

California Health and Human Services Agency Behavioral Health Task Force

Governor's Proposed Budget (FY 20-21) Actions

The Budget places a strong emphasis on behavioral health to address the urgent need to improve timely access to high-quality mental health and substance use disorder treatment. While health care coverage continues to expand to more people across the state, many residents with private and public coverage are struggling to access behavioral health treatment. California must combat the rising rates of suicide and opioid and methamphetamine overdose through better treatment, prevention, and early intervention to stabilize conditions before they become severe. The Budget supports new and expanded behavioral health programs and services across the Department of Health Care Services, Department of Social Services, Department Developmental Services, Department of State Hospitals, and the Office of the Surgeon General.

The Department of Health Care Services

The Department of Health Care Services is launching California Advancing and Innovating Medi-Cal (known as CalAIM), which builds upon the critical successes of waiver demonstration programs such as Whole Person Care, the Coordinated Care Initiative, Health Homes, and public hospital system delivery transformation. CalAIM proposes to provide a wider array of services and supports for patients with complex and high needs, including behavioral health conditions.

CalAIM has three primary goals:

- Identify and manage member risk and need through whole-person care that speaks to both physical and behavioral health as well as social determinants of health;
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems, and payment reform.

Transformation of the delivery system is necessary to improve the quality of life for Medi-Cal beneficiaries as well as to achieve long-term cost avoidance through iterative system transformation. The reforms proposed through CalAIM represent a comprehensive approach to achieving these goals.

CalAIM also includes new benefits for people with complex behavioral health conditions. First, the initiative will provide Enhanced Care Management, (ECM) which will coordinate services and providers across the full Medi-Cal benefit, inclusive of

physical health, behavioral health, oral health, and long-term services and supports. ECM includes a focus on people at risk of institutionalization with mental health and substance use disorders, and co-occurring physical health conditions.

CalAIM additionally offers Medi-Cal managed care plans the option to provide “In Lieu Of Services,” which are services not usually covered by Medi-Cal that serve to reduce more costly, avoidable emergency department, inpatient, and long-term care services. Managed care plans’ In Lieu Of Services packages will align with population health management strategies and the enhanced care management benefit to achieve better health outcomes and cost containment. The Department of Health Care Services developed several In Lieu of Service options for people at risk of inpatient admission, long-term care, or homelessness. These opportunities include housing navigation and tenancy supports, in addition to home-based supportive services to improve and maintain health and wellness.

To implement the CalAIM initiative effective January 1, 2021, the Budget includes \$695 million (\$348 million General Fund), growing to \$1.4 billion (\$695 million General Fund) in 2021-22 and 2022-23.

In alignment with the CalAIM initiative, the Budget includes \$45.1 million General Fund in 2020-21 and \$42 million General Fund in 2021-22 for the Department to implement a Behavioral Health Quality Improvement Program. This program will provide funding to county-operated community mental health and substance use disorder systems to incentivize system changes and process improvements that will help counties prepare for opportunities within CalAIM. Improvements include enhanced data-sharing capability for care coordination and establishing the foundational elements of value-based payment such as data collection, performance measurement, and reporting. These core investments build off the \$70 million in the Budget Act of 2019 to provide value-based provider payments for services and projects focused on behavioral health integration.

DHCS is proposing TBL to add all FDA approved drugs to treat opioid addiction to the Medi-Cal State Plan so that Medi-Cal beneficiaries needing MAT can be prescribed any of these FDA approved drugs, whereas today the State Plan only covers methadone and naltrexone in MAT. The Medi-Cal Estimate reflects the costs of adding the additional two currently FDA-approved drugs (buprenorphine and buprenorphine-naloxone combination) at a cost of \$876,000 (including \$40,000 General Fund and \$240,000 County Fund).

The Budget also proposes to expand eligibility for full-scope Medi-Cal benefits, including behavioral health coverage, to all persons aged 65 years and older, regardless of immigration status, no sooner than January 1, 2021. This proposal builds upon the children's Medi-Cal expansion under Chapter 18, Statutes of 2015 (SB 75), and the young adult Medi-Cal expansion under Chapter 67, Statutes of 2019 (SB 104).

