Behavioral Health Services Act Update

Formerly Proposition 1

MARCH 2024

LOS ANGELES COUNTY
DEPARTMENT OF
MENTAL HEALTH
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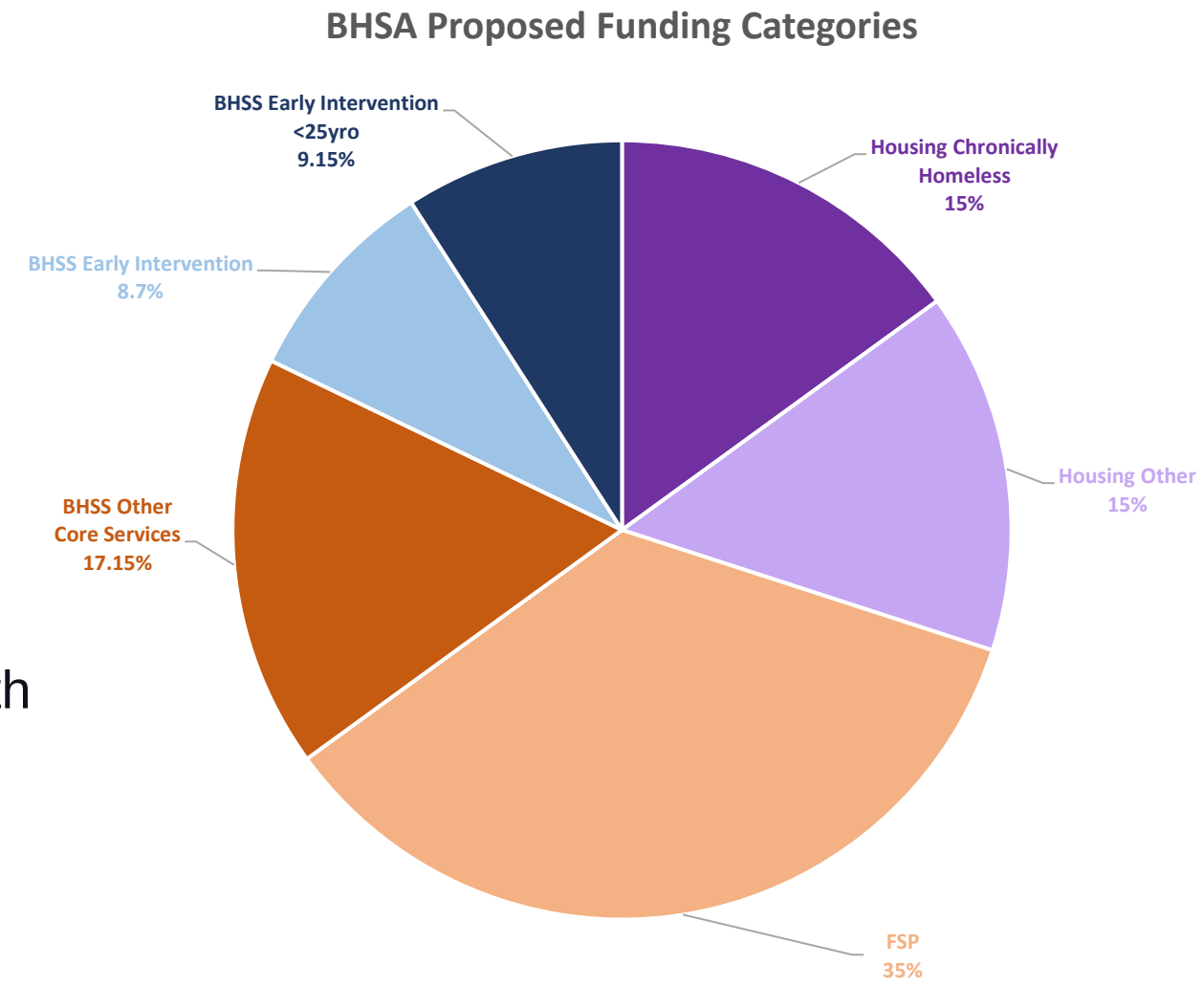
Behavioral Health Services Act Overview

