Transformation of California's Behavioral Health System

Housing with Accountability. Reform with Results.

Behavioral Health Task Force

Workshop

June 27, 2023 | 2pm – 4pm

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

CalHHS
California Health & Human Services Agency

VIRTUAL WEBINAR PROTOCOLS

- The Workshop is being recorded
- Live captioning and American Sign Language interpretation are provided

BHTF MEMBERS

- Mute/Unmute Functionality to BHTF members
- Stay ON MUTE when not speaking and utilize the “raise hand feature” if you have a question or comment.
- Please turn on your camera and engage
- Chat and Q&A has been disabled to encourage engagement with speakers and avoid side conversations

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VIRTUAL WEBINAR PROTOCOLS

MEMBERS OF THE PUBLIC: While the workshop will focus on BHTF members discussion, we appreciate the public's engagement and encourage you to voice your perspectives at the upcoming public meeting on Thursday, June 29th from 4pm – 6pm.

Registration Link

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LEARNING WORKSHOP PURPOSE

- Continue and inform BHTF members and the public and engage in discussion on the key components of the Transformation of California's Behavioral Health System proposal.
  - General Obligation Bond for housing
  - Modernizing the Mental Health Services Act (MHSA)
  - Improving statewide accountability, transparency, and access to behavioral health services

Questions | Forward looking input |
Innovative approach to solutions and improvement

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LEARNING WORKSHOP PURPOSE

- Advance the BHTF four goals:
  - Ground truth the State's behavioral health agenda
  - Uplift constituency voices
  - Promote learning to expand collective understanding of behavioral health issues facing the State
  - Advance approaches that are creative, responsive, and coordinated.

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BACKGROUND INFORMATION & MATERIALS

CalHHS Webpage

Fact sheet

Policy Brief: Understanding California's Recent Behavioral Health

DHCS Webpage

June 22, 2023 webinar

CALHHS WELCOMING AND SETTING INTENTION

MARK GHALY, SECRETARY, CalHHS

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INTRODUCTION TO THE BEHAVIORAL HEALTH MODERNIZATION PROPOSAL

STEPHANIE WELCH, DEPUTY SECRETARY OF BEHAVIORAL HEALTH, CalHHS

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Update Since March

- In March, the Governor released his proposal to Modernize California's Behavioral Health System.
- Since then, we have engaged in multiple webinars, listening sessions, hearings, and meetings to receive comments on this proposal.
- We have updated this proposal to reflect feedback received.
- The updated proposal is reflected in
  - SB 326 (Eggman) – MHSA Modernization
  - AB 531 (Irwin) – Behavioral Health Infrastructure Bond Act of 2023

3 Key Elements for Today's Workshop

1. General obligation bond
2. Modernize the Mental Health Services Act (MHSA)
3. Improve statewide accountability, transparency, and access to behavioral health services

Authorize General Obligation Bond

STEPHANIE WELCH, DEPUTY SECRETARY OF BEHAVIORAL HEALTH CALHHS

Goals - General Obligation Bond

- Ensure appropriate care options are available for Californians living with severe mental health conditions and substance use disorders who need short-term and long-term residential support services.

- Settings represent critical, new sublevels of care that are necessary to support individuals with the most complex behavioral health conditions to succeed as they journey through the treatment continuum from inpatient settings to residential settings to supported housing settings.

Authorize a General Obligation Bond

- Build thousands of new unlocked community behavioral health beds in residential settings for Californians with mental illness and substance use disorders (Over 6,000)
- Build permanent supportive housing for people experiencing or at risk of homelessness who have behavioral health conditions (1,800)
- Build housing for veterans experiencing or at risk of homelessness who have behavioral health conditions (1,800)
- $4.7 billion bond on 2024 ballot

BOND ELEMENTS
BHTF MEMBERS DISCUSSION

Questions | Forward looking input |
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Modernize the Mental Health Services Act

MICHELLE BAASS, DIRECTOR

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES. (DHCS)

Goals of Modernization

- Over the last 20 years much has changed in terms of the people this system is designed to serve and the way publicly funded behavioral health care is financed.
  - Affordable Care Act and parity laws have transformed the mental health landscape and created new opportunities and expectations for Medi-Cal and commercial insurance to cover and pay for behavioral health services for the majority of Californians.
- Sharpen MHSA to ensure ongoing resources are available to support vulnerable populations living with the most significant mental health and substance use needs, among other risk factors.

