OC health CARE AGENCY

# Draft MHSA Annual Update for Fiscal Year(FY) 2025-26

Review of Proposed Changes to the MHSA Plan and Pending Policy

# Todays Agenda

- **Welcome**
- **MHSA Basics**
- **Proposition 1 Overview**
- **Discussion**
- **MHSA Program and Expenditure Plan Updates by Component**
  - Prevention and Early Intervention Component
  - Community Services and Supports Component
  - Innovation Component
  - Workforce Education and Training Component
  - Capital Facilities and Technological Needs
  - Financial Summary
- **Discussion**
- **Closing and Next Steps**

# Please, Tell Us About You!

# Mental Health Services Act Origin


The Mental Health Services Act (MHSA) was passed by California voters November 2004 and went into effect in January 2005.

- The MHSA provides increased funding for mental health programs across the State.
- The MHSA is funded by a 1% tax surcharge on personal income over $1 million per year.
- As these taxes are paid, fluctuations impact fiscal projections and available funding.

The MHSA intention is to create a culturally competent public behavioral health system that promotes recovery/wellness for adults and older adults with severe mental illness; resiliency for children with serious emotional disorders, and their families.

Requires development of Three-Year Program and Expenditure Plan and Annual Updates to the Plan.

# Mental Health Services Act Requirements

## Why do we do an MHSA Plan?


An MHSA Three-Year Integrated Plan (Plan) is required by regulations with an update each of the following two years.

The “update” is referred to as the MHSA Annual Update

Plans are developed through a stakeholder, or Community Program Planning (CPP), process.

The Plan provides service data for the prior fiscal year and provides information on program planning and budgets for the upcoming fiscal year.

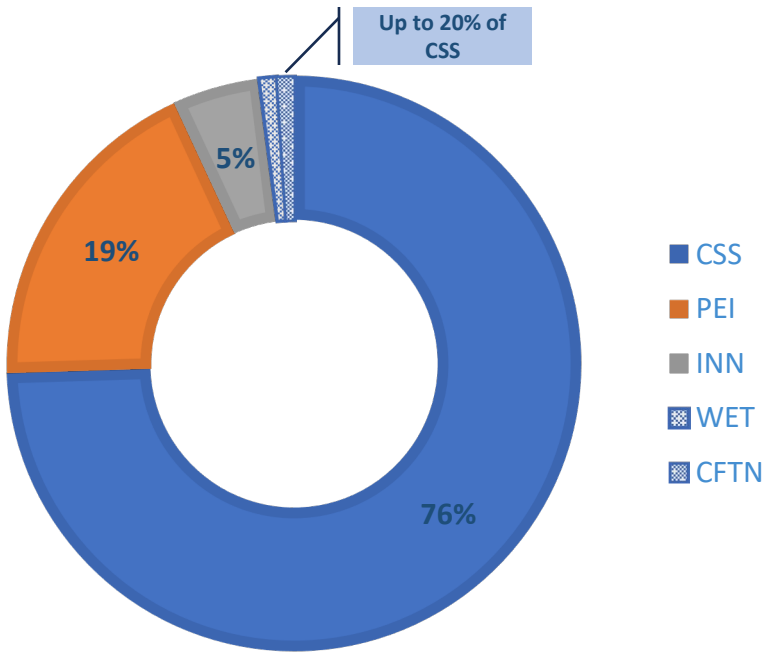
This year’s MHSA Annual Update provides service data from fiscal year 2023-24 and proposed updates for fiscal 2025-26

This is the **Final MHSA Plan**, with the implementation of the Behavioral Health Services Act Integrated Plan beginning July 1, 2026.

