

# CRDP Webinar Series: Mental Health Funding *Part A*



**December 20,2019**

# CRDP Webinar Series:

The CRDP Monthly webinar will provide tools necessary to elevate/highlight your community needs, identify and explore mental health funding resources and opportunities, and innovatively tell your success story.

Whether you're a community leader, an executive director at an organization, or a clinician, this webinar will be a useful resource for your team and your community.

Knowledge is power.

***Join us every 3<sup>rd</sup> Friday of the month at 11am!***

# CRDP Webinar Series: Mental Health Funding *Part A*



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California Budget  
& Policy Center

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# Understanding California's Public Mental Health Delivery System

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ADRIANA RAMOS-YAMAMOTO, POLICY ANALYST

A PRESENTATION TO:

CALIFORNIA REDUCING DISPARITIES PROJECT

DECEMBER 20, 2019

# Goals of the Presentation

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- Highlight mental health **disparities in California**
- Review the entities that **administer** and **oversee** public mental health services
- Provide a high-level overview of California's public mental health **delivery system**
- Describe the **funding sources** for public mental health services
- Highlight the recent **funding trends** for public mental health services



# Frequently Used Terms for Mental Health Conditions

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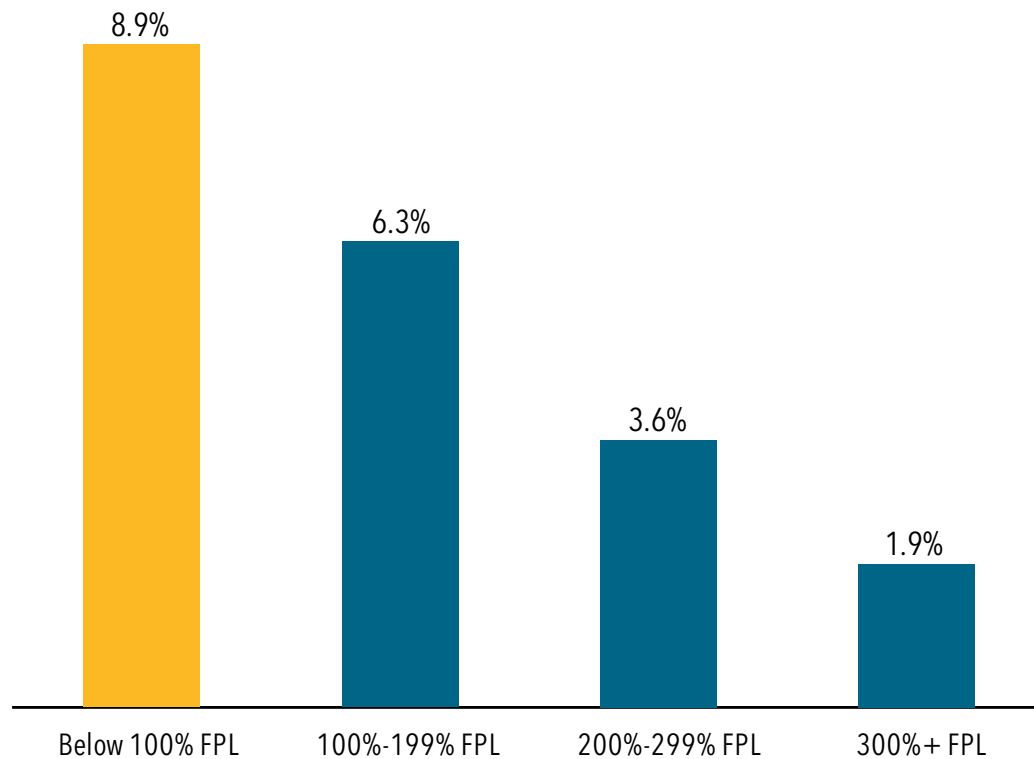
- **Mild-to-Moderate:** applies to adults with a condition that causes mild to moderate distress or impairment of mental, emotional, or behavioral functioning
- **Serious Emotional Disturbance (SED):** applies to children and youth 17 and under who have, or during the past year have had, a mental, behavioral, or emotional disorder resulting in functional impairment that substantially limits functioning in family, school, or community activities
- **Serious Mental Illness (SMI):** applies to adults who have, or during the past year have had, a diagnosable mental, behavioral, or emotional disorder resulting in functional impairment that interferes with major life activities



