

# The Mental Health Services Act Initiative: Proposition 63

DMH Preliminary Stakeholder  
Planning Meeting 9/29/04

# Purpose

- Define serious mental illness as a condition deserving priority attention
- Reduce long-term adverse impact from untreated serious mental illness
- Expand successful, innovative service programs
- Provide funding to adequately meet the needs
- Ensure that funds are expended in a cost effective manner and that services are provided consistent with best practices

# Five Program Areas for Funding

- ***1 - Prevention and Early Intervention***
  - Includes outreach, access, reduction of stigma, reduction of discrimination.
  - Emphasis on reducing negative outcomes of suicide, incarcerations, school failure or dropout, unemployment, prolonged suffering, homelessness, removal of children from their homes
  - State to develop overall plan, local services must be consistent with that plan

# Five Program Areas for Funding

- **2 - *Services to Children* (SOC)**
  - Emphasis on wrap around services, including Transition Age Youth
  - Consistent with Children's System of Care

# Five Program Areas for Funding

- **3 - *Adults and Older Adults* (SOC)**
  - Focus on recovery vision, consumer-operated services, ethnicity and cultural diversity
  - Includes Transition Age Youth & Mentally Ill Offender Crime Reduction (MIOCR)-type programs

# Five Program Areas for Funding

- ***4 - Education and training***

- Includes staff needs assessment by counties
- Five-year education and training plan by state
- Educational stipends and forgiveness loans and other strategies to increase the mental health work force
- Education and curriculum development to “retrain” staff, regional partnerships

# Five Program Areas for Funding

- ***5 - Innovative Programs***
  - Includes increased access to underserved groups
  - Increased quality of services and better outcomes
  - Promotion of interagency collaboration and increased access to services

# Effective Date

- The Mental Health Services Act will become effective January 1, 2005, if approved by voters in the November 2004 elections.
- The additional taxes raised will begin to be collected on that date.
- The taxes will be collected on a monthly basis



# Funding Source & Restrictions

- Source: 1% of income over \$1 million
- Deposited to Mental Health Services Fund (MHSF) in State Treasury
  - Monthly based on specified proportion of personal income tax receipts
  - Adjusted two years later to actual
- Funds used to expand, not supplant services;
  - can “not be used to supplant existing state or county funds utilized to provide mental health services.”
- Sliding Fee Scale (UMDAP) will apply

# Authorizing Regulations

- DMH has authority to adopt Emergency Regulations in 2005 to implement the Act.
- The regulations must be developed with the “maximum feasible opportunity for public participation and comments.”

# Distribution of Funds – FY 04/05

- Funds distributed to local authorities shall be deposited in a local MHSF
- 45% - Education and Training.
- 45% - Capital Facilities and Technology
- 5% - Local Planning.
- 5% - State Implementation.

# Distribution of Funds FY 05/06; 06/07; 07/08

- 10% - Education & Training—in trust fund
- 10% - Capital and Technology
- 5% - State DMH Admin, MHPC & Oversight and Accountability Commission
- 20% - Prevention and Early Intervention
- 55% - Children's, Adults', Older Adults SOC
  - Including 5% for innovation

# Distribution of Funds FY 05/06; 06/07; 07/08

- Prevention and Early Intervention
  - Statewide plan
  - Funds distributed in accordance with formula negotiated with CMHDA to implement local plans
  - Plans reviewed by DMH and approved by OAC
  - Can increase over time if other needs (SOC) are met
- State DMH Admin, Planning Council, & Oversight and Accountability Commission (OAC)
  - Resources to conduct specified duties
  - Can include research and evaluation

# Distribution of Funds FY 05/06; 06/07; 07/08

## 55% - Children's, Adults', Older Adults SOC

- To serve persons with serious emotional disturbance and serious mental illnesses
- Funds unused after 3 years will revert to the state, except for funds placed in a reserve with a state approved plan
- Up to 5% of total county allocation may be used for planning (including covering costs for consumer and family participation)
- Expenditures consistent with county plans
  - Reviewed by OAC, approved by DMH
- 5% - Innovative Programs
  - Local plans reviewed by DMH and approved by OAC

# Distribution of Funds After 07-08

- No longer a prescribed percentage of the funds that must go to categories
- Funds may be used for:
  - Services for children, adults and older adults
  - Technological needs and capital facilities
  - Human resource needs
  - A prudent reserve to ensure that services do not have to be significantly reduced in years in which revenues are below the average of previous years.