(WIC §5847)

# Mental Health Services Act Components

The MHSA Plan is constructed out of MHSA's program components, as well as an overview of the Community Program Planning process and Budget Summary:




| | |
|---|---|
| **CSS** | Accounts for 76% of a county's MHSA allocation, CSS funds are intended for direct treatment and recovery services to individuals living with serious mental illness or serious emotional disturbance. |
| ***WET*** | *Counties may transfer CSS funds to WET to sustain recruitment, retention, and training/staff development efforts for HCA Behavioral Health Services and/or contracted provider agency staff.* |
| ***CFTN*** | *Counties may transfer CSS funds to CFTN for facility construction (building space to provide MHSA services) and to invest in technological needs such as electronic health records and data systems..* |
| **PEI** | Accounts for 19% of a county's MHSA allocation, PEI funds are intended to prevent mental illness from becoming severe and disabling and to avoid negative outcomes like suicide, incarcerations, school failure, unemployment due to unaddressed behavioral health conditions. |
| **INN** | Accounts for 5% of a county's MHSA allocation, INN funds are intended to test novel mental health strategies and approaches to improve access to underserved groups, increase the quality of services, and/or promote interagency collaboration. |

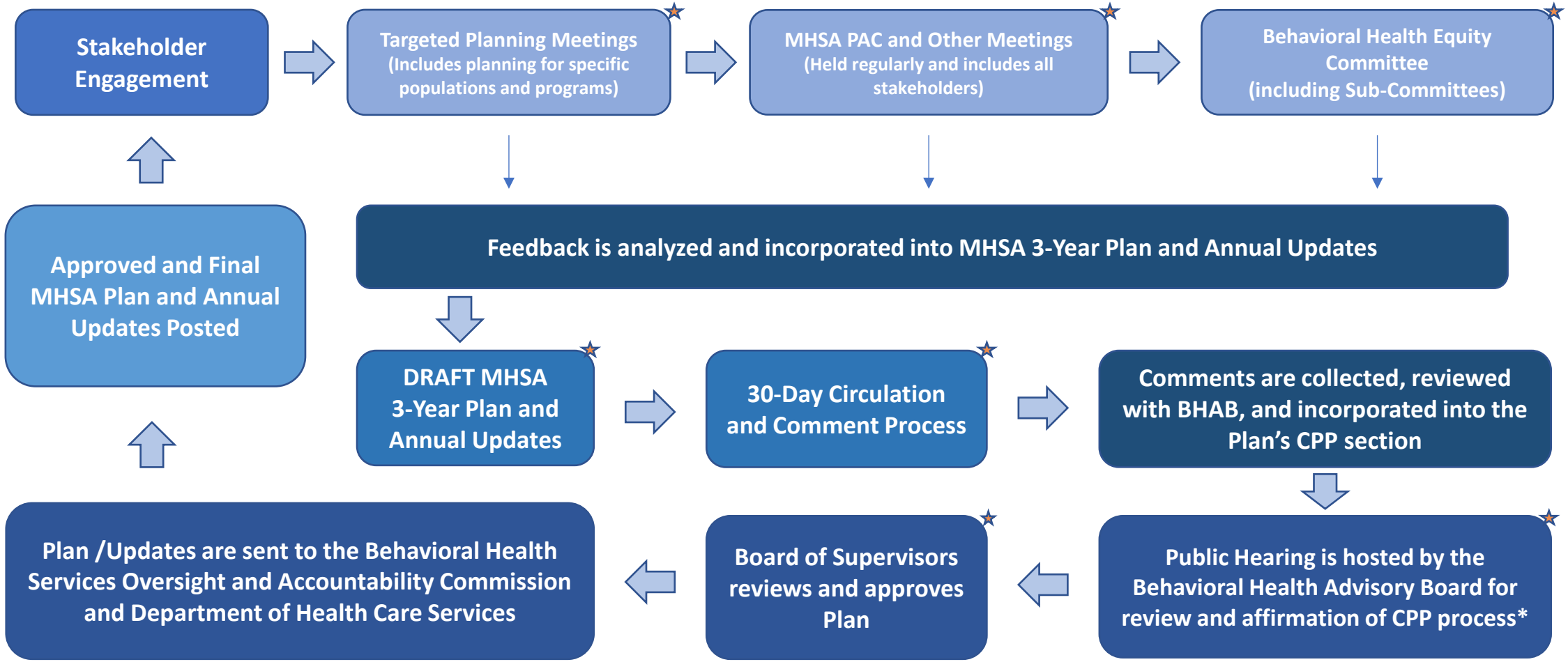
**Maximum of 20% of CSS can be transferred**

