

ADDRESSING THE FISCAL IMPACT OF COVID-19 ON BHS

FINAL REVIEW OF PHASE I RECOMMENDATIONS FOR STRATEGIES 1 – 6

**Presentation to the MHSА Steering Committee
November 16, 2020**



ROADMAP FOR FEEDBACK AND PLANNING: FY 2020-21 MHSA ANNUAL PLAN UPDATE

- **TODAY:** Final review of Recommended Strategies 1-6
 - *Slide numbers from the October 26th meeting provided here for your reference*
- **December 14:** Innovation Updates
- **January 25, 2021:** *Community Survey Results*


Dates/Times may change

GOAL AND RATIONALE FOR PHASE I STRATEGIES AND RECOMMENDATIONS

- **GOAL:**

- Close MHSAs (CSS & PEI) budget gap due to projected fiscal impacts of COVID-19

- **RATIONALE FOR PHASE I STRATEGY RECOMMENDATIONS:**

- Look at strategies already in process and intentionally maximize cost saving impact
 - Were unavoidable due to COVID
 - Buy us time to see if we can avoid making higher impact reductions
 - Do least harm
- 

PROJECTED FY 2022-23 ENDING BALANCES: *

PHASE I STRATEGIES

Cells with updated amounts have been highlighted in yellow.

Projected FY 2022-23 Amounts	CSS	PEI
Ending Balances, without Adjustments	-\$71,007,389	-\$1,008,409
Adjustment: Prudent Reserve	+\$27,688,130	-
Adjustment: Savings from Right-Sizing Budgets	+\$2,666,337	-
Adjustment: Savings from Delayed Programs	+\$14,400,000	+\$1,036,000
Adjustment: Savings from Alternate Revenue	+\$11,571,099	-\$4,586,099
Adjustment: Projected Increased Medi-Cal	TBD	+\$2,092,000
Adjustment: Eliminate Program Funding, if needed	+\$1,651,600	+\$1,404,000
Ending Balances, with all Phase I Adjustments	-\$14,681,823	-\$1,062,508

* Slide updated to reflect impact of keeping 5% in the Prudent Reserve (primarily PEI reserves) per recommendation from state fiscal consultant Mike Geiss, and the removal of savings originally based on eliminating program funding in Strategy 6 (on hold)

STRATEGY 6 OVERVIEW: ELIMINATION OF PROGRAM FUNDING

- Reduces PEI budget by an estimated \$1,404,000 over three FYs (Oct 26: Slide 10)

PROGRAM	SERVICE LEVEL IMPACT (PEI)	TOTAL SAVINGS
Vacant Positions (PEI) <i>(In progress)</i> (Oct 26: Slide 11)	None; positions have remained vacant over several years with no impact on service levels	\$1,404,000
Potential End of PEI Expansions <i>(On hold)</i> (Oct 26: Slide 12)	On hold	-
Potential CSS Eliminations <i>(On hold)</i> (Oct 26: Slide 13)	On hold	-

STRATEGY 2 OVERVIEW: RIGHT-SIZING PROGRAM BUDGETS

- Reduces CSS budget by \$2,666,337 over three years

(Oct 26: Slides 18-

PROGRAM	SERVICE LEVEL IMPACT	TOTAL SAVINGS
CSS/WET Transfer to OSHPD (Oct 26: Slide 19) <i>(In progress, based on update from OSHPD)</i>	No impact on local programs	\$166,337
TAY FSP (Oct 26: Slide 20)	No impact on #s served	\$1,000,000
TAY Crisis Residential (Oct 26: Slides 21-22)	No impact on #s served	\$1,500,000

STRATEGY 3 OVERVIEW: DELAY START OF PROGRAMS - CSS

- Reduces CSS budget by \$14,400,000 over three years

(Oct 26: Slides 24-25)

PROGRAM	SERVICE LEVEL IMPACT	TOTAL SAVINGS
Telehealth/Virtual BH <i>(In progress)</i> <small>(Oct 26: Slide 26)</small>	No impacts; using alternate funding	\$8,500,000
Children's Continuum of Care Reform Children's Crisis Residential Program (CCR CCRP) <i>(In progress, in part, due to DHCS delays)</i> <small>(Oct 26: Slides 27-28)</small>	Minimal; local delays initially resulted from DHCS delays in releasing guidelines; HCA now determining local provider interest in meeting DHCS' stipulations for COC CRP; <i>non-COC crisis residential services continue to be available</i>	\$500,000
Housing FSP <i>(In progress)</i> <small>(Oct 26: Slides 29-30)</small>	No impacts; using alternate funding	\$4,800,000
Transportation <i>(In progress due to COVID)</i> <small>(Oct 26: Slide 31)</small>	Minimal; reductions already occurring due to COVID and programs providing telehealth & telephonic services	\$600,000

STRATEGY 3 OVERVIEW: DELAY START OF PROGRAMS - PEI

- Reduces PEI budget by \$1,036,000 over one FY

(Oct 26: Slide 32)

PROGRAM	SERVICE LEVEL IMPACT	Total Savings
MH Community Events <i>(In progress due to COVID)</i> <small>(Oct 26: Slide 33)</small>	None due to this recommendation; these savings are a result of the impact of COVID	\$881,000
School-Based Stress Management <i>(In progress due to retirement of subject matter expert [SME])</i> <small>(Oct 26: Slide 34)</small>	None due to this recommendation; these savings are a result of the SME's retirement	\$155,000

STRATEGY 4 OVERVIEW: IDENTIFY ALTERNATE REVENUE

- Reduces CSS budget by an estimated \$11,571,099 and increases PEI budget by an estimated \$4,586,099 over three years (Oct 26: Slide 36)

PROGRAM SAVINGS		SERVICE LEVEL IMPACT	TOTAL SAVINGS	
			CSS	PEI *
ICS <i>(In progress)</i>	(Oct 26: Slide 37)	None; to be provided by CalOptima	\$3,600,000	-
BHS O&E (CSS/PEI) <i>(In progress)</i>	(Oct 26: Slide 38)	None	\$7,709,799	-\$4,684,799
Shift CSS position to PEI <i>(Still being explored)</i>	(Oct 26: Slide 40)	None	\$261,300	-\$261,300
OC Links <i>(In progress)</i>	(Oct 26: Slide 39)	None	-	\$360,000

* PEI amounts reflect net added expenditures (not savings) after shifting some program costs being shifted from CSS to PEI and applying HMIOT and SABG savings.

STRATEGY 5 OVERVIEW: INCREASE MEDI-CAL REVENUE

- Reduces PEI budget by an estimated \$2,092,000 over three FYs;
CSS amount still to be determined

(Oct 26: Slide 4)

PROGRAM SAVINGS	SERVICE LEVEL IMPACT	TOTAL SAVINGS
OC CREW <i>(In progress)</i> <small>(Oct 26: Slide 5)</small>	None	\$612,000
School-Based MH Services <i>(In progress)</i> <small>(Oct 26: Slide 6)</small>	None	\$1,300,000
OC4Vets <i>(Still being explored)</i> <small>(Oct 26: Slide 7)</small>	None	\$180,000
CSS Programs <i>(In progress)</i> <small>(Oct 26: Slide 8)</small>	None	TBD

THANK YOU