- Proposed by California State Legislature, supports Gov. Newsom's vision to "modernize behavioral health"
- Senate Bill (SB) 326 and Assembly Bill (AB) 531 have passed legislature and were signed by Gov. Newsom on October 12, 2023. Combined they became Proposition (Prop) 1 on the March 2024 ballot
- Will rename the Mental Health Services Act the Behavioral Health Services Act (BHSA)
- Programmatic changes will begin July 1, 2026. Administrative funding for the new community planning process will begin January 2025.
- Adds a $6.3B Housing bond to fund treatment facilities and housing for homeless (AB531)
- Proposes significant shifts in MHSA allocations, impacting funding from core mental health services (Outpatient, Crisis, Linkage) to create a new housing category (SB 326)

Behavioral Health Services Act Updates
(Formerly Proposition 1)

- New: Proposed Allocations include
  - Housing: 30%;
  - FSP: 35%;
  - Behavioral Health Services and Supports (BHSS) 35%
    - Flexible : 17.15%;
    - Early Intervention: 17.85%

- Allows for a 7% shift from a single category with a maximum shift of 14% total with State approval.



Behavioral Health Services Act Updates
(Formerly Proposition 1)

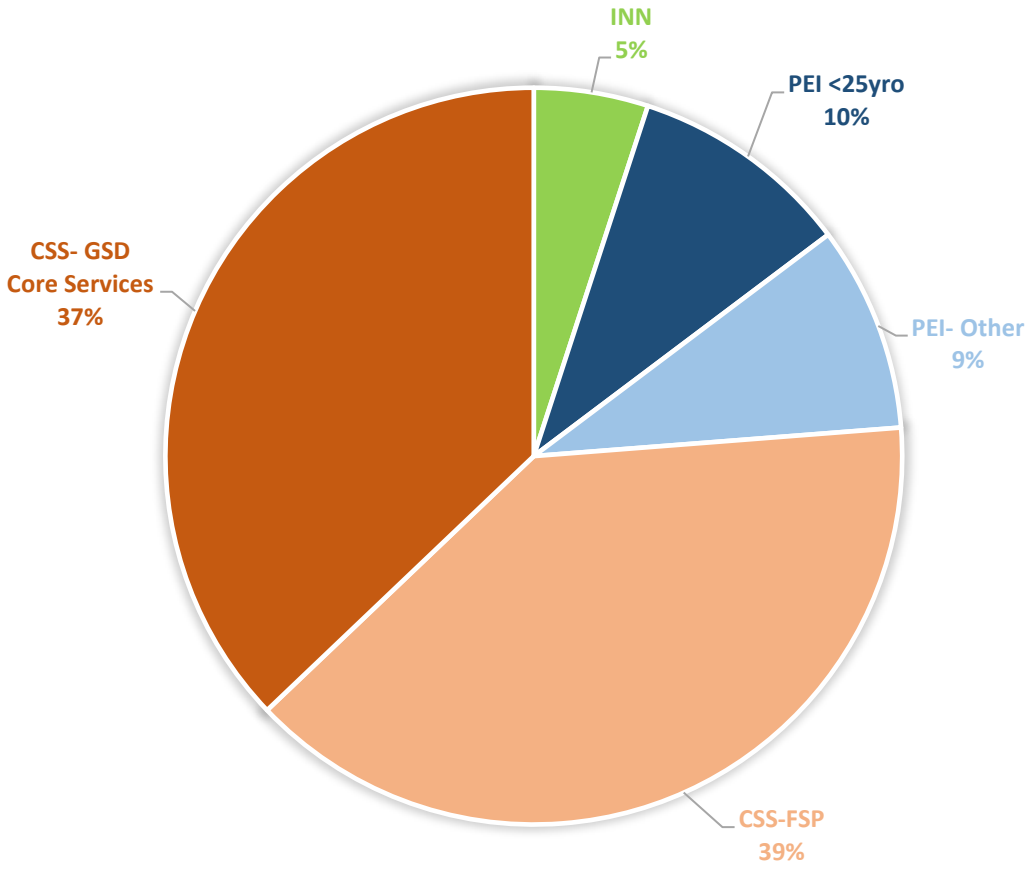
- Requires counties to provide new Substance Use Disorder (SUD) services to SUD-only populations, no additional funding will be added
- No specific allocation for Prevention, Suicide Prevention, Anti Stigma, Workforce Education and Training, and Capital Facilities and Technological Needs which are current funding categories under MHSA
- Prevention funds and services will be administered by the State
- Workforce Education and Training will be administered by the State

$6.38B General Obligation Bond for Housing
Formerly AB 531 and included in Proposition 1

