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**TO:** Members and Consultants, Senate Budget Subcommittee #3

Members and Consultants, Assembly Budget Subcommittee #1

**FROM:** Jessica Cruz, CEO, National Alliance on Mental Illness - California

**DATE:** May 17, 2019

**SUBJECT: Whole Person Care Pilots – Expansion Using Mental Health Services Act (MHSA) Funds - CONCERNS**

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On behalf of the National Alliance on Mental Illness - California (NAMI-CA), I am writing to express strong concerns with the Governor's May Revision proposal to appropriate \$20 million in Mental Health Services Act (MHSA) funding to California's Whole Person Care Pilots.

NAMI-CA is the statewide affiliate of the country's largest mental health advocacy organization, the National Alliance on Mental Illness. Our 19,000 members and 62 affiliates include many people living with serious mental illnesses, their families, and supporters. NAMI-CA advocates on their behalf, providing education and support to its members and the broader community.

NAMI-CA supports the Governor's proposal to appropriate \$100 million State General Fund for additional supportive housing for people with mental illness who are participating in Whole Person Care pilots. However, the May Revision would also use MHSA funds to assist individuals with mental illness who reside in counties that are *not participating* in the Whole Person Care pilot.

NAMI California believes community systems for people with mental illness must be comprehensive and *should* include supported housing and supports the goals of Whole Person Care. However, we are concerned the Governor's proposed funding source to expand the pilots to other individuals is inconsistent with the purposes of MHSA State Administrative funding and would redirect funds that would otherwise be used at the local level to support existing MHSA commitments. In recent years, we have observed an increasing volume each year of legislative proposals to use MHSA State Administrative funds for a variety of state-directed services and projects. While these proposals are often well intended and have admirable policy goals, NAMI California believes state



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General Funds or other resources should be sought, rather than redirecting MHSA funds.

First, MHSA state statutes describe *very specific purposes* of MHSA State Administrative Funds. Specifically, Welfare and Institutions Code Section 5892, subdivision (d) states:

*(d) Prior to making the allocations pursuant to subdivisions (a), (b), and (c), funds shall be reserved for the costs for the State Department of Health Care Services, the California Behavioral Health Planning Council, the Office of Statewide Health Planning and Development, the Mental Health Services Oversight and Accountability Commission, the State Department of Public Health, and any other state agency to implement all duties pursuant to the programs set forth in this section. These costs shall not exceed 5 percent of the total of annual revenues received for the fund. **The administrative costs shall include funds to assist consumers and family members to ensure the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery, or access to services. The amounts allocated for administration shall include amounts sufficient to ensure adequate research and evaluation regarding the effectiveness of services being provided and achievement of the outcome measures** set forth in Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850). The amount of funds available for the purposes of this subdivision in any fiscal year is subject to appropriation in the annual Budget Act.*

Additionally, existing law prohibits the use of MHSA funds to supplant (replace) other funding sources. Welfare and Institutions Code Section 5891, subdivision (a) states:

*“These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. ...These funds shall only be used to pay for the programs authorized in Sections 5890 and 5892. These funds may not be used to pay for any other program.”*

In the above statutes, Section 5890 refers to MHSA Adult and Older Adult Mental Health System of Care Act services, MHSA Innovative Programs, MHSA Prevention and Early Intervention Programs, No Place Like Home Program, and MHSA Children’s Mental Health Services Act services.

The Whole Person Care Program was authorized by the federal Centers for Medicare and Medicaid Services (CMS) as an amendment to the Special Terms and Conditions of California's Medi-Cal 2020 Demonstration Waiver. To date, it has been supported by State General Funds. Therefore, we believe using MHSA resources to fund an

expansion of Whole Person Care – instead of State General Funds -- would be inconsistent with current law.

Second, we believe the overall priority for MHSA funds should be providing resources to local communities who, with stakeholder involvement, have created ongoing commitments and



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programs to serve people with serious mental illness, including people who are homeless or at risk of homelessness. As indicated in current law above, *up to 5%* of all MHSAs revenues annually *can be reserved* for State Administrative purposes before the revenues are distributed to counties. If less than 5% is reserved for State Administrative funds, those remaining funds get distributed for local programs. Consequently, *each MHSAs dollar redirected at the state level -- without substantial input from consumers, family members, and other stakeholders -- represents one fewer dollar available to respond to the needs identified in local communities.*

We urge you to please consider these concerns as you evaluate the Governor's May Revision proposal for Whole Person Care Pilots and to utilize State General Funds as a means to support expansion of the pilots into additional counties.

I would appreciate an opportunity to speak with you about these concerns and answer any questions you may have. I may be reached at 916-567-0163.