



## NAMI CA Final 2020-21 State Budget – Behavioral Health Issues

---

### Backfill of State General Funds for County Safety Net Services

One of the most significant provisions of the state budget are \$1 billion in state General Funds (GF) to help counties cope with the economic downturn. As of the Governor’s May Revision, counties were projected to receive approximately \$244 million less in Realignment funding for behavioral health services in 2020-21 due to the economic downturn. **The \$1 billion in GF is intended to backfill (replace) diminishing county Realignment service funds behavioral health, public health, and human services.**

While **\$750 million of the \$1 billion is guaranteed**, the remaining \$250 million will be provided to counties only if California receives \$14 billion in additional COVID-19 federal funds. Additionally, counties will only receive these funds if they certify **compliance with the state’s COVID-19 public health directives**. The California Department of Finance (DOF), in consultation with the California State Association of Counties, will develop a method to apportion the funds among the 58 counties.

### Medi-Cal Services Sustained

The final budget enacted by the Legislature **rejects many of the Governor’s May Revision proposals** to eliminate or reduce a number of service areas in the Medi-Cal program. The following **Medi-Cal services are now sustained or expanded** in the final budget:

- All “optional” (not federally-required) Medi-Cal benefits, including **adult dental**.
- Medi-Cal **eligibility for aged, blind, and disabled** individuals with incomes 123% to 138% of the federal poverty level.
- Medi-Cal **eligibility for 12 months post-partum if diagnosed with a maternal mental health condition**.
- Providing \$20 million to funding **behavioral health counselors in emergency departments**.
- Providing \$466,000 to implement to expand the Screening, Brief Intervention, Referral to Treatment (SBIRT) program to **screen for opioids and other drugs** – not just alcohol.

## Medi-Cal Enhancements Contingent on Sufficient Funding

A key Medi-Cal enhancement that will only be implemented if the economy recovers and resources are available include expanding **full-scope Medi-Cal eligibility for undocumented older adults**. The budget prioritizes this expansion if DOF projects sufficient funding to sustain coverage over the next four fiscal years). Additionally, while Proposition 56 tobacco tax funds are provided for 2020-21, the Value-Based Payments program and supplemental payments to Medi-Cal providers will be suspended on July 1, 2021 unless DOF estimates there will be sufficient funding to sustain them for the next two years. This includes **Adverse Childhood Events (ACEs) training and screening** in the Medi-Cal program.

## Other Cuts Rejected by the Legislature

The Governor's May Revision proposed a number of cuts, which the Legislature subsequently rejected. Specifically, the enacted budget provides funds for the following:

- 1.7% cost of living increase to maximum **Social Security Income/State Supplemental Payment (SSI/SSP)** monthly grant levels.
- \$37 million to the Board of State and Community Corrections for **Adult Reentry Grants** to community-based organizations for supporting former offenders.
- \$30 million to establish the **Family Urgent Response System** for foster youth and their caregivers during times of emotional crisis.
- \$10 million for **Peace Officer Standards and Training (POST)** to create a Distance Learning Grant Program with a focus on **use of force and de-escalation, implicit bias and racial profiling, community policing, cultural diversity, and organizational wellness.**"
- \$4.5 million for the Department of Public Health (DPH) **Black Infant Health Program** and \$8.3 million for the **Public Health Nurse Early Intervention Program** in Los Angeles County.
- \$1.1 million for the **Family Mosaic Project** in San Francisco, which managed children with a serious emotional disturbance who are **at risk for out-of-home placement**.
- 14.5 positions to Department of Managed Health Care to conduct focused **investigations and enforcement of health plan compliance with behavioral health parity** requirements.
- 5 positions to Department of State Hospitals to establish a new Employee Post-Incident Debriefing and Support Services program to provide medical, physical, and emotional **support to employees involved in a violent incident or assault**.
- 4 positions to DHCS to assist counties in **complying with federal network adequacy requirements** for delivery of behavioral health services.

## Enhanced Funding to Address Homelessness

The legislature and Newsom Administration have continued to focus on reducing homelessness, in spite of reduced state budget resources from the economic downturn. The largest expansion to the state's efforts is an allocation of **\$550 million in federal Coronavirus Relief Funds**, with a priority placed on the Newsom Administration's "**Project Roomkey**" to reduce unsheltered homelessness in COVID-19 response and recovery.

Additional augmentations to address homelessness include **\$300 million GF** to be allocated by the **Homeless Coordinating and Financing Council** for the Homeless Housing Assistance Prevention Program. The program provides cities, counties, and continuums of care to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. The budget also provides \$50 million GF to California Housing and Community Development for operating subsidies and to acquire, convert, and rehabilitate hotels, motels, and other projects to house homeless individuals and families.

## COVID-19 Flexibilities for the Mental Health Services Act (MHSA)

In response to the COVID-19 public health emergency, AB 81 (Committee on Budget, Statutes of 2020) provides **temporary flexibility** in the following areas of the MHSA:

### 3-Year Plans and Annual Updates

- Counties have until July 1, 2021 to submit their 2020-21 plans and updates to the MHSOAC and DHCS (if they are unable to submit them earlier due to the COVID-19 public health emergency).

### Community Services and Supports (CSS)

- DHCS is authorized to use Information Notices (without promulgating regulations) to allow counties to determine the percentage of funds to allocate across the Community Services and Supports children and adults services during the 2020-21 fiscal year.

