



# **Mental Health Services Act: History and Orientation**



# Presentation Overview

- Why and how did California take mental health funding to the voters?
- Describe what the initiative funds
- Describe highlights from implementation
- Provide resources to learn more



# Overview of California's Mental Health Services Act (MHSA)

- Established through passage of a statewide ballot initiative, Proposition 63, in 2004
- Created a 1% tax on personal income in excess of \$1 million to expand mental health services in California
- Approximately 1/10 of one percent of tax payers are impacted by tax
- Two primary sources of deposits into State MHS Fund
  - 1.76% of all monthly personal income tax (PIT) payments (Cash Transfers)
  - Annual Adjustment based on actual tax returns



# Why Take Mental Health Funding to the Voters?

- “Twenty-five years is long enough to wait”
- “Whatever it takes” *works*
- “Everybody knows somebody”



# Getting to the Ballot in California

1. Citizen proponent submits proposition to the state Atty. General
2. AG's office assigns title and official summary
3. Proponent circulates petition to have measure placed on ballot
  - In 2004, 373,816 valid signatures were required
4. Proponent files petition signatures with county elections officials to determine if the required number of valid signatures by registered voters have been collected to qualify for the ballot
5. For propositions that qualify, ballot pamphlet statements (including arguments, rebuttals, and a Legislative Analyst's Office statement on the purpose, effect, and fiscal impact of the proposition) are prepared, and joint legislative hearings are held

Source: <https://www.law.berkeley.edu/library/dynamic/guide.php?id=29>



# Getting the MHSA on the Ballot

- A Strong Champion, Assemblyman Darrell Steinberg (D-Sacramento)
- Focus Group Results Were Promising
  - *“Would you rather have government give you a tax cut, OR fund increased services in these 20 areas?”*
    - Increase services for: #1 Elderly, #2 People with mental illness
- Voter Sentiment Was Supportive
  - *“The rich aren’t paying their fair share”*
  - Support for proven models
  - People should haven’t to become homeless to get help

Acknowledgement: Richard Van Horn, Rusty Selix



# Getting the MHSA on the Ballot, cont.

- Why tax millionaires?
- Who funded signature gathering efforts?
- Who wrote the ballot language?

*Acknowledgement: Richard Van Horn, Rusty Selix*

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# The Campaign

- The "Yes on 63" campaign spent approximately \$4.7 million.
  - Largest donor: CA Council of Community Mental Health Services, which gave \$733,389
  - CA Healthcare Association : \$541,735
  - CA Teachers Association: \$302,555.
- Almost no funded opposition. Two separate "No on 63" campaign committees spent a total of \$13,000.
- Opponents included individuals against tax increases, the Church of Scientology (Citizens Commission on Human Rights), and presiding California Governor Arnold Schwarzenegger.





# Election Day

- November 2, 2004 General Election
- Prop. 63 was 1 of 16 statewide propositions on the ballot, and 1 of the 9 that passed
- Question on the ballot:
  - "Should a 1% tax on taxable personal income above \$1 million to fund expanded health services for mentally ill children, adults, seniors be established?"
- Prop. 63 passed with 6.2 million 'Yes' votes (53.8%)
- Became effective as a California state law, "the Mental Health Services Act" on January 1, 2005



# MHSA County Funding

- Funds distributed to counties on a monthly basis by formula using a variety of factors
  - Population, poverty, Medicaid enrollees, historical funding levels, prevalence rates of mental illness
- Counties develop 3-year plans:
  - 20% for Prevention and Early Intervention (PEI) programs
  - 80% for Balance for Community Services & Supports (System of Care)
  - 5% of total funding for Innovative programs



# MHSA County Funding

- Counties can annually dedicate up to 20% of the average of their 5-year total of MHSA funds to any of the following:
  - A Prudent Reserve
  - Capital Facilities and Technology
  - Workforce, Education & Training
- Counties may use up to 5% of their total annual MHSA revenues for planning and supporting consumers, family members, stakeholder and contractors in local planning processes.



# MHSA County Expenditures

- Counties are required to prepare a Three Year Program and Expenditure Plan
  - Estimated funding by component
  - Estimated expenditures by component
- Gain approval of Plan through annual stakeholder process
- All MHSA expenditures are required to be in accordance with an approved Plan
- MHSA funds cannot be used to supplant existing resources
- Counties required to prepare and submit MHSA Annual Revenue and Expenditure Reports to the state Department of Health Care Services.



