



Behavioral Health Services FY 2019-20 Budget Overview

Department of Health Services
Behavioral Health Services

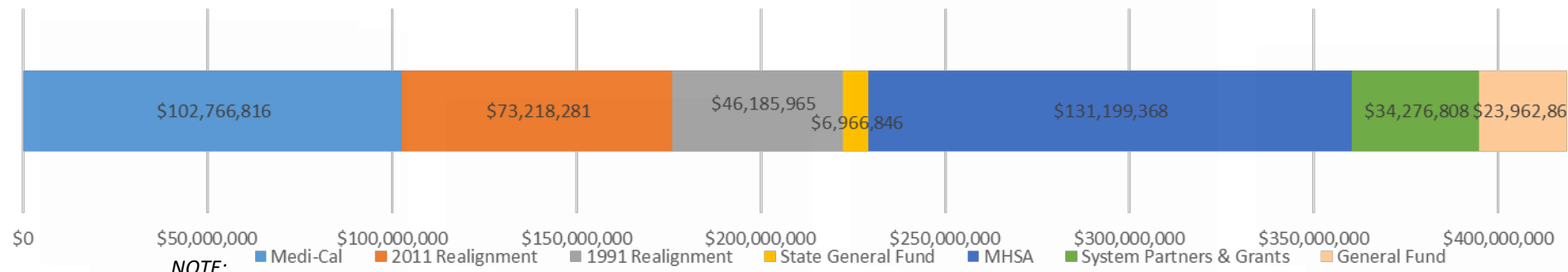
Ryan Quist, Ph.D., Behavioral Health Director

MHSA Steering Committee
February 20, 2020

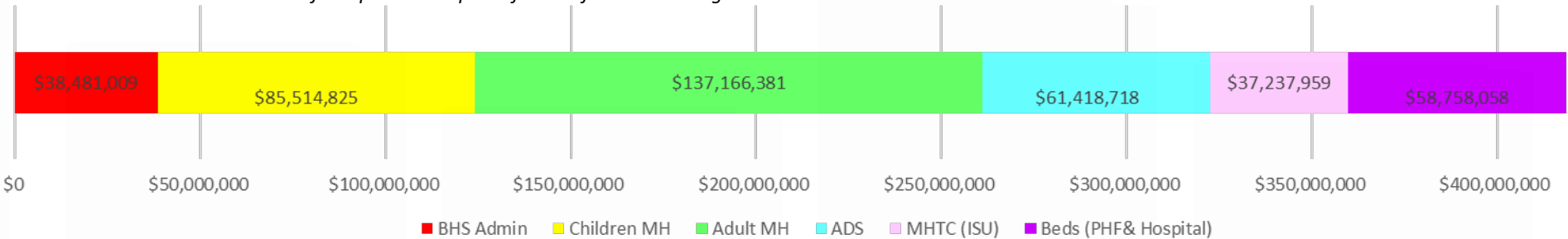
Behavioral Health Services Overview

- FY 2019-20 Annual Budget \$418.5 M
- 48 Provider Agencies with 211 Programs
- 40,000 outpatient and inpatient consumers served annually
- 170,000 served annually in Prevention and Early Intervention
- Media campaign: 395,434 impressions / yr

- Overall, funded approx 27% by Federal Medi-Cal revenue
- Overall, funded approx 30% by MHPA
- Local MHPA and Realignment required as 50% match for Federal Medi-Cal funds
- County obligation: Serious Mental Illness, children with Serious Emotional Disturbance, full range of Substance Use Disorder Services

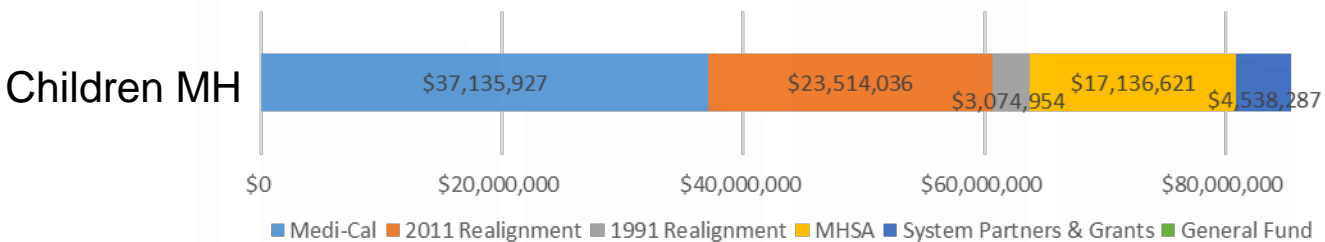


NOTE: System Partners and Grants includes division overhead, intrafund agreements, and MOUs as well as grants with First 5 QCCC, MHSOAC, HMIOT, Wellness Center, CHFFA, and SAMHPA. Also included are various alcohol and drug associated revenue, IMD demonstration funding, and reimbursement from private hospitals for certification hearings.

