

# Draft MHSA Annual Update for Fiscal Year(FY) 2025-26

BHAB Briefing: Review of Proposed Changes to the MHSA Plan  
and Pending Policy



# Mental Health Services Act Requirements

## Why do we do an MHSA Plan?



An MHSA Three-Year Integrated Plan (Plan) is required by regulations with an update each of the following two years.

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 2023-24 and proposed updates for fiscal 2025-26

This is the **Final MHSA Plan**, with the implementation of the Behavioral Health Services Act Integrated Plan beginning July 1, 2026.

# Proposition 1: Overview & Impacts on Behavioral Health

# Proposition 1

**Prop 1 was voted on and approved by California voters on March 5, 2024, to update the MHSA and authorize funds for housing. The update prioritizes services for people with the most significant behavioral health needs, expands housing interventions, and addressing state workforce challenges. Additionally, the BHTA will focus on increased transparency, accountability and outcomes.**

Changes MHSA to BHTA (Behavioral Health Services Act) to include treatment for people with substance use disorders. BHTA 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.

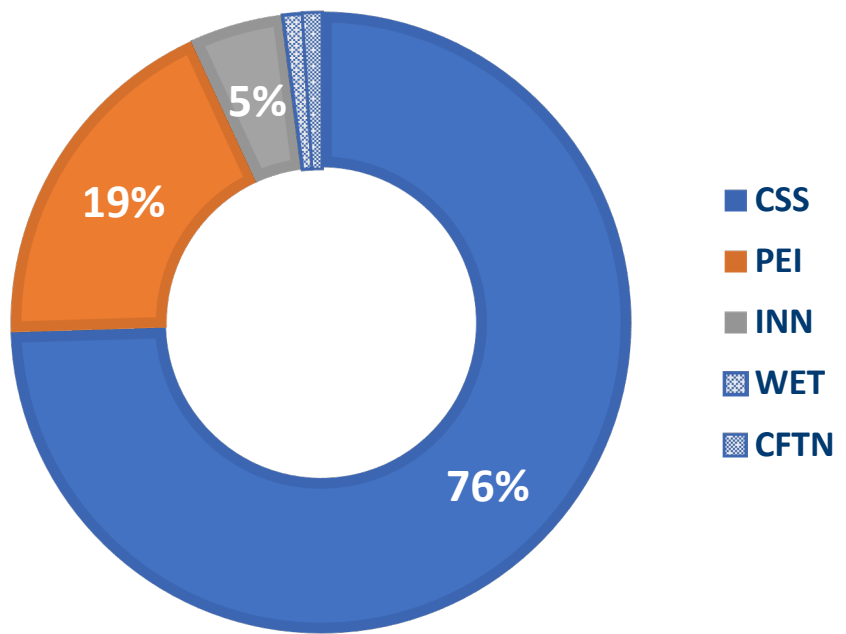
Directs more money to the State (10% vs. 5%) and less to Counties (90% vs. 95%). Redirects Prevention from local implementation to state, prioritizes Medi-Cal billing, prioritizes services for justice-involved, unhoused, child welfare, and at-risk of institutionalization

The bond may provide housing to approximately 20% of veterans experiencing homelessness across the state.

