

ADDRESSING THE FISCAL IMPACT OF COVID-19 ON BHS

REVIEW OF PHASE I STRATEGIES 5 - 6

**Presentation to the MHSА Steering Committee
October 26, 2020**



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

- **TODAY:** Review of Recommended Strategies 5-6, continuation (new info in red)
 - *Cancel November 2 placeholder; no meeting will take place on this date*
- **November 16:** Topic TDB
- **December 14:** *Community Survey Results, if available by this date*
- **January 25, 2021:** Final Wrap Up Discussion, if needed

Dates/Times may change

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STRATEGY 5

Increase Medi-Cal Revenue

4 STRATEGY 5 OVERVIEW: INCREASE MEDI-CAL REVENUE

- IMPACT:

- Decreases PEI budget by **an estimated \$2,092,000** this FY
- Projected added revenue this FY:

PROGRAM SAVINGS	FY 2020-21	FY 2021-22	FY 2022-23
OC CREW	\$204,000	\$204,000	\$204,000
School-Based MH Services	\$300,000	\$500,000	\$500,000
OC4Vets	\$60,000	\$60,000	\$60,000
TOTAL	\$564,000	\$764,000	\$764,000

5 STRATEGY 5: INCREASE PEI MEDI-CAL REVENUE - OC CREW

- OC CREW began billing August 2020
 - Estimated revenue over three years = \$612k

6 STRATEGY 5: INCREASE PEI MEDICAL REVENUE – School-Based MH Services

- School-Based Mental Health Services to begin billing October 2020
 - Estimated revenue over three years = \$1.3m

7 STRATEGY 5: INCREASE PEI MEDI-CAL REVENUE – OC4VETS

- OC4Vets to begin billing for non-VA beneficiaries
 - Estimated revenue over three years = \$180k
 - Further exploration indicated that very few OC4Vets clients have Medi-Cal, so this does not appear to be a viable strategy
 - HCA is continuing to explore whether this strategy might be viable in other PEI-funded Veterans programs

- Questions?

8 STRATEGY 5: INCREASE CSS MEDI-CAL REVENUE

- Overall strategy for CSS programs providing billable services
 - *Estimated revenue not yet calculated*
 - This strategy was already in motion prior to COVID
 - Managers are working with program and provider staff to increase Medi-Cal billing and, where appropriate, adjust program expectations and/or contracts to reflect increased Medi-Cal billing

- Questions?

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STRATEGY 6

Elimination of Program Funding

10 STRATEGY 6 OVERVIEW: ELIMINATION OF PROGRAM FUNDING

- Projected savings by FY, if needed:

PROGRAM	FY 2020-21		FY 2021-22		FY 2022-23	
	CSS	PEI	CSS	PEI	CSS	PEI
Vacant Positions (PEI)	-	\$468,000	-	\$468,000	-	\$468,000
Potential End of PEI Expansions	-	-	-	\$667,000	-	<i>deleted</i>
Potential CSS Eliminations	-	-	\$825,800	-	\$825,800	-
TOTAL		\$468,000	\$825,800	\$1,135,000	\$825,800	\$468,000

II STRATEGY 6: ELIMINATE PEI VACANCIES

- Eliminate vacant PEI positions that **are no longer needed** (3-year savings of \$1,404,000)
- PEI program consolidations and the relocation of most County-operated PEI programs into one site has resulted in increased efficiencies, eliminating the need for these positions
- These eliminated positions have not reduced program capacity.
- Questions?

I2 STRATEGY 6: POTENTIALLY END PEI PROGRAM EXPANSIONS

- Potentially end planned PEI program expansions early (1-year savings of (\$667,000))
- Recommendation is still being explored for necessity and impact
- Questions?

13 STRATEGY 6: POTENTIALLY ELIMINATE CSS PROGRAMS

- Potentially eliminate CSS programs (2-year savings of \$1,651,600)
- Recommendation is still being explored for necessity and impact
- Questions?