# Serious Mental Illness Is More Common Among Adults Living in Poverty

Serious Mental Illness Among Californians Age 18 and Older by Income, 2015

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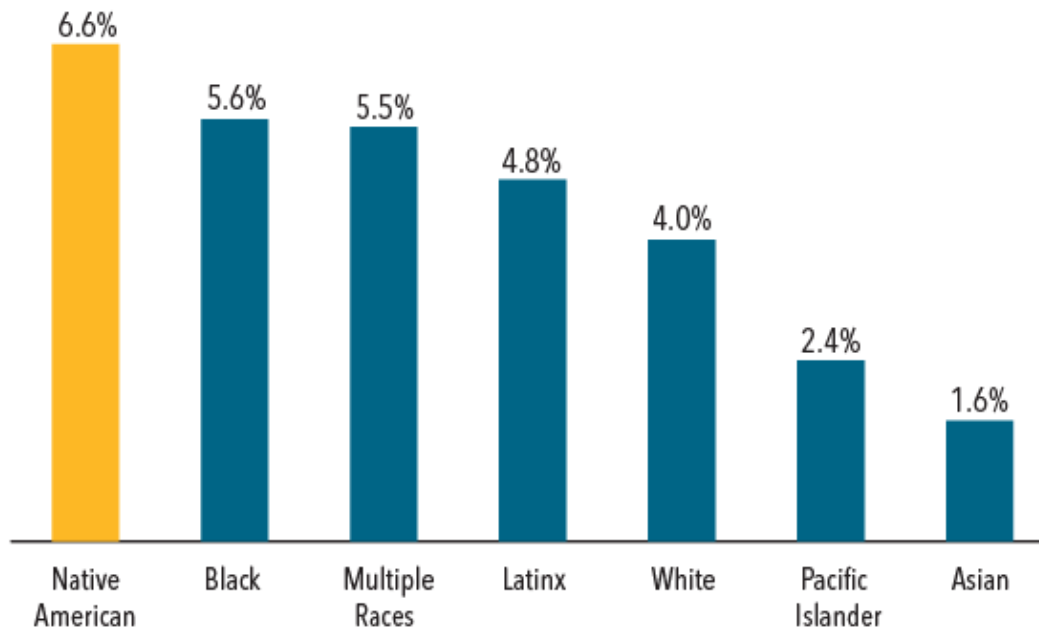
FPL = Federal Poverty Line

Source: Data provided by Charles Holzer and Hoang Nguyen



# Serious Mental Illness Among Adults Is Highest for Native Americans

Serious Mental Illness Among Californians Age 18 and Older by Race/Ethnicity, 2015