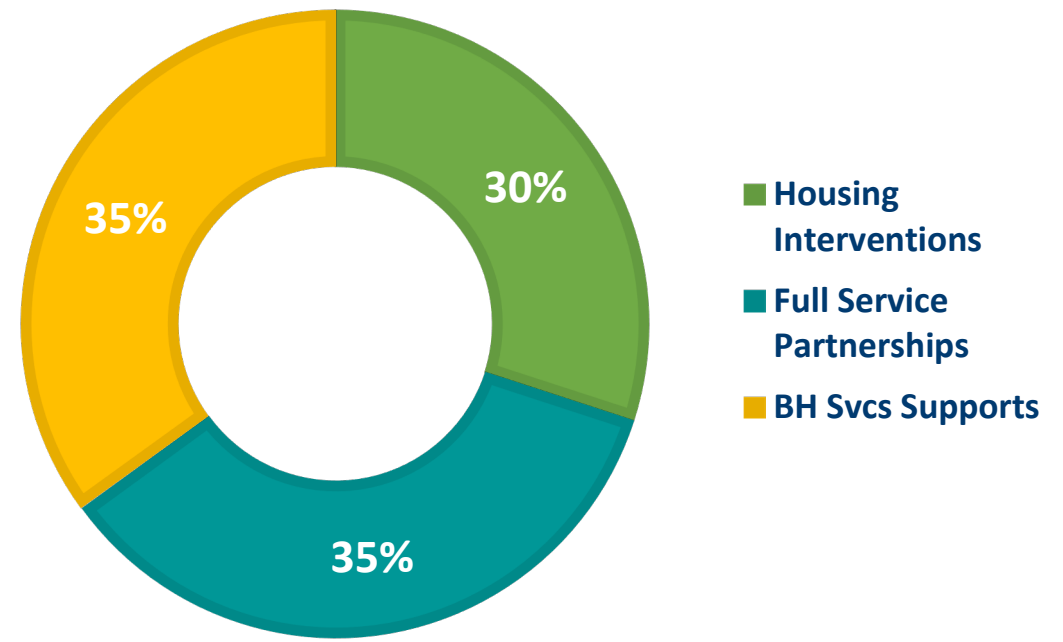
# MHSA Modernization Summary

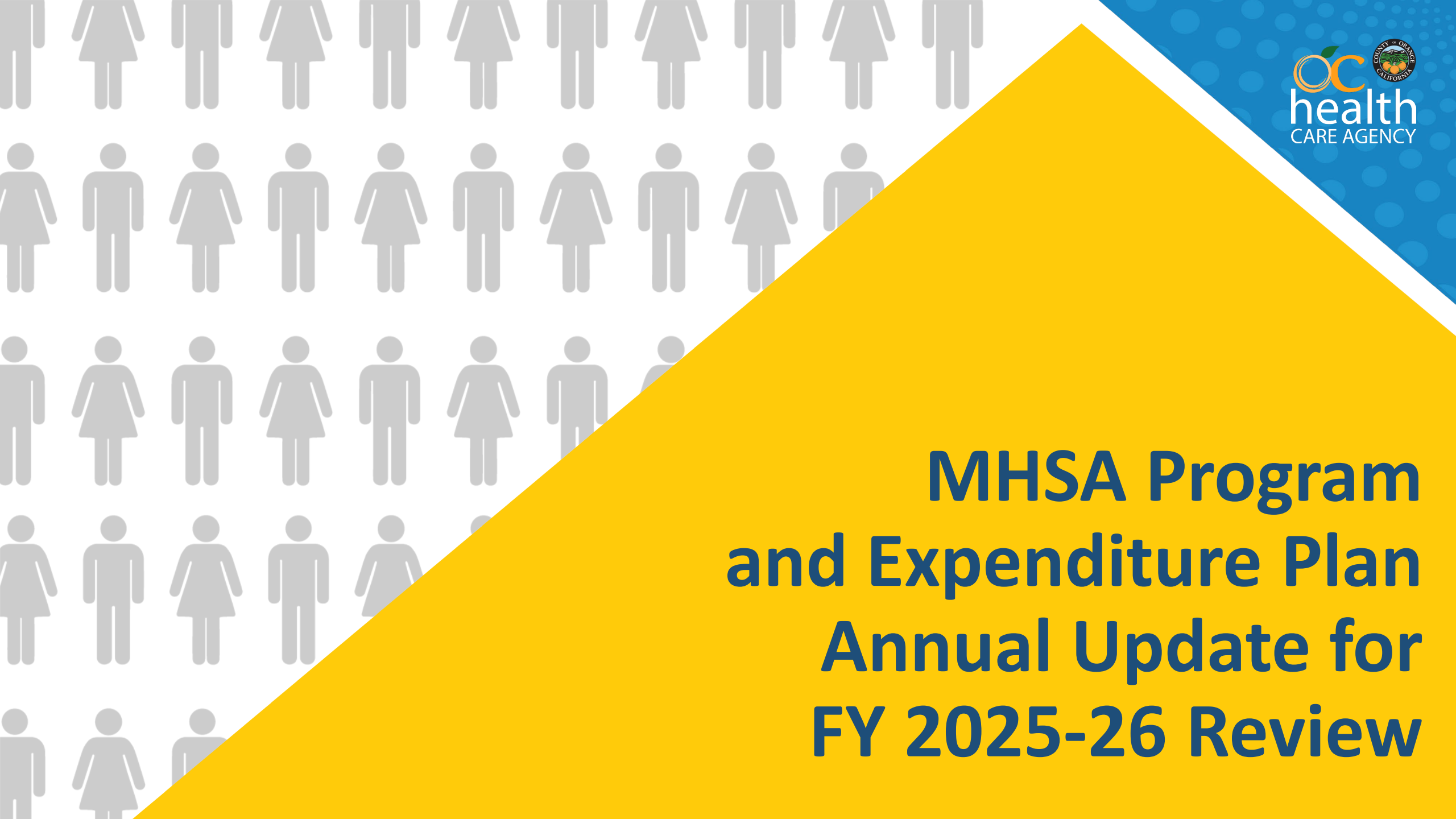
Modified from 5 Components to 3 Components

MHSA -CURRENT MODEL



BHSA - PROPOSED MODEL





# MHSA Program and Expenditure Plan Annual Update for FY 2025-26 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 2025-26 period. These amounts are not final and may vary in comparison to the final plan or any updates.

