

Mental Health Services Act

**STEERING
COMMITTEE MEETING**



JULY 9, 2012

Welcome

**SHARON BROWNING,
FACILITATOR**

Local/State Updates

**MARY HALE
INTERIM BEHAVIORAL HEALTH
DIRECTOR**

MHSA Update

BONNIE BIRNBAUM
MHSA COORDINATOR

Orange County MHSA Steering Committee

MHSA Fiscal Update
July 9, 2012



Mental Health Services Act Revenues

- Two primary sources of deposits into State MHS Fund
 - 1.76% of all monthly personal income tax (PIT) payments (Cash Transfers)
 - Not just millionaires
 - Annual Adjustment based on actual tax returns
 - Settlement between monthly PIT payments and actual tax returns
 - Based on actual tax returns from two years prior
- Other sources of deposits
 - Interest income (posted quarterly)
 - Excess State Administration (unauthorized and unexpended)
 - Reverted funds



Mental Health Services Act Revenues

- Cash Transfers are largest in months with quarterly tax payments and year end tax payments
 - January, April, June and September
- Annual Adjustments are incredibly volatile
 - Two year lag
 - Known by March 15th
 - Deposited on July 1st
- Monthly distributions beginning July, 2012
 - One amount not identified by component
 - Probably determined based on individual county's share of current year funding

(7)

MHSA Revenues (Dollars in Millions)

MHSA Estimated Revenues^{a/}
(Cash Basis-Millions of Dollars)

	Fiscal Year									
	Actual				Estimated					
	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	
Cash Transfers	\$983.9	\$797.0	\$799.0	\$905.0	\$906.0	\$981.0	\$1,030.5	\$1,082.0	\$1,146.9	
Annual Adjustment	\$423.7	\$438.0	\$581.0	\$225.0	(\$64.5)	\$157.0	\$173.0	\$200.0	\$250.0	
Interest	\$94.4	\$57.6	\$14.9	\$9.7	\$2.4	\$1.3	\$1.4	\$1.0	\$1.0	
Total	\$1,502.0	\$1,292.6	\$1,394.9	\$1,139.7	\$843.9	\$1,139.3	\$1,204.9	\$1,283.0	\$1,397.9	

^{a/} FY12/13 Governor's May Revised Budget cash transfers and interest through FY12/13 and annual adjustment through 13/14.

(8)

MHSA Component Funding (Dollars in Millions)

MHSA Estimated Component Funding
(Millions of Dollars)

	Fiscal Year									
	Actual				Estimated					
	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16		
CSS	\$650.0	\$900.0	\$783.6	\$741.0	\$881.1	\$883.7	\$941.0	\$1,025.2		
PEI	\$232.6	\$330.0	\$216.2	\$185.2	\$220.3	\$220.9	\$235.2	\$256.3		
Innovation ^{a/}	\$71.0	\$71.0	\$119.6	\$48.7	\$58.0	\$58.1	\$61.9	\$67.4		
Total	\$953.6	\$1,301.0	\$1,119.4	\$974.9	\$1,159.3	\$1,162.7	\$1,238.1	\$1,349.0		

^{a/} 5% of the total funding must be utilized for innovative programs (WSI Code Section 9892(a)(6)).

(9)

Orange County MHSa Component Funding (Dollars in Millions)

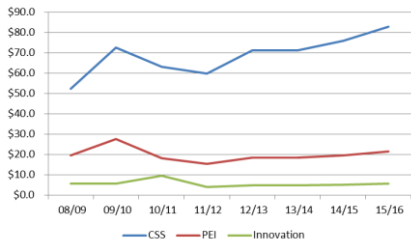
Orange County MHSa Estimated Component Funding
(Millions of Dollars)

	Fiscal Year							
	Actual				Estimated			
	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
CSS	\$52.2	\$72.6	\$63.2	\$59.8	\$71.1	\$71.3	\$75.9	\$82.7
PEI	\$19.7	\$27.7	\$18.1	\$15.5	\$18.4	\$18.5	\$19.7	\$21.5
Innovation ¹	\$5.8	\$5.8	\$9.7	\$4.0	\$4.8	\$4.8	\$5.1	\$5.6
Total	\$77.7	\$106.1	\$91.0	\$79.3	\$94.3	\$94.6	\$100.7	\$109.8

¹ 5% of the total funding must be utilized for innovative programs (WBI Code Section 5892(a)(6)).