# Mental Health Services Act Requirements

## Community Program Planning (CPP)

- Community program planning is the process by which county behavioral health entities meet with stakeholders to plan, develop, review, and/or evaluate MHSA funded programs and services.
- BHS considers CPP as part of the continuous feedback and improvement process and meets with stakeholders every month in many ways:
  - Allows continuous communication between the agency and our stakeholders regarding our services, programs, and other information related to the public behavioral health system.
  - CPP stakeholder meetings emphasize the importance of consumer and family member involvement and attendance, as they are one of our major stakeholder populations.
  - Information gathered over time is regularly analyzed and considered as part of MHSA stakeholder informed decision-making.

# The MHSA Three-Year and Annual Update Process




WIC §§5847(a), 5848

★ Indicates opportunities for stakeholder input and feedback.

# Proposition 1: Overview & Impacts on Behavioral Health

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# Proposition 1

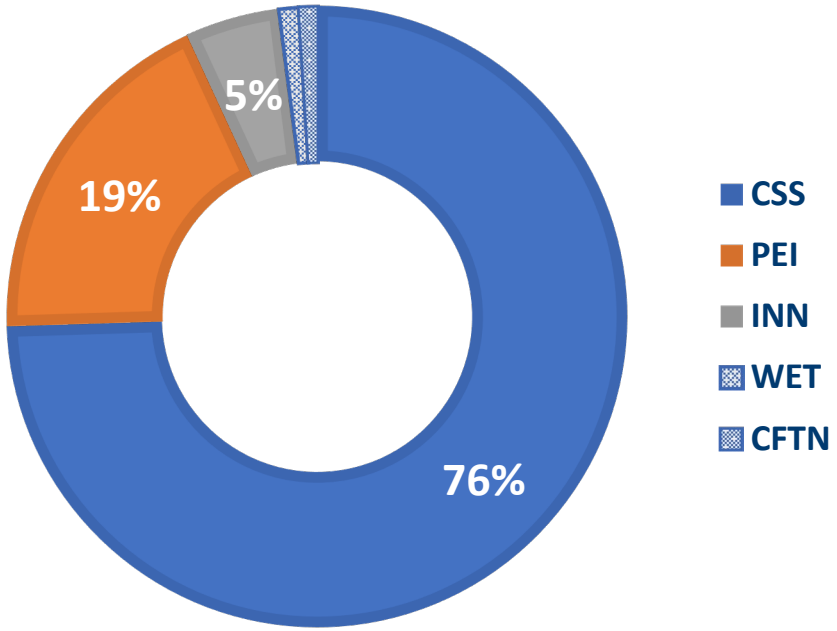
**Prop 1 was voted on and approved by California voters on March 5, 2024, to update the MHSA and authorize funds for housing. The update prioritizes services for people with the most significant behavioral health needs, expands housing interventions, and addressing state workforce challenges. Additionally, the BHSA will focus on increased transparency, accountability and outcomes.**

| | |
|---|---|
| Changes MHSA to BHSA (Behavioral Health Services Act) to include treatment for people with substance use disorders. BHSA Plan will include **ALL Behavioral Health** programs and funds. | Also known as the Behavioral Health Infrastructure Bond Act of 2024, which directs funding to build treatment bed and housing. |
| Will change how counties can provide services. Counties will have to redirect MHSA funds from 5 components into 3 major "buckets":<br>• Behavioral Health Services and Support (35%)<br>• Full-Service Partnerships (35%)<br>• Housing Interventions (30%) | Proposes a $6.4 billion bond to build:<br>• 6,800 new beds for people to receive mental health care or drug or alcohol treatment at any one time.<br>• 4,350 housing units for homeless individuals of which 2,350 are set aside for veterans experiencing homelessness. |
| Directs more money to the State (10% vs. 5%) and less to Counties (90% vs. 95%). Redirects Prevention from local implementation to state, prioritizes Medi-Cal billing, prioritizes services for justice-involved, unhoused, child welfare, and at-risk of institutionalization. | The bond may provide housing to approximately 20% of veterans experiencing homelessness across the state. |

