

Draft MHSA Annual Update for Fiscal Year(FY) 2024-25

Review of Proposed Changes to the MHSA Plan and Pending Policy

Todays Agenda

- Welcome
- MHSA Basics
- Proposition 1 Overview
- Discussion
- MHSA Program and Expenditure Plan Updates by Component
  - Prevention and Early Intervention Component
  - Community Services and Supports Component
  - Innovation Component
  - Workforce Education and Training Component
  - Capital Facilities and Technological Needs
  - Financial Summary
- Discussion
- Closing and Next Steps

Please, Tell Us About You!

Mental Health Services Act Origin

The Mental Health Services Act (MHSA) was passed by California voters November 2004 and went into effect in January 2005.

- The MHSA provides increased funding for mental health programs across the State.
- The MHSA is funded by a 1% tax surcharge on personal income over $1 million per year.
- As these taxes are paid, fluctuations impact fiscal projections and available funding.

The MHSA intention is to create a culturally competent public behavioral health system that promotes recovery/wellness for adults and older adults with severe mental illness; resiliency for children with serious emotional disorders, and their families.

Requires development of Three-Year Program and Expenditure Plan and Annual Updates to the Plan.

Artist: David Guzman

Mental Health Services Act Requirements

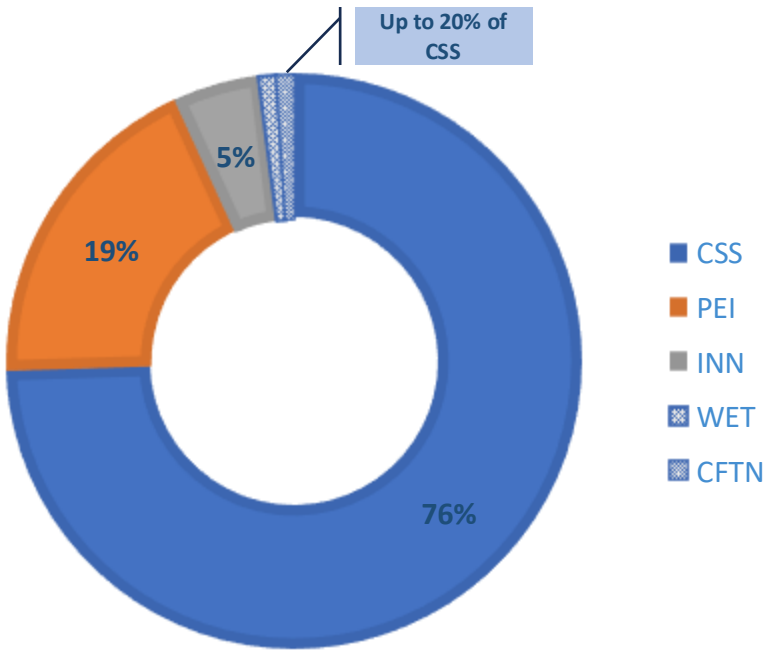
Why do we do an MHSA Plan?

- An MHSA Three-Year Integrated Plan (Plan) is required by regulations.
  - Every year, counties are required to update the Plan
  - The "update" is referred to as the MHSA Annual Update
  - Plans are developed through a stakeholder, or Community Program Planning (CPP), process.
- The Plan provides service data for the prior fiscal year and provides information on program planning and budgets for the upcoming fiscal year.
- This year's MHSA Annual Update provides service data from fiscal year 2022-23 and proposed updates for fiscal 2024-25

(WIC §5847)

Mental Health Services Act Components

The MHSA Plan is constructed out of MHSA's program components, as well as an overview of the Community Program Planning process and Budget Summary:



CSS	Accounts for 76% of a county's MHSA allocation, CSS funds are intended for direct treatment and recovery services to individuals living with serious mental illness or serious emotional disturbance.
WET	*Counties may transfer CSS funds to WET to sustain recruitment, retention, and training/staff development efforts for HCA Behavioral Health Services and/or contracted provider agency staff.*
CFTN	*Counties may transfer CSS funds to CFTN for facility construction (building space to provide MHSA services) and to invest in technological needs such as electronic health records and data systems..*
PEI	Accounts for 19% of a county's MHSA allocation, PEI funds are intended to prevent mental illness from becoming severe and disabling and to avoid negative outcomes like suicide, incarcerations, school failure, unemployment due to unaddressed behavioral health conditions.
INN	Accounts for 5% of a county's MHSA allocation, INN funds are intended to test novel mental health strategies and approaches to improve access to underserved groups, increase the quality of services, and/or promote interagency collaboration.

