



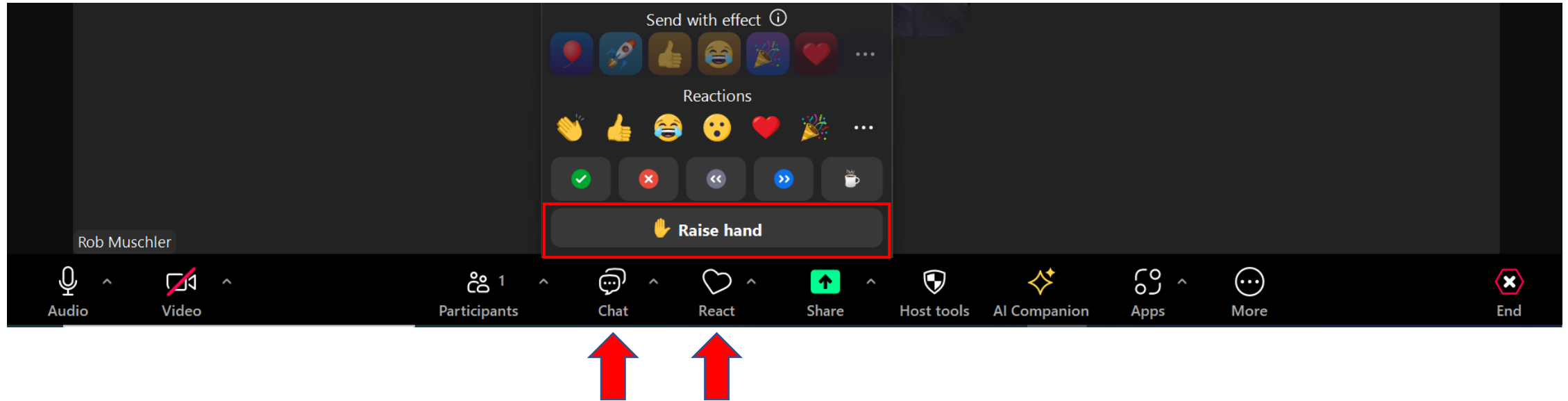
Workgroup 6: Funding and Sustainability

Meeting 2
July 29, 2024

Webinar: Panelist View

The screenshot displays a Zoom Webinar interface in Panelist View. At the top, a horizontal bar contains six participant thumbnails, each with a unique color and a person icon. Below this, a central area shows four larger participant thumbnails arranged in a 2x2 grid. The bottom toolbar includes icons for Audio, Video, Participants, Chat, React, Share, Host tools, AI Companion, Apps, More, and End. A chat window on the right side shows a message from Betsy Uhrman to Hosts and panelists.





- Workgroup members will be able to utilize the chat function throughout the meeting. Chat messages cannot be seen by non-workgroup members, but they will be captured in the public meeting summary.
- Workgroup members will be asked to use the "raise hand" function when you would like to speak.

Workgroup 6, Meeting 2 Agenda

1. Review of Agenda
2. CalOES Presentation on Surcharge and Fund Condition Statement and Q&A
3. Review & Build on Feedback from Meeting 1
4. Preview Commercial Insurance Coverage Discussion (Meeting 3)
5. Public Comment Period
6. Next Steps