14 PROJECTED FY 2022-23 ENDING BALANCES: PHASE I STRATEGIES

Projected FY 2022-23 Amounts	CSS	PEI
Ending Balances, without Adjustments	-\$71,007,389	-\$1,008,409
Adjustment: Prudent Reserve	+\$28,946,132	+\$4,312,637
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	+\$2,738,000
Ending Balances, with all Phase I Adjustments	-\$11,772,221	\$4,584,129

Slide originally presented at September 2020 MHSA Steering Committee Meeting. The ending balances do not reflect keeping 5% in the Prudent Reserve, as recommended by fiscal consultant Mike Geiss at the September 2020 meeting. Thus, ending balances reported here will change once the 5% adjustment to the Prudent Reserve withdrawal is made.

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THANK YOU



SLIDES OF STRATEGIES 2-4

Presented at October 19, 2020 MHSA Steering Committee Meeting

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STRATEGY 2

Right-Sizing Program Budgets



18 STRATEGY 2 OVERVIEW: RIGHT-SIZING PROGRAM BUDGETS

- IMPACT:
 - Reduces CSS budget by \$2,666,337 over three years
 - Projected savings by FY:

PROGRAM SAVINGS	FY 2020-21	FY 2021-22	FY 2022-23
CSS/WET Transfer to OSHPD	\$166,337	-	-
TAY FSP	-	\$500,000	\$500,000
TAY Crisis Residential	\$500,000	\$500,000	\$500,000
TOTAL	\$666,337	\$1,000,000	\$1,000,000

19 STRATEGY 2: WET (CSS) TRANSFER TO OSHPD

- OSHPD reduced recommended amount for OC to contribute to the Statewide 5-year WET Plan (one-time savings of \$166,337)
- Reduction was calculated and recommended by OSHPD based on total funding amount needed and contributions from other counties
- Reduced amount does not result in reduced level of support available to Orange County
- Questions?

20 STRATEGY 2: TAY FULL SERVICE PARTNERSHIP PROGRAM

- Based on several years of enrollment data, TAY FSP program has consistently underspent; reduce annual budget by \$500k beginning 7-1-2021 (2-year savings of \$1m)
- Impact on Projected Numbers Served with this reduction: **NONE** (see table below)
- Minimum capacity, compared to #s served, continues to be under the minimum census & projected #s of TAY served. Right sizing budget will, more closely, align w/ actual costs of serving TAY

TAY FSP #s Served	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Projected #s Served	925	1,005	1,175	1,020
Actual #s Served	759	768	838	TBD

2 | STRATEGY 2: TAY CRISIS RESIDENTIAL (CRS) / SOCIAL REHAB PROG (SRP)

- Based on several years of utilization data, propose to keep CRS at 6 beds and not expand by converting SRP beds to CRS beds (3-year savings of \$1.5m)
- Additional information about decision not to have SRP:
 - 100% of TAY served in SRP are linked to FSPs, which are designed to provide housing support and treatment/support in the home as clinically indicated.
 - The proposed reduction is not expected to decrease level of services for the TAY population as the behavioral health needs will be addressed through the FSPs
 - If needed, TAY may also receive services in the Adult CRS homes, which serves ages 18+

22 STRATEGY 2: TAY CRS / SRP *CON'T*

- Impact on Projected #s Served with this proposed reduction: **NONE** (see table)

TAY Served	FY 2018-19	FY 2019-20	FY 2020-21 Q1
Projected # TAY Served (TAY CRS/SRP)	104 CRS & 96 SRP	96 CRS & SRP *	-
Actual # TAY Served (TAY CRS/SRP)	60 CRS & 26 SRP	56 CRS & 24 SRP	10 CRS & 10 SRP**
Actual # TAY Served (Adult CRS)	183	167	25 ***

* Reduced number of projected TAY to be served in FY 2019-20 reflects the number of TAY that HCA anticipated to be served based on historical trends; the contracted capacity for the program was not reduced

** Includes 6 clients who began services in FY 2019-20

*** Numbers served only reflect the first two months of Q1 for 2 of 3 Adult CRS sites

- Questions?