Source: Data provided by Charles Holzer and Hoang Nguyen

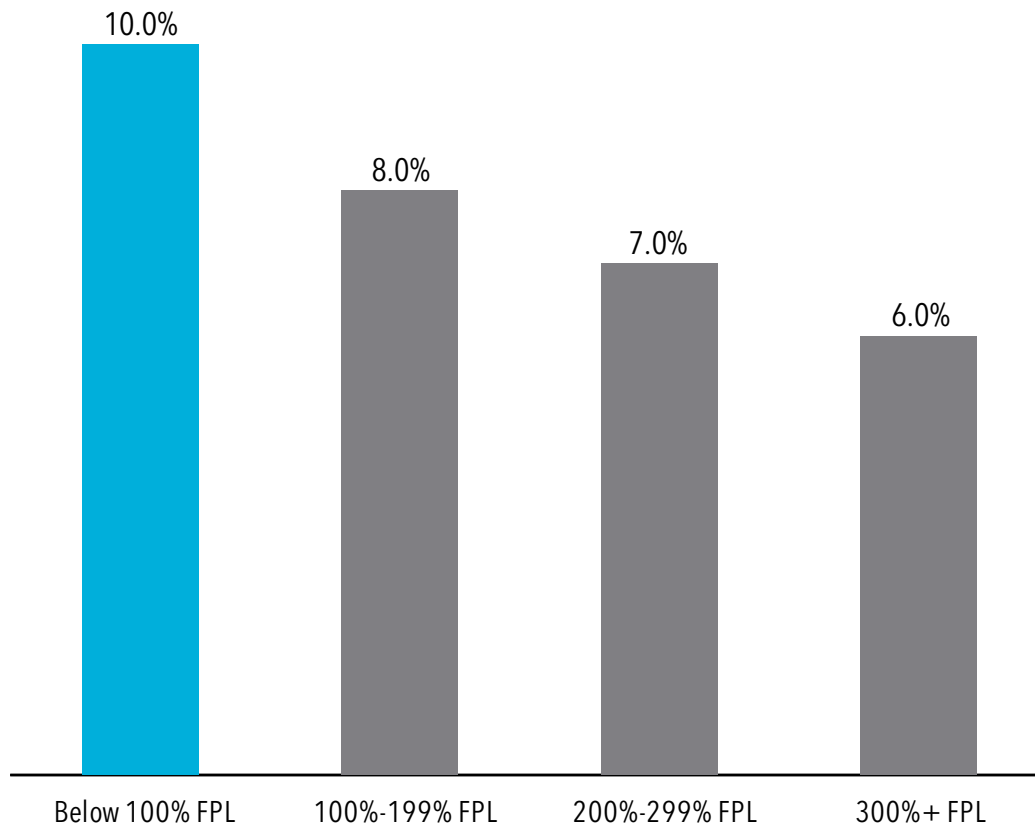




# Serious Emotional Disturbance Is Most Common Among Children and Youth in Families Living in Poverty

Serious Emotional Disturbance Among Californians Under Age 18 by Income, 2015

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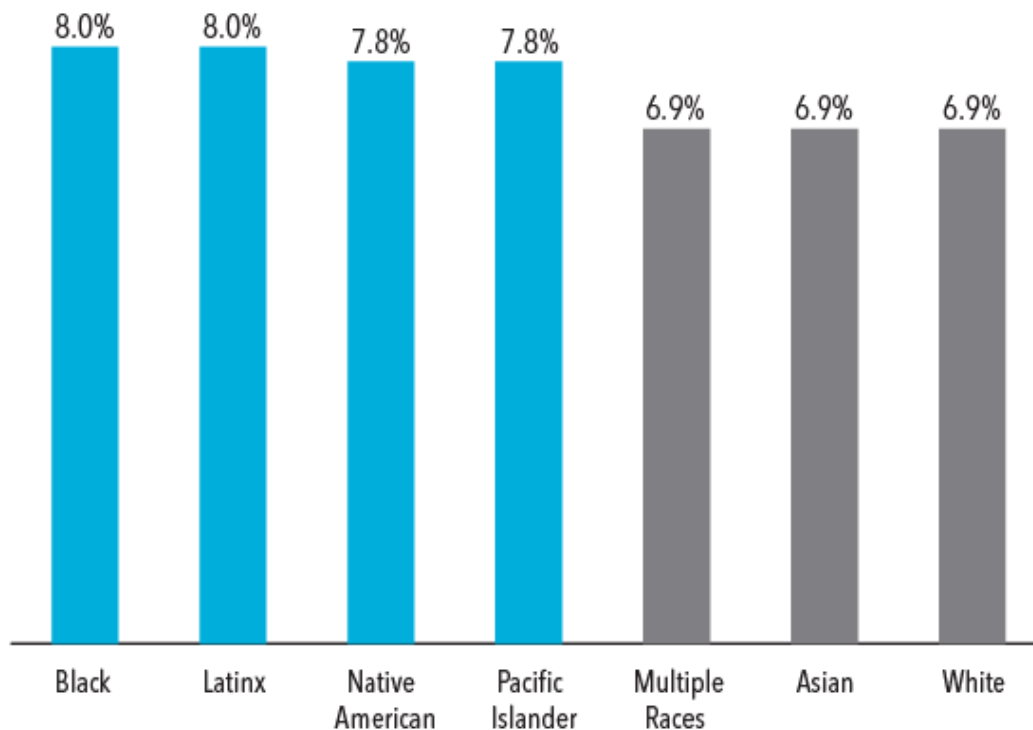
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# Serious Emotional Disturbance Is Highest for Black, Latinx Native American, and Pacific Islander Children and Youth

## Serious Emotional Disturbance Among Californians Under Age 18 by Race/Ethnicity, 2015

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Source: Data provided by Charles Holzer and Hoang Nguyen



**California's public mental health services are governed by federal, state, and local entities.**



# Governance of California's Public Mental Health Services

## Federal

- Centers for Medicare & Medicaid Services
- Substance Abuse and Mental Health Services Administration

## State

- Department of Health Care Services (DHCS)
- Mental Health Services Oversight and Accountability Commission
- California Behavioral Health Planning Council

## County

- County Boards of Supervisors
- Local Mental Health Advisory Boards



**California's public mental health system provides services to people with and without Medi-Cal coverage.**



# Key Elements of California's Public Mental Health System



Medi-Cal  
Mental Health Services\*



Medi-Cal  
Specialty Mental Health  
Services



Uninsured  
Mental Health Services  
(Limited)

Medi-Cal Managed Care

Fee-for-Service Medi-Cal

Counties

\* Medi-Cal managed care plans provide services to adults age 21 and older with mild-to-moderate conditions. For children and youth under age 21, Medi-Cal managed care plans must provide medically necessary non-Specialty Mental Health Services regardless of the severity of the impairment.