Workgroup 6 Members

- **Co-Chair: Anete Millers**, California Association of Health Plans
- **Co-Chair: Christine Stoner-Mertz**, California Alliance
- Amanda Levy, CA Department of Managed Healthcare (DMHC)
- Amanda Miller-McKinney, Children Now
- Andrea Tolaio, Family Service Agency of the Central Coast
- Casey Heinzen, Department of Health Care Services (DHCS)
- Chad Costello, California Association of Social Rehabilitation Agencies (CASRA)
- Corinne Kamerman, CA Department of Health Care Services (DHCS)
- Curt Guillot, California Governor's Office of Emergency Services (CalOES)
- Diana Vasquez-Luna, CA Department of Finance
- Ivan Bhardwaj, Department of Health Care Services (DHCS)
- Jacob Ruiz, Riverside University Health System
- Jana Lord, Sycamores
- John Boyd, Kaiser Permanente (Northern California)
- Ka Ramirez, Department of Health Care Services (DHCS)
- Kenna Chic
- Kirsten Barlow, California Hospital Association
- Lauren Finke, The Kennedy Forum
- Melissa Lawton, Seneca Family of Agencies
- Michelle Galvan, Optum Public Sector San Diego
- Narges Dillon, Crisis Support Services of Alameda County
- Phebe Bell, Nevada County Behavioral Health Department
- Raven Lopez, County Behavioral Health Directors Association of California (CBHDA)
- Reuben Wilson, Los Angeles County Department of Mental Health
- Ryan Banks, Turning Point of Central California
- Shari Sinwelski, Didi Hirsch
- Stephanie Welch, California Health and Human Services Agency (CalHHS)
- Tara Gamboa-Eastman, Steinberg Institute

Public Comment Overview

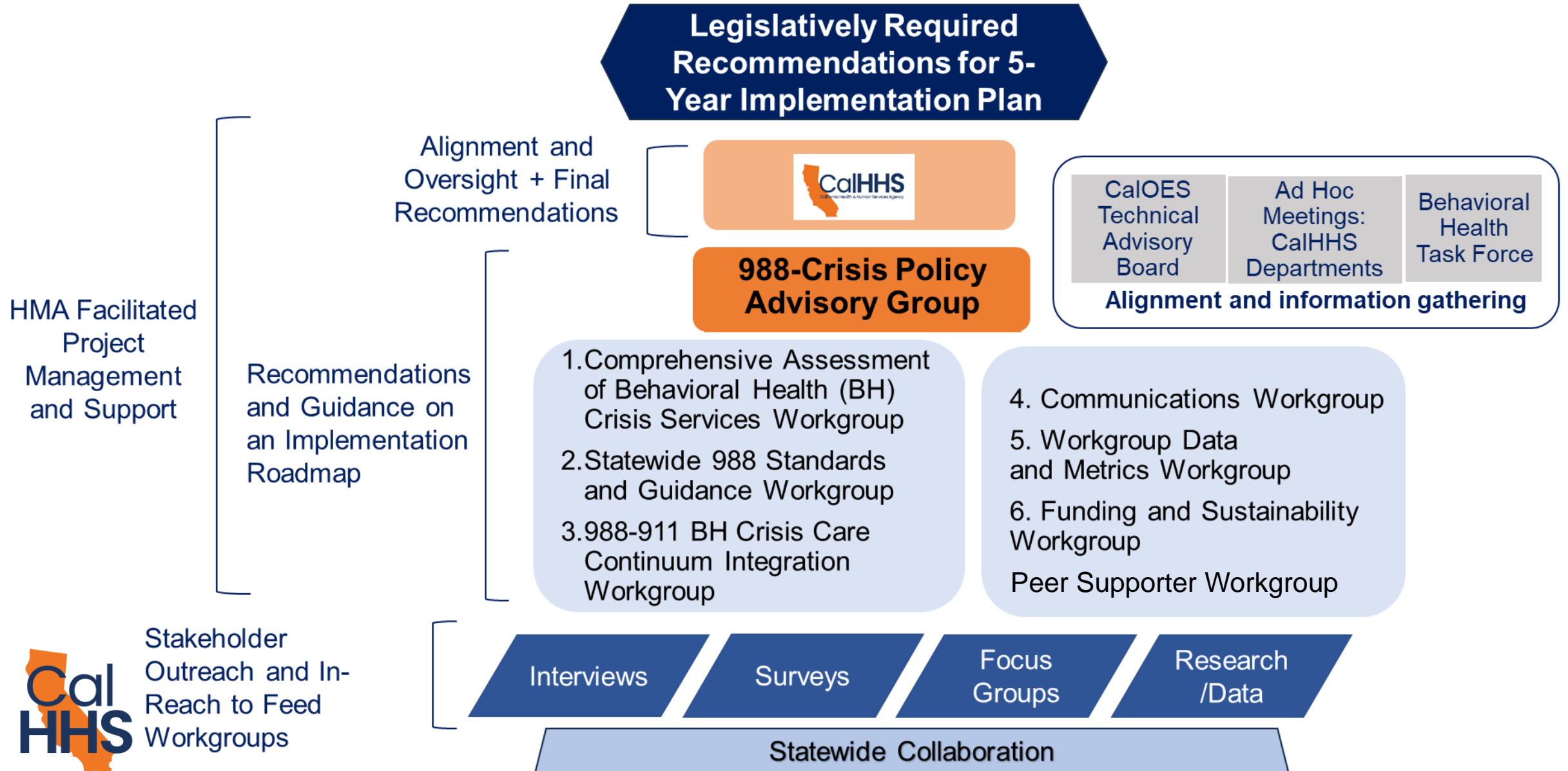
- All comments—whether written or spoken—will be shared with the Work Group in the meeting minutes.
- We will take comments in the order in which we receive sign-ups.
- If you are on Zoom and would like to make a public comment, please raise your hand at any point throughout the discussion. We will then write down your name and call on you to speak during the public comment period.
- Each person will have 2 minute to speak. If you have a condition that may require an accommodation (such as additional speaking time), please notify the project team and we will do our best to provide that accommodation.
- If you would like to make a comment but prefer not to do it in front of a camera or microphone, you may email your written comment to the project email address: AB988Info@chhs.ca.gov.

