OVERVIEW OF PROPOSITION 1

May 2, 2024

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Overview of the Behavioral Health Services Act (BHSA)

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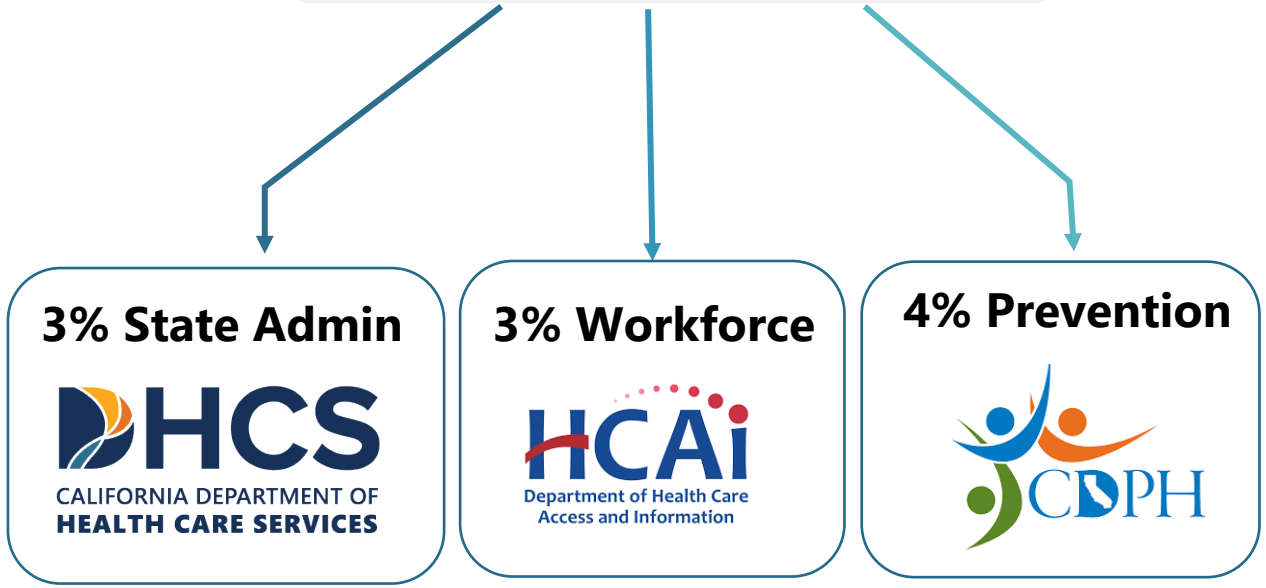
BHSA Funding Breakdown

Total BHSA revenue is distributed between county and state-wide allocations.

