

Transformation of California's Behavioral Health System

SB 326 Amendment

Update

August 2023

Context – Why Reform Now

- » Since 2019, California has embarked on massive investments and policy reforms to re-envision the state's mental health and substance use system.
- » We have invested more than \$10 billion in a range of efforts that begin to build up the community-based care for the sickest Californians. This includes investments in community alternatives to State Hospitalization, the CARE Act, Behavioral Health Bridge Housing, and system improvements in Medi-Cal through CalAIM, the Behavioral Health Continuum Infrastructure Program (BCHIP), Health Workforce Initiatives, and the Children and Youth Behavioral Health Initiative.
- » But more can and must be done. It's time to build upon what we have already put in place – continuing the transformation of how California treats mental illness and substance use disorders.

Vision for Behavioral Health: Whole-Person Prevention & Care for All

- » **Services** for those most in need – including serious mental illness and substance use disorders – and continued investments in prevention, early intervention, and innovation
- » **Accountability** for real results for all mental health funding
- » **Housing** - thousands of new treatment beds and supportive housing to finally deliver needed unlocked, community-based settings
- » **Workforce** to meet the need and reflect California's diversity

Update Since June Introduction

- » In June, the Governor's proposal to Modernize California's Behavioral Health System was presented as SB 326 (Eggman) MHSA Modernization and AB 531 (Irwin) Behavioral Health Infrastructure Bond Act of 2023
- » Since then, the Administration has received dozens of letters and comments, met with implementation partners, stakeholders and subject matter experts, engaged with the Legislature and the MHSOAC.
- » 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.
- » **Today's webinar is solely focused on amendments to SB 326**

Review of Overall Approach to Reform

- » Broaden the target population to include those with moderate and severe substance use disorders
- » Update local funding categories for services and supports to meet current needs
- » 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
- » Rename to Behavioral Health Services Act

Three Themes in Amendments

» Services

- Added Outreach and Engagement to Services and Supports which are essential in reaching key target populations
- Preserve and enhance the ability to prevent and address emerging behavioral health conditions for all, with a focus on people 25 and younger.
- Provide reasonable flexibility for county specific needs across funding buckets within parameters, including the unique needs of small counties.

» Accountability

- An independent Oversight and Accountability Commission (BHSOAC) is a strong and unique asset; leveraging its capacity and expertise will help achieve the overarching goals of behavioral health transformation.
- Additional community voices on the Commission are also critical, especially from people with lived experience with mental health conditions and substance use disorders, transition age youth, and older and disabled adults.
- Strengthen evaluation and data collection authority, shore up gaps.

» Key Clarifications

Key Clarifications



Funding and Mandates

- » Clarify that counties are not obligated to spend 1991 realignment funds or other funds - other than those from the Behavioral Health Services Fund (BHSF) for BHSA purposes.
- » Clarify the intent is to maximize the use of other available funding sources, but not require counties to exhaust other available funding prior to utilizing BHSA funding.
- » Changed “shall” to “may” to make it optional for counties to provide SUD services based on stakeholder process and data to inform three-year plan. Counties must use the data to appropriately allocate funding between mental health and substance use treatment services as well as identify strategies to address disparities in their integrated plan.

Alignment with CalAIM

- » Updated eligibility criteria to align with CalAIM, as defined in W&I 14184.402. This amendment removes the requirement for children to have a formal diagnosis, for example.
- » Removed edits to Bronzan-McCorquodale Act (W&I 5600.3)

Services

The image features the word "Services" in a bold, dark blue font, centered in the upper half of the frame. Below the text, there are two thick, wavy lines that span the width of the image. The top line is a teal color, and the bottom line is a darker blue. Both lines have a slight undulating pattern, creating a sense of movement and flow.

Changes to Local Services Categories

- » Housing Interventions – 30%
- » Full Services Partnerships (FSP) – 35%
- » Behavioral Health Services and Supports (BHSS) – Now 35% (up from 30%)
 - Added “outreach and engagement” as allowable service
 - At least 51% of BHSS shall be used for Early Intervention
 - New: At least 51% of Early Intervention shall be used to serve individuals who are 25 years of age or younger.

Flexibility for Local Services

- » Added flexibility to move up to 5-7% funding from one service category to another with a maximum shift of 10-14% across all categories. Funding changes can only be made during the 3-year plan cycle. Changes also made to the Integrated Plan section is 5963.02 and subject to data and stakeholder process.
- » Flexibility aligns with the transition to implementation and is on-going
 - Shift 7% from any one service to another; 14% max – 2026-27 through 2028-29
 - Shift 6% from any one service to another; 12% max – 2029-30 through 2031-32
 - Shift 5% from any one service to another; 10% max – 2032 forward

Changes to Population-Based Prevention

- » Shifted population-based prevention to state directed administration.
- » The California Department of Public Health will be lead in consultation with DHCS and BHSOAC.
- » No less than 4% of the BHSA total funds will be dedicated to these efforts
 - 51% must be dedicated to individuals 25 years of age and younger.