Code of Conduct

- Presume positive intentions
- Ask from a place of inquiry
- Be present and stay engaged
- Be brief and brilliant
- Be respectful and courteous

Note: Meetings of the Work Group are open to the public and are subject to [Bagley-Keene Open Meeting Act](#) requirements

AB 988 Organizing Structure



Workgroup 6: AB988 Required Areas

AB 988 Required Areas	How It's Being Addressed
<p>(13) Procedures for determining the annual operating budget for the purposes of establishing the rate of the 988 surcharge and how revenue will be dispersed to fund the 988 system consistent with Section 53123.4 and Section 251a of Title 47 of the United States Code.</p>	<ul style="list-style-type: none"> • CalOES has developed procedures and processes
<p>(14) Strategies to support the behavioral health crisis service system is adequately funded, including mechanisms for reimbursement of behavioral health crisis response pursuant to Sections 1374.72 and 1374.721 of the Health and Safety Code, including, but not limited to:</p> <ol style="list-style-type: none"> 1. To the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized, seeking to maximize all available federal funding sources for the purposes of behavioral health crisis services and administrative activities related to 988 implementation, including federal Medicaid reimbursement for services; federal Medicaid reimbursement for administrative expenses, including the development and maintenance of information technology; and federal grants. 2. Coordinating with the Department of Insurance and Department of Managed Health Care to verify reimbursement to 988 centers for behavioral health crisis services by health care service plans and disability insurers, pursuant to Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code and consistent with the requirements of the federal Mental Health Parity and Addiction Equity Act of 2008 (29 U.S.C. Sec. 1185a). 	<ul style="list-style-type: none"> • Focus of WG 6

Timing of Implementation

- An outcome of our work – in conjunction with the work of the Policy Advisory Group, other Work Groups, the 988 Project Team, and others – is the creation of a Five-Year Implementation Plan for a comprehensive 988 system.
- The implementation timeframe reflects an understanding that change does not happen overnight.
- Activities will be sequenced to continue our progress toward a crisis system that meets the needs of *all* Californians, without overwhelming the system during the process.



