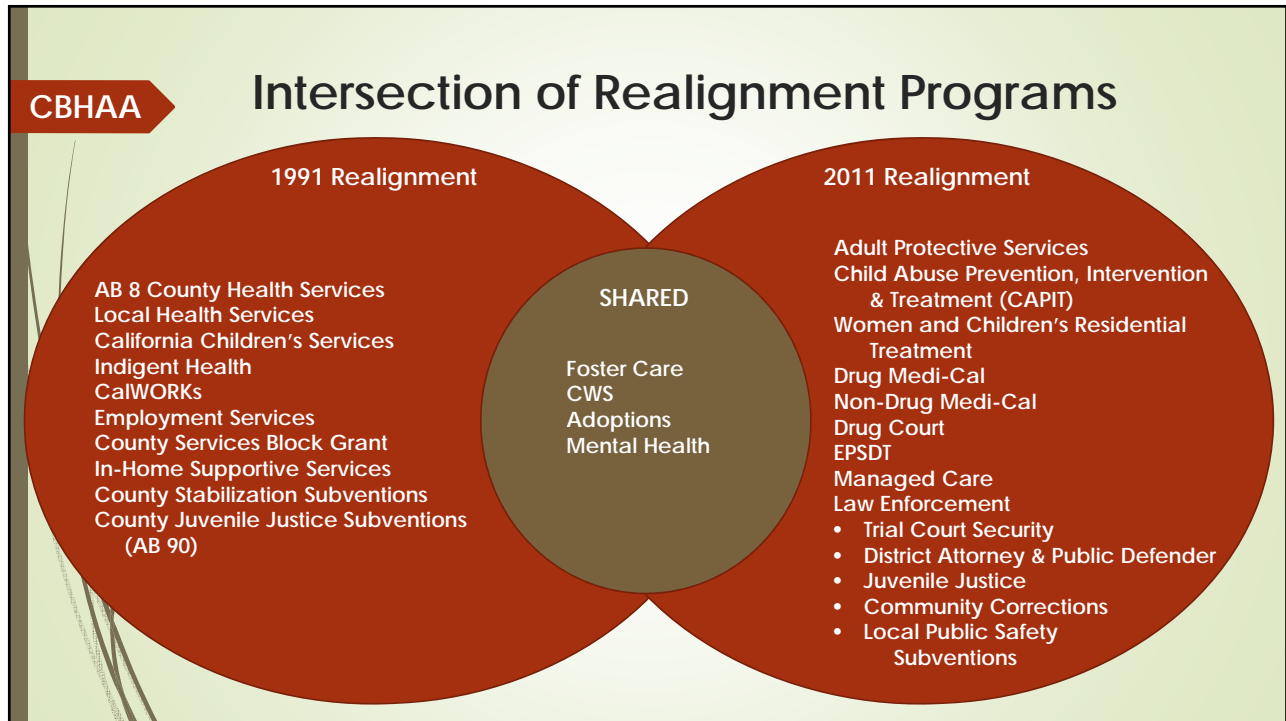
2004 Mental Health Services Act (MHSA)

- Revenues are volatile and funding is not guaranteed
 - Cash flow varies significantly during each fiscal year
 - Expenditures must be consistent with an approved plan
 - Funds must be spent within a specified time frame (generally, three (3) years)
- Funds distributed on a monthly basis (W&I Code Section 5892(j)(5))
- Counties are responsible for ensuring compliance with W&I Code Section 5892(a)
 - 20% for Prevention & Early Intervention programs
 - Balance for Community Services & Supports (System of Care)
 - 5% of total funding utilized for Innovative programs

CBHAA

Mental Health Services Act (MHSA)

- Funds must be deposited in a fund which interest earned remains in the fund to be used for MHSA expenditures
- Beginning in FY 2008/09, counties can annually dedicate up to 20% of the average of their 5-year total of MHSA funds to the Prudent Reserve, Cap/Tech or WET programs/projects
- May use up to 5% of total annual MHSA revenues for planning and supporting Consumers, family members, stakeholders and contractors in the local planning process



CBHAA

Grants

- **Community Mental Health Services Block Grant (MHBG)**
 - Provides grant funds to establish or expand an organized community-based system of care for providing non-Title XIX mental health services to children with serious emotional disturbances (SED) and adults with serious mental illness (SMI).
- **Projects for Assistance in Transition from Homelessness (PATH)**
 - Funds community based outreach, mental health and substance abuse referral/treatment, case management and other support services, as well as a limited set of housing services for the homeless mentally ill.
- **Substance Abuse Prevention & Treatment (SAPT) Block Grant**
 - Funds to prevent and treat substance abuse targeting population and service areas including pregnant women and women with dependent children, intravenous drug users, tuberculosis services, early intervention services for HIV/AIDs and primary prevention services.
- **Other Grants**
 - Triage, No Place Like Home, etc.....