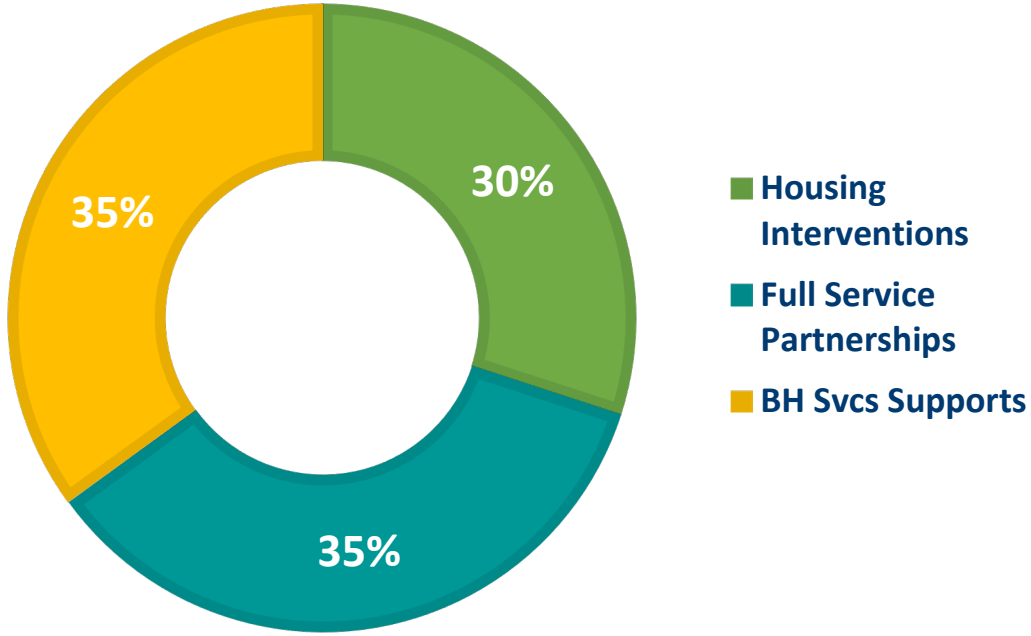
# MHSA Modernization Summary

## Modified from 5 Components to 3 Components

### MHSA -CURRENT MODEL




### BHSA - PROPOSED MODEL



# MHSA Program and Expenditure Plan Annual Update for FY 2025-26 Review

# MHSA Component Funding

As part of continued fiscal accountability, management, and transparency of MHSA funds, BHS continues reporting program expenditures and revenues to align the MHSA Plan with anticipated utilization values (based on historical trends), anticipated growth and/or decreases in funding. This helps ensure more accurate reporting of usages and availabilities of MHSA funds. BHS has received less MHSA funds than anticipated. Dept of Finance future projected revenue is less than previously expected. The values below account for the decreased funds and adjust based on current utilization. BHS will continue to monitor revenue and make adjustments through a plan amendment, when necessary.

The table below provide a Summary of the proposed funding amounts per MHSA component for the FY 2025-26 period. These amounts are not final and may vary in comparison to the final plan or any updates.