Modernize the Mental Health Services Act

- Rename to Behavioral Health Services Act
- Update local categorical funding buckets
- Broaden the target population to include those with debilitating substance use disorders
- Focus on the most vulnerable
- Fiscal accountability, updates to county spending and revise county processes
- Many components will require March 2024 Ballot initiative
- Multi-year implementation starting in 2025

Inclusion of SUD

- Authorizes BHSA funding to provide treatment and services to individuals who have a debilitating substance use disorder (SUD) but do not have a co-occurring mental health disorder.
- Increases access to SUD services for individuals with moderate and severe SUD.
- Requires counties to incorporate SUD prevalence and local unmet need data into spending plans. Uses data to inform and develop accountability to improve the balance of funding for SUD.

Focus on Most Vulnerable and Most High Need/ At Risk

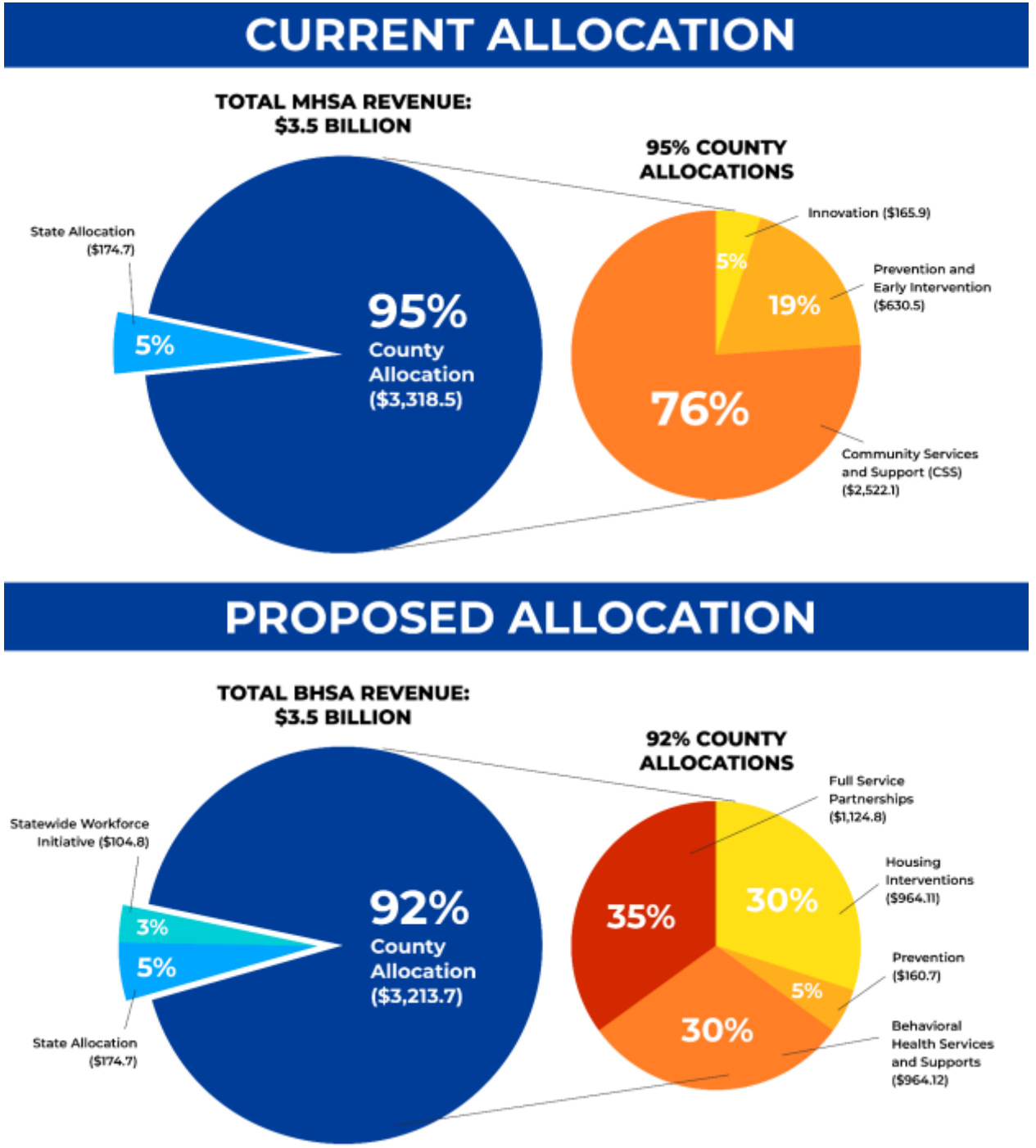
Adults and Older Adults

- Adults with serious mental illness (SMI) or substance use disorder (SUD) who are or at risk of experiencing homelessness or are or are at risk of being justice-involved, at risk of institutionalization, and/or meet the criteria for behavioral health linkages under the CalAIM Justice-Involved Initiative
- Adults with SMI at-risk of conservatorship

