

# MESSAGE FROM THE AGENCY DIRECTOR

This Mental Health Services Act (MHSA) Annual Plan Update for Fiscal Year (FY) 2019-20 represents an opportunity to review our progress and re-evaluate our current Three-Year MHSA Plan. In the upcoming year we look to enhance our preventative efforts through a time-limited expansion of Prevention and Early Intervention programs and to make significant strides in expanding and improving crisis services through the construction of the Anita Wellness Campus. Through these and other programs, MHSA will continue to transform the Orange County mental health system via the principles of community collaboration; cultural competence; wellness, recovery and resilience; consumer- and family-driven decision-making; integrated service experiences; and increased access for unserved and underserved populations.

Our progress to date would not have been possible without the support and guidance of groups and entities including the Orange County Board of Supervisors; Mental Health Board; MHSA Steering Committee; Community Action Advisory Committee; advocates for unserved and underserved populations; and the multitude of volunteers, County staff and others who have so graciously given their time and expertise to create the successes achieved over the past 14 years. We are also embarking on an exciting public-private partnership with Be Well OC, a coalition of Orange County behavioral health stakeholders including the Health Care Agency (HCA), CalOptima, local hospital systems, and nonprofit, academic and faith-based organizations. This partnership will provide an unparalleled opportunity for us to work together and strive to provide optimal mental health and well-being for Orange County residents through a culturally responsive and inclusive system.

As I review the Annual Plan Update for FY 2019-20, I am pleased with the continued success of many of our programs and am enthusiastic about the plans to expand our system in new and exciting ways. This was truly a collaborative effort between our outstanding community partners and Behavioral Health Services staff, and demonstrates our dedication to improving the lives of the individuals and family members affected by mental illness here in Orange County.



Sincerely,

A handwritten signature in black ink that reads "Jeffrey Nagel". The signature is fluid and cursive.

Jeffrey Nagel, Ph.D.

Deputy Agency Director for Behavioral Health Services

# OVERVIEW AND EXECUTIVE SUMMARY

In November 2004, California voters passed Proposition 63, also known as the Mental Health Services Act (MHSA). The Act implemented a 1% state tax on income over \$1 million and emphasizes transforming the mental health system to improve the quality of life for individuals living with mental illness and their families. With over 12 years of funding, mental health programs have been tailored to meet the needs of diverse clientele in each county in California. As a result, local communities and their residents are experiencing the benefits of expanded and improved mental health services.

Orange County Behavioral Health Services (BHS) has used a comprehensive stakeholder process to develop local MHSA programs that range from prevention services to crisis residential care. Central to the development and implementation of all programs is the focus on community collaboration; cultural competence; consumer- and family-driven services; service integration for consumers and families; prioritization of serving the unserved and underserved; and a focus on wellness, recovery and resilience.

The current array of services, with an annual budget of \$268,562,473 million for FY 2019-20, was developed incrementally, starting with the planning efforts of stakeholders in 2005 and continuing to present day.

The Orange County FY 2019-20 MHSA Annual Plan Update (“Plan Update” or “Update”) to the Three-Year Program and Expenditure Plan for Fiscal Years 2017-18 through 2019-20 was approved by the Board of Supervisors on **<INSERT DATE>**. This Update increases funding for all components except Workforce Education and Training, which is maintaining level funding.

## Budget Review and “True up” Process

As part of the fiscal review done in preparation for the current Annual Plan Update, BHS engaged in a detailed process of aligning existing program budgets more closely with actual program expenditures from the most recent fiscal year (i.e., FY 2017-18). This budget “true up,” which took place during Fall 2018, allowed managers to identify cost savings for programs that could be transferred to cover budget increases and/or implementation costs of other programs within the same component. The most common source of savings was actual or anticipated funds that remained unspent during a program’s development and/or implementation phase (e.g., salary savings, reduced number of individuals served, etc.).

## MHSA Components and Funding Categories

MHSA funding is broken down into five components that are defined by the Act: Community Services and Supports, Prevention and Early Intervention, Innovation, Workforce Education and Training, and Capital Facilities and Technological Needs. In addition, Community Services and Supports may allocate funds to support MHSA housing. A brief description and the funding level for each of these areas is provided below.

### Community Services and Supports Component

Community Services and Supports (CSS) is the largest of all five MHSA components and receives 76% of the Mental Health Services Fund. It supports comprehensive mental health treatment for people of all ages living with serious emotional disturbance (SED) or serious mental illness (SMI). CSS develops and implements promising or proven practices designed to increase underserved groups’ access to services, enhance quality of services, improve outcomes and promote interagency collaboration.