# Local Plans: Requirements & Process

- Each year State DMH will inform counties of the amount of funds available.
- Each county MH program (or two or more acting jointly) must submit a three-year expenditure plan, updated at least annually for review and approval by DMH and OAC
- County must assure development with local stakeholders
  - 30 day review & comment
  - Public hearing at end of 30 days
  - Each plan must include any substantive written recommendations for revisions, and summarize and analyze the recommended revisions.



# Local Plan Requirements

- DMH will establish requirements for the content of the county plans, including reports on the achievement of performance outcomes.
- However, each plan must include for the following:
- A program for
  - Prevention and Early Intervention\*.
  - Services to children based upon the System of Care model, including a program for wraparound services,
  - Services to adults and older adults based on the System of Care model
  - Innovations
  - Technological needs and capital facilities
  - Services to transition age youth.
- Identification of Shortages in personnel
- Establishment of a prudent reserve.

# DMH Responsibility

- Evaluate each proposed expenditure plan and determine:
  - The extent to which each county has the capacity to serve the proposed number of children, adults and older adults;
  - The extent to which there is an unmet need to serve those individuals;
  - Determine the amount of available funds.
- Provide each county with an allocation from the funds available.
- Contract for the provision of these services with “each county mental health program.”
- Use staffing needs assessments from counties to develop a five-year education and training plan.

# Oversight and Accountability Commission

- Sixteen person commission that will be part of the California Mental Health Planning Council
  - Appointed by Governor and legislature
- Review county plans
- Approve county proposals for Prevention and Innovation projects

# SUMMARY

## Local Plan Review and Approval

	DMH	OAC
Prevention/EI	Review	Approve
Children's Services	Approve	Review
Adult and Senior Services	Approve	Review
Innovation	Review	Approve
Human Resources	Approve	Review

# If the Initiative Passes

## Initial Thoughts on Strategy

- **TRANSFORM** the system rather than just grow it.
  - Use the specifics of the President's Commission Report to supplement the vision of the Initiative
- Use an inclusive stakeholder process for design
  - Effective participation of clients and family members throughout the process is critical\
- Need to determine measures of accountability (outcomes/indicators) prior to local plan development.

# If the Initiative Passes

## Some of the Implementation Issues

- Balance immediate needs for funding with conceptualizing transformed system
  - Examples--Human Resources, IT and Capital Investments
- System reform vs. categorical funding
  - If system, how to determine current efforts
  - Pressure to fund now, program design later
  - Clear state specified standards that focus on initiative goals
- Statewide standards vs. local flexibility.

# If the Initiative Passes

## Some of the Implementation Issues

- Define Maintenance of Effort requirements—  
local and state
- Determine how funding will be distributed among  
counties
  - How to include underserved populations as component
  - How to determine capacity to provide services
- Determine how funding will flow and setting up  
mechanics
- Establish requirements regarding any limitations  
in use of funding

# If the Initiative Passes

## Some of the Implementation Issues

- Develop supports for Counties and Stakeholders
  - Effective Planning Processes
  - System Design and effective practices
  - Recognize needs of small counties
- Establish feasible timeframes
- Obtain Human Resources—state and local
- Ensure “No county left behind”
- Implement Oversight and Accountability Commission



# Impact on Other State Departments

- Social Services
  - Wraparound technical assistance
  - Federal approval for expansion
- Health Services
  - Federal approval for needed Medi-Cal waivers
- Finance
  - Obtain additional department resources/authority
  - Limitations regarding other mental health financing
- Controller, Franchise Tax, Treasurer
  - Obtain and distribute funding

# DMH Work Plan Regarding Initiative Prior to Election

- Understand/analyze initiative
- Obtain initial stakeholder input
- Begin to draft work plan
- Identify resource needs, if the initiative should pass