# Medi-Cal Managed Care Plans (MCPs) and Fee-for-Service (FFS) Medi-Cal

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- Mental health services are provided to:
  - Adults with **mild-to-moderate** mental health conditions
  - Children who qualify for medically necessary **non-Specialty Mental Health Services** regardless of the severity of impairment
- Among the services provided are 1) services within primary care provider's scope of practice, 2) psychotherapy, 3) psychological testing, and 4) medication management



# Public Mental Health Services Provided at the County Level

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- County mental health services include:
  - **Medi-Cal Specialty Mental Health Services** for children and adults
  - **Mental Health Services Act (MHSA)** programs for children and adults
  - **Safety net mental health services** for low-income Californians without health coverage
- Counties deliver services through:
  - County-owned and -operated facilities
  - Contracts with hospitals, clinics, private practitioners, etc.





# Counties Provide Medi-Cal Specialty Mental Health Services

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- Specialty Mental Health Services are:
  - “Carved out” of the broader Medi-Cal program
  - Administered by DHCS under 1915(b) waiver
- DHCS contracts with county mental health departments
- Services include 1) therapy, 2) crisis intervention and stabilization, 3) psychiatric services, and 4) day treatment and rehabilitation



# Mental Health Services Act (MHSA) Programs Delivered at the County Level

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- Proposition 63 (2004): Created a 1% surtax on personal income above \$1 million to provide increased funding for mental health services
  - Counties have some flexibility in how to use these funds
- Core components:
  - Community services and supports
  - Facilities and technology
  - Workforce education and training
  - Prevention and early intervention
  - Innovation projects



# Safety Net Mental Health Services

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- Counties provide safety net mental health services to uninsured Californians
- Services are similar to Medi-Cal Specialty Mental Health Services and are provided **to the extent resources are available**
- Counties also provide crisis services to **all** residents regardless of insurance status



**Funding for public mental health services comes from multiple sources.**



# Key Elements of California's Public Mental Health System



Medi-Cal  
Mental Health Services\*



Medi-Cal  
Specialty Mental Health  
Services



Uninsured  
Mental Health Services  
(Limited)



Medi-Cal Managed Care

Fee-for-Service Medi-Cal

Counties

Federal Funds

State General  
Fund

Realignment  
Funds

Mental Health  
Services Fund

\* Medi-Cal managed care plans provide services to adults age 21 and older with mild-to-moderate conditions. For children and youth under age 21, Medi-Cal managed care plans must provide medically necessary non-Specialty Mental Health Services regardless of the severity of the impairment.



# Funding Sources for Public Mental Health Services

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- Federal Funds
  - Medicaid
  - Community Mental Health Services Block Grant
- State Funds
  - 1991 and 2011 Realignment
  - Mental Health Services Act (MHSA)
  - General Fund
- County Funds
  - Local property taxes, grants, etc.



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# Funding Sources for Public Mental Health Services