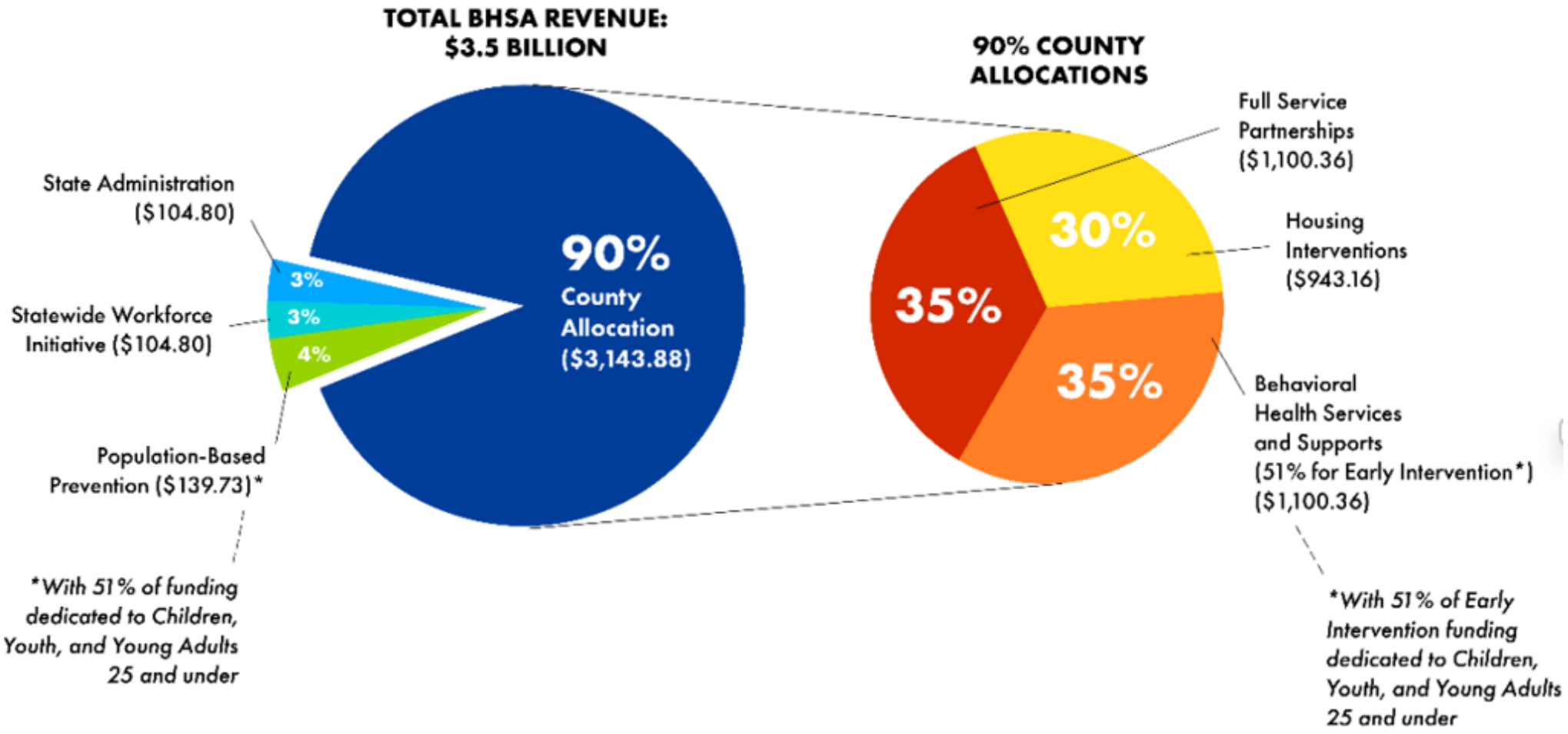
90% **County Allocations**

- **30%** **Housing Interventions**
- **35%** **Full-Service Partnership Programs**
- **35%** **Behavioral Health Services & Supports**

10% **State-Wide Investments**



Sample BHSA Allocation



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Priority Populations for BHSA

- **Eligible adults and older adults who are:**
  - Chronically homeless or experiencing homelessness or are at risk of homelessness.
  - In, or are at risk of being in, the justice system.
  - Reentering the community from prison or jail.
  - At risk of conservatorship.
  - At risk of institutionalization.

- **Eligible children and youth who are:**
  - Chronically homeless or experiencing homelessness or are at risk of homelessness.
  - In, or at risk of being in, the juvenile justice system.
  - Reentering the community from a youth correctional facility.
  - In the child welfare system.
  - At risk of institutionalization.

Health Equity in BHSA

Support culturally responsive services that improve health and reduce health disparities for all:

- Reduces the silos for planning and service-delivery and sets clear principles.
- Requires stratified data and strategies for reducing health disparities in the planning, services, and outcomes.
- Clearly advances community-defined practices as a key strategy of reducing health disparities and increasing community representation.
  - Additional representation on State and Local Oversight Bodies

County Integrated Plan for Behavioral Health Services and Outcomes

- Three-year plans no longer focus on MHSA funds only. Must include:
  - **All local, state, and federal behavioral health funding (e.g., BHSA, opioid settlement funds, SAMHSA and PATH grants, realignment funding, federal financial participation) and behavioral health services, including Medi-Cal**.
  - A budget of planned expenditures, reserves, and adjustments
  - Alignment with statewide and local goals and outcomes measures
  - Workforce strategies
- Plans must be developed with consideration of the population needs assessments of each Medi-Cal Managed Care Plan and in collaboration with local health jurisdictions on community health improvement plans.
- Plans must be informed by local stakeholder input, including additional voices on the local behavioral health advisory boards.
- Performance outcomes will be developed by DHCS in consultation with counties and stakeholders.