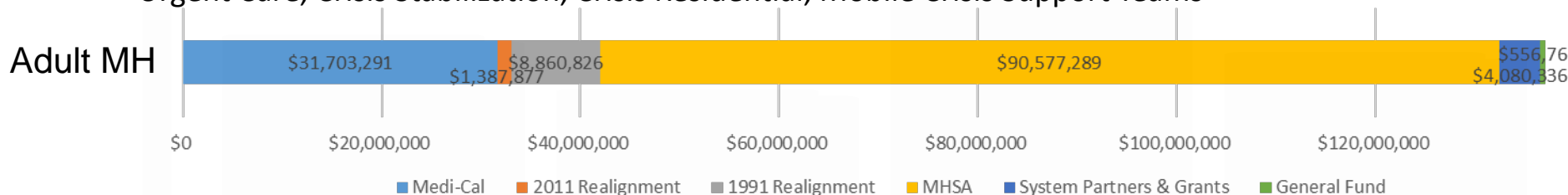


Outpatient Program Funding

- Outpatient community based services provided to children and adults.
- Financial responsibility transferred to Counties via 1991 Realignment
- Child and Family outpatient services:
 - Approx \$85 M
 - Flexible Integrated Treatment, Wraparound, Therapeutic Behavioral Services, Juvenile Justice Diversion and Treatment, Group Homes / Short Term Residential Treatment Programs, Transition Age Youth Full Service Partnership, County operated CAPS program

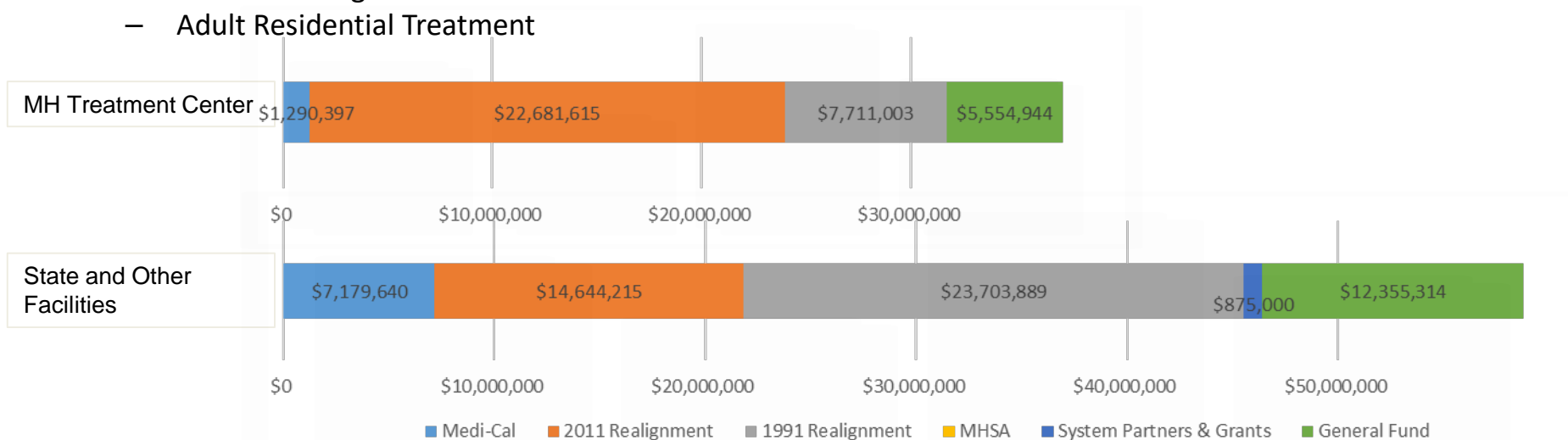


- Adult outpatient services:
 - Approx \$137 M
 - Wellness & Recovery Centers, Guest House, Regional Support Teams, TCORE, Full Service Partnerships, County operated APSS program
 - Urgent Care, Crisis Stabilization, Crisis Residential, Mobile Crisis Support Teams