In addition to the FY 2018-19 CSS budget adjustments continued into FY 2019-20 for the expansion of programs such as the Crisis Assessment Teams, Children's Full Service Partnerships, and Courtyard Outreach program, other significant changes incorporated into the FY 2019-20 Annual Plan Update include the following:

- Add a new program, Supportive Services for Residents in Permanent Supportive Housing. This program aims to help adults who are living with serious mental illness be successful in their housing placements by providing supportive services as needed.
- Discontinue MHSA funding for Adolescent Dual Diagnosis Residential Treatment. Services will continue and instead be funded through Drug Medi-Cal and Medi-Cal.
- Discontinue MHSA funding for the Mental Health Collaborative Courts – Probation Services program. It was discovered that MHSA funds cannot be used to pay for law enforcement positions, duties or functions. The program will continue to be provided through alternate, non-MHSA funding.

The resulting CSS budget for FY 2019-20 is \$171,195,419. Although this amount exceeds anticipated available funds in FY 2019-20, CSS expenditures are anticipated to be within available fund limits but are budgeted at full program costs. This is because historical trends show actual expenditures to be under the annual budget due to various factors, such as unanticipated revenue offsets or cost savings. The Financial Team will monitor and project the revenue and expenditures throughout the fiscal year to ensure funds are not overspent. A full description of each CSS program, including the above changes, is provided in the Community Support and Individual/Family Support sections of this Plan.

### **Prevention and Early Intervention Component**

MHSA dedicates 19% of its allocation to Prevention and Early Intervention (PEI), which is intended to prevent mental illness from becoming severe and disabling and to improve timely access for people who are underserved by the mental health system. HCA recently engaged in an extensive community planning process (described later in this Plan) to identify PEI programs that would receive time-limited funding in order to expend unspent funds carried over from recent prior fiscal years. Some of the significant changes incorporated into the FY 2019-20

Annual Plan Update include the following:

- Continue the Innovation program, Strong Families - Strong Children: Behavioral Health Services for Military Families, with PEI funding
- Fund new and/or expanded services for TAY and young adults at community colleges & universities
- Expand K-12 school-based mental health services
- Fund a new program that will target early childcare providers serving families and young children
- Discontinue the Physical Fitness and Nutrition program as the contracted provider, following re-organization, no longer supports the gym facility

The component expanded funding from the amended FY 2018-19 Plan Update by approximately \$5 million for a total component budget of \$43,490,187 in FY 2019-20. Consistent with PEI regulations, 64% of total PEI funding is dedicated to serving youth who are under age 26 years. A description of each PEI program is provided in the Community Support and Individual/Family Support sections.

### **Innovation Component**

MHSA designates 5% of a County's allocation to the Innovation component, which specifically and exclusively dedicates funds to trying new approaches that contribute to learning rather than expanding service delivery. Projects are time-limited to a maximum of five years and evaluated for effectiveness and consideration for continued funding through CSS, PEI or other funds. All active projects are described in the Community Support, Individual/Family Support, and Special Projects sections.

In addition, HCA is in various stages of developing new Innovation projects:

- Orange County was recently approved by the MHSOAC to join the Statewide Early Psychosis Learning Health Care Network, a project in which counties will collaborate to standardize the evaluation of early psychosis programs; establish shared learning; and apply identified strategies that will improve participant outcomes,

program impact and cost-effectiveness of local early psychosis programs.

- Orange County is developing a Behavioral Health System Transformation Project proposal, a proof of concept on how best to create a system that will serve individuals in need of behavioral health services, regardless of insurance status or type. The purpose of this project is to determine how Orange County can braid funding sources and work within existing regulations so that the person being served, and not the payment source, remains the center of patient care. This project will also incorporate the development of a dynamic Digital Resource Directory that will allow providers to update their program contact and services information in real-time.

### **Workforce Education and Training Component**

Workforce Education and Training (WET) is intended to increase the mental health services workforce and to improve staff cultural and language competency, and is currently funded through transfers from CSS. WET maintained a level annual budget of \$5,150,282 for FY 2019-20, although \$65,000 is being transferred to Capital Facilities to support renovations for a facility that will support behavioral health trainings. Thus, the total component budget in FY 2019-20 is \$5,085,282. A full description of each program is provided in the System Supports section.

### **Capital Facilities and Technological Needs Component**

The Capital Facilities and Technological Needs (CFTN) component funds a wide range of projects necessary to support the service delivery system and is currently funded through transfers from CSS. A total of \$17,645,000 is being transferred to Capital Facilities to fund several projects in FY 2019-20:

- Construction of a building that will house Anita Wellness Campus services
- Renovations for a Crisis Stabilization Unit
- Renovations for a behavioral health training facility
- Completion of renovations for a building used for MHSA services/administration

### **Housing**

Under direction from the Board of Supervisors, a total of \$70,500,000 was allocated during the FY 2018-19 community planning process to develop permanent supportive housing. Some funds have been allocated to projects in development and the remaining balance of \$30,500,000 is available in FY 2019-20 for Orange County to continue creating permanent housing options for those living with SMI. A description of each project is provided in the Individual/Family Support section of this Plan Update.

During the years since Proposition 63 was passed, the Act has continued to evolve and help better the lives of those living with mental illness, their families and the entire Orange County community. We look forward to continuing our partnership with our stakeholders as we implement MHSA in Orange County.