CalOES Presentation on Surcharge and Fund Condition Statement and Q&A



California Statutes and the FCC

- The following statutes apply to the 988 Surcharge Process. Nothing in this presentation implies an authoritative source for funding authority or is an interpretation of the statutes and is offered for information purposes only.
- Gov Code Section 53123.1 - 53123.6

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=1.&article=6.3

- Revenue and Tax Code Section 41001-41176

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?ocCode=RTC&division=2.&title=&part=20.&chapter=&article=

- Federal Communications Commission (FCC) and 988 Fees

<https://www.fcc.gov/988-fee-reports-and-reporting>



Requirements for those requesting funding – Cal OES Form

GC Section 53123.4 (d) The office shall require an entity seeking funds available through the 988 Suicide and Behavioral Health Crisis Services Fund to annually file an expenditure and outcomes report in a form and manner as determined by the office and the State Department of Health Care Services. The expenditure and outcomes report shall include, but is not limited to, the following:

- (1) The total budget.
- (2) Number and job classification of personnel.
- (3) The number of individuals served.
- (4) The outcomes for individuals served, if known.
- (5) The health coverage status of individuals served, if known.
- (6) Beginning July 1, 2025, to the extent feasible and consistent with paragraph (11) of subdivision (b) of Section 52123.3, measures of system performance, including capacity, wait times, and the ability to meet demand for services.

- Visit www.caloes.ca.gov/988 for additional information on the Cal OES Form.



Authorized use of 988 fees

GC Section 53123.4 (b) (2) The revenue generated by the 988 surcharge shall, to the extent not prohibited by Section 251a of Title 47 of the United States Code and any applicable rules or regulations adopted by the Federal Communications Commission and in compliance with subdivision (b) of Section 41136 of the Revenue and Taxation Code, be prioritized to fund the following:

(A) First, the 988 centers, including the efficient and effective routing of telephone calls, personnel, and the provision of acute behavioral health services through telephone call, text, and chat to the 988 number.

(B) Second, the operation of mobile crisis teams accessed via telephone calls, texts, or chats made to or routed through 988 as specified under Section 4(a)(2)(B) of Public Law 116-172.



SETNA 9-8-8 Surcharge

- The 9-8-8 surcharge is set at \$0.08 for 2023 and 2024 in state statute
- Fee calculation for 2025 and beyond
 - Budget requests are sent to Department of Finance for eligible expenditures for the 9-8-8 surcharge
 - The CA State Legislature approves the budget, which sets the revenue that must be generated from the 9-8-8 surcharge
 - Access line service providers send number of access lines to Cal OES
 - 9-8-8 surcharge is based on the budget and number of access lines
 - Letter is sent to CDTFA by October of each year



SETNA 9-8-8 Surcharge and the Fund Condition Statement FY 2024-25

3414 988 State Suicide and Behavioral Health Crisis Services Fund

BEGINNING BALANCE	-	\$22,360	\$10,785
Adjusted Beginning Balance	-	\$22,360	\$10,785
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4140505 Suicide and Behavioral Health Telephone Surcharge	\$22,138	44,276	44,276
Total Revenues, Transfers, and Other Adjustments	\$22,138	\$44,276	\$44,276
Total Resources	\$22,138	\$66,636	\$55,061
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
0530 Secretary for California Health and Human Services Agency (State Operations)	-	5,500	-
0690 Office of Emergency Services (State Operations)	-	9,632	9,648
0690 Office of Emergency Services (Local Assistance)	-	20,280	20,280
4260 State Department of Health Care Services (State Operations)	-	773	728
4260 State Department of Health Care Services (Local Assistance)	-	19,000	12,500
7600 California Department of Tax and Fee Administration (State Operations)	78	666	622
Less funding provided by General Fund (State Operations)	-300	-	-
Total Expenditures and Expenditure Adjustments	-\$222	\$55,851	\$43,778
FUND BALANCE	\$22,360	\$10,785	\$11,283
Reserve for economic uncertainties	22,360	10,785	11,283



SETNA 9-8-8 Surcharge Calculation Example

Description	Ref.	Amount
Authorized Budget Expenditure	B1	\$43,778,000
Revenue Needed for next Budget Year	B2	\$43,778,000
Estimated number of Access Lines	B3	46,121,214
Surcharge per month	B4	\$0.08
Projected Annual Revenue	B5	\$44,276,365

Note: The number of Access lines for 2023 is unknown.
The table shows the numbers from 2022 as an estimate