# MHSA Estimated Revenues

## MHSA Estimated Revenues (Cash Basis-Millions of Dollars)

	Fiscal Year					
	Actual	Estimated				
	13/14	14/15	15/16	16/17	17/18	18/19
Cash Transfers	\$1,189.0	\$1,355.0	\$1,422.3	\$1,480.0	\$1,538.0	\$1,592.0
Annual Adjustment	\$153.5	\$479.8	\$94.3	\$464.1	\$383.7	\$383.0
Interest	\$1.2	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
<b>Total</b>	<b>\$1,343.7</b>	<b>\$1,835.4</b>	<b>\$1,517.2</b>	<b>\$1,944.7</b>	<b>\$1,922.3</b>	<b>\$1,975.6</b>

Acknowledgement: Geiss Consulting



# MHSA Estimated Component Funding

## MHSA Estimated Component Funding (Millions of Dollars)

	Fiscal Year					
	Actual			Estimated		
	13/14	14/15	15/16	16/17	17/18	18/19
CSS	\$939.2	\$1,314.6	\$1,078.3	\$1,404.1	\$1,375.7	\$1,399.0
PEI	\$234.8	\$328.7	\$269.6	\$351.0	\$343.9	\$349.8
Innovation <sup>a/</sup>	\$61.8	\$86.5	\$70.9	\$92.4	\$90.5	\$92.0
<b>Total</b>	<b>\$1,235.8</b>	<b>\$1,729.8</b>	<b>\$1,418.8</b>	<b>\$1,847.5</b>	<b>\$1,810.2</b>	<b>\$1,840.8</b>

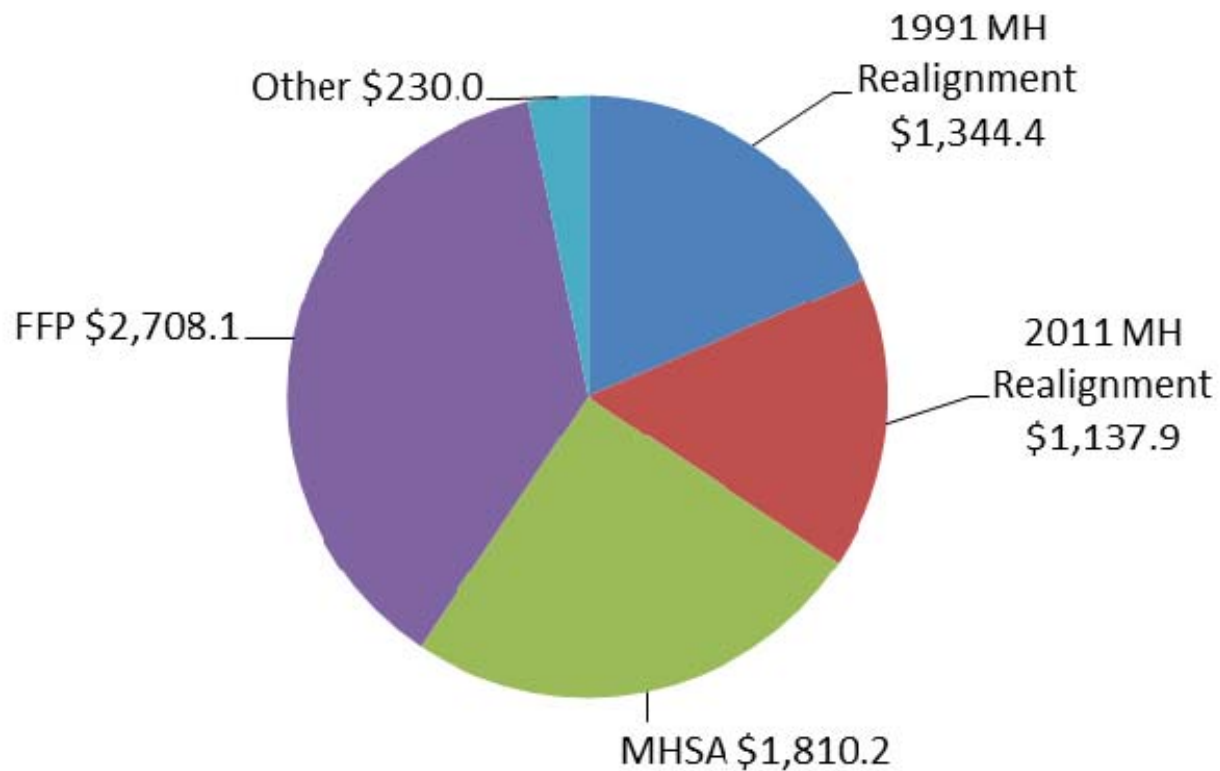
a/ 5% of the total funding must be utilized for innovative programs (W&I Code Section 5892(a)(6)).