Maximum of 20% of CSS can be transferred

Mental Health Services Act Requirements

Community Program Planning (CPP)

- Community program planning is the process by which county behavioral health entities meet with stakeholders to plan, develop, review, and/or evaluate MHSA funded programs and services.
- BHS considers CPP as part of the continuous feedback and improvement process and meets with stakeholders every month in many ways:
  - Allows continuous communication between the agency and our stakeholders regarding our services, programs, and other information related to the public behavioral health system.
  - CPP stakeholder meetings emphasize the importance of consumer and family member involvement and attendance, as they are one of our major stakeholder populations.
  - Information gathered over time is regularly analyzed and considered as part of MHSA stakeholder informed decision-making.

Proposition 1: Overview & Impacts on Behavioral Health

1.

Introduction

Governor Newsom and Legislative leaders proposed a general obligation bond and modernization of the Mental Health Services Act (MHSA) on the March 5, 2024, ballot as Proposition 1. The Proposition intends to provide California the resources needed to build 11,150 new beds across community treatment campuses and facilities to help Californians with serious mental illness and substance use disorders get care and provide some housing.

Two bills relate to Proposition 1: Senate Bill 326 and Assembly Bill 531, focused on **four strategies** to transform California's behavioral health system through housing with accountability and MHSA reform:

1. **Services for the most in need**. Reforming the MHSA to provide services to the most seriously mentally ill and to treat substance use disorders, while continuing to invest in prevention and early intervention for children, youth, young adults, and all Californians.
2. **Accountability.** Focusing on outcomes, transparency, and equity so families and communities see real results.
3. **Behavioral health housing.** Building treatment beds and supportive housing units in community-based settings –with a dedicated number reserved for housing veterans with behavioral health challenges.
4. **Workforce**. Building up the behavioral health workforce to reflect and connect with California's diversity–helping services remain accessible. It is important to note that Proposition 1 does not provide any funding toward workforce.

Proposition 1 would also reduce behavioral health funding for expanded outpatient, crisis, prevention, outreach and engagement services in this County by over $100 million.

Proposition 1 was voted on March 5, 2024. At the time of this presentation, it appears the Proposition will pass by a small margin. Election results will be certified April 12, 2024

Senate Bill 326

Reform

Reform MHSA funding to prioritize services to those living with the most serious mental illnesses and substance use disorders.

Expand

Expand the behavioral health workforce through a state initiative to reflect and connect with California's diverse populations through a state implemented program.

Outcomes, Accountability, and Equity

Focus on outcomes, accountability, and equity. Require Behavioral Health Integrated Plans that reflect all public BH programs and funds.

Assembly Bill 531

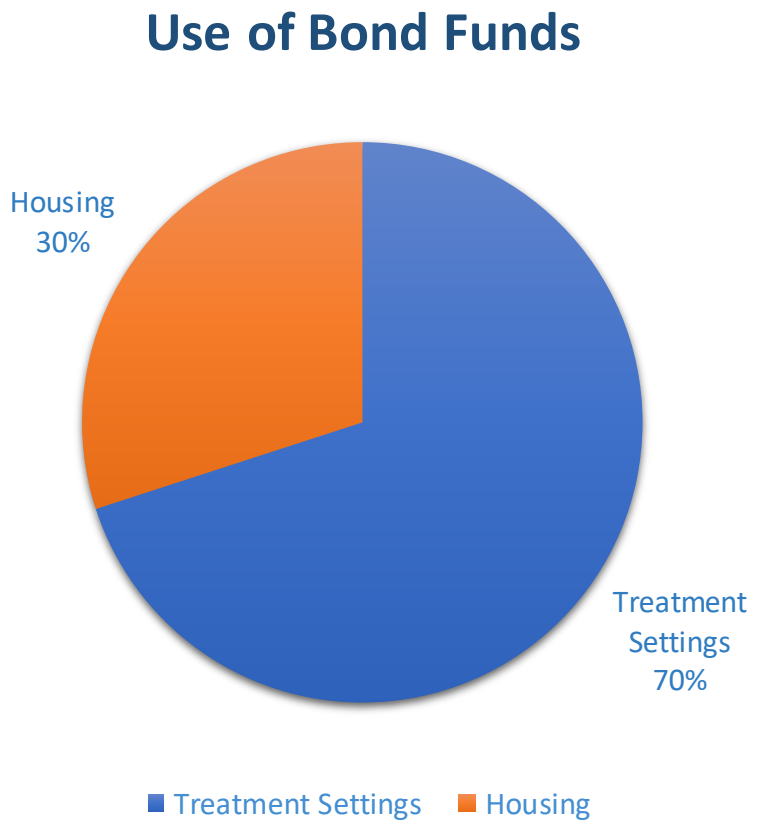
AB 531 placed a $6.4 billion General Obligation Bond on the March 2024 ballot for construction of locked and unlocked community based behavioral health treatment and residential care settings.

$4.4 Billion (70%) for grants to public or private entities for Behavioral Health treatment and residential settings.