Changes to State Directed Funding Amounts

- » 10% of Total Funds
 - 4% for Population-Based Prevention
 - 3% for Statewide Workforce
 - 3% for State Administration (reduced from 5%)

Housing Interventions – 30%

- » 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.

NEW:

- Add clarifying language for housing supports, defined by DHCS, including, but not limited to, the community supports policy guide.
- Allows small county exemption process beginning with 2026-29 planning cycle.
- Provides flexibility commencing with the 2032-2035 planning cycle on the 30% requirement based on DHCS criteria for exemptions.
- Clarifies that a county can use BHSA for housing supports for non-Medi-Cal and where plans have not elected to cover housing.
- Update definition of chronically homeless throughout language to say as defined by DHCS.
- Housing interventions are not limited to persons in Full Service Partnerships or individuals enrolled in Medi-Cal.
- Removes the requirement that capital funds be spent in the same fiscal year as allocated; requires the funds to be spent within a reasonable time frame, as specified by DHCS.

Full Service Partnerships – 35%

- » Added Individual Placement and Support model of Supported Employment, High-Fidelity Wraparound and provides authority to DHCS to identify other evidence-based services and treatment models.
- » Included assertive field-based initiation for substance use disorder treatment services, including the provision of medications for addiction treatment, as specified by DHCS.
- » Added language to address concerns that small/rural counties may not be able to implement to fidelity certain evidence-based practice (EBP) models like Assertive Community Treatment/ Forensic Assertive Community Treatment.
 - Counties with a population of less than 200,000 may request an exemption from these requirements. An exemption shall be justified by the requesting county and approved by the Department of Health Care Services.
- » Added supported employment and psychosocial rehabilitation as part of the definition of "supportive services".
- » FSPs shall have an established standard of care with levels based on an individual's acuity and criteria for step-down into the least intensive level of care. DHCS may develop and revise documentation standards for service planning to be consistent with the standards developed. Documentation of the service planning process in the client's clinical record may fulfill the documentation requirements for both the Medi-Cal program and this section.

Behavioral Health Services & Supports – Now 35% (up from 30%)

- » BHSS funds Early Intervention, Workforce Education and Training, Capital Facilities and Technology Needs, Innovative Behavioral Health Pilots and Projects, & Prudent Reserve.

- » **NEW**
 - Adds Outreach and Engagement Services

 - For Early Intervention – Identifies that the biennial list of evidence-based practices, may include practices identified pursuant to the Children and Youth Behavioral Health Initiative (CYBHI).

 - For Early Intervention – Directs half to people 25 years and younger

Accountability for Results



Behavioral Health Planning and Reporting

- » Clarifies the relevant data counties must consider includes local data.
- » Adds a requirement for counties to describe the system it has in place to facilitate transitions of care between County Mental Health Plans (MHPs) and Medi-Cal Managed Care Plans (MCPs)
- » Requires counties to include a budget that includes all funding sources in the Integrated Plan and adds language that expenditures must align with the Integrated Plan.
- » Adds language to the expenditure enforcement requirements to account for funding volatility prior to enforcement action if counties' expenditures are off from their 3-year plan by a small percentage.
- » Aligns due process with CARE Court and requires funds withheld to remain with the county.

Behavioral Health Services Act Oversight and Accountability Commission (BHSOAC)

- » Supports a BHSOAC that is a strong and unique asset, leveraging its capacity and expertise to achieve the goals of overarching BH transformation
- » Shall receive the data necessary to fulfill its obligations
- » Aligned number of peers and family members, with one additional seat for a Transition Age Youth (TAY) behavioral health peer
- » Add a seat for a disability/ aging perspective
- » Commission selects their own Executive Director
- » Provide technical assistance to support quality change management including implementation planning, training, and capacity-building investments.
- » Provide technical assistance on innovation, compile list of innovative approaches across each of the program buckets.

Behavioral Health Services Act Oversight and Accountability Commission (BHSOAC)

DHCS will consult with BHSOAC on:

- Develop biennial list of Early Intervention evidence-based practices
- Build FSP levels of care
- Develop statewide outcome metrics
- Determine statewide BH goals and outcome measures

Next Steps

- » New round of bill amendments will be available 8/16
- » Senate Informational Hearing 8/16
- » Assembly Informational Hearing and Health Hearing 8/22
- » Bond amendments also in progress
- » We will continue to work with Legislature, implementation and system partners, and a broad set of stakeholders, including those impacted by behavioral health conditions, to set these reforms into motion and deliver equitable, accessible, and affordable community-based behavioral health care for All Californians.

Questions and Comments?

Additional questions and input should be sent to

BHReform@dhcs.ca.gov

For more information:

<https://www.chhs.ca.gov/behavioral-health-reform/>

<https://www.dhcs.ca.gov/services/Pages/Modernizing-our-Behavioral-Health-Initiative.aspx>

<https://www.gov.ca.gov/2023/08/07/icymi-new-analysis-highlights-crucial-need-for-governor-newsoms-proposed-mhsa-reform-bond/>