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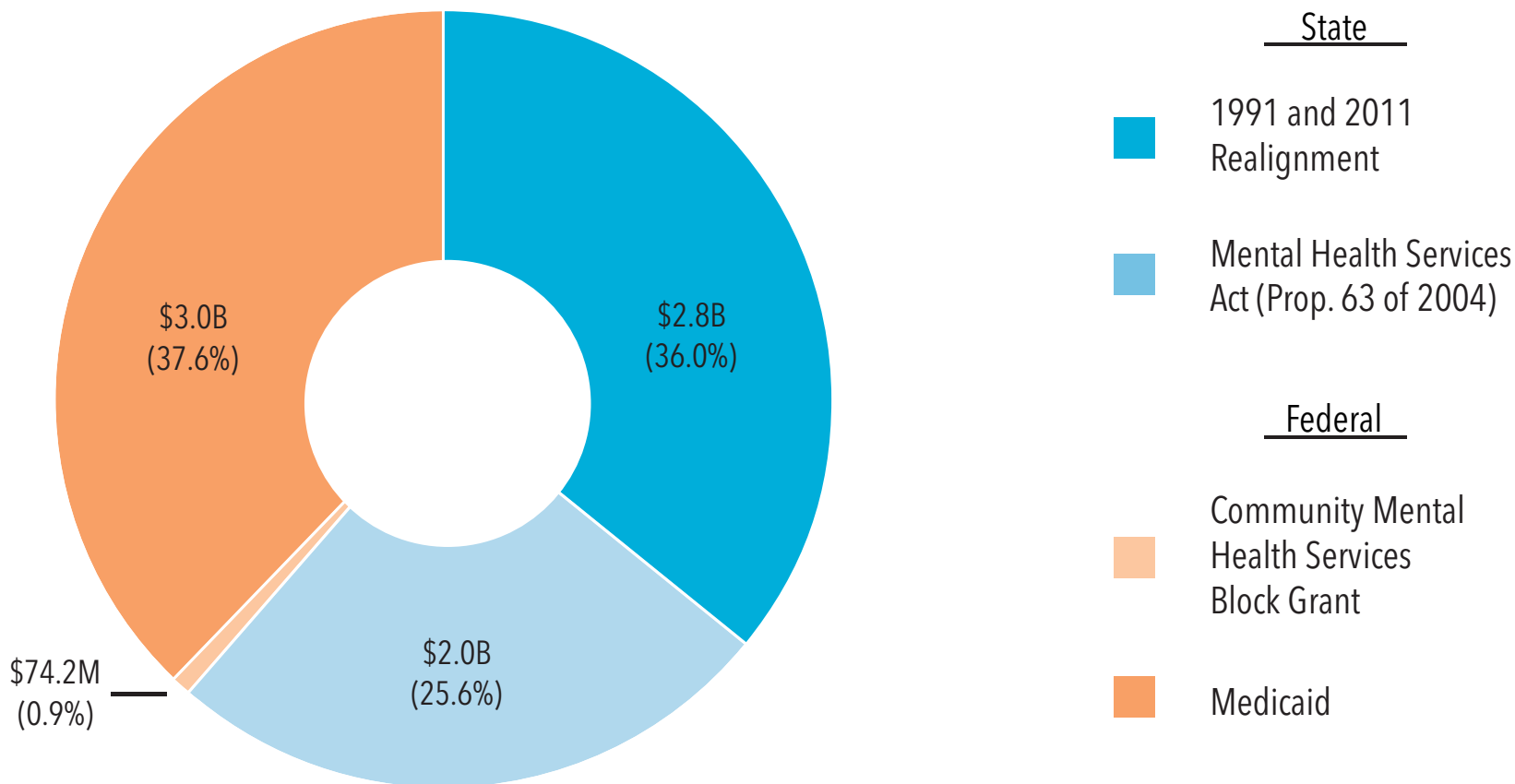
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  - **Community Mental Health Services Block Grant**
- State Funds
  - **1991 and 2011 Realignment**
  - **Mental Health Services Act (MHSA)**
  - General Fund
- County Funds
  - Local property taxes, grants, etc.





# Funding for County-Provided Mental Health Services in California Primarily Comes From the State

2017-18 State and Federal Funding\*



\* Does not include state General Fund support or county funding for public mental health services, which constitute a relatively small share of overall funding. Does not sum to 100 due to rounding.