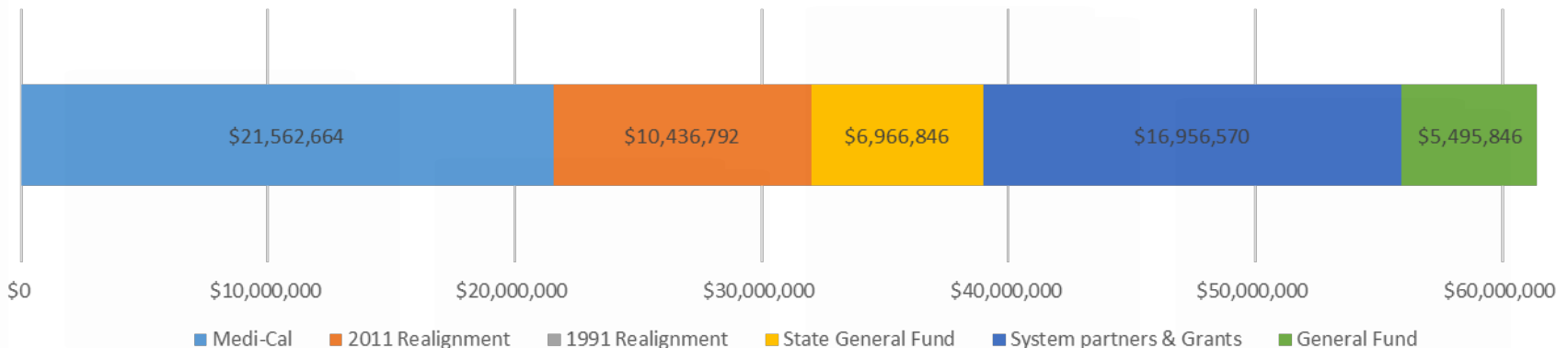
Crisis Continuum Funding

- Inpatient and subacute treatment provided to the clients experiencing the most severe mental health challenges.
- Became County responsibility via 1991 Realignment.
- The Treatment Center includes Psychiatric Health Facility (PHF) beds and Intake Stabilization Unit (ISU) – Budget approx. \$37 M
- Can receive Medi-Cal revenue for the ISU but not for the PHF due to federal IMD exclusion
 - IMD Exclusion – Cannot receive federal match in funds for free standing inpatient facilities with > 16 beds
- State and Other Facilities – Budget approx. \$58.8 M
 - State Hospital
 - Freestanding Psychiatric Hospitals
 - Mental Health Rehabilitation Centers
 - Skilled Nursing Facilities
 - Adult Residential Treatment



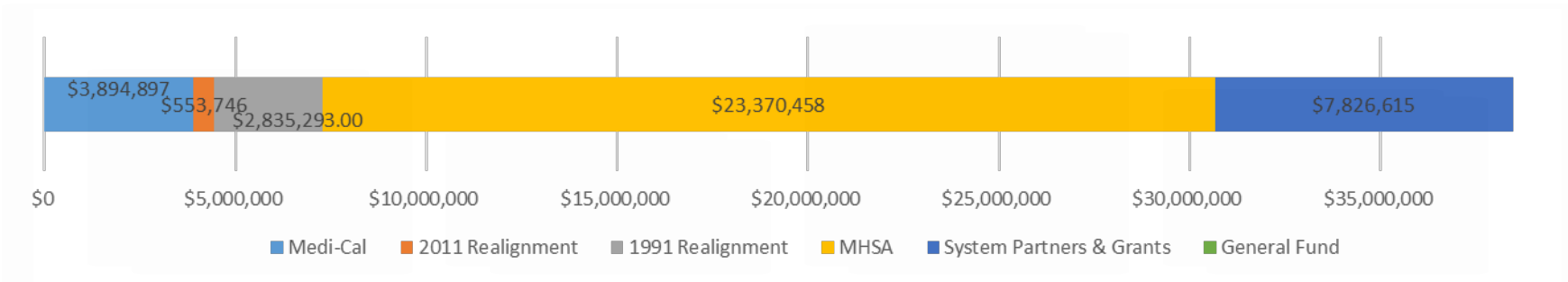
Alcohol and Drug Services Funding

- Approx \$61.4M
- This year, ADS implemented the Drug Medi-Cal Organized Delivery System (DMC-ODS)
- The County's investment of \$5.5 M resulted in \$22.7 M increase in services already and approx. an additional \$6.9 M increase next year
 - Increased funding from State General Funds and Federal Medi-Cal reimbursement
- Increased array of services:
 - Case Management
 - Residential Treatment
 - Recovery Services (aka Aftercare)
 - Detox and Withdrawal Management
- Also includes Prevention services, such as Youth Alcohol Prevention, Friday Night Live, and Club Live
- Working on decreasing wait times for residential services and developing Medi-Cal certified Residential providers.