(10)

Orange County MHSa Component Funding (Dollars in Millions)



(11)

MHSa Fiscal Planning

- Amount of component funding is not guaranteed
 - Estimated funding needs to be tracked
 - More risk to counties
- Cash flow will vary during the fiscal year
 - 40% of MHSa cash transfers received in last three months of fiscal year
- Use tools provided in MHSa to manage funding
 - Local prudent reserve
 - Three year reversion period for unspent CSS, PEI and Innovation funds

(12)

MHSA Reversion

- Statute specifies that funds must be spent within a certain time period or returned to the state
 - CSS, PEI and Innovation must be spent within three years
 - WET and CFTN must be spent within 10 years
 - Funds dedicated to Prudent Reserve are exempt from reversion
- Reversion period starts at beginning of fiscal year in which funds are available
- Statute allows CSS to be used for WET, CFTN, and/or Prudent Reserve
 - Limited to 20% of most recent 5 year allocations
 - No limit on amount of PEI funds that may be dedicated to Prudent Reserve
- Self report reverted funds
 - Based on county's interpretation of reversion in the Act

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Other Community Mental Health Funding

- 1991 Realignment
 - Mental Health guaranteed minimum level of funding
 - Anticipate Orange County to receive \$65.1 million in FY11/12 and \$67.3 million in FY12/13
 - Includes VLF Collection
 - Don't anticipate any additional growth until at least FY14/15

(14)

Other Community Mental Health Funding

- 2011 Realignment
 - EPSDT and Managed Care now included in Behavioral Health Subaccount
 - Anticipate no increase in FY12/13 EPSDT funding and 3% increase in FY12/13 Managed Care funding
 - EPSDT - \$16.0 million
 - Managed Care - \$9.1 million
 - Don't anticipate much additional growth until FY14/15

(15)

Medi-Cal Program Changes

- Responsibility for the Medi-Cal Specialty Mental Health program is being shifted from DMH to the Department of Health Care Services (DHCS)
- Healthy Families Program (HFP) is being consolidated into larger Medi-Cal program
 - Counties responsible for all Medi-Cal Specialty Mental Health Services to HFP clients
 - Impacts EPSDT funding
- Statewide Maximum Allowances (SMAs) eliminated
- Supplemental Payment State Plan Amendment
 - Allow counties to voluntarily claim for Certified Public Expenditures above the SMAs

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Opportunities and Challenges

- Majority of community mental health funding driven by economy and not demand for services
- Counties being given more flexibility in return for increased responsibility and risk
- Anticipate overall increase in mental health funding in FY12/13
 - Orange County Realignment and MHSAs – approximately \$17 million increase
- Don't anticipate any additional significant increases in mental health funding until FY15/16
- Federal Health Reform in 2014

Break

Please return to your seat in 10 minutes.

WIC 5270

Kevin Smith

Subcommittee Updates

- CSS Adults and Older Adults
 - Helen Cameron and Geoff Henderson
- Prevention and Intervention
 - Daria Waetjen and Christopher Bieber
- CSS Children and TAY
 - Kelly Tran
- WET and Innovation
 - Denise Cuellar and William Gonzalez

OC ACCEPT VIDEO

Hieu Nguyen

Steering Committee Guidelines

- Any questions on the revised Steering Committee Guidelines?

Comments

- Steering Committee
- Public Comments

Thank you for your time commitment !

- August Subcommittee Meetings
 - Monday, August 6, 2012
- 1:00 p.m. – 2:25 p.m.
 - CSS Adult and Older Adults
 - Prevention and Early Intervention
- 2:35 p.m. – 4:00 p.m.
 - CSS Children and TAY
 - WET and Innovation