- $1.5 billion for local governments
- $30 million tribal entities

$2.0 Billion (30%) permanent supportive housing units for veterans and persons experiencing or at risk of homelessness living with serious behavioral health challenges.

- $1.065 billion set aside for veterans' housing
- $922 million set aside for other persons



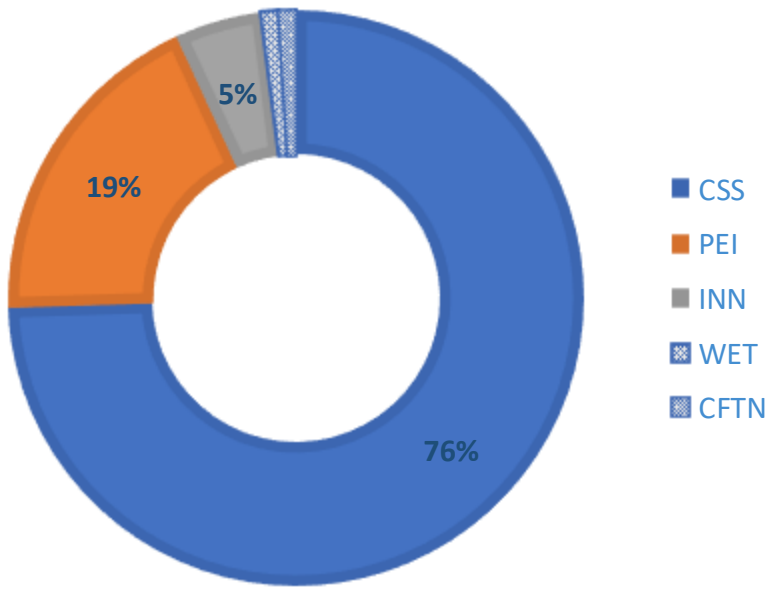
Proposition 1

SB 326	AB 531
Will change MHSA to BHSA (Behavioral Health Services Act) to include treatment for people with substance use disorders. BHSA Plan will include **ALL Behavioral Health** programs and funds.	Also known as the Behavioral Health Infrastructure Bond Act of 2024, which directs funding to build treatment bed and housing.
Will change how counties can provide services. Counties will have to redirect MHSA funds from 5 components into 3 major "buckets": • Behavioral Health Services and Support (35%) • Full-Service Partnerships (35%) • Housing Interventions (30%)	Proposes a $6.4 billion bond to build: • 6,800 new beds for people to receive mental health care or drug or alcohol treatment at any one time. • 4,350 housing units for homeless individuals of which 2,350 are set aside for veterans experiencing homelessness.
Will direct more money to the State (10% vs. 5%) and less to Counties (90% vs. 95%). Will result in increased costs to counties to continue current programs. Eliminates Prevention and redirects funding away from treatment to pay for housing subsidies.	The bond would provide housing to approximately 20% of veterans experiencing homelessness across the state.