Source: Mental Health Services Oversight and Accountability Commission

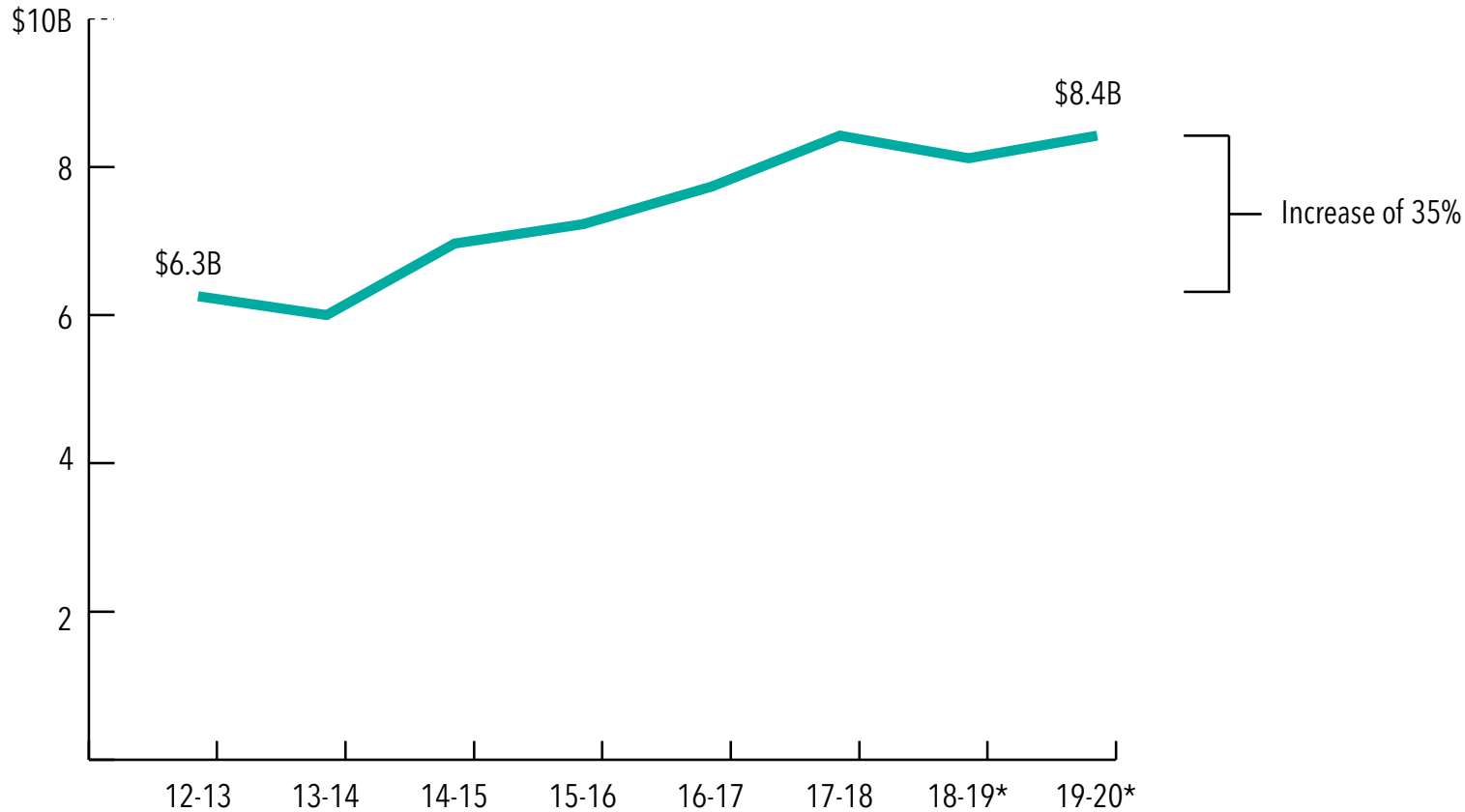


**Funding for California's public mental health services has increased in recent years.**



# Public Mental Health Funding in California Is on the Rise

Change in Inflation-Adjusted State and Federal Funding Since 2012-13, Dollars in Billions



\* 2018-19 estimated and 2019-20 projected as of the Governor's proposed budget.