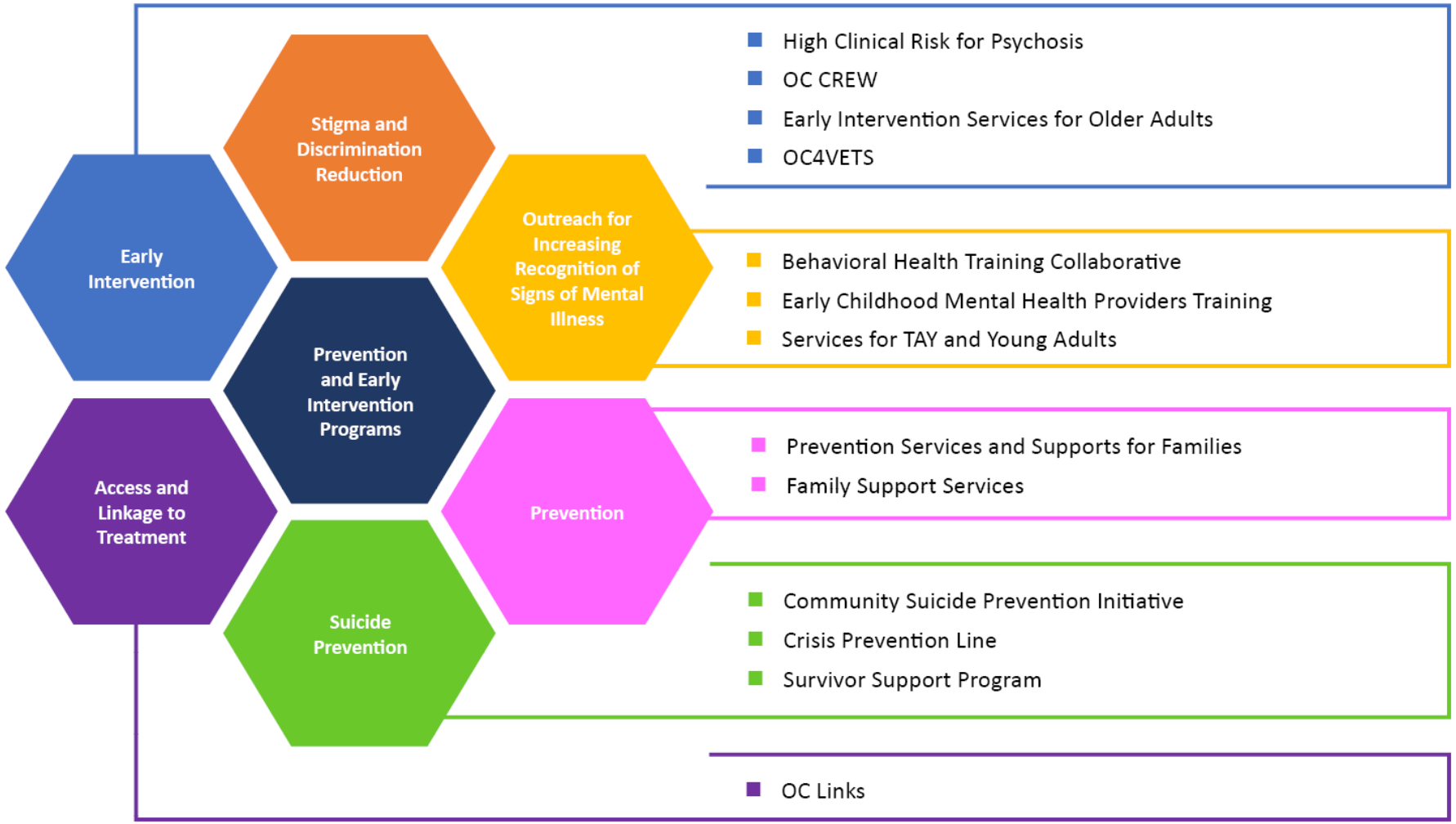
| Component | 3 Year Plan FY 25-26 | FY 24-25 Update | Proposed FY 25-26 Update | Difference 3YP/FY25-26 |
|---|---|---|---|---|
| **Prevention & Early Intervention** | $77,753,250 | $49,525,845 | $29,200,871 | -$48,552,379 |
| **Community Services & Supports** | $259,181,497 | $172,023,313 | $183,717,296 | -$75,464,201 |
| **Innovation** | $4,255,557 | $48,383,668 | $18,255,557 | +$14,000,000 |
| **WET** | $8,787,501 | $7,871,705 | $8,371,705 | -$415,796 |
| **Capital Facilities & Technological Needs** | $23,091,028 | $31,401,488 | $21,414,890 | -$1,676,138 |
| **Total** | **$373,068,833** | **$358,068,030** | **$260,960,319** | **-$112,108,514** |

# Prevention and Early Intervention Component

# Prevention and Early Intervention

The state defines specific Prevention and Early Intervention Programs. Per statute, a program is defined as "a stand-alone organized and planned work, action, or approach that evidence indicates is likely to bring about positive mental health outcomes either for individuals and families with or at risk of serious mental illness or for the mental health system (WIC §3701 (b))."