FY 2025-26 Budget Process – 18 Months

- **March 2025:** 988 Centers will submit Annual Budget Form – Cal OES will visit each center for a one-on-one overview of the process
- **January - April:** Each state agency will begin an analysis of what funding authority will be needed the following year and develop Budget Change Process (BCP) concept documents based on budget needs. This will include Cal OES, Cal HHS, and DHCS as well as input from 988 Centers via the Annual Budget Form.
- **April – August :** Each State Agency will discuss budget needs and finalize BCP concepts. Agencies begin discussions with Department of Finance. This process will be used to ensure alignment with Governor's priorities and guidelines.
- **September (First Week):** Completed BCPs are submitted to the Department of Finance.
- **September-December:** the Department of Finance staff builds the Governor's Budget and questions and clarifications are discussed related to all BCPs that were submitted to determine what will be included in Budget.
- **January 10:** The Governor releases the Governor's Budget.
- **January – May:** Questions will be received and answered from Legislative Analysis Office. Budget Hearings are conducted. BCPs are drafted and sent to DOF for any new budget needs for the May Revise budget
- **May-June:** May Revise Budget is released. Budget Bill is voted on and passed by Senate and Assembly and signed into law by Governor.
- **July** – State Agencies can encumber and expend funds for any approved BCPs that were included in the budget



Review and Build on Feedback From Meeting 1

Review on Feedback From Meeting 1

- During meeting 1, we reviewed the statutes and codes that govern surcharge dollars and discussed fund utilization and criteria to receive funds.
- For the remainder of the session, we would like to review and build on input captured during our first Workgroup meeting.
 - Has anything changed based on what we've learned from CalOES?
 - Do we have anything else to add?
- Commercial insurance coverage of behavioral health crisis services has been raised as an issue that requires additional focus. **This topic will be the primary focus of this Workgroup's next meeting.** In the meantime, CalHHS is gathering information to inform this discussion.

Discussion of Fund Utilization & Criteria (1)

Discussion 1: Based on the parameters outlined in the legislation and applicable codes, **how could funds be best utilized to ensure an effective, equitable, and accessible crisis response system?**

What We Heard From You:

- Staffing for 988 Crisis Centers **Include supervision/ overhead**
- **Overhead to gather data**
 - Ensure system capacity to manage volume
- Training
- Technology
 - Shared 988-mobile platform/visibility if possible
- Promotion/Education (if allowable)
- Mobile Crisis-Specific Costs (e.g., travel, downtime, uncompensated services ***including people who do not share their identification information**)
- Commercial funding is different from fee funding – need to manage both to ensure that fees are covering true gaps in the system
- Need to understand other funding that is supporting 988 Centers

Other Considerations Raised:

- Maximize Medi-Cal and Other Funding Sources First
- Commercial Reimbursement Challenges
- Contract/Funding Model Challenges:
 - Volume vs Flat Fee
 - Differences in Mobile & 988 Funding Models
- Number of Centers/Who Can Be Centers
- Connection with Other Medi-Cal Initiatives
- **Can a Crisis Center access surcharge funds to build capacity (short term) – what are we doing to ensure equitable access? – Cal OES is exploring ways to create this process**
- **Is there a case for prioritizing answering 100% of calls?**
- **How are mobile crisis units currently funded? What are main populations that are accessing mobile crisis (are there opportunities to leverage other funding sources for this care?)- primarily funded through State and Federal funding – encounter-based fee-for-service**

Discussion of Fund Utilization & Criteria (2)

Discussion 2: What criteria should be considered in order to receive 988 surcharge dollars?

What We Heard From You:

Measurement & Reporting:

- Volume (988 Calls, Texts, Chats)
- KPIs (e.g., time to answer, answer rate, abandon rate, etc.)
- Referrals/Connections to Mobile Crisis & Other Services
- Annual Expenditure and Outcomes Report

Partnerships:

- Mobile Crisis
- County Access Lines
- Warmlines
- Local Providers/Other Resources

Federal/Vibrant Requirements:

- Accreditation
- Inclusion in National Network
- Quality management/ assurance

Other Considerations Raised:

- Connection to Local Communities (staffing, resources, etc.)
- Data Gathered from Callers - Balancing Data Collection Expectations w/ Privacy
- Data collection/ reporting beyond the KPI data
- Training and supervision
- Logic model for Mobile Crisis teams to have funds for supplies to support engagement (shoes, water, etc.)
- ICMI includes a list of items needed
- 911 diversion work needs to be taken into account – what additional staff are needed to collaborate with PSAPs?
- Need to ensure that we take care of the people who answer the needs (calls, mobile crisis, etc.)