Acknowledgement: Geiss Consulting



# MHSA is \_\_\_\_ of Statewide MH Funding

## FY17/18 Estimated Community Mental Health Funding (Dollars in Millions)



Acknowledgement: Geiss Consulting

# Total Mental Health Services Funding

## Mental Health Estimated Funding (Dollars in Millions)

	14/15	15/16	16/17	17/18
1991 MH Realignment	\$1,230.7	\$1,270.1	\$1,299.5	\$1,344.4
2011 MH Realignment <sup>a/</sup>	\$947.6	\$1,002.4	\$1,061.9	\$1,137.9
MHSA	\$1,729.8	\$1,418.8	\$1,847.5	\$1,810.2
FFP	\$2,153.4	\$2,403.7	\$2,521.0	\$2,708.1
Other	\$200.0	\$200.0	\$210.0	\$230.0
<b>Total</b>	<b>\$6,261.5</b>	<b>\$6,295.0</b>	<b>\$6,939.9</b>	<b>\$7,230.7</b>

a/ Assuming proportionate growth by program.

Acknowledgement: Geiss Consulting





# Notable Restrictions in the Act

- Non-supplantation of state or local funds for mental health
- Maintenance of effort in state spending on mental health
- Target pop. limited: *serious* mental illness/emotional disorders
- State parolees excluded



# MHSA Core Principles

- Client/family driven.
- Cultural competence.
- Community collaboration
- Service integration.
- Focus on recovery, wellness, and resilience.



# From the MHSA Focal Populations

- **Underserved:** A client diagnosed with a serious mental illness and/or serious emotional disturbance and are receiving some services but are not provided with the necessary or appropriate opportunities to support their recovery, wellness and/or resilience.
  - Includes clients who are so poorly served that they are at risk for homelessness, institutionalization, incarceration, out of home placement or other serious consequences.
  - Includes members of ethnic/racial, cultural and linguistic populations.
- **Unservd:** Those individuals who may have serious mental illness and/or serious emotional disturbance and are not receiving mental health services. Individuals who may have had only emergency or crisis-oriented contact with the county are also considered unserved.



# The Evolving Role of the State

- Department of Mental Health
  - Guidance through Info Notices, including Component Guidelines
  - Regulations for CSS, CFTN, WET, PEI and Innovation
  - DMH issued Guidelines in the form of Info Notices on process and format of Annual Updates
  - Funding contingent upon DMH approval of Annual Updates
- AB 100
  - Effective March 24, 2011
  - Supported MHSA cash flow to counties and local accountability for MHSA funds
  - State DMH dissolved
  - County Mental Health Commission/Board assumed key role in approving county Annual Updates



# The Evolving Role of the State

- **AB 1467:** Enacted on June 27, 2012 as part of a trailer bill to the FY 2012/13 State budget.
- County MHSA Annual Updates and 3 Year Program and Expenditure Plans must be adopted by the local Board of Supervisors and submitted to the Mental Health Services Oversight and Accountability Commission within 30 days of Board adoption.
- Augments the stakeholder engagement requirements to require counties to “demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning and implementation, monitoring, quality improvement, evaluation and budget allocations.”
- Providers of alcohol and drug services and health care organizations were added to the list of stakeholders to be engaged in the development of the 3 Year Plan and Annual Update processes



# The Evolving Role of the State

- The Mental Health Services Oversight and Accountability Commission (OAC):
  - Role in evaluation
  - Role in approval of Innovation plans
  - Promulgated PEI and Innovation Regulations
- State partners:
  - CiBHS- Training and Technical Assistance
  - CalMHSA- Joint Powers Authority
    - Vehicle for multi-county funded projects
    - Statewide PEI Projects
    - Innovation Technology Suite
    - RAND evaluation work



# Success and Outcomes, So Far

- A substantial source of funding, keeping safety net intact
- Accelerated early successful efforts to make system changes
  - Expansion of recovery model
  - Peers and family members' voice “Nothing about us without us”
  - Substantial community engagement
  - Continuum of services, including prevention, for all age groups
  - Workforce development, capital, and IT investments



# Resources to Learn More

- County Behavioral Health Directors Association of California  
[www.cbhda.org](http://www.cbhda.org)
- California Mental Health Services Authority  
[www.calmhsa.org](http://www.calmhsa.org)
- Mental Health Services Oversight & Accountability Commission  
[www.mhsoac.ca.gov](http://www.mhsoac.ca.gov)
- California Department of Health Care Services  
[www.dhcs.ca.gov/services/mh/Pages/MH\\_Prop63](http://www.dhcs.ca.gov/services/mh/Pages/MH_Prop63)
- “*The ‘Millionaires Tax’ And Mental Health Policy In California*” by Saul Feldman, Health Affairs (2009)  
<http://content.healthaffairs.org/content/28/3/809>
- “*Millionaires And Mental Health: Proposition 63 In California*” by Richard M. Scheffler and Neal Adams, Health Affairs (2005)  
<http://content.healthaffairs.org/content/early/2005/05/03/hlthaff.w5.212>
- Proposition 63 on Ballotpedia  
[https://ballotpedia.org/California\\_Proposition\\_63,\\_Income\\_Tax\\_Increase\\_for\\_Mental\\_Health\\_Services\\_\(2004\)](https://ballotpedia.org/California_Proposition_63,_Income_Tax_Increase_for_Mental_Health_Services_(2004))