**State-defined program areas**



# Prevention and Early Intervention

| Program | Update | Description of the changes |
|---|---|---|
| **Infant and Early Childhood Continuum** | Removing from Budget | The current scope of work of the program does not meet the requirements for early intervention in BHSA. The contract ends June 30, 2025, and will not be renewed. The amount of available PEI funds has been reduced from previously anticipated levels of funding. Programs and services that align with the state requirements under Behavioral Health Transformation and align with stakeholder input will be included in the Behavioral Health Integrated Plan. |
| **Mental Health Community Education Events for Stigma Discrimination** | Program and Contracts End June 30, 2025 | Population Prevention will no longer be funded at the local level, as Proposition 1 redirects 4% of state BHSA funds to be implemented by the California Department of Public Health and prohibits the use of BHSA dollars at the local level for this purpose.<br>As contracts come to their natural end, they will not be renewed. |
| **Outreach for Increasing Recognition of Early Signs of Mental Illness** | Program and contracts end | ▪ Crisis Intervention Training – Program is moved to CSS as part of Crisis Services as it helps to support implementation of the Crisis Continuum in Orange County.<br>▪ Mental Health and Well Being Promotion for Diverse Communities will no longer be funded.<br>▪ Mental Wellness Campaigns scope of work is revised and will support functions of community program planning. |
| **Crisis Prevention and Support – Suicide Prevention** | Reduction in program | Population Based prevention will no longer be funded at the local level, as Proposition 1 prohibits local use for such purposes. The budget is reduced, and the scope of work (SOW) of programs has been updated to support individual-level services and Medi-Cal billing for individuals that meet criteria.<br>Program reduced from $4.7M in the Three-Year Plan to $2.7M for the FY 25/26 Annual Update. |
| **Transportation Assistance** | Removed from PEI | Transportation supports have been removed from MHSA funding, as transportation is a covered benefit under Medi-Cal and does not necessitate identification as a program. |

# Prevention and Early Intervention

| Program | Update | Description of the changes |
|---|---|---|
| **BH Navigation** (aka BHS Outreach and Engagement) | Transition to CSS and costs offset by grant. | In alignment with outreach and engagement services in CSS, this program has transitioned to the CSS component. In addition, costs have been offset by a $7M grant received from CalOptima that will be applied over a three year period. The function of outreach and engagement will change under BHSA. |
| **Integrated Justice Involved Services** | Moved to CSS | In alignment with state issued guidance, justice involved in-reach and transitional services should be funded under CSS. Programs have been transitioned to reflect this change. |
| **School Aged Mental Health Services** | Program End | BHS will continue to serve children meeting eligibility for children's specialty behavioral health services in County and Contracted Clinical programs. DHCS has implemented policy change that has expanded access to school-based mental health services through managed care plans (MCPs). This expands the network to allow schools that opt in to coordinate and deliver care. |
| **OC Parent Wellness Program** | Program removed from PEI Budget | The program has suffered from significant staffing shortages for the last several years. The program staff are being integrated into children's outpatient clinics and will support the delivery of services as part of clinic operations. |
| **OC4 Vets** | Program Reduced | The program has been reduced as contracted services do not align with BHSA requirements. County operated services continue and a program to meet the needs of this important population can be developed under the BHSA. |
| **Community Counseling and Supportive Services** | Program ending June 2025 | This County operated program will end. The population being served in the program align with the population mandated to be served by managed care plans and will no longer be able to be sustained under BHSA. |
| **PEI Administration** | Funding Reduced | PEI administration costs are being reduced to reflect the reduction in PEI programming. |