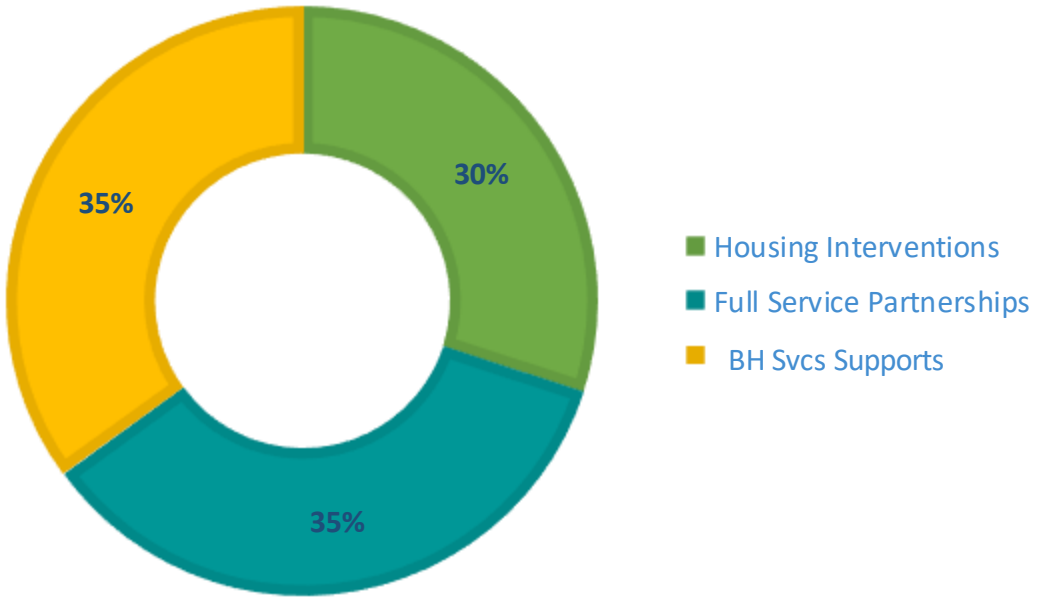
MHSA Modernization Summary

Modified from 5 Components to 3 Components

MHSA -CURRENT MODEL



BHSA - PROPOSED MODEL



MHSA Reform Impacts

FY 2026-27 Projections

- Estimated $173,800,000 in BHSA will be available (based on DOF projections)
  - Additional 5% local reduction as state doubles administrative costs (from 5% to 10%) and redirects local prevention dollars for state implementation.
  - Programs and services for SUD clients will redirect mental health funds toward SUD services.
  - Significant local impacts on PEI, CSS General System Development, Workforce Education and Training, CFTN, and Innovation.
- Required to use current MHSA dollars according to their planned use.

MHSA Modernization Summary

Estimated Impact
Summary of Financial Information:
Comparison of MHSA 3-Year Plan Budget to Proposed Allocations

Categories	FY 2026/27 Projected Allocation	FY 2025/26 Projected Budget in Plan (MHSA only, excluding projected growth/decreases)	Difference (+/-)
Housing Interventions 30%	$52,200,000	$24,569,427	+27,630,573
Full Service Partnerships 35%	$60,830,000	$99,179,814	-$35,549,814
Behavioral Health Services and Supports 35%	$60,830,000	$217,228,006	-$156,398,006
Total	$173,860,000	$340,977,247	-$164,317,247

Timeline

SB 326 (Eggman) BHSA Timeline

Detailed Timeline Related to Community Program Planning & the Transition from MHSA to BHSA

January 31, 2024
MHSA ARER for FY 2022/23 was due to state. Counties required to post ARER on public facing website.

Before June 30, 2024
Conduct the local review process, e.g., post AU document for 30 day public comment, hold public hearing at local advisory board and plan to get on BOS calendar to ensure BOS approval of **AU FY 2024/25 by June 30, 2024**. Submit document to DHCS and MHSOAC.

Starting January 1, 2025
Counties to start implementing expanded CPP process; e.g., engage expanded stakeholders; participate in MCPs and Public Health community assessments; and begin developing new Integrated Plan for **ALL BH funding sources**. Information can inform final MHSA Annual Update

Before June 30, 2025
Conduct the local CPP and local review process, e.g., post AU document for 30-day public comment, hold public hearing at local advisory board and plan to get on BOS calendar to ensure BOS approval of **AU FY 2025/26 by June 30, 2025**. Submit document to DHCS and MHSOAC.

By June 30, 2026
The county BOS **must** approve the **BHSA Three-Year Integrated Plan for FYs 2026/27-2028/29** and counties must submit approved document to both DHCS and the BHSOAC.

July 1, 2026
Transition to new funding categories and new **BHSA Three-Year Integrated Plan FYs 2026/27- 2028/29** is in place.

June 30, 2027
Submit first **Annual Update FY 2027/28** under BHSA. The local review process re posting for 30-day public comment and public hearing are **not** required for annual updates or mid-cycle adjustments.

Between February – June 2024
Conduct the CPP process to develop the Annual Update FY 2024/25. Counties will need to continue to fund programs based on the current MHSA funding structure, e.g., 5 components. Counties to continue to educate stakeholders in CPP meetings about the forthcoming transition to BHSA. Pending where the county is in their CPP process and development of the AU document can include content noting pending transition that will take place between now and July 1, 2026.

Between March – December 2024
County BH Director, BH leadership, BHSA Coordinator, and fiscal team to finalize fiscal modeling to determine which programs and services will continue to be funded, programs that will have budgets reduced and programs that will be defunded.

January 31, 2025
MHSA ARER for FY 2023/24 due to state. Counties required to post ARER on public facing website.

Between July 2025 – June 2026
Conduct the CPP process to develop the **BHSA Three-Year Integrated Plan for FYs 2026/27- 2028/29.**

- Rural/Small counties can request an exemption from 30% to Housing and FSP EBPs
- All counties can request to transfer funds between the 3 funding categories, e.g., 7% from any one category up to 14% cumulatively

Note counties will need to build in 30 days for DHCS to approve requests outlined above prior to posting document for 30-day public comment as counties will be required to demonstrate stakeholder involvement in plan to request exemptions and/or transfers. Counties will need to complete the local review process including stakeholder engagement, post Plan document for 30-day public comment, hold public hearing with local advisory board and get on BOS calendar in order to have the Plan approved on time.

TBD 2028
Counties will submit first *County Behavioral Health Outcomes, Accountability, and Transparency Report* which replaces the ARER.

