
SENATE COMMITTEE ON HEALTH

Senator Ed Hernandez, O.D., Chair

BILL NO: AB 2279
AUTHOR: Cooley
VERSION: June 13, 2016
HEARING DATE: June 22, 2016
CONSULTANT: Reyes Diaz

SUBJECT: Mental Health Services Act: county-by-county spending reports

SUMMARY: Requires the Department of Health Care Services, in consultation with specified entities, to collect and publicly report specified information related to Mental Health Services Act revenue and expenditures, based on the current annual reporting requirement.

Existing law:

- 1) Establishes the Mental Health Services Act (MHSA), enacted by voters in 2004 as Proposition 63, which provides funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults, and seniors through a one percent income tax on personal income above \$1 million to be deposited to the Mental Health Services Fund (MHSF), administered by the Department of Health Care Services (DHCS).
- 2) Establishes the Mental Health Services Oversight and Accountability Commission (OAC) to oversee the implementation of the MHSA.
- 3) Requires each county mental health program to prepare and submit a three-year program and expenditure plan, with annual updates, adopted by the county board of supervisors, to the OAC within 30 days after adoption. Requires the plan to include, among other things, programs for services to adults and seniors.
- 4) Requires DHCS, in consultation with the OAC and the County Behavioral Health Directors Association of California, to develop and administer instructions for the Annual MHSA Revenue and Expenditure Report, including identifying the expenditure of funds, quantifying the amount of additional funds generated for the mental health system, identifying unexpended funds and interest earned on funds, and determining reversion amounts from prior fiscal year distributions.

This bill:

- 1) Requires DHCS, based on the Annual MHSA Revenue and Expenditures Report, to collect and publicly report, no later than nine months after the end of each fiscal year, the following information, by statewide total and by individual county:
 - a) Total revenue received from the MHSA;
 - b) The amount of MHSA funds received by counties for each of the following components:
 - i) Community services and supports;
 - ii) Prevention and early intervention;
 - iii) Innovation;
 - iv) Housing that is not funded under i) above;

- v) Workforce education and training not funded under i) above;
 - vi) Capital facilities and technological needs not funded under i) above; and,
 - vii) Other mental health services not reflected in i) through vi) above;
- c) MHSA revenues expended in the prior fiscal year;
 - d) The amount of MHSA funds expended by counties for each of the components in b) above;
 - e) Funds held in prudent reserve by each county;
 - f) Distribution from the counties' prudent reserves;
 - g) For the most recent fiscal year, the amount of MHSA funds for each component listed in b) above; and,
 - h) MHSA funds subject to reversion and funds that have reverted.
- 2) Requires the information specified in 1) above to be reported for each fiscal year and to include statewide totals. Requires the information to be updated annually, including necessary revisions. Requires annual reports to include fiscal information for a period of not less than 10 fiscal years, as specified.
 - 3) Requires DHCS also to report publicly annual county program expenditures for program administration, research and evaluation, and funds used to support joint powers authorities and other statewide entities. Requires a county to provide an explanation if it cannot supply some or all of this information, and to provide a timeframe for making the information available. Requires DHCS to work with counties and other specified entities to determine how best to make this information available.
 - 4) Allows counties to submit to DHCS information about programs that address areas that include, but are not limited to, homelessness, criminal justice diversion, suicide prevention, school-based mental health programs, programs to reduce unemployment, stigma reduction, and programs targeted to meet the needs of populations, including veterans; Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning; children and transition-age youth; and adults and older adults.
 - 5) Requires DHCS to compile the information required in 1) through 4) above to promote public understanding of MHSA funds that are distributed to each county, as well as how the funds are spent and what funds remain available for expenditure. Requires DHCS to consult with the OAC, the State Controller's Office, the Department of Finance, counties, other local mental health agencies, and any other agency required to implement the provisions in this bill.
 - 6) Requires DHCS to consolidate reporting requirements when feasible and to propose to the appropriate policy committees of the Legislature strategies to refine and consolidate reporting requirements.
 - 7) Requires DHCS to make the information available to the Legislature and the public on its Internet Web site no later than July 1, 2018, and annually thereafter.

FISCAL EFFECT: According to the Assembly Appropriations Committee, costs to DHCS are expected to be minor and absorbable.