Administration Funding

- Administration costs are reimbursed separately through state regulations – approx. \$38.5 M
- Administration costs make up 9.2% of the budget, which is quite low compared to other counties
- Medi-Cal reimbursement available for up to 15% of total budget



MHSA: The Big Picture

- \$44 M expansion approved in FY 2017-18, to be spent over 3 years
- \$72 M in expansion plan presented in Aug, 2019
 - Housing Supports and Homeless Services
 - Children’s Contracts Expanded
 - Expanded collaboration with Child Welfare
 - Expanded funding for existing PEI programs
 - \$10 M for new PEI programs
 - \$9 M for Innovation project focused on Forensic Behavioral Health
- New Full Service Partnership program
- New Adult Outpatient program
- Homeless Behavioral Health Services

FY 2017-18	FY 2018-19	FY 2019-20
\$11,963,842	\$27,068,065	\$28,334,731

MHSA FY 2019-20

	Community Services and Supports	Prevention and Early Intervention	Innovation
Estimated Unspent at Beginning of FY 2019-20	\$96.3 M	\$30.2 M	\$15.7 M
Estimated New Revenue	\$53.6 M	\$13.4 M	\$3.5 M
Estimated Expenditures	(\$73.2 M)	(\$21.0 M)	(\$5.3 M)
Estimated Year-End Unspent	\$76.7 M	\$22.6 M	\$13.9 M

- At the end of FY 2019/2020, there will still be significant unspent funds. However, with the current expansion plan in place, these unspent funds will be put to good use within the community. By the end of FY 2021/2022, the surplus will be down to appropriate levels.

MHSA FY 2021-22

	Community Services and Supports	Prevention and Early Intervention	Innovation
Estimated Unspent at Beginning of FY 2021-22	\$54.6 M	\$13.8 M	\$10.4 M
Estimated New Revenue	\$55.3 M	\$13.8 M	\$3.6 M
Estimated Expenditures	(\$83.0 M)	(\$18.5 M)	(\$7.9 M)
Estimated Year-End Unspent	\$26.9 M	\$9.1 M	\$6.1 M

- At the end of FY 2019/2020, there will still be significant unspent funds. However, with the current expansion plan in place, these unspent funds will be put to good use within the community. By the end of FY 2021/2022, the surplus will be down to appropriate levels.

Crisis Continuum: The Big Picture

- 3 Large Standalone Psychiatric Hospitals & MHTC
 - Cannot get Federal Funds because of IMD Exclusion
 - Applies to any facility with more than 16 beds, unless combined with physical health hospital
 - This means, inpatient budget is going twice as fast as it would if we could bill Medi-Cal
- Psychiatric Hospital Front Door:
 - Urgent Care and Crisis Stabilization Unit (CSU)
 - 3 Crisis Residential Programs, 2 more on the way
 - 6 Mobile Crisis Support Teams, 5 more on the way
 - Community Support Teams
 - The Source, for youth and caregivers
- Psychiatric Hospital Back Door:
 - State Hospital has a 2 year waiting list
 - Statewide shortage of Mental Health Rehabilitation Centers
 - 60 bed Skilled Nursing Facility (SNF) on the way
 - \$2.5 M in Adult Residential Treatment on the way
 - \$2.5 M in Augmented Board and Cares on the way

Challenges

- 1991 Realignment was set based on claimed dollar amounts in 1991
 - Adjustments have not been made since
 - Counties, such as Sacramento, with significant growth are hit hard
 - Allocation was supposed to cover full system but now can't even cover the inpatient costs and other mandated costs
 - Inpatient costs roughly \$96 M – 1991 Realignment roughly \$46 M
- Administrative Burdens
 - Service providers spend 40% of their time on paperwork related to state mandates. That's time they could spend serving more consumers.
 - Cost report methodology
 - Provider agencies cannot be paid more than their costs
 - Very burdensome to document
 - 2 year lag for provider agencies
 - 8+ year lag for the State's audit of Counties
 - A great deal of audit risk for Counties and provider agencies

Medi-Cal Reform

- Initially referred to as CalAIM – California Advancing and Innovating Medi-Cal
- Now, referred to as **Medi-Cal Healthier California for All**
- Payment Reform – replacing the Cost Report methodology
- Medical Necessity – hopefully more efficient documentation and less audit risk
- Behavioral Health Integration – integrate requirements for Mental Health vs Substance Use Disorder services
- IMD Exclusion Waiver – receive federal match in funds for inpatient services in facilities with > 16 beds