Children and Youth

- Children and youth with serious emotional disturbance or SUD, who are experiencing homelessness, are involved or at risk of being justice-involved, at risk of institutionalization, and/or meet the criteria for behavioral health linkages under the CalAIM Justice-Involved Initiative or are in or transitioning out of the child welfare system

How do the proposed BHSA funding allocations differ from existing MHSA funding allocations?



Housing Interventions

- Dedicate 30% in local BHSA funding for housing interventions for people living with serious mental illness/serious emotional disturbance and/or substance use disorder who are experiencing homelessness. 30% is approximately $1 billion but will vary year to year.
  - 50% of these funds must be used for housing interventions for individuals who are chronically homeless with a focus on those in encampments
  - No more than 25% of these funds may be used for capital with specified conditions

Housing Interventions

- Funding could be used for rental subsidies, operating subsidies (including for BH settings built through the general obligation bond), shared and family housing, capital and non-federal share for transitional rent.
- Housing interventions are not limited to persons in Full Service Partnerships

Can you share what the factors led to the decisions on the housing bucket?

- One of the biggest needs facing our communities is housing. Safe, stable housing is critical for individuals with significant behavioral health conditions to receive care, recover, and thrive in their communities. We have prioritized this as an ongoing revenue source for our counties to assist those with severe BH needs to be housed and provided a path to recovery.
- Many counties already use MHSA funds to support housing interventions; the proposed reforms will further support counties in directing resources into these programs.

Can you share what the factors led to the decisions on the housing bucket?

- The new housing intervention bucket could be used for rental subsidies, operating subsidies, shared housing, family housing for eligible children and youth, capital, transitional rent as included in the BH-CONNECT waiver and other housing supports as defined by DHCS.

How does the bond proposal differ from the BHSA funding for housing?

- Under this proposal, 30% of local BHSA funding would be dedicated to housing, including rental subsidies, operating subsidies, shared housing models, and the non-federal share of transitional rent.
- The bond would complement counties' investments in housing by funding the development of new unlocked treatment and residential care settings for individuals living with SMI/SED and/or SUD that require a higher level of care.
- The proposed reforms would be a coordinated effort that work together to support the most vulnerable Californians. In short, the bond creates the capital to build up the capacity and the BHSA funding, in combination with Medi-Cal dollars, creates the ability to sustain the facilities.

HOUSING INTERVENTIONS
BHTF MEMBERS DISCUSSION

Questions | Forward looking input |
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Full Service Partnerships

- Dedicate 35% in local BHSA funding for Full Service Partnerships (FSPs). Counties will not report federal financial participation in the FSP bucket, only BHSA expenditures.
- Define FSPs to include mental health and substance use disorder services, Assertive Community Treatment and Forensic Community Treatment, housing interventions, and supportive services.
  - Housing interventions for FSP enrollees will be reported to the 30% Housing Intervention funding bucket

Full Service Partnerships

- FSPs will support the individual in the recovery process, reduce health disparities, be trauma informed and in partnership with families or an individual's natural supports.
- FSPs will have an established standard of care with levels based on an individual's acuity and criteria for step-down to an FSP level that provides the greatest degree of independence and self-determination.

Population-Based Prevention

- Dedicates 5% in local BHSA funding for Population-Based Prevention.
- Defines Population-Based Prevention as activities designed to reduce the prevalence of mental health and substance use disorders and resulting conditions.
- Population-Based Prevention must incorporate evidence-based or community-defined practices.
- Does not include individual based prevention services.

Early Intervention

- Define Early Intervention to include programs designed to recognize the early signs of potentially severe and disabling mental illnesses and substance use disorders and prevent them from becoming severe and disabling.
- A majority of the Behavioral Health Services and Supports allocation must be spent on Early Intervention.
- Prevention and early intervention remains a key component and a priority within the proposal. Under the BHSA prevention and early intervention programs will maintain at least 20% of local MHSA funding:

Early Intervention

- 5% for Population-Based Prevention, and
- At least 15% for Early Intervention, since a majority of the 30% Behavioral Health Services and Supports component must go to Early Intervention

» Require the Department of Health Care Services to biennially establish a list of evidence-based practices that focuses on addressing the needs of those who decompensate into severe behavioral health conditions. The Department may require counties to implement certain evidence-based practices.