Component	3 Year Plan FY 25-26	FY 24-25 Update	Proposed FY 25-26 Update	Difference 3YP/FY25-26
Prevention & Early Intervention	\$77,753,250	\$49,525,845	\$29,200,871	-\$48,552,379
Community Services & Supports	\$259,181,497	\$172,023,313	\$183,717,296	-\$75,464,201
Innovation	\$4,255,557	\$48,383,668	\$18,255,557	+\$14,000,000
WET	\$8,787,501	\$7,871,705	\$8,371,705	-\$415,796
Capital Facilities & Technological Needs	\$23,091,028	\$31,401,488	\$21,414,890	-\$1,676,138
<b>Total</b>	<b>\$373,068,833</b>	<b>\$309,206,019</b>	<b>\$260,960,319</b>	<b>-\$112,108,514</b>

# Prevention and Early Intervention

Program	Reduction	Update	Description of the changes
<b>Infant and Early Childhood Continuum</b>	<b>-\$1,000,000</b>	Program and Contracts End June 30, 2025	The current scope of work of the program does not meet the requirements for early intervention in BHSa. The contract ends June 30, 2025, and will not be renewed. The amount of available PEI funds has been reduced from previously anticipated levels of funding. Programs and services that align with the state requirements under Behavioral Health Transformation and align with stakeholder input will be included in the Behavioral Health Integrated Plan.
<b>Mental Health Community Education Events for Stigma Discrimination</b>	<b>-\$930,000</b>	Removing from Budget	Population Prevention will no longer be funded at the local level, as Proposition 1 redirects 4% of state BHSa funds to be implemented by the California Department of Public Health and prohibits the use of BHSa dollars at the local level for this purpose. As contracts come to their natural end, they will not be renewed.
<b>Outreach for Increasing Recognition of Early Signs of Mental Illness</b>	<b>-\$8,194,609</b>	Program and contracts end	<ul style="list-style-type: none"> <li>▪ Crisis Intervention Training – Program is moved to CSS as part of Crisis Services as it helps to support implementation of the Crisis Continuum in Orange County.</li> <li>▪ Mental Health and Well Being Promotion for Diverse Communities will no longer be funded.</li> <li>▪ Mental Wellness Campaigns scope of work is revised and will support functions of community program planning.</li> </ul>
<b>Crisis Prevention and Support – Suicide Prevention</b>	<b>-\$1,450,000</b>	Reduction in program	Population Based prevention will no longer be funded at the local level, as Proposition 1 prohibits local use for such purposes. The budget is reduced, and the scope of work (SOW) of programs has been updated to support individual-level services and Medi-Cal billing for individuals that meet criteria. Program reduced from \$4.7M in the Three-Year Plan to \$2.7M for the FY 25/26 Annual Update.
<b>Transportation Assistance</b>	<b>-\$5,000</b>	Removed from PEI	Transportation supports have been removed from MHSA funding, as transportation is a covered benefit under Medi-Cal and does not necessitate identification as a program.



# Prevention and Early Intervention

Program	Reduction	Update	Description of the changes
<b>BH Navigation</b> (aka BHS Outreach and Engagement)	Moved to CSS	Transition to CSS and costs offset by grant.	In alignment with outreach and engagement services in CSS, this program has transitioned to the CSS component. In addition, costs have been offset by a \$7M grant received from CalOptima that will be applied over a three year period. The function of outreach and engagement will change under BHSA.
<b>Integrated Justice Involved Services</b>	Moved to CSS	Moved to CSS	In alignment with state issued guidance, justice involved in-reach and transitional services should be funded under CSS. Programs have been transitioned to reflect this change.
<b>School Aged Mental Health Services</b>	-\$2,272,712	Program End	BHS will continue to serve children meeting eligibility for children's specialty behavioral health services in County and Contracted Clinical programs. DHCS has implemented policy change that has expanded access to school-based mental health services through managed care plans (MCPs). This expands the network to allow schools that opt in to coordinate and deliver care.
<b>OC Parent Wellness Program</b>	-\$1,900,000	Program removed from PEI Budget	The program has suffered from significant staffing shortages for the last several years. The program staff are being integrated into children's outpatient clinics and will support the delivery of services as part of clinic operations.
<b>OC4 Vets</b>	-\$1,200,000	Program Reduced	The program has been reduced as contracted services do not align with BHSA requirements. County operated services continue and a program to meet the needs of this important population can be developed under the BHSA.
<b>Community Counseling and Supportive Services</b>	-\$2,036,136	Program ending June 2025	This County operated program will end. The population being served in the program align with the population mandated to be served by managed care plans and will no longer be able to be sustained under BHSA.
<b>PEI Administration</b>	-\$4,000,000	Funding Reduced	PEI administration costs are being reduced to reflect the reduction in PEI programming.