Lastly, the budget proposed the implementation of a Comprehensive Behavioral Health Data Systems Project. This project is intended to identify technology solutions

to modernize and streamline data collection and reporting, analysis, and other data-related functions, and develop a consolidated reporting and analysis platform that integrates data from 12 existing behavioral health data systems. DHCS will solicit Requests for Offers from IT vendors to conduct the business analysis necessary to define business requirements and explore IT solution options.

Department of Social Services

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare system provides a continuum of services, including behavioral health treatment, to children who are either at risk of or have suffered abuse and neglect.

In 2017, California began implementation of the Continuum of Care Reform (CCR), as enacted in Chapter 772, Statutes of 2015 (AB 403). The reforms emphasize home-based family care; improved service delivery; and increased the role of children, youth and families in assessment and case planning. The reforms also provide for greater coordination of child welfare and mental health services. The Budget includes \$548.6 million (\$373 million General Fund) to continue implementation of CCR.

Since CCR efforts began, the number of California youth in congregate care settings has fallen from 5,500 to roughly 3,500 today, a decline of nearly 40 percent. Counties are accelerating approvals of home-based family care settings for children, and the number of resource families, intensive services foster care, and therapeutic foster care settings is increasing, as is the licensed capacity of short-term residential therapeutic programs.

Department of Developmental Services

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides services to individuals with developmental disabilities as an entitlement.

During the past ten years, the composition of regional center consumers has significantly changed. Today's consumers have more significant behavioral and healthcare needs, and have shifted in age and ethnicity. Specifically, behavioral health needs have grown by 48 percent, while those with an autism diagnosis have grown by 177 percent.

The Budget includes \$4.5 million (\$2.6 million General Fund) for Systemic, Therapeutic, Assessment, Resources and Treatment Training. This effort will provide training on person-centered, trauma-informed, and evidence-based support services for individuals with co-occurring developmental disabilities and mental health needs.

Department of State Hospitals

The Department of State Hospitals (DSH) administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The Department continues to experience a growing number of incompetent to stand trial (IST) commitments—who are referred from trial courts—awaiting admission to the state hospital system. The number of ISTs pending placement into the state hospital system was approximately 800 individuals in December 2019.

To help address this need, the Budget includes \$24.6 million General Fund in 2020-21 to implement a Community Care Collaborative Pilot Program. This initiative will establish a six-year pilot program in three counties that provides incentives to treat and serve individuals deemed IST in the community. The total costs of the pilot program over six years is estimated to be \$364.2 million General Fund. This pilot program will primarily target development of community-based treatment options for individuals deemed IST and increase local investments in strategies to reduce the rate of arrests, rearrests, and cycling in and out of institutions for this population.

The Budget also includes \$8.9 million General Fund in 2020-21 and \$11.2 million General Fund annually thereafter to expand the Jail-Based Competency Treatment program to eight additional counties. This expansion is estimated to increase capacity by up to 63 beds in 2020-21. These efforts are intended to reduce the pending placement time and the waitlist for ISTs referred to DSH treatment programs.

In 2013, the Department initiated a Clinical Staffing Study to develop a data-driven approach to standardize staffing at the five state hospitals. Through the Mission-Based Review process, the Department of Finance and State Hospitals completed an evaluation of the Hospital Forensic Departments and 24-Hour Care Nursing Services, and resources for both were included in the Budget Act of 2019. This year's Budget includes \$39.9 million and 127.2 positions based on the evaluation of the remaining components of the Clinical Staffing Study, which include Treatment Planning and Delivery.

The Budget includes \$32 million General Fund and 80.9 positions for Treatment Planning and Delivery in the first year of a five-year phase-in to standardize clinician-to-patient ratios; significantly increasing the number of treatment teams and primary care physicians in the state hospitals. This will improve patient outcomes, result in shorter lengths of stay, and reduce patient violence and staff injuries. This proposal also funds two important initiatives: the implementation of trauma-informed care and the development of a comprehensive discharge planning program.

Office of the Surgeon General

The Budget Act of 2019 expanded Medi-Cal preventive services with a specific focus on screening for adverse childhood experiences (ACEs). The Budget builds upon this

investment with \$10 million one-time General Fund for the development of an Adverse Childhood Experiences (ACEs) cross-sector training program that will be accredited by the Office of the Surgeon General, in addition to a statewide ACEs public awareness campaign.