County Behavioral Health Outcomes, Accountability, and Transparency Report

- Counties will be required to **report annually** on expenditures of **all local, state, and federal behavioral health funding** (e.g., BHSA, SAMHSA grants, realignment funding, federal financial participation), unspent dollars, service utilization data and outcomes with health equity lens, workforce metrics, and other information.
- DHCS is authorized to impose corrective action plans on counties that fail to meet certain requirements.

County Behavioral Health Outcomes, Accountability, and Transparency Report

- The plans and reports shall include data through the lens of health equity to identify racial, ethnic, age, gender, and other demographic disparities and inform disparity reduction efforts.
- Other data and information may include the number of people who are eligible adults and older adults, who are incarcerated, experiencing homelessness, inclusive of the availability of housing, the number of eligible children and youth.
- The metrics shall be used to identify demographic and geographic disparities in the quality and efficacy of behavioral health services and programs listed in paragraph (1) of subdivision (c) of Section 5963.02.

Housing Intervention Program Requirements

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County Allocations:

1. BH Housing Interventions

30% for BH Housing Interventions

- For children and families, youth, adults, and older adults living with SMI/SED and/or SUD who are experiencing or at risk of homelessness.
- Includes rental subsidies, operating subsidies, shared and family housing, capital, and the non-federal share for certain transitional rent.
- 50% is prioritized for housing interventions for the chronically homeless with BH challenges.
- Up to 25% may be used for capital development.
- Allows small county exemption for 2026-29 planning cycle.
- Not limited to Full Service Partnerships partners or persons enrolled in Medi-Cal.
- Provides flexibility for the remaining counties commencing with the 2032-2035 planning cycle on the 30% requirement based on DHCS criteria for exemptions.

County Allocations:
1. BH Housing Interventions

30% for BH Housing Interventions

- While DHCS and counties have implemented housing services and infrastructure through the efforts of the Behavioral Health Bridge Housing Program, California Advancing and Innovating Medi-Cal (CalAIM), and current MHSA funding, this BHSA housing intervention funding category will continue to build upon these efforts.
- DHCS will collaborate with counties, as well as other stakeholders, to develop the housing intervention guidance to counties on:
  - Determinations regarding which housing interventions are eligible uses for the housing intervention category of BHSA funding
  - What constitutes a "reasonable timeframe" for units to be available and how DHCS will determine the cost-per-unit threshold
  - Any required coordination efforts

Full Service Partnership Requirements

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County Allocations:
2. Full Service Partnerships

35% for Full Service Partnership (FSP) Programs

- Includes mental health, supportive services, and substance use disorder treatment services including:
  - Medication-Assisted Treatment (MAT)
  - Community-defined evidence practices (CDEP)
- Assertive Community Treatment /Forensic Assertive Community Treatment, Supported employment, & high fidelity wraparound are required.
  - Small county exemptions are subject to DHCS approval.
- Establishes standards of care with levels based on criteria.
- Outpatient behavioral health services, either clinic or field based, necessary for on-going evaluation and stabilization of an enrolled individual.
- On-going engagement services necessary to maintain enrolled individuals in their treatment plan inclusive of clinical and non-clinical services, including services to support maintaining housing.

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County Allocations:
2. Full Service Partnerships

35% for Full Service Partnership (FSP) Programs

- County compliance with the existing MHSA FSP requirement varies. However, with FSP clearly defined under BHSA and the authority for DHCS to impose fines and sanctions, DHCS will be able to ensure compliance with the requirements.
- MHSA does not currently track the level of expenditures counties are currently utilizing for housing interventions related to FSPs; however, under BHSA this will be tracked and reported publicly.
- DHCS will clearly outline the FSP expenditures that are eligible uses of housing intervention funding and those that are only eligible uses of FSP funding under the new BHSA allocations.
- DHCS will collaborate with counties, as well as other stakeholders, to develop the guidance to counties on how these determinations will be made.

Priorities for the Use of Early Intervention Funds

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County Allocations:
3. Behavioral Health Services and Supports

35% for Behavioral Health Services and Supports (BHSS)

- Includes early intervention, outreach and engagement, workforce education and training, capital facilities, technological needs, and innovative pilots and projects.
- A majority (51%) of this amount must be used for Early Intervention services to assist in the early signs of mental illness or substance misuse.
  - A majority (51%) of these Early Intervention services and supports must be for people 25 years and younger.