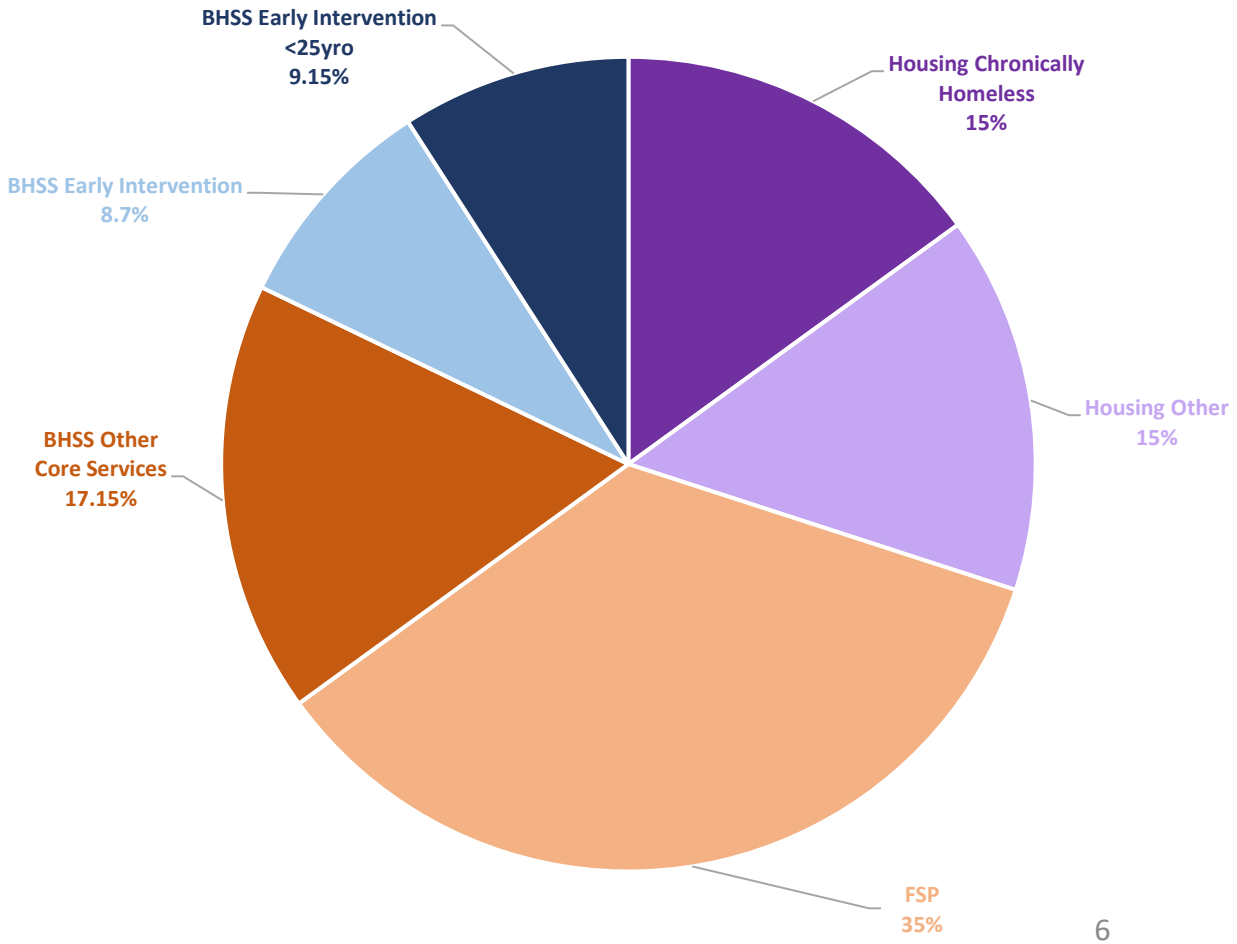
- The State has identified $4.4B for grants for behavioral health treatment and residential settings
  - Of this $1.5B will be awarded to counties, cities, and tribal entities for behavioral health treatment and residential settings
- The State has identified $1.065B of housing investments for veterans who are at risk of homelessness, experiencing homelessness, or experiencing chronic homelessness who have behavioral health needs or a substance use disorder
- The State has identified $922 million worth of investments for Californians (not specifically for veterans) who are at risk of homelessness, experiencing homelessness, or experiencing chronic homelessness who have behavioral health needs or a substance use disorder