Discussion

MHSA Program and Expenditure Plan Annual Update for FY 2024-25 Review

MHSA Component Funding

As part of continued fiscal accountability, management, and transparency of MHSA funds, BHS continues reporting program expenditures and revenues to align the MHSA Plan with anticipated utilization values (based on historical trends), anticipated growth and/or decreases in funding. This helps ensure more accurate reporting of usages and availabilities of MHSA funds. BHS has received less MHSA funds than anticipated. Dept of Finance future projected revenue is less than previously expected. The values below account for the decreased funds and adjust based on current utilization. BHS will continue to monitor revenue and make adjustments through a plan amendment, when necessary.

The table below provide a Summary of the proposed funding amounts per MHSA component for the FY 2024-25 period. These amounts are not final and may vary in comparison to the final plan or any updates.

Component	3 Year Plan FY 24-25	Proposed FY 24-25	Difference
Prevention & Early Intervention	$82,273,482	$72,087,856	-$10,185,626
Community Services & Supports	$257,467,229	$198,873,313	-$58,593,916
Innovation	$7,323,668	$48,383,668	+$41,060,000
WET	$8,758,368	$7,871,705	-$886,663
Capital Facilities & Technological Needs	$21,401,488	$31,401,488	$10,000,00
Total	**$377,224,235**	**$358,618,030**	**-$18,606,205**

Prevention and Early Intervention Component

Prevention and Early Intervention

The State defines six specific Prevention and Early Intervention Programs. Per statute, a program is defined as "a stand-alone organized and planned work, action, or approach that evidence indicates is likely to bring about positive mental health outcomes either for individuals and families with or at risk of serious mental illness or for the mental health system (WIC §3701 (b))."

These State-Defined programs areas are:

Prevention and Early Intervention

LOCAL PEI CONSTRUCT

The Orange County PEI programs operate under the State-Defined Prevention and Early Intervention reporting construct as illustrated in the following tables:

Outreach for Increasing Recognition of Signs of Mental Illness
- Behavioral Health Training Collaborative
- Mental Health and Well Being Promotion for Diverse Communities
- Early Childhood Mental Health Providers Training
- K-12 School Based Mental Health Services
- Services for TAY and Young Adults

Stigma and Discrimination Reduction
- Mental Health Community Education Events for Reducing Stigma & Discrimination

Prevention Programs
- Prevention Services and Supports for Families
- Prevention Services and Supports for Youth
- Family Support Services

Suicide Prevention
- Community Suicide Prevention Initiative
- Crisis Prevention Line
- Survivor Support Program

Access and Linkage to Treatment
- OC Links
- OC Outreach and Engagement for Homeless
- Integrated Justice Involved Services

Early Intervention
- School Based Mental Health Services
- Clinical High Risk for psychosis
- OC Parent Wellness Program (OCPWP)
- Community Counseling and Supportive Services
- Early Intervention Services for Older Adults
- OC4VETS

Prevention and Early Intervention

PREVENTION AND EARLY INTERVENTION			
PROGRAMS	PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS	FUNDING UPDATES	
		3 yr. Plan	Update
Infant and Early Childhood Continuum of Care	Implementation of the Continuum of Care continues to be planned with system and community partners. To account for the delay, the FY 24/25 budget is reduced to account for an estimated 6 months of services.	$2,000,000	$1,000,000
Prevention Services and Supports for Youth	Align budgets with contracted amounts	$6,200,000	$4,892,086
Mental Health Community Education to Reduce Stigma	True up budget based on actual expenditures	$1,000,000	$930,000
Suicide Prevention Services	True up budget based on actual expenditures	$4,700,000	$4,200,000
Transportation Assistance	Remove from PEI portion of Plan, as no services provided	$5,000	$0
OCLINKS	True up budget based on actual expenditures	$5,380,000	$5,000,000
BHS Outreach and Engagement	True up budget based on actuals expenditures	$8,500,000	$7,150,000
School-Based Mental Health	True up budget based on actuals expenditures	$2,272,712	$600,000
Clinical High Risk for Psychosis	Reduce budget to align with available funding	$1,300,000	$1,000,000
OC Parent Wellness Program	Reduce budget to align with available funding and actual expenditures	$3,100,000	$1,900,000
Community Counseling and Supportive Services	Reduce budget to align with available funding and actual expenditures	$2,536,136	$2,036,136
Early Intervention for Older Adults	Reduce budget to align with available funding	$3,500,000	$3,000,000
OC4VETS		$3,000,000	$2,600,000