The Surgeon General has set a bold vision to cut ACEs and toxic stress in half in a generation through a strategically deployed, coordinated public health initiative designed to raise awareness, reduce ACEs, and strengthen response networks. The Surgeon General will engage leading experts and consultants to develop a series of trauma-informed trainings specific to key sectors, including early childhood, education, government, and law enforcement. These trainings will incorporate the latest evidence on trauma-informed and trauma-sensitive responses and will be made available statewide.

Summary of Current Year (FY 19-20) Behavioral Health Budget Actions

Department of Health Care Services

Medi-Cal Benefits for Mental Health—The Budget expands the Medi-Cal benefit for a pregnant individual who is receiving health care coverage and who is diagnosed with a maternal mental health condition to remain eligible for Medi-Cal program from 60-days to one year. This benefit is expected to be implemented during fiscal year 2020-21. The increased funding for postpartum care will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

Opioid and Other Drug Screenings—The Budget expands the Medi-Cal benefit for adult screenings to include misuse of opioids and other drugs. This benefit is expected to be implemented during fiscal year 2020-21. The increased funding for screenings will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

Whole Person Care Pilots—The Budget includes \$100 million one-time General Fund for county pilots that coordinate health, behavioral health, and social services focused on individuals who are experiencing homelessness, or who are at risk of becoming homeless, and have a demonstrated medical need for housing and/or supportive services. In addition, the Budget includes \$20 million one-time General Fund for counties that currently do not operate pilots.

Behavioral Health Counselors in Emergency Departments—The Budget includes \$20 million one-time General Fund to hire trained behavioral health counselors in emergency departments of acute care hospitals to screen patients and offer intervention and referral to mental health or substance use disorder programs.

Cannabis Allocation—The Budget includes \$21.5 million in Proposition 64 funds for competitive grants to develop and implement new youth programs in the areas of education, prevention, and early intervention of substance use disorders. These funds are continuously appropriated.

Trauma Screening—The Budget includes and \$27.2 million ongoing federal funds and \$13.6 million ongoing Proposition 56 funds for trauma screenings for children and adults in the Medi-Cal program. In addition, the Budget includes \$25 million federal funds and \$25 million Proposition 56 funds (as part of a total investment of \$120 million one-time combined federal and Proposition 56 funds over three years) to train providers on delivering trauma screenings. The increased funding for these programs will be suspended on December 31, 2021. The suspension will be lifted if the administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

Department of Social Services

Family Urgent Response System—The Budget includes \$15 million General Fund in 2019-20 and \$30 million General Fund annually thereafter to implement a statewide hotline and enhanced county-based mobile response systems targeting youth in foster care and their caregivers. The system is intended to prevent placement disruptions, reduce traumatic experiences for foster youth, and reduce law enforcement calls and needless criminalization of youth. The increased funding for Family Urgent Response will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

Department of State Hospitals

Metropolitan State Hospital Bed Expansion—The Budget includes \$15.5 million ongoing General Fund and 99.2 positions for the second and final expansion phase of the Metropolitan State Hospital's secured treatment area. When completed in 2020, a total of 236 additional secured forensic beds will be available for the treatment of incompetent to stand trial commitments.

Jail-Based Competency Treatment Programs—The Budget includes \$6.4 million ongoing General Fund to contract for up to 73 additional jail-based competency restoration treatment beds through both existing and new county jail treatment programs.

Office of Statewide Health Planning and Development

Mental Health Workforce Investments—The Budget includes one-time \$50 million General Fund to increase training opportunities in existing mental health workforce programs administered by the Office of Statewide Health Planning and Development. This funding includes \$2.65 million allocated for a Primary Care Clinician Psychiatry Fellowship Program and \$1 million allocated for mental health professionals formerly in the foster care system.

Workforce Education and Training (WET)—The Budget includes one-time \$35 million General Fund and one-time \$25 million Mental Health Services Fund to implement the new 2020-25 WET Five-Year Plan.

Mental Health Services Oversight and Accountability Commission

Early Psychosis Research and Treatment—The Budget includes one-time \$20 million Mental Health Services Fund for projects that demonstrate innovative approaches to deter and intervene when a young person has experienced a first episode of psychosis.

Mental Health School Services—The Budget includes one-time \$50 million Mental Health Services Fund in 2019-20 and \$10 million thereafter to encourage collaboration between county mental health or behavioral health departments and K-12 schools. The funds will be awarded through a competitive grant program to facilitate access and linkages of ongoing mental health services.