Note: Does not include state General Fund support or county funding for public mental health services. Figures are inflation-adjusted to 2019-20 dollars.

Source: Mental Health Services Oversight and Accountability Commission





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# Introduction to Funding Implementation Challenges

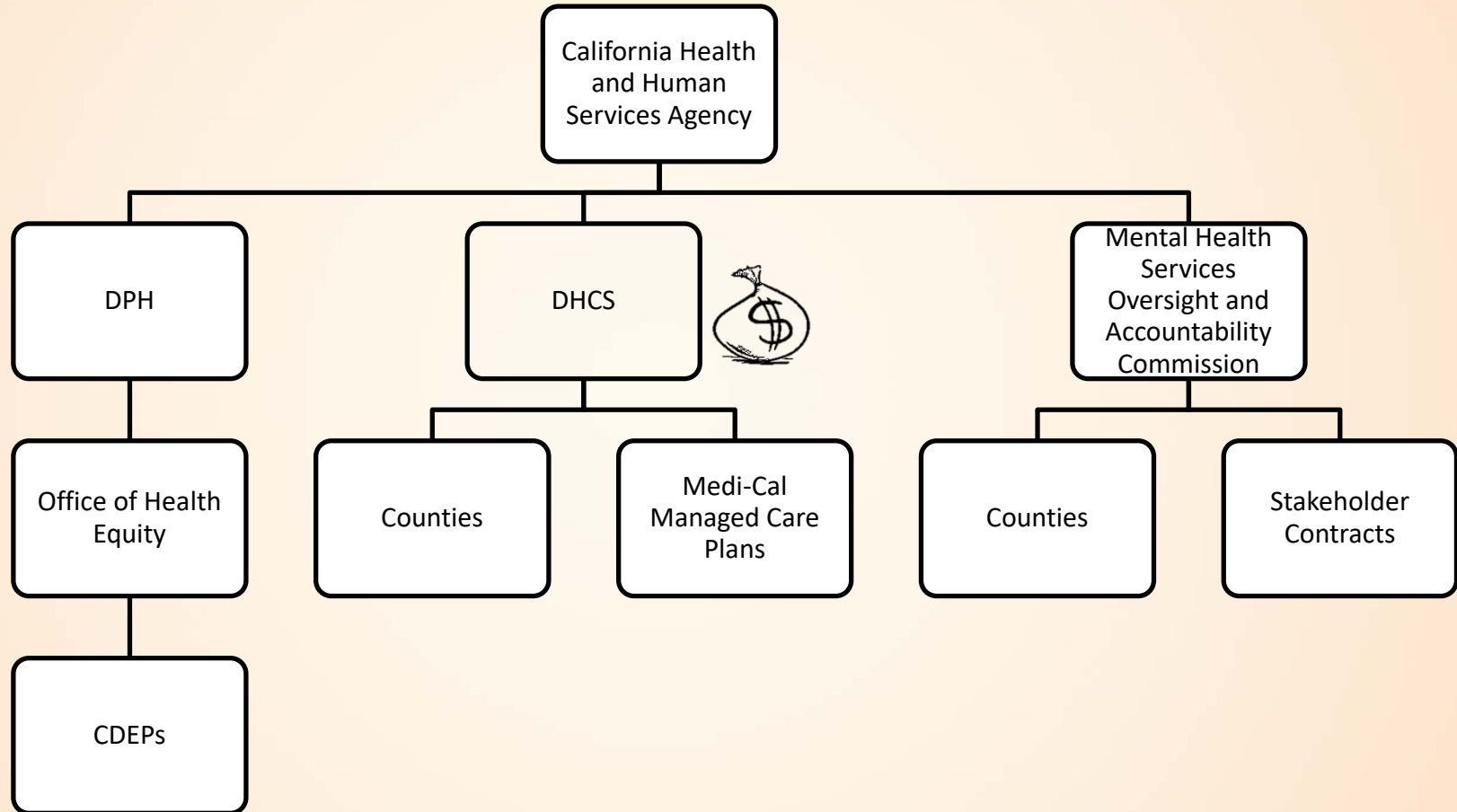
**Carolina Valle, MSW**  
**Policy Manager, CPEHN**