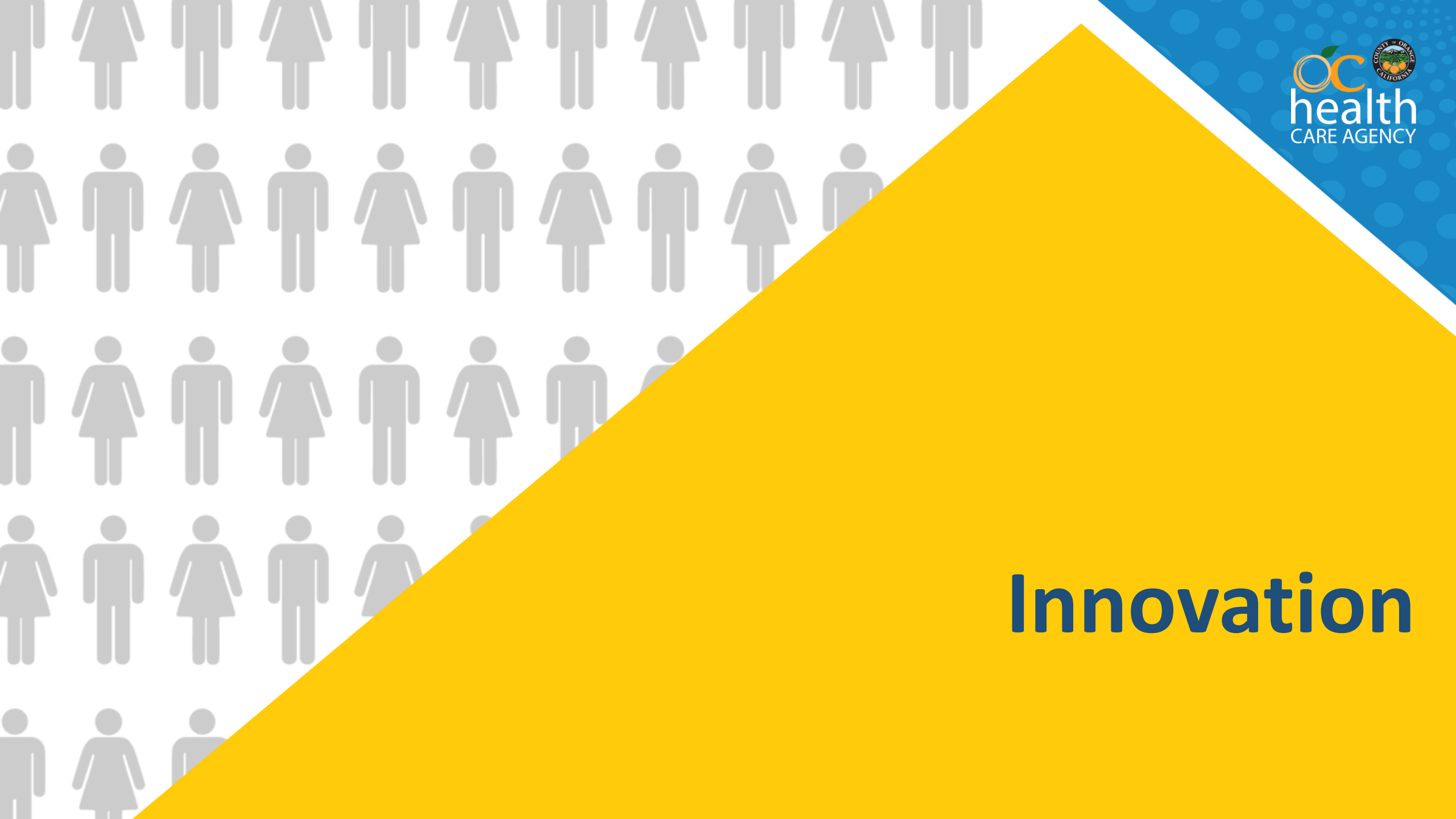
Community Services and Supports

Community Services and Supports

- The majority of MHSA funding is directed toward the Community Services and Supports (CSS) component.
- The goal of all CSS programs is providing the necessary services and supports that help clients achieve mental health and wellness and recovery goals.
- The CSS component provides access to an expanded continuum of care for persons living with a serious mental illness (SMI) or serious emotional disturbance (SED) and co-occurring disorders.
- The CSS section contains 21 programs that are organized according to programs that operate with similar service responsibilities but may serve different target populations.
  - Programs intended to provide interventions or supports during a mental health crisis are described in the Crisis System of Care section.
  - CSS contains several Full Service Partnership (FSP) Programs,
  - Housing and Homeless Services,
  - Outpatient Clinical Expansion,
  - Outreach, Engagement and Access, and
  - Peer and Family Support sections.