Early Intervention

- Emphasize Reductions on Negative Outcomes
- Reduce disparities.
- Expand community-defined evidence practices and evidence-based practices.
  - In consultation with stakeholders, DHCS will release a biennial list of evidence-based practices and community-defined evidence practices that may include practices identified pursuant to the Children and Youth Behavioral Health Initiative Act.
- Programs emphasize Outreach, Access and Linkage, and MH and SUD Treatment Services.
- MH and SUD services may be provided to individual children and youth when:
  - At high risk for a behavioral health disorder due to trauma, via the ACEs screening tool, involvement in the child welfare system or juvenile justice system, who are experiencing homelessness, or who are in populations with identified disparities in behavioral health outcomes.

Changes to Counties' Ability to Manage a Prudent Reserve of BHSA Funding

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Prudent Reserve

- Under BHSA, prudent reserve was reduced from 33% to 20%
  - Except for small counties it is now 25%
- In addition, counties can transfer funds to the prudent reserves from all county buckets.
- Reserve levels must be addressed in the three-year integrated plans.
- Any changes to county requirements that must be met before accessing prudent reserve balances will be discussed during the statutorily required Revenue and Stability Workgroup.
- There aren't any potential changes to reversion methodology and redistribution of unspent BHSA funds at this time.

County Allocations: Funding Flexibility

- **Counties will have the flexibility within the above funding areas to move up to 7% from one category into another, for a maximum of 14% more added into any one category**, to allow counties to address their different local needs and priorities – based on data and community input.
- Changes are subject to DHCS approval and can only be made during the 3-year plan cycle. The next cycle is Fiscal Year 2026-2029.
- Innovation will be permitted in all categories.

Funds for Local Planning and Reporting

- An additional 2% and up to 4% for small counties of local BHSA revenue may be used to improve planning, quality, outcomes, data reporting, and subcontractor oversight for all county behavioral health funding, on top of the existing 5% county planning allotment.
- Permits a county to provide supports, such as training and technical assistance, to ensure stakeholders have enough information and data to participate in the development of integrated plans and annual updates.

Overview of New Substance Use Disorder Services

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Expansion to Include SUD Services

- The BHSA expands eligible services beyond those for serious mental illness to include treatment for SUD.
- BHSA enables counties to fund these services alone or in combination with other state and federal funds to support expansion of SUD services.
- Counties are required to maximize FFP through the utilization of Medi-Cal services in the Drug Medi-Cal and Drug Medi-Cal Organized Delivery System. For SUD services not covered by Medi-Cal, BHSA funding can be utilized.
- Counties must use 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.
- This expansion of services broadens the populations eligible for services under BHSA.

Timelines for Release of Guidance

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DHCS Lead Initial BH Transformation Milestones

Below outlines high-level timeframes for several milestones that will inform requirements and resources. Additional updates on timelines and policy will follow throughout the project.

Starting Spring 2024

Stakeholder Engagement

Stakeholder Engagement including public **listening sessions** will be utilized through all milestones to inform policy creation.

2024

Bond Funding Availability Begins

Requests for application for bond funding will leverage the BHCIP and HomeKey models.

Beginning Early 2025

Integrated Plan Guidance and Policy

Policy and guidance will be **released in phases** beginning with policy and guidance for Integrated Plans.

Summer 2026

Integrated Plan

New Integrated Plans, fiscal transparency, and data **reporting requirements** go-live in July 2026 (for next three-year cycle)

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DHCS Implementation of the Bond Through BHCIP

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BH Infrastructure Bond Funding: Treatment Sites

- AB 531 / Behavioral Health Infrastructure Bond Act provides **$6.38 billion** with up to **$4.4 billion** for competitive grants for counties, cities, tribal entities, non-profit and private sector towards **behavioral health treatment settings**.
- Of the **$4.4 billion** available for treatment sites, $1.5 billion, with $30 million set aside for tribes, will be awarded through competitive grants **ONLY** to **counties, cities** and tribal entities.
- Additional requirements, due to the provision of receiving bond funding, will be outlined in the request for application which will be released in 2024.
- DHCS held a public listening session on the bond, April 19th.

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Questions?

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