Preview Commercial Insurance Coverage Discussion

Preview Commercial Insurance Coverage

- During Workgroups and the PAG, commercial insurance reimbursement of behavioral health crisis services has been raised as an issue that requires additional focus.
- It is also a required recommendation topic, per AB 988.
- CalHHS is working with DHCS and DMHC and has met with health plans, California Association of Health Plans, and county representatives to gather information to support discussions with this Workgroup/PAG as well as to inform recommendations for the five-year plan.
- This topic will be the primary focus of the next meeting.



AB 988 Required Recommendation Topic 14

Strategies to support the behavioral health crisis service system is adequately funded, **including mechanisms for reimbursement of behavioral health crisis response** pursuant to Sections 1374.72 and 1374.721 of the Health and Safety Code, including, but not limited to:

- (A) To the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized, seeking to maximize all available federal funding sources for the purposes of behavioral health crisis services and administrative activities related to 988 implementation, including federal Medicaid reimbursement for services; federal Medicaid reimbursement for administrative expenses, including the development and maintenance of information technology; and federal grants.
- (B) Coordinating with the Department of Insurance and Department of Managed Health Care to verify reimbursement to 988 centers for behavioral health crisis services by health care service plans and disability insurers**, pursuant to Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code and consistent with the requirements of the federal Mental Health Parity and Addiction Equity Act of 2008 (29 U.S.C. Sec. 1185a).

AB 988 Insurance Requirements: HSC 1374.724 Summary

- Coverage of MH/SUD treatment includes **BH crisis services provided by a 988 center, mobile crisis team, or other BH crisis service provider**, regardless of whether the service is provided by an in-network or out-of-network provider/facility
 - Individuals who receive out-of-network BH crisis care, including poststabilization care, shall pay no more than the same cost sharing they would pay for the same in-network services
- **Health care service plans shall...**
 - cover all items/services eligible for coverage under Medi-Cal, with respect to BH crisis services provided by 988 center or mobile crisis team
 - within 30 minutes of contact by BH crisis services provider, authorize poststabilization care or inform provider it will arrange for prompt care transfer
- **Health care service plans shall not...**
 - require prior authorization for BH crisis stabilization services and care (but *may* require prior authorization before payment for medically necessary MH/SUD services following stabilization from a BH crisis)
 - deny payment for BH crisis services and care (unless services were not performed)
 - require BH crisis service provider to discharge/transfer pre-stabilization or pre-utilization review



Public Comment Period

Public Comment Guidelines

- All comments—whether written or spoken—will be shared with the Workgroup in the meeting minutes.
- If you prefer, you may email your written comment to the project email address: AB988Info@chhs.ca.gov
- Each speaker is allocated 2 minutes to speak unless adjusted by the meeting facilitator.
- A speaker may not share or relinquish any remaining time they have not used to another speaker.
- Speakers may share one time during the public comment period.
- If time in the agenda remains after all individuals who signed up to speak have been called, the facilitator may invite other members of the public to raise their hand to speak. The facilitator will call individuals in the order they raise their hand.
- Speakers shall be civil and courteous in their language and presentation. Insults, profanity, use of vulgar language, or gestures or other inappropriate behavior are not allowed.
- Speakers should not ask questions of Workgroup members or ask Work Group members to respond to their comments directly.

Public Comment Sign-Ups

1.

2.



Next Steps

Moving Forward

- All information from today's meeting will be posted on the CalHHS website on the 988-Policy Advisory Groups webpage: [Link to Website for CalHHS 998 Crisis Policy](#)
- **Next Meeting of the Workgroup: August 27, 1-3PM Pacific**



Adjourn