Community Services and Supports

COMMUNITY SERVICES AND SUPPORTS			
PROGRAMS	**PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS**	**FUNDING UPDATES**	
		3 yr Plan	**Update**
Multi-Service Center for Mentally Ill	Reduce budget to align with available funding and actual expenditures	$3,231,132	$300,000
Warmline	Adjusting amount based on FY 23-24 expenditures	$12,000,000	$8,000,000
Mobile Crisis Assessment Team (CAT)	Right Sizing based on expenditures and anticipating increased revenue	$11,650,000	$10,300,000
Crisis Stabilization Units	Shifting costs for County CSU from MHSA to Realignment	$16,000,000	$10,500,000
In Home Crisis Stabilization	Right Sizing based on expenditures and anticipating increased revenue	$3,786,900	$3,636,900
Crisis Residential Services	Reduce budget to align with available funding and actual expenditures	$13,829,616	$9,700,000
Children's FSP Program	Reduce budget to align with available funding and actual expenditures	$22,592,044	$10,000,000
Adult FSP Program	Reduce budget to align with available funding and actual expenditures	$50,203,733	$32,715,841
Older Adult FSP Program	Reduce budget to align with available funding and actual expenditures	$4,432,466	$4,000,000
Program for Assertive Community Treatment (PACT)	Reduce budget to align with available funding and actual expenditures	$11,899,650	$11,438,018
Children and Youth Clinic Services	Reduce budget to align with available funding and actual expenditures	$23,000,000	$13,000,000
Outpatient Recovery	Reduce budget to align with available funding and actual expenditures	$7,400,000	$6,400,000
Services for Short-Term Therapeutic Residential Treatment Program (STRTP)	Reduce budget to align with available funding and actual expenditures	$7,000,000	$6,000,000
Peer Mentor and Parent Partner Support	Reduce budget to align with available funding and actual expenditures	$5,424,153	$4,000,000
Wellness Centers	Reduce budget to align with available funding and actual expenditures	$4,775,513	$4,300,000
Bridge Housing for Homelessness	Reduce budget to align with available funding and actual expenditures	$2,400,000	$1,500,000
Housing and Year Round Emergency Shelter	Increased based on actual expenditures	$1,250,000	$1,550,000
Transportation	Increased due to utilization	$870,000	$1,070,000


OC
health
CARE AGENCY
Innovation

Innovation

An INN project is required to contribute to learning in one or more of the following ways:

- Introduce a mental health practice or approach that is new to the overall mental health system.
- Make a change to an existing practice in the field of mental health
- Apply to the mental health system a promising community-driven practice or approach that has been successful in non-mental health contexts or settings.

In addition, an INN project must serve one or more of the following purposes:

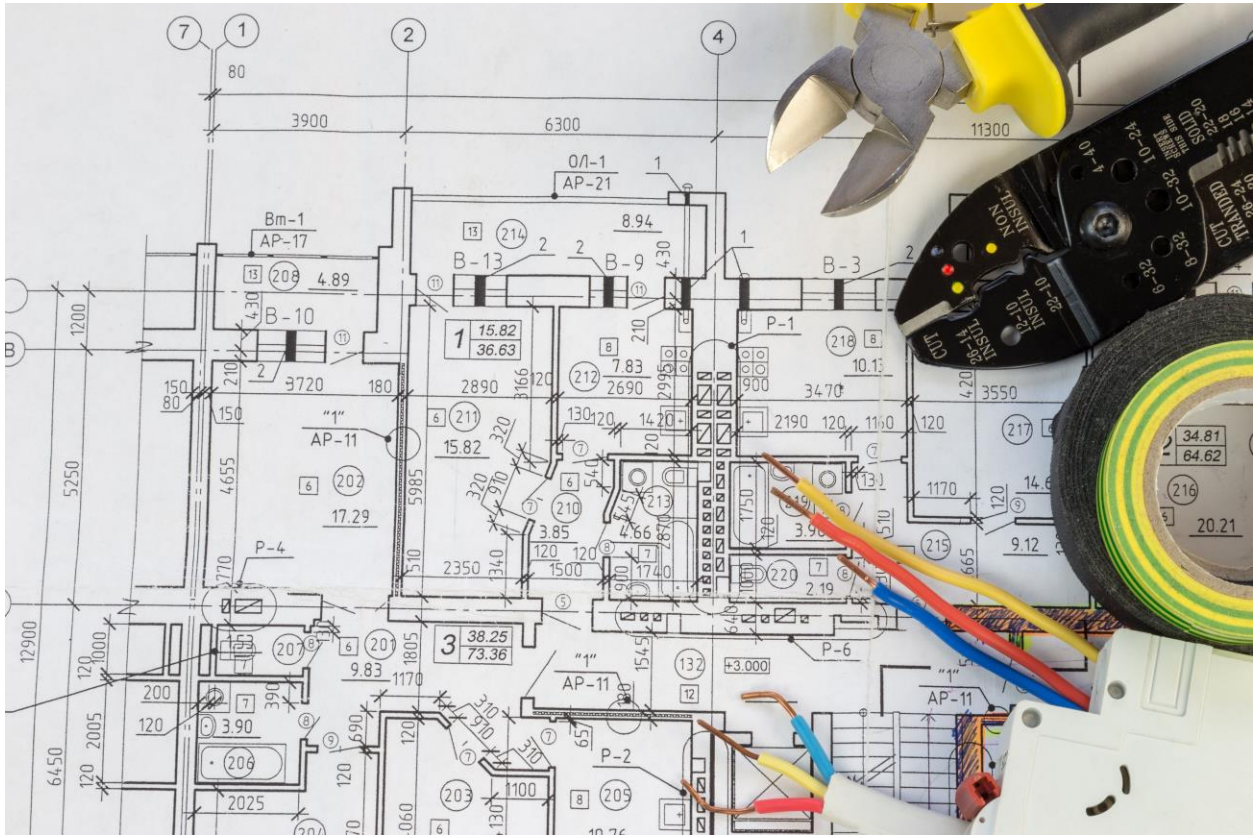
- Increase access to mental health services to underserved groups.
- Increase the quality of mental health services
- Promote interagency and community collaboration related to mental health services or supports
- Increase access to mental health services.