MHSA Components vs. BHSA Categories

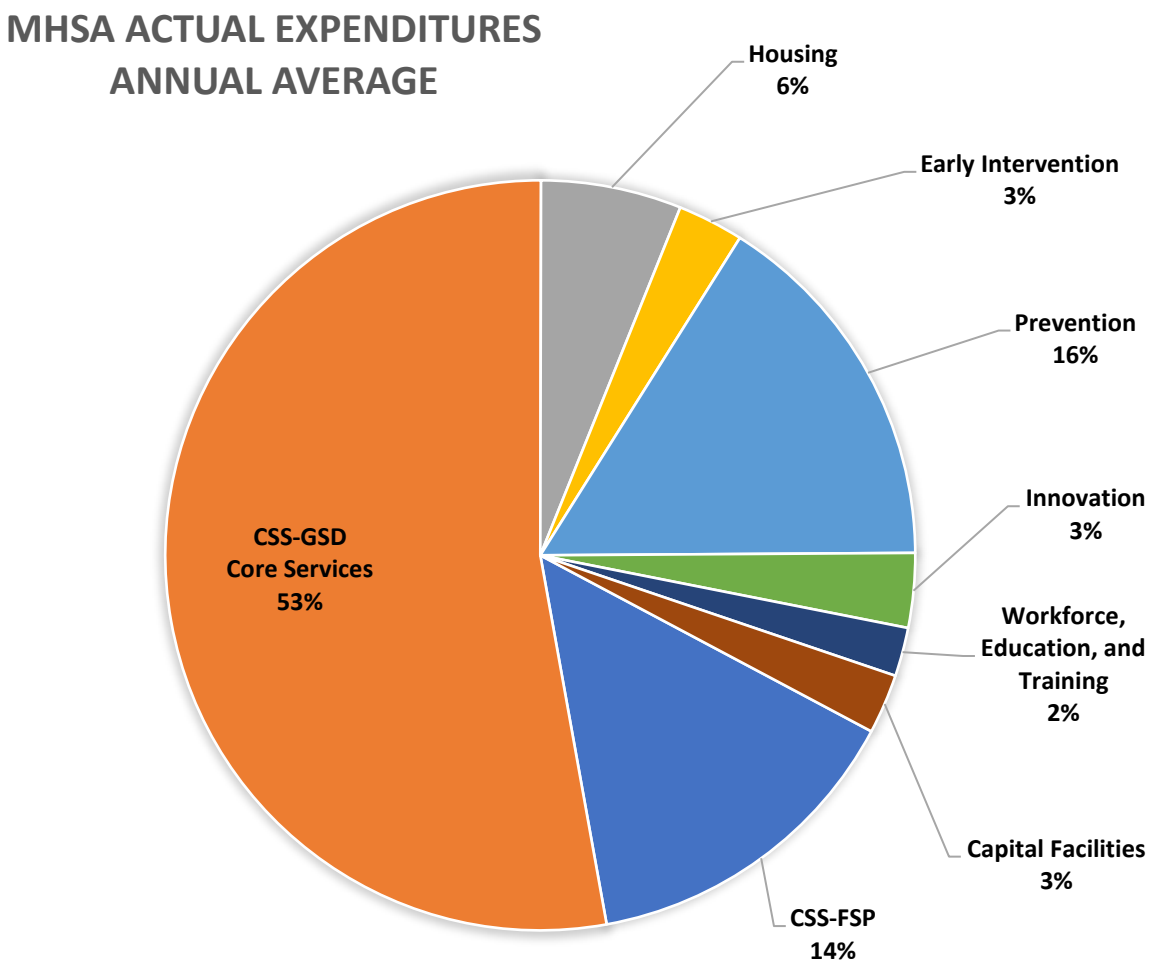
Current MHSA Funding Components

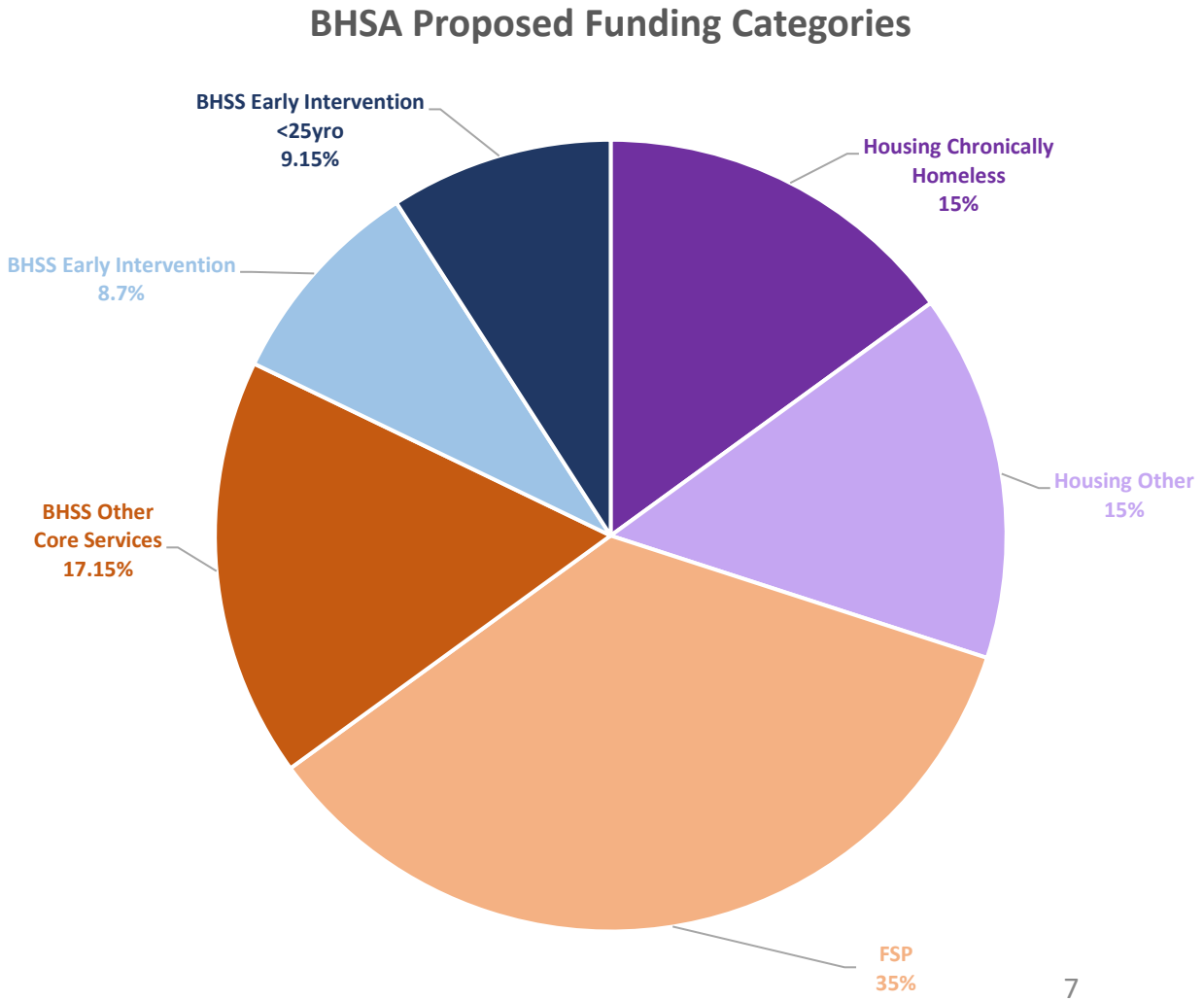


BHSA Proposed Funding Categories



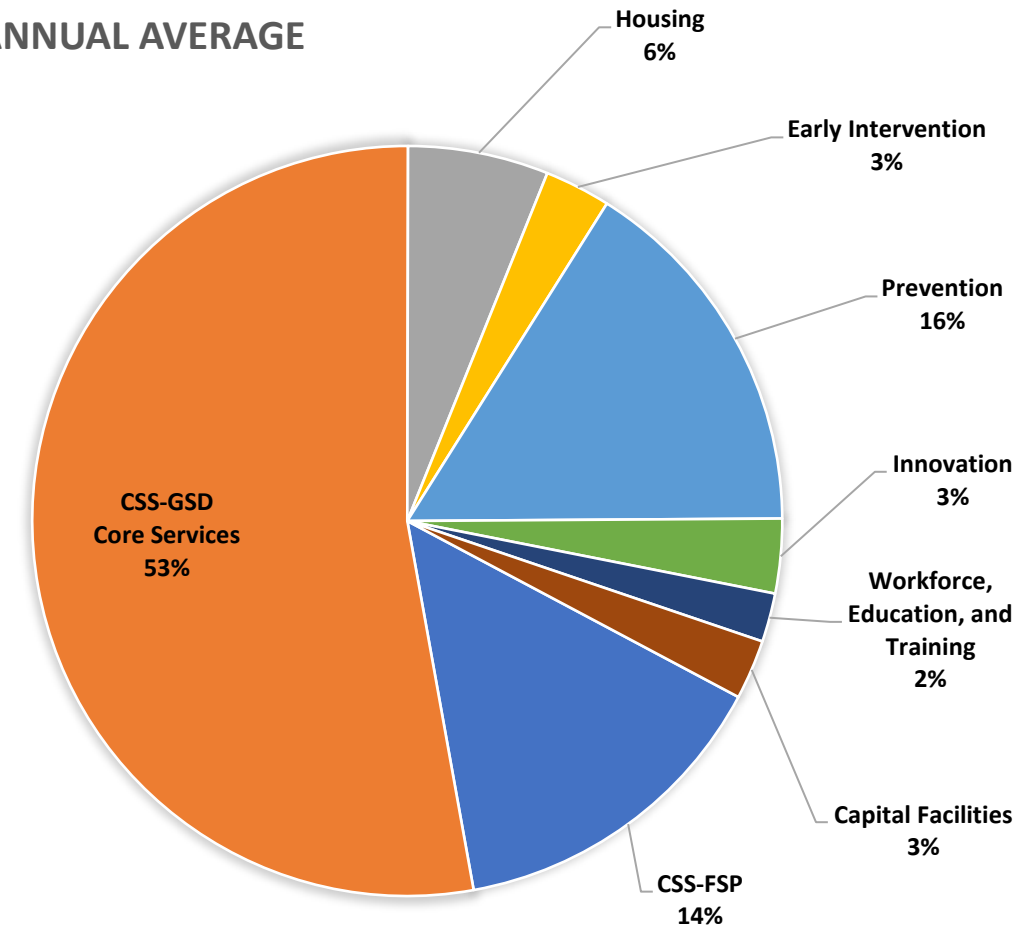
MHSA Actuals vs. BHSA Categories



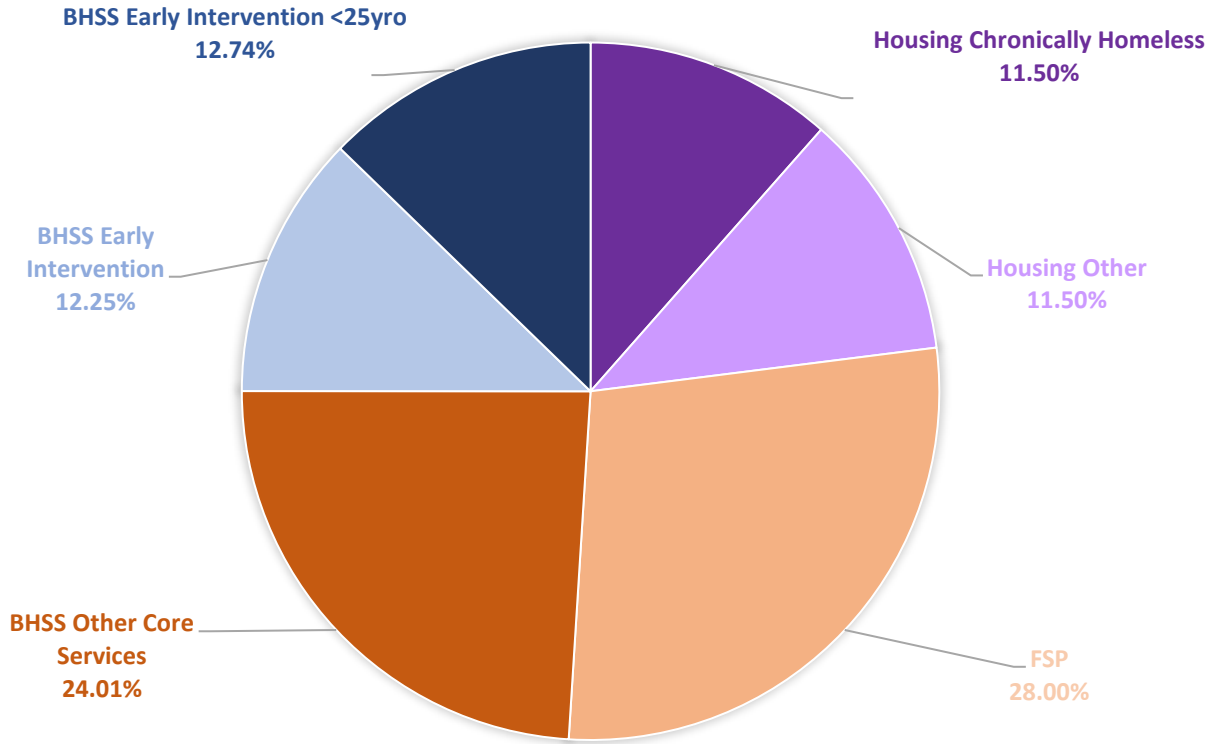


MHSA Actuals vs. BHSA Adjusted Categories

MHSA ACTUAL EXPENDITURES ANNUAL AVERAGE



BHSA ADJUSTED CATEGORIES



BHSA Category Comparison

BHSA Comparison: Percentage

Category	Current Expenditure	Future Allocation	Difference
Full Service Partnerships	14.39%	28.00%	13.61%
Housing	6.06%	23.00%	16.94%
Early Intervention	2.84%	24.99%	22.15%
Prevention	15.96%	0.00%	-15.96%
Innovation	3.21%	0.00%	-3.21%
Workforce, Education, and Training	2.10%	0.00%	-2.10%
Capital Facilities and Technological Needs	2.57%	0.00%	-2.57%
Core Services	52.86%	24.01%	-28.85%