Workforce

- Expand the use of local BHSA funds under the Workforce Education and Training (WET) component to include:
  - Workforce recruitment, development, training, and retention
  - Professional licensing and/or certification testing and fees
  - Loan repayment
  - Retention incentives and stipends
  - Internship and apprenticeship programs
  - Continuing education
  - Efforts to increase the racial, ethnic and geographic diversity of the behavioral health workforce

Workforce

- In addition to expanding the local BHSA funds under WET, allocate BHSA **state** directed funds:
  - 3% to the California Health and Human Services Agency for statewide behavioral health initiatives. This 3% is in addition to the existing 5% of BHSA revenues that are used for state directed purposes. Of this, $36 million to the Department of Health Care Services for BH-CONNECT (1115 demonstration waiver) for workforce investments of $480 million annually and $2.4 billion total for the five-year demonstration period, pending federal approval.

Will this proposal cut funding to existing programs or eliminate them entirely?

- This proposal prioritizes funding to services and supports for Californians with the most severe mental health and substance use disorder needs.
- Local communities will determine based on their local needs what programs and services to fund. The state is providing some general parameters but leaves local perspective.
- Counties should test and pilot innovative models of care and promising practices across all BHSA buckets. The goal of these pilots and promising practices, is to build the evidence base for the effectiveness of new statewide strategies to implement an equitable behavioral system.

Will this proposal cut funding to existing programs or eliminate them entirely?

- Counties will continue to engage key community partners through an updated planning process to develop an Integrated Plan, inclusive of all funding sources for both mental health and SUD.

CATEGORICAL FUNDING BUCKETS
BHTF MEMBERS DISCUSSION

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Improve Statewide Accountability and Access to Behavioral Health Services

MICHELLE BAASS, DIRECTOR

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES. (DHCS)

Fiscal Accountability and County Spending

- Require counties to bill Medi-Cal for all reimbursable services in accordance with Medicaid State Plan and applicable waivers, to further stretch scarce dollars and leverage BHSA to maximize federal funding for services.
- Require counties to maximize funding from other sources, such as private insurance, and require counties to make a good faith effort to contract with commercial health plans.
- Provide that counties may report to regulators complaints about a health plan's failure to work in good faith and/or failure to timely reimburse.
- Reduce allowable prudent reserve amounts from 33% to 15% for large counties and 20% for small counties. Reassess prudent reserve more frequently from every 5 years to every 3 years.

Fiscal Accountability and County Spending

- Authorize up to 2 percent of local BHSA revenue to be used for administrative resources to assist counties in improving plan operations, quality outcomes, reporting fiscal and programmatic data and monitoring subcontractor compliance for all county behavioral health funding.

Revise County Process

- Create the **Integrated Plan for Behavioral Health Services and Outcomes**.
- Transform the BHSA planning process into a broader county/region behavioral health planning process. Require counties to work with Medi-Cal Managed Care Plans in the development of their Population Needs Assessments and with Local Health Jurisdictions in the development of their Community Health Improvement Plans and to ensure strategic alignment.
- Specify state behavioral health goals/outcomes and local goals/outcomes.
- Require counties to identify behavioral health disparities and consider approaches to eliminate disparities, including, but not limited to, promising practices, models of care, community-defined evidence-based practices, workforce diversity, and cultural responsiveness.

Revise County Process

- Include workforce strategy for ensuring behavioral health workforce are well supported.
- Specify that counties collaborate with cities, managed care plans, and Continuums of Care to outline responsibilities and coordination of services related to Housing Interventions.
- Require plans be approved by boards of supervisors by June 30th, prior to the year of implementation.

Improved Transparency and Accountability for BH Funding and Outcomes

- Today we have poorly defined and articulated expectations around what should be achieved with taxpayer funds.
- We do not have systems to collect information at the county level nor do we have systems to analyze this information at the state level to determine if our goals and aspirations are being met.
- Californians want to know how their government programs are performing. The information collected and assessed must be presented publicly to demonstrate a commitment to transparency and accountability to the voters on the value of these critical resources.