CBHAA

Other Funding Sources

- Drug Medi-Cal Organized Delivery System (ODS) Waiver
- State General Funds
- Contracts
- CalWORKs
- Court Fees & Costs (SUDS)
- Estate Fees – Public Administrator/Guardian
- Private Insurance
- Medicare
- Client Fees (UMDAP & SUDS Sliding Fee)

CBHAA

Delivering Services Through Multiple Funding Sources

- **Know the requirements and limitation of your funding source**
 - Read the contract
 - When in doubt contact your liaison for the specific funding source
- **Funding Hierarchy**
 - Private (Insurance)
 - Local (Fees, General Fund)
 - State General Fund
 - State (Realignment)
 - Federal (Federal Grants, Medi-Cal)

CBHAA

Information to Support Financial Decision Making

- **Meaningful Data**
 - Good data is necessary for sound decision making
- **Community Need**
 - What are the needs of the community
- **History**
 - In both terms of revenue and service delivery
- **Anticipated Outcomes**
 - Will the anticipated outcome be worth the investment
- **Sustainability**
 - Will the decision be sustainable into the future in terms of revenue, program and staffing.

CBHAA

Annual Ups and Downs of Fiscal Management

- **January 10th:** State budget to Legislature
- **January:** Mid-Year Projections due
- **February 1st:** All proposed statutory changes (trailer bills) necessary to implement the State budget due
- **February:** Annual Budget Package submitted to CAO
- **March – May:** Budget meetings
- **May:** State Budget Revise
- **June 15:** State Legislature passes Budget Bill
- **June:** Budget submitted to BOS and for public review
- **July – September:** Local Annual Budget Approval Process
- **October:** Auditor-Controller draft adjustments to balance adopted budget
- **July – September:** Local County Prior Year End Closing
- **December 1st:** Local Adopted Budget submitted to State Controller
- **December:** Cost Reporting and Revenue & Expenditure Reports (BH & SUDS)

CBHAA

Resources for Directors and Fiscal Staff

- California Behavioral Health Administrators Association
- California Institute for Behavioral Health Solutions
 - <http://www.cibhs.org/>
- California State Association of Counties (CSAC)
 - <http://www.counties.org/>
- Center for Medicare & Medicaid Services (CMS)
 - <https://www.cms.gov/>
- County Behavioral Health Directors Association of California (CBHDA)
 - <http://www.cbhda.org/>
- Department of Health Care Services (DHCS)
 - <http://www.dhcs.ca.gov/Pages/default.aspx>
 - County Customer Services Section (MedCCC)
 - MedCCC@dhcs.ca.gov
- Substance Abuse and Mental Health Services Administration (SAMHSA)
 - <https://www.samhsa.gov/>
- Other County Directors and Fiscal Staff
- Independent Contractors

Other Resources

- ▶ Bulletins, Information Notices and Letters
 - ▶ <http://www.dhcs.ca.gov/formsandpubs/Pages/Letters.aspx>
- ▶ Laws and Regulations
 - ▶ <http://www.dhcs.ca.gov/formsandpubs/laws/Pages/LawsandRegulations.aspx>
- ▶ Mental Health & Substance Use Disorder Services Presentation
 - ▶ September 2016 http://www.dhcs.ca.gov/services/Documents/MHSUD_MCHAP_091316.pdf
- ▶ Mental Health & Substance Use Disorder Services: Upcoming Meetings
 - ▶ <http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD-UpcomingMeetings.aspx>
- ▶ Publications
 - ▶ <http://www.dhcs.ca.gov/formsandpubs/publications/Pages/default.aspx>
- ▶ Realignment Stakeholder Meeting Presentation
 - ▶ October 2015 www.dhcs.ca.gov/.../Realignment_stakeholder_meeting_Oct_2015_Final.pptx
- ▶ Section 1115 Medicaid Waiver Resources
 - ▶ <http://www.dhcs.ca.gov/provgovpart/Pages/WaiverRenewal.aspx>