STRATEGY 3

Delay Start of Programs / Program Expansions

24 STRATEGY 3 OVERVIEW: DELAY START OF PROGRAMS

- RECOMMENDATION:
 - Delay Program starts/expansions (RFPs, Contract and/or **Implementation** Start Dates)
- RATIONALE:
 - Delaying expenditures increases available carryover funds to help offset lost revenue in future years
 - Programs and proposed budgets will REMAIN in the approved Plan, allowing for immediate procurement/program implementation if funding should become available in future years
 - If removed from the Plan now, we would need to repeat the community planning process before re-introducing the program, resulting in delays before services could be implemented

25 STRATEGY 3 OVERVIEW: DELAY START OF PROGRAMS - CSS

- IMPACT:

- Reduces CSS budget by \$14,400,000 over three years
 - *Telehealth/Virtual BH and Housing FSP also include use of alternative revenue*
- Projected savings by FY:

PROGRAM SAVINGS	FY 2020-21	FY 2021-22	FY 2022-23
Telehealth/Virtual BH	\$2,500,000	\$3,000,000	\$3,000,000
Children's COC CRP	\$500,000	-	-
Housing FSP	\$3,300,000	\$1,500,000	-
Transportation	\$200,000	\$200,000	\$200,000
TOTAL	\$6,500,000	\$4,700,000	\$3,200,000

26 STRATEGY 3: TELEHEALTH / VIRTUAL BH CARE

- Help@Hand extended to 5 years (through April 2023; no additional funds, but existing INN project funds can be used for digital mental health apps that are consistent with the approved INN project)
- CARES Act being used to convert programs to a virtual/ telehealth environment so additional funds may not be needed (3-year savings of \$8.5m)
- Impact on Projected #s Served with this proposed reduction: **NONE**
 - Brand new program for CSS
- Questions?

27 STRATEGY 3: CHILDREN'S CRISIS RESIDENTIAL PROGRAM (CCRP)

- CCRP (Mandated Continuum of Care) has not yet implemented
- Transition to mandated CCRP beginning 7-1-2021 program start (one-time savings of \$500k)
- Numbers specific to CCRP were not projected in the posted MHSA Plan, but it was anticipated that there may have been up to 219, 10-day episodes of treatment provided
 - First year of CCRP will help determine the projected numbers of clients served
- Actual #'s Served (from posted MHSA Plan): are not available because CCRP is not yet implemented

28 STRATEGY 3: CHILDREN'S CRISIS RESIDENTIAL PROGRAM (CCRP) *CON'T*

- Impact on Projected Numbers Served with this reduction:
 - Estimated that up to 55, 10-day treatment episodes will not be provided based on a reduced census due to COVID
- Additional information about decision to delay CCRP Implementation:
 - Currently there are three Crisis Residential homes serving children
 - There are a number of stipulations under the Continuum of Care Reform mandate about what type of provider may be licensed and contracted for CCRP services. It is unknown at this time whether a provider will opt to submit a proposal for these services.
- Questions?

29 STRATEGY 3: HOUSING FSP PROGRAM PROVIDER

- Phase in over next three years (3-year savings of \$4.8m: 3.3m FY 20-21; 1.5m FY 21-22; no reduction FY 22-23)
- Opportunity to use Whole Person Care (WPC) funding to expand budget, which was originally \$2m/year:
 - \$7m for the first year, and \$5m total over the next two years
 - In FY 20-21, using \$2 million WPC dollars first because these dollars are expiring
- Total funding is based on a full year of service for all 3 service planning areas (SPAs)
 - Will only have 10 months in the first year, followed by a gradual start up process beginning in the central SPA

30 STRATEGY 3: HOUSING FSP PROGRAM PROVIDER *CON'T*

Total Available Funding

Funding Source	WPC (must be spent by 12/31)	MHSA	Total
Year 1 (10 months)	\$2,000,000	\$5,000,000	\$7,000,000
Year 2	\$0	\$5,000,000	\$5,000,000
Year 3	\$0	\$5,000,000	\$5,000,000

1st Site Budget (largest site)

Funding Source	WPC (must be spent by 12/31)	MHSA	Medi-Cal FFP (20%)
Year 1 (10 months)	\$1,409,507	\$641,655	\$400,002
Year 2	\$0	\$2,069,431	\$500,003
Year 3	\$0	\$2,069,431	\$500,003
Total	\$1,409,507	\$4,780,517	\$1,400,008

Site Ramp-up Plan (per Program)

- Year 1 – 1 site open (largest site)
- Year 2 – 3 sites open (2 additional sites to open)
- Year 3 – 3 sites open



3 | STRATEGY 3: TRANSPORTATION

- Transition of many services to telehealth has reduced the need to expand transportation assistance at this time (3-year savings of \$600k)
- Transportation contract was amended February 2020, adding \$500k for a new maximum obligation of \$1.5m (Max ob based on expenditures incurred prior to COVID)
- With COVID, utilization has been low, with current projected expenditures around \$850K for FY 2020-21
- Questions?