PRIOR VOTES:

Assembly Floor:	80 - 0
Assembly Appropriations Committee:	20 - 0
Assembly Health Committee:	18 - 0

COMMENTS:

- 1) *Author's statement.* According to the author, the Centers for Disease Control and Prevention and the National Institute of Mental Health report that 4.2% of Americans ages 18 and older suffer from serious mental illness and 26.2% suffer from a diagnosable mental disorder. In 2004, the California voters passed the MHSA, which aimed to address serious mental illness, create prevention and intervention programs, and spur innovation to identify best practices to treat and prevent mental illness. The MHSA created a revenue source to fund programs and determined that local and state oversight was necessary to ensure accountability to the public. Currently, there is no single repository with county-by-county and state-wide information about how MHSA funds are spent. The lack of information made available to the public makes it difficult for consumers to compare services to identify programs that best address their needs, for county programs to identify best practices, and to ensure effective oversight and accountability to the public. AB 2279 requires that the total amount of revenue generated by the MHSA, a county-by-county comparison of fund expenditure plans, and comparison of how MHSA funds were spent be made available in one place in an easy to understand format. Easy access to this information can facilitate enhanced research and modeling, promote best practices, enhance transparency, and allow consumers to more easily identify programs that best address their needs.

- 2) *MHSA.* The MHSA provides funding for programs within five components:
 - a) *Community Services and Supports (CSS):* provides direct mental health services to the severely and seriously mentally ill, such as mental health treatment, cost of health care treatment, and housing supports. CSS requires counties to direct the majority of its funds to full-service partnerships, which are county-coordinated plans, in collaboration with the client and the family to provide the full spectrum of community services and utilize a “whatever it takes” approach to providing services. Such services include peer support and crisis intervention services, and non-mental health services and supports, such as food, clothing, housing, and the cost of medical treatment;
 - b) *Prevention and Early Intervention (PEI):* provides services to mental health clients in order to help prevent mental illness from becoming severe and disabling, emphasizing improving timely access to services for underserved populations. PEI programs are also required to emphasize strategies to reduce negative outcomes resulting from untreated mental illness, including suicide, school failure or dropout, incarcerations, and unemployment;
 - c) *Innovation:* provides services and approaches that are creative in an effort to address mental health clients’ persistent issues, such as improving services for underserved or unserved populations within the community. Innovation is funded by 5% from CSS and 5% from PEI funds;
 - d) *Capital Facilities and Technological Needs:* creates additional county infrastructure, such as additional clinics and facilities, and/or development of a technological infrastructure for the mental health system, such as electronic health records for mental health services; and,

- e) *Workforce Education and Training*: provides training for existing county mental health employees, outreach and recruitment to increase employment in the mental health system, and financial incentives to recruit or retain employees within the public mental health system.

The MHSA requires each county mental health department to prepare and submit a three-year plan to DHCS that must be updated each year and approved by DHCS after review and comment by the OAC. Some counties make annual reports available to the public on their own Web sites while others do not. In their three-year plans, counties are required to include a list of all programs for which MHSA funding is being requested and identify how the funds will be spent and what populations will be served. Counties must submit their plans for approval to the OAC before the counties may spend certain categories of funding.

- 3) *Related legislation*. SB 1273 (Moorlach), would clarify that counties may use MHSF moneys for services when co-located with involuntary services. *SB 1273 is set to be heard in the Assembly Health Committee on June 28, 2016.*

AB 2017 (McCarty), would establish the College Mental Health Services Program Act, as specified, until January 1, 2022, with dedicated funding from the MHSF. Requires DHCS to create a grant program for specified colleges to provide required improved access to mental health services, as specified. *AB 2017 is set to be heard in this committee on June 22, 2016.*

AB 847 (Mullin, Chapter 6, Statutes of 2016), requires DHCS to develop a proposal for the United States Secretary of Health and Human Services to be selected as a participating state in the time-limited demonstration program for mental health services to be provided by certified community behavioral health clinics to Medi-Cal beneficiaries. Appropriates \$1 million from the MHSA for DHCS to develop the proposal.

- 4) *Prior legislation*. SB 585 (Steinberg, Chapter 288, Statutes of 2013), allows counties, when included in their plans, to use MHSF moneys for Assisted Outpatient Treatment, known as “Laura’s Law,” if a county elects to participate in and implement Laura’s Law.
- 5) *Support*. Supporters of this bill argue that, while the MHSA has helped to fund a mental health system that has been sorely underfunded for many years, there has been a lack of transparency in county MHSA spending reports, which are not consistently made available to the public either by the counties themselves or DHCS. Supporters also state that there is no single repository for MHSA revenue and expenditure reporting, leaving the general public and mental health care advocates unable to access this information. Supporters argue that this bill will enhance transparency about MHSA funds and promote better outcomes, facilitate program improvement, and enhance accountability to the public.

SUPPORT AND OPPOSITION:

Support: California Chapter of the American College of Emergency Physicians
California Council of Community Behavioral Health Agencies
California Hospital Association
California Youth Empowerment Network
Little Hoover Commission
Mental Health America of California
National Association of Social Workers, California Chapter
The Steinberg Institute
United Advocates for Children and Families

Oppose: None received

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