Innovation

INNOVATION			
PROGRAMS	**PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS**	**FUNDING UPDATES**	
		3 yr. Plan	**Update**
Innovative Community Program Planning Project	Based on current projections and policy demands and changes, it is anticipated that an additional $1M will be needed to successfully implement this Innovation project concept.	$190,000	$1,190,000
Progressive Improvements of Valued Treatment (PIVOT): Comprehensive System Redesign Project	A Multi-Component project to support redesign of the system of care, strengthening of key programming, exploration of ongoing challenges related to complex care, and testing an alternative approach to workforce development.	$0	$35,000,000
PADS – Part II	At conclusion of the PADS project, expand testing use with additional populations and support updates in technology.	$0	$5,000,000

Innovation: Proposed Updates/Projects

- Increase Approved Community Program Planning project - $1M
- Propose Progressive Improvements of Valued Treatment (PIVOT): Comprehensive System Redesign Project – Estimated $35M
  - Innovative Approaches for Delivery of Care
  - Full Service Partnership Reboot: Testing a Social Finance Approach to Improve Client Outcomes
  - Integrated Complex Care Management: Testing Whole Person Approaches for Care in Older Adults with Co-Morbid Conditions
  - Developing Capacity for Specialty Mental Health Plan Services in Diverse Communities
  - Innovative, Countywide Workforce Initiatives
- PADS Part II – support technology $5M



Workforce Education and Training

1.

Workforce Education and Training

WORKFORCE EDUCTION AND TRAINING			
PROGRAMS	**PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS**	**FUNDING UPDATES**	
		3 yr. Plan	**Update**
Workforce Staffing Support	Reduce budget to align with available funding and actual expenditures	$1,814,758	$1,694,758
Financial Incentives Program	Reduce budget to align with available funding and actual expenditures	$718,468	$418,468

Capital Facilities and Technological Needs

1.

Capital Facilities and Technological Needs

CAPITAL FACILITIES AND TECHNOLOGICAL NEEDS			
PROGRAMS	**PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS**	**FUNDING UPDATES**	
		3 yr. Plan	Update
CFTN	Capital Funds for the development of Be Well Irvine Campus	$21,401,488	$31,401,488

Discussion

Next Steps

- Required to have MHSA Annual Update approved by BOS before June 30, 2024.
- Move existing Component programs forward:
  - Prevention and Early Intervention
  - Community Services and Supports
  - Workforce Education and Training
  - Capital Facilities and Technological Needs
  - New and Expanded Innovation Concepts in the Annual Update to streamline local approval

- 30 Day Review and Public Comment scheduled for March 11- April 15, 2024
  - Hosting a series of meetings during posting to provide the public an opportunity to review existing MHSA plan information and engage in a dialogue.
- Review of Public Comments with Behavioral Health Advisory Board April 17, 2024.
- Public Hearing April 24, 2024, at Westminster Community Center from 10am – 12pm
- OC Board of Supervisor Approval (May/June 2024)
- Submission to California Department of Health Care Services and the Mental Health Services Oversight and Accountability Commission.

Access to the Plan and Public Comment Form

- **To access the draft plan, scan the QR code or click https://bit.ly/3T73WiU**

- Within the link you will find the draft Plan, the Executive Summary, and an additional link to the online public comment form. Links to the Executive Summary in the different threshold languages will become active on the website over the next weeks as translations are completed. The Plan website also has a list of upcoming Community Planning Meetings to learn more about the changes in the Plan Update. We hope you can join either virtually or in person.

For hardcopies of the MHSA Annual Update Plan, please contact:

MHSA Program Planning and Administration at (714) 834-3104 or email mhsa@ochca.com

Thank you for your attendance!
Please complete and turn in your surveys

For questions or to request a meeting, please contact Michelle Smith at msmith@ochca.com or call (714) 834-3104

For MHSA information
please call (714) 834-3104 or email mhsa@ochca.com