32 STRATEGY 3 OVERVIEW: DELAY START OF PROGRAMS - PEI

- IMPACT:
 - Reduces PEI budget by \$1,036,000 this FY
 - Projected savings this FY:

PROGRAM SAVINGS	FY 2020-21	FY 2021-22	FY 2022-23
MH Community Events	\$881,000	-	-
School-Based Stress Management	\$155,000	-	-
TOTAL	\$1,036,000	-	-

33 STRATEGY 3: MH COMMUNITY EDUCATION EVENTS

- Because FY 2019-20 events were **extended through** December 2020 (i.e., FY 2020-21), propose the next RFAs to be in FY 2021-22 (one-time savings of \$881k)

34 STRATEGY 3: SCHOOL-BASED STRESS MANAGEMENT SERVICES

- Subject Matter Expert retired, many schools are still in distance learning
- Delay allows time for in-class instruction to resume in a consistent manner before resuming this school-based program (one-time savings of \$155k)
- Questions?

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STRATEGY 4

Identify Alternate Revenue



36 STRATEGY 4 OVERVIEW: IDENTIFY ALTERNATE REVENUE

- Projected savings by FY:

PROGRAM SAVINGS	FY 2020-21		FY 2021-22		FY 2022-23	
	CSS	PEI*	CSS	PEI*	CSS	PEI*
ICS (CSS)	\$1,200,000		\$1,200,000		\$1,200,000	
BHS O&E (CSS/PEI)	\$2,569,933	-\$1,544,933	\$2,569,933	-\$1,569,933	\$2,569,933	-\$1,569,933
Shift CSS position to PEI	\$87,100	-\$87,100	\$87,100	-\$87,100	\$87,100	-\$87,100
OC Links (PEI)		\$120,000		\$120,000		\$120,000
TOTAL	\$3,857,033	-\$1,512,033	\$3,857,033	-\$1,537,033	\$3,857,033	-\$1,537,033

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

37 STRATEGY 4: DEFUND INTEGRATED COMMUNITY SERVICES (ICS)

- Partner w/ CalOptima to provide equivalent services w/ no cost to HCA (3-year CSS savings of \$3.6m)
 - ICS provided physical health services to OC residents ages 18+ who were Medi-Cal eligible and living w/ mental illness and/or substance use disorder
 - MHSA ICS ended on June 30th, 2020
 - Explored with CalOptima how to continue these services through our existing collaboration at no cost to the County (HCA/BHS)
 - Continuing to refine collaboration with CalOptima to improve ease of access to primary care medical services for clients
- Questions?

38 STRATEGY 4: BHS OUTREACH & ENGAGEMENT (O&E)

- BHS O&E to bill:
 - HMIOT (Homeless Mentally Ill Outreach & Treatment program; one-time savings of \$25,000)
 - Substance Abuse Block Grant (3-year savings of \$3m)
 - PEI instead of CSS (3-year CSS costs of \$7,709,799 shifted to be fully funded through PEI)
 - Shifting the CSS portion to PEI does not change the numbers to be served, the nature or type of services provided, and/or reporting requirements
 - Rather, the shift from CSS to PEI helps close the significantly larger funding gap in CSS (relative to PEI)

39 STRATEGY 4: OC LINKS POSITION

- OC Links position at CSU to be funded by 1991 Realignment (3-year savings of \$360k)
- Questions?

40 STRATEGY 4: SHIFT CSS POSITION TO PEI

- Shift CSS-funded position to PEI (3-year savings of \$261.3k)
 - Recommendation is still being explored for feasibility and impact
- Questions?