Improved Transparency and Accountability for BH Funding and Outcomes

- BH Modernization recognizes this fundamental challenge and moves to:
  - Set clear expectations as to what the funds are to be used for and who they are intended to serve.
  - Set specific data measures that are made public so that taxpayers can track impact and progress.
  - Set clear actions that the state will take against counties that are not delivering.

Outcomes, Accountability, and Transparency Report

- Create the **County Behavioral Health Outcomes, Accountability, and Transparency Report**, which includes:
  - Annual allocation of BHSA, Realignment, and all federal block grants
  - Annual spend on non-federal match payments including BHSA, Realignment or other county sources
  - BHSA, Realignment and Block Grant only spend
  - Any other behavioral health investments using local General Fund or other funds
  - Any unspent BHSA, Realignment or block grant funds for that fiscal year

Outcomes, Accountability, and Transparency Report

- Cumulative unspent BHSA, Realignment or block grant funds, inclusive of reserves
- Administrative costs
- Data and information on workforce
- Quality metrics
- Stratified data to identify behavioral health disparities and outcomes
- Information on services provided to persons not covered by Medi-Cal, including commercial insurance, Medicare, and uninsured.

County Accountability and Infrastructure

- Develop outcome measures, not just process measures, to drive toward meaningful and measurable system change.
- Align county Behavioral Health (BH) plans (including MHPs and DMC-ODS) and Medi-Cal Managed Care Plan contract requirements when the same requirements exist across programs. This includes, but is not limited to:
  - Organization and administration of the plan, including key administrative staffing requirements;
  - Financial information;
  - Information systems;
  - Quality improvement systems;
  - Utilization management;

County Accountability and Infrastructure

- Provider network;
- Provider compensation arrangements;
- Provider oversight and monitoring;
- Access and availability of services, including but not limited to reporting of any waitlists for any behavioral health services or attesting to no waitlists;
- Care coordination and data sharing;
- Member services;
- Member grievances and appeals data;
- Reporting requirements.
- Any other contractual requirements determined by the department.

Will this proposal impact historically underserved/ discriminated against populations?

- Individuals who are Black, Indigenous, and People of Color (BIPOC), those who are Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ+), those who are low-income and those who are involved in the justice system are disproportionally affected by mental health and substance use challenges.
- Acknowledge that interactions with systems of care may have been negative and culturally inappropriate, leading to low service utilization and satisfaction. There is evidence that Black and Latino Californians have higher rates of unmet need (i.e., needing mental health or substance use services but not getting them).
- Strategies that are culturally responsive and reduce health disparities are critically important.

Will this proposal impact historically underserved/ discriminated against populations?

- Proposal provides that counties should test and pilot behavioral health models of care and promising practices across all MHSA buckets. The goal of these pilots and promising practices, is to build the evidence base for the effectiveness of new statewide strategies to implement an equitable behavioral health system.
- These values are front and center in terms of the local planning process for community behavioral health. Reduces the silos for where these conversations occur and sets clear principles on this.
- Stratified data and strategies for reducing health disparities will be key parts of the plan and outcomes.

What is the purpose of aligning Medi-Cal and Commercial Coverage for BH Care

- Commercial health plans are required to cover all medically necessary behavioral health services. However, commercial health plans are not required to cover all of the services currently covered in Medi-Cal.
- There are some utilization management requirements, such as prior authorization or limits on the number of visits, that may be different in commercial health coverage policies than in Medi-Cal.

What is the purpose of aligning Medi-Cal and Commercial Coverage for BH Care

- Aligning the coverage requirements will ensure all Californians have access to the care they need, ensure that individuals enrolled in commercial insurance have access to the same behavioral health services covered under Medi-Cal, and improve continuity of covered services when enrollees move between Medi-Cal and commercial coverage.
- This will also ensure that individuals with untreated or undertreated behavioral health conditions can access appropriate services through their commercial health plans, rather than needing to ultimately rely on the public safety net system for their behavioral health needs.

PLANNING, ACCOUNTABILITY, EQUITY, TRANSPARENCY AND OUTCOMES
BHTF MEMBERS DISCUSSION

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CLOSING THOUGHTS

STEPHANIE WELCH, DEPUTY SECRETARY OF BEHAVIORAL HEALTH, CalHHS

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STAY ENGAGED

- ✓ Continue this conversation – Join the BHTF public Workshop on **Thursday, June 29th 4pm – 6pm.** Registration Link
- ✓ Visit the CalHHS BHTF website for updated information on these reforms. Share additional feedback, please email: BHReform@dhcs.ca.gov

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