### Reversion of Unspent Funds

- Counties' unspent funds subject to reversion on July 1, 2019 or 2020 may be spent through July 1, 2021.

### Prudent Reserve Funds

- Counties may use their MHSA prudent reserve funds during the 2020-21 fiscal year.\*

*\* Under current law and regulation, counties may use Prudent Reserves during years in which MHSA revenues are below the average of the prior 5 fiscal years and the county's CSS funding projection is not sufficient to continue to serve the same number of individuals. Prudent reserves may only be spent on CSS and Prevention and Early Intervention (PEI).*

## **New Resources Provided to the Mental Health Services Oversight and Accountability Commission (MHSOAC)**

The budget provides the following new MHSA-funded resources to the Commission:

- \$2 million to support **suicide prevention** efforts consistent with the Commission's Suicide Prevention Strategic Plan, "Striving for Zero," in coordination with DHCS and DPH
- \$2 million to support **innovative approaches**, in partnership with counties and other entities, to address mental health needs as a result of the **COVID-19 epidemic**
- One additional Information Technology **employee position** at the Commission, and two additional employee positions for the Commission to implement SB 1004 (Wiener, Statutes of 2018) by analyzing Prevention and Early Intervention (PEI) program reports, providing logistical support, developing meeting materials, and providing technical assistance to counties. As of the Governor's January 2020 budget, the Commission is projected to have 51 employee positions in 2020-21, up from 39 in the current year.

The budget also temporarily authorizes (through June 30, 2021) the Commission to **adjust the terms of pending contracts or amend existing contracts**, so long as the amendment:

- (1) Is consistent with the legislative intent of the available funding,
- (2) Furthers the state's interest in addressing current and emerging mental health needs,  
AND
- (3) Improves the cost-effectiveness of the local assistance program, as determined by the Commission.

## **Mental Health Services on Campus**

The budget provides \$5.3 million to the **University of California** to increase student mental health resources, and authorizes the Board of Governors of the California **Community Colleges** to use its \$53.9 million in Coronavirus Relief Funds to, among other things, "address barriers to learning as a result of disruption caused by COVID-19, such as access to basic needs and mental health services needed to support students impacted by COVID-19."

## **Criminal Justice and Behavioral Health**

The budget enacted the following behavioral health-related criminal justice proposals:

- **Eliminate** the California Department of Corrections and Rehabilitation (CDCR) Integrated Services for Mentally Ill Parolee Program (**ISMIP**), which provides wraparound services and transitional housing for approximately 1,500 of 18,000 state prison parolees with mental illness.

- **Protect** a variety of **court programs** from any funding reductions, including California Collaborative and Drug Court Projects and Court Appointed Special Advocate (CASA) Program for foster youth. **Phases out two state prisons**, with legislative guidance, beginning in 2021-22.
- Provide funds to **retrofit 64 state prison cells** for inmates entering segregated housing at institutions around the state to **prevent suicide**.
- **Expand telepsychiatry** to increase state prison inmate access to mental health care services.
- Provide funding for **Youth Offender Rehabilitative Communities** at Valley State Prison in Chowchilla, which provide campus-style environments that connect youth offenders to positive mentors and provide rehabilitative and educational programs.

## Earlier Proposals Withdrawn

Due to the COVID-19 recession, the budget withdraws a number of the Governor’s and Legislature’s earlier funding and policy proposals, described below.

Behavioral Health Proposals Withdrawn	
<ul style="list-style-type: none"> <li>• DHCS “<b>Medi-Cal Healthier California for All</b>” Initiative (CalAIM), which included a Behavioral Health Quality Improvement Program, enhanced care management benefits, and incentives to provide in-lieu-of services.</li> <li>• Providing \$10 million to the Office of the Surgeon General to create a <b>public awareness campaign and cross-sector training program for ACEs</b>.</li> <li>• Improving behavioral health services in California’s <b>veterans’ homes</b> by standardizing mental health support staffing. (Note: This funding is described as “delayed,” rather than eliminated)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reforming the MHSA</b> to address spending for substance use disorder treatment, people with mental illness who are also experiencing homelessness or are involved in the criminal justice system, and early interventions for youth.</li> <li>• Providing \$2.6 million Systemic, Therapeutic, Assessment, Resources and Treatment (START) training through the Department of Developmental Disabilities on person-centered, trauma-informed, and evidence-based support services for individuals with <b>co-occurring developmental disabilities and mental health needs</b>. (Note: This funding is described as “delayed,” rather than eliminated).</li> </ul>
Criminal Justice Proposals Withdrawn	
<ul style="list-style-type: none"> <li>• <b>Realigning</b> the California Department of Corrections and Rehabilitation (CDCR) <b>Division of Juvenile Justice’s</b> responsibilities to counties. However, the budget “sets aside” \$9.6 million in 2020-21, \$24.7 million in 2021-22, and additional funds in future years to support the realignment of the Division of Juvenile Justice.</li> <li>• <b>Eliminating CDCR Parole Outpatient Clinics</b>, which employ mental health clinicians for state prison parolees.</li> </ul>	<ul style="list-style-type: none"> <li>• Creating a <b>6-year pilot</b> Department of State Hospitals Community Care Collaborative Pilot Program in 3 counties to serve individuals deemed <b>incompetent to stand trial</b> in the community and increase local investments in strategies to reduce the rate of justice involvement.</li> </ul>