# Community Services and Supports

Program	Change Amount	Update	Description of the changes
Multi-Service Center for Homeless Mentally Ill	-\$300,000	Program ended 2024	Program ended December 31, 2024
BH Navigation (aka BH Outreach and Engagement)	+\$4,820,000	This program (also known as BH Outreach and Engagement) moved from PEI to CSS	Program better aligns with CSS outreach and engagement requirements.
Integrated Justice Involved services	+8,314,804	Moved from PEI to CSS	Program services and scope aligns with guidance from DHCS for delivery of services under CSS.
Warmline	-\$10,800,000	Program ending June 2025	<p>The reduction in available MHSa funding and the transition to BHSA contribute to this decision.</p> <ul style="list-style-type: none"> <li>▪ The amount of existing MHSa and categorical BHSA funding is very limited and mandated services are being prioritized, as new accountability is put in place.</li> <li>▪ Failure to meet those accountability measures for mandated programs will result in fines to the County.</li> <li>▪ The Warmline is not a mandated service, and a state funded WarmLine service is offered to all California residents.</li> <li>▪ California's 24/7 Peer-Run Warmline can be accessed at (855) 845-7415 via talk or text and offers supports in English, Spanish, and 240 other languages.</li> </ul>
In-Home Crisis Stabilization	-\$1,760,900	Budget reduced	Program reduced and will only be serving children's programs.

# Community Services and Supports

Program	Change Amount	Update	Description of the changes
<b>Children and Youth Expansion</b>	<b>-\$7,000,000</b>	MHSA Budget Reduced	Anticipated amount of MHSA dollars needed to sustain services is reduced as payment reform and new Medi-Cal billing standards are implemented. It is not anticipated that services will be affected.
<b>Outpatient Recovery</b>	<b>-\$1,000,000</b>	MHSA Budget Reduced	Anticipated amount of MHSA dollars needed to sustain services is reduced as payment reform and new Medi-Cal billing standards are implemented. It is not anticipated that services will be affected.
<b>Supported Employment</b>	<b>-\$1,520,538</b>	MHSA Budget Reduced	This program will end June 30, 2025. Supported employment will become a mandated part of the delivery of Full-Service Partnership program services in BHSA. This support will be transitioned into the requirements and scope of work for FSP in the Behavioral Health Integrated Plan.

# Innovation

PROGRAMS	PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS	FUNDING UPDATES	
		3 yr. Plan	Update
<b>Innovative Community Program Planning Project</b>	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
<b>Progressive Improvements of Valued Treatment (PIVOT): Comprehensive System Redesign Project</b>	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	\$8,000,000
<b>PADS – Part II</b>	At conclusion of the PADS Part 1 project, propose to expand testing use with additional populations and support updates in technology.	\$0	\$7,720,071

# Workforce Education and Training

PROGRAMS	PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS	FUNDING UPDATES	
		3 yr. Plan	Update
<b>Workforce Staffing Support</b>	Reduce budget to align with available funding and actual expenditures	\$1,814,758	\$1,694,758
<b>Financial Incentives Program</b>	Reduce budget to align with available funding and actual expenditures	\$718,468	\$418,468

# Capital Facilities and Technological Needs

PROGRAMS	PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS	FUNDING UPDATES	
		3 yr. Plan	Update
CFTN	Electronic Health Record – Adjustment	\$22,784,586	\$21,414,890

# Discussion



# Next Steps

- Required to have MHSA Annual Update approved by BOS before June 30, 2025.
- Move existing Component programs forward:
  - Prevention and Early Intervention
  - Community Services and Supports
  - Workforce Education and Training
  - Capital Facilities and Technological Needs
- 30 Day Review and Public Comment scheduled for March 5- April 5, 2025
  - Hosting a series of virtual meetings during posting to provide the public an opportunity to review existing MHSA plan information and engage in a dialogue.
- Provide Public Comments to Behavioral Health Advisory Board prior to Public Hearing.
- Public Hearing April 9, 2025, at Community Administration South Building from 10am – 12pm
- OC Board of Supervisor Approval (May/June 2025)
- Submission to California Department of Health Care Services and the Behavioral 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 [bhsa@ochca.com](mailto:bhsa@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](mailto:msmith@ochca.com) or call (714) 834-3104

For MHSA/BHSA information please call (714) 834-3104 or email [bhsa@ochca.com](mailto:bhsa@ochca.com)

assess.

discuss.

improve.

#BHSA

BHAB Public Hearing

April 9, 2025

10:00 am to 12:00 pm

The Public Hearing will be held at the  
**County Administration South Multi-Purpose  
Room (MPR) 103-105**  
601 N. Ross Street | Santa Ana, CA 92701