MHSA BOOT CAMP
LEGISLATIVE UPDATE

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AGENDA

1. MHSA Legislative Landscape (January – March 2020)

2. COVID-19 Impact on the MHSA Legislative Landscape (April – June 2020)

3. Current MHSA Legislative/Political Landscape
MHSA Economic Outlook

MHSA Allocations

FY 15-16: $1.4 B
FY 16-17: $1.8 B
FY 17-18: $2 B
FY 18-19: $1.9 B

PRE-COVID MHSA LANDSCAPE
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
Newsom Administration Call for Reform

Target specific populations: Those experiencing homelessness, justice-involved, children/youth

LAO Reform Recommendations

Establish measurable outcomes and performance measures and use outcome data to guide funding decisions
**MHSA PRE-COVID LEGISLATION**

<table>
<thead>
<tr>
<th><strong>AB 8 (CHU and Garcia)</strong></th>
<th><strong>AB 1946 (Santiago)</strong></th>
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<tbody>
<tr>
<td>AB 8 requires MHSA PEI funding to pay for one “mental health” professional in every school with a certain number of students and for all other schools to have access to a “mental health” professional.</td>
<td>This bill would expand the definition of “gravely disabled” and allow MHSA funds to pay for services for those that meet the expanded definition for involuntary services.</td>
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<td>AB 8 requires MHSA PEI funds to pay for educationally-related mental health services, which is currently the financial responsibility of school districts.</td>
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### MHSA PRE-COVID LEGISLATION

<table>
<thead>
<tr>
<th>AB 2265 (QUIRK-SILVA)</th>
<th>AB 2576 (GLORIA)</th>
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<tr>
<td>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.</td>
<td>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.</td>
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### MHSA PRE-COVID LEGISLATION

<table>
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<tr>
<th>AB 3229 (Wicks)</th>
<th>SB 665 (UMBERG)</th>
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<td>Would require each county to submit to the Mental Health Services Oversight and Accountability Commission by January 31 of each year a report describing how the county is using moneys allocated to the county from the Mental Health Services Fund to address maternal mental health issues.</td>
<td>SB 665 allows MHSA funds to be used for services within county jails. Eventually was amended to allow for MHSA Innovation funds to be used in a pilot of up to 8 counties.</td>
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COVID-19 Impact on MHSA

- $2.2 B FY 19-20 Pre-COVID Estimate
- $1.8 B FY 19-20

August-April

- FY 18-19 $1.3 Billion
- FY 19-20 $1.4 Billion

May-July

- FY 18-19 $651 Million
- FY 19-20 $346 Million
### MHSA Estimated Funding
(Dollars in Millions)

<table>
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<tr>
<th></th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
<th>% Change 18/19-22/23</th>
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<tbody>
<tr>
<td>MHSA</td>
<td>$2,105.3</td>
<td>$1,847.8</td>
<td>$2,242.3*</td>
<td>$1,919.3</td>
<td>$1,704.0</td>
<td>-19.1%</td>
</tr>
<tr>
<td>Dollar Change</td>
<td>-$257.5</td>
<td>$394.5*</td>
<td>-$323.0</td>
<td>-$215.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>-12.2%</td>
<td>21.3%</td>
<td>-14.4%</td>
<td>-11.2%</td>
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*The increase in FY 20/21 is due to the deferral of MHSA funds from FY 19/20 to FY 20/21.*
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
• MHSA Allocation to Community Services and Support (CSS) Component

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

• MHSA Allocation to Innovations (INN) Component

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

• Of the 5-year average CSS allocations is the prudent reserve cap
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
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
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
REMAINING 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
MHSA LEGISLATION TODAY
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<td>AB 2265 was the only bill of those outlined above that had CBHDA’s support (after the author amended language based on CBHDA feedback) throughout the Legislative process.</td>
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MHSA POLITICAL LANDSCAPE - HISTORICAL

- State Audits
- Misunderstandings and Misperceptions
- Efforts to Divert Funds
- MHSA Allies
MHSA STAKEHOLDERS
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