## Goals of the Presentation

- Review limitations of oversight entities
- Provide a high-level overview of funding limitations
- Discuss implementation challenges

# Mental Health Services Oversight Structure



## Limitations of Funding Sources

Medi-Cal

Realignment

Mental  
Health  
Services Act

Medi-Cal  
Expansion



## Limitations of Funding Sources

### Medi-Cal

Made specialty mental health services an entitlement

Expanded Medi-Cal mental health services

### Problems

Does not serve all undocs

Counties often prioritize most severe

Costs based reimbursement

## Limitations of Funding Sources

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Expanded Medi-Cal mental health services

### Problems

Does not serve all undocs

Counties often prioritize most severe

### Realignment

Shifted responsibility to counties

Increased funds

### Problems

Counties use funds differently

Today, funds are diminishing

\*\*Los Angeles County

\*\*Alameda County

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### Mental Health Services Act

Significantly expanded funding for mental health services

Laid out vision to support underserved

### Problems

Funding source only

Not an entitlement program

MHSOAC poor oversight

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Made specialty mental health services an entitlement

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### Medi-Cal Expansion

Expanded benefits

Medi-Cal Managed Care

Fee for Service

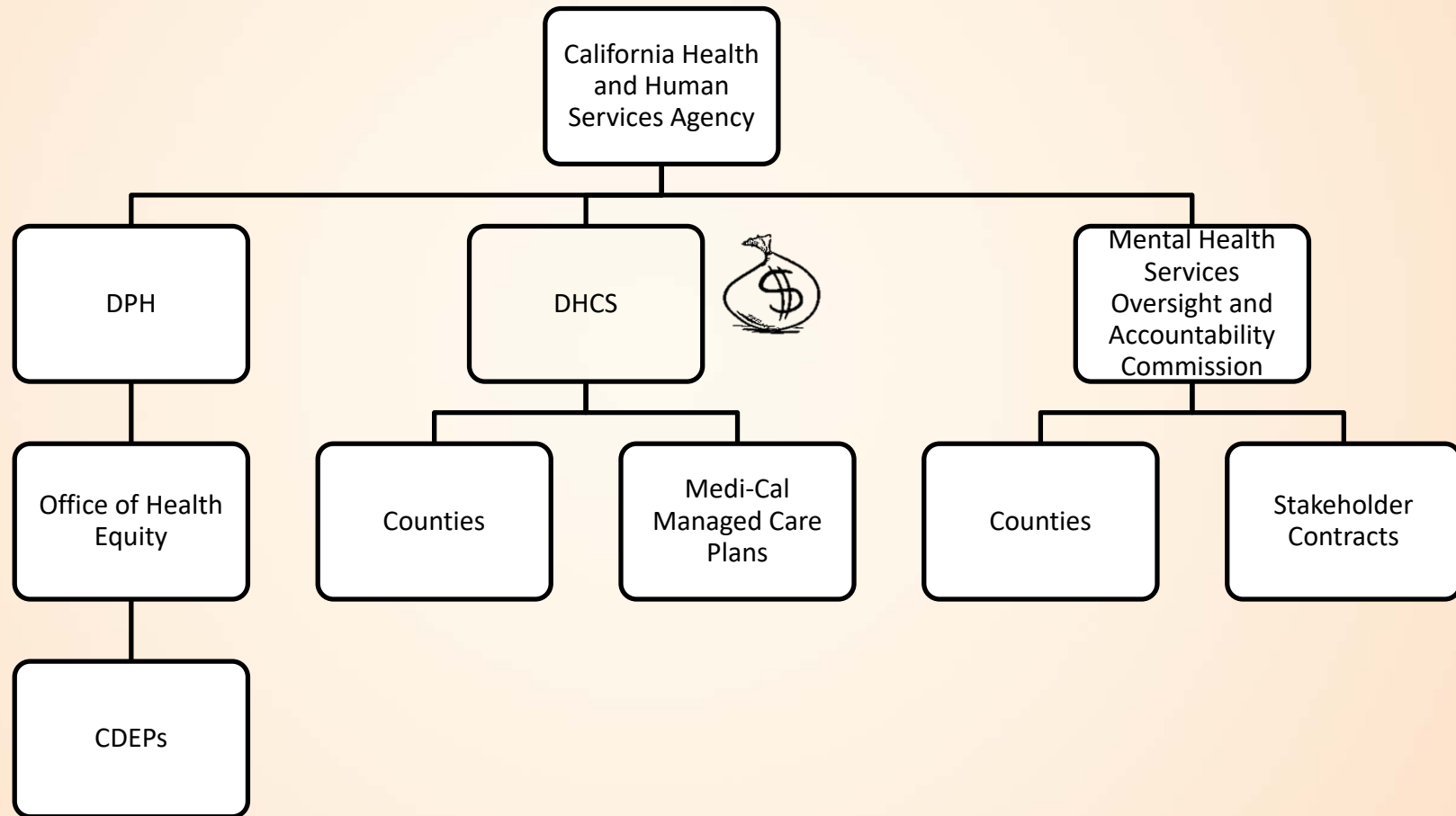
### Problems

Lack of knowledge about benefit

Low utilization among diverse communities

Managed care plans do not partner with CBOs

# Mental Health Services Oversight Structure



## Introduction to Strategic Advocacy Points to Address Funding and Implementation Challenges in 2020

### Medi-Cal

Medi-Cal  
Made specialty mental health services an entitlement  
Expanded Medi-Cal mental health services

Problems  
Does not serve all undocs  
Counties often prioritize most severe

Advocacy Pressure Points  
Cal-AIM (Waiver)

### Realignment

Realignment  
Shifted responsibility to counties  
“so long as resources are available”  
Recognized mental health needs of undocs

Problems  
Counties use funds differently  
Today, funds are diminishing  
\*\*Los Angeles County  
\*Alameda County

Advocacy Pressure Points  
County Budget Process

### Mental Health Services Act

Mental Health Services Act  
Significantly expanded funding for mental health services  
Laid out vision to support underserved

Problems  
Funding source only  
Not an entitlement program  
MHSOAC poor oversight

Advocacy Pressure Points  
Possible Ballot Initiative on MHSA

### Medi-Cal Expansion

Medi-Cal Expansion  
Expanded benefits  
Medi-Cal Managed Care  
Fee for Service

Problems  
Lack of knowledge about benefit  
Low utilization among diverse communities  
Managed Care Plans do not partner with CBOs

Advocacy Pressure Points  
2020 Procurement Process



## Introduction to Strategic Advocacy Points to Address Funding and Implementation Challenges in 2020

Medi-Cal

Realignment

Mental Health Services Act

Medi-Cal Expansion

Advocacy Pressure Points

Cal-AIM (Waiver)

Advocacy Pressure Points

County Budget Process

\*Alameda County

Advocacy Pressure Points

Possible Ballot Initiative on MHSA

Advocacy Pressure Points

2020 Procurement Process

<https://www.dhcs.ca.gov/calaim>

Your County Department of Finance

[remhdco.org](http://remhdco.org)

[www.dhcs.ca.gov/services/Pages/ManagedCareAdvisoryGroup.aspx](http://www.dhcs.ca.gov/services/Pages/ManagedCareAdvisoryGroup.aspx)



# Discussion and Questions





**Thank you! For more info:**

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