- The State will retain 10 percent of total MHSA revenues for state directed purposes.
  - 4 percent minimum for population-based prevention
  - 3 percent minimum for workforce
  - Remaining 3 percent for broad state directed purposes

Estimated BHSA Expenditure Shifts

BHSA Comparison: Estimated Dollar Impact

Category	Current Expenditure	Future Allocation	Difference
Full Service Partnerships	$106,806,000	$207,832,000	$101,026,000
Housing	$44,985,000	$170,719,000	$125,734,000
Early Intervention	$21,103,000	$185,490,000	$164,387,000
Other	$176,969,000	-	($176,969,000)
Core Services	$392,393,000	$178,215,000	($214,178,000)
Total	$742,256,000	$742,256,000	-

*Based on three-year revenue average. Does not reflect shift to prudent reserve or SUD only expenditures

BHSA Comparison: Estimated Dollar Impact w/ State Share

Category	Current Expenditure	Future Allocation	Difference
Full Service Partnerships	$106,806,000	$196,401,000	$89,595,000
Housing	$44,985,000	$161,329,000	$116,344,000
Early Intervention	$21,103,000	$175,288,000	$154,185,000
Other	$176,969,000	-	($176,969,000)
Core Services	$392,393,000	$168,414,000	($223,979,000)
State	$37,113,000	$77,937,000	$40,824,000
Total	$779,369,000	$779,369,000	-

*Based on three-year revenue average FY 20-21 to FY 22-23. Does not reflect shift to prudent reserve or SUD only expenditures

What is included in Core Services?

The "Core Services" category refers to all non-FSP programs under Community Services and Supports which will be reduced to 17% of expenditures.

- Outpatient Programs: Directly Operated and Contracted, all age groups
- Urgent Care Centers
- Psychiatric Mobile Response Teams
- Crisis Residential Treatment Programs
- Planning, Outreach, and Engagement

What is Included in “Other”?

The other category includes funded programs for which there is no designated funding:

- Prevention: 16% of the MHSA expenditures – Includes Prevention, Suicide Prevention, and Anti-Stigma and Discrimination
- Innovation: 3.21% of the MHSA expenditures
- Workforce Education and Training (WET): 2.1% of MHSA Expenditures
- Capital Facilities: 2.6% of MHSA Expenditures

What is Different with these BHSA Categories?

All categories are inclusive of individuals who are substance use only.

Full-Service Partnership:

- Assertive Community Treatment Model (ACT) and Forensic Assertive Community Treatment Model (FACT), Individual Placement and Support Model, and High-Fidelity Wraparound

- Ongoing outpatient to continue to meet needs for enrolled participants

- Ongoing engagement services necessary to maintain enrolled individuals in their treatment plan inclusive of clinical and non-clinical services

What is Different with these BHSA Categories?

Early Intervention (EI):

- Biennial list of evidence-based and community defined evidence practices published by DHCS will guide services
- EI programs must be individualized, no population-based approaches

- EI programs must emphasize reduction of:
  - Disparities in behavioral health
  - Suicide and self harm, incarceration, school suspension/expulsion/failure to complete– including early childhood 0-5,
  - Unemployment,
  - Prolonged suffering,
  - Homelessness,
  - Removal of children from homes,
  - Overdose, and
  - Mental illness in children and youth from social, emotional, developmental, and behavioral health needs in early childhood

What is Different with the New Housing Category?

Housing Category

- Includes, but not limited to, rental subsidies, operating subsidies, shared housing, family housing
- Does NOT include mental health services and supports.
- May include capital development at a maximum of 25% of this category, beginning FY 32/33
- Counties can use BHSA for housing supports as defined by DHCS for non-Medi-Cal where managed care plans have not elected to cover housing
- 51% to support individuals defined as Chronically Homeless per the TBD State definition

Community Planning

- Expansion to include unions, large city representation, managed care plans, “Tribal and Indian Health program designees” established for Medi-Cal Tribal consultation purposes, and youth
- Expansion to include review of Substance Use Services resources and community plan
- LA County DMH to participate in planning processes for the Community Health Plan and the Managed Care plans
- Requires at least one meeting annually

Community Planning:
Planning, Reporting and Accountability

Includes but is not limited to:

- Planning and reporting will cover the services and budgets for ALL funding sources, not just BHSA
- Review and report efforts to reduce identified disparities in all funding sources
- Identify local metrics and provide a description of how the plan/annual update aligns with local goals and outcome measures for behavioral health and reduction of disparities
- Description of how the county considered unique needs of LBGTQ+ youth, justice involved youth, child welfare involved, justice involved adults, and older adults in the BHSA Housing and FSP.
- Description of workforce strategy to include actions the county will take to ensure its county and non county contracted behavioral health workforce is well-supported and culturally and linguistically concordant with the population served.

Community Planning: Mental Health Commission

- Mental Health Commission must reflect diversity of the County, fifty percent (50%) shall be consumers or family members of consumers, include a veteran, one shall be from a local education agency, and a youth under 25 years old
- The role of the commission is to:
  - Review both the public mental health and the public substance abuse system.
  - Advise the governing body on community mental health and substance use disorder services delivered by the local mental health agency
- Mental Health Commission Hearing and 30-day posting is required for the Three- Year Plan

Community Planning

- Community Planning team must meet at least once annually.
- The Three-Year plan must be approved by the Board of Supervisors by June 30 of the year prior to plan implementation.
- Planning for BHSA implementation in July of 2026 will begin early calendar year 2025.

Strategies Going Forward

Consider Outpatient programs that can be funded with FSP:

- Multiple levels of FSP: ACT, FSP, Lower Level of FSP
- Outpatient services for individuals at risk of hospitalization, homelessness, justice involvement, and child welfare involvement
- Linkage services which serve individuals how are, or at risk of hospitalization, homelessness justice involvement, and child welfare involvement

Consider Prevention and Outpatient programs that can be funded with Early Intervention:

- Review Prevention programs which provide direct contact, and can provide claimable services

Review other sources of funding

State Clarification Needed for Further Analysis

Full Service Partnership

- Inclusive of Crisis Services?
- Regulations change for lower levels of care?
  - Outcome Measures
  - 24/7 Field Response

Early Intervention

- Will there be revised regulations, and will they accommodate services current included in outpatient and linkage?
- Will there be a change in the 18-month limit in services?

Housing

- Bill language references Community Supports Policy Guide, can these services be claimed as non Medi-Cal services?

Prevention

How will prevention funds be disseminated to communities?

Principles and Considerations for BHSA

- Maintain engagement with the workforce and community throughout the process
  - Stakeholder townhalls
  - Stakeholder workgroups
- Questions to consider:
  - What strategies and resources are available to ensure continuity of care in outpatient, crisis, and linkage services?
  - How can we ensure Peer services continue to play a role in all levels of care?
  - What strategies and resources can be implemented to support the needs of underserved communities, children, youth, and families served in Prevention programming?

Engaging the Provider and Stakeholder Communities

- Updates to be provided in the Stakeholder Meetings
  - March 19 Stakeholder meeting will provide an update, next steps, and offer opportunity for input. (St. Annes 9:30-12:30)
- Continued updates in Provider Meetings
- Provider Workgroups
- Goal is Continuity
- DMH will continue to advocate for flexibility

Thank you!

Your feedback is helpful. Do you have concerns or questions, please take our survey:

- https://forms.office.com/g/kJQd7iEf2x