# Community Services and Supports

# Community Services and Supports

- The majority of MHSA funding is directed toward the Community Services and Supports (CSS) component.
- The goal of all CSS programs is providing the necessary services and supports that help clients achieve mental health and wellness and recovery goals.
- The CSS component provides access to an expanded continuum of care for persons living with a serious mental illness (SMI) or serious emotional disturbance (SED) and co-occurring disorders.
- The CSS section contains 24 programs that are organized according to programs that operate with similar service responsibilities but may serve different target populations.
    - Programs intended to provide interventions or supports during a mental health crisis are described in the Crisis System of Care section.
    - CSS contains several Full Service Partnership (FSP) Programs,
    - Housing and Homeless Services,
    - Outpatient Clinical Expansion,
    - Outreach, Engagement and Access, and
    - Peer and Family Support sections.

# Community Services and Supports

| Program | Update | Description of the changes |
|---|---|---|
| **Multi-Service Center for Homeless Mentally Ill** | Program ended 2024 | Program ended December 31, 2024 |
| **BH Navigation** | This program (also known as BH Outreach and Engagement) moved from PEI to CSS | Program better aligns with CSS outreach and engagement requirements. |
| **Integrated Justice Involved services** | Moved from PEI to CSS | Program services and scope aligns with guidance from DHCS for delivery of services under CSS. |
| **Warmline** | Program ending June 2025 | The reduction in available MHSA funding and the transition to BHSA contribute to this decision.<br>▪ The amount of existing MHSA and categorical BHSA funding is very limited and mandated services are being prioritized, as new accountability is put in place.<br>▪ Failure to meet those accountability measures for mandated programs will result in fines to the County.<br>▪ The Warmline is not a mandated service, and a state funded WarmLine service is offered to all California residents.<br>▪ California's 24/7 Peer-Run Warmline can be accessed at (855) 845-7415 via talk or text and offers supports in English, Spanish, and 240 other languages. |
| **In-Home Crisis Stabilization** | Budget reduced | Program reduced and will only be serving children's programs. |

# Community Services and Supports

| Program | Update | Description of the changes |
|---|---|---|
| **Children and Youth Expansion** | MHSA Budget Reduced | Anticipated amount of MHSA dollars needed to sustain services is reduced as payment reform and new Medi-Cal billing standards are implemented. It is not anticipated that services will be affected. |
| **Outpatient Recovery** | MHSA Budget Reduced | Anticipated amount of MHSA dollars needed to sustain services is reduced as payment reform and new Medi-Cal billing standards are implemented. It is not anticipated that services will be affected. |
| **Supported Employment** | MHSA Budget Reduced | This program will end June 30, 2025. Supported employment will become a mandated part of the delivery of Full Service Partnership program services in BHSA. This support will be transitioned into the requirements and scope of work for FSP in the Behavioral Health Integrated Plan. |


health
CARE AGENCY
Innovation

# Innovation

## An INN project is required to contribute to learning in one or more of the following ways:

- Introduce a mental health practice or approach that is new to the overall mental health system.
- Make a change to an existing practice in the field of mental health
- Apply to the mental health system a promising community-driven practice or approach that has been successful in non-mental health contexts or settings.

## In addition, an INN project must serve one or more of the following purposes:

- Increase access to mental health services to underserved groups.
- Increase the quality of mental health services
- Promote interagency and community collaboration related to mental health services or supports
- Increase access to mental health services.

# Innovation

| PROGRAMS | PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS | FUNDING UPDATES | |
|---|---|---|---|
| | | 3 yr. Plan | Update |
| **Innovative Community Program Planning Project** | Based on current projections and policy demands and changes, it is anticipated that an additional $1M will be needed to successfully implement this Innovation project concept. | $190,000 | $1,190,000 |
| **Progressive Improvements of Valued Treatment (PIVOT): Comprehensive System Redesign Project** | A Multi-Component project to support redesign of the system of care, strengthening of key programming, exploration of ongoing challenges related to complex care, and testing an alternative approach to workforce development. | $0 | $7,000,000 |
| **PADS – Part II** | At conclusion of the PADS Part I project, propose to expand testing with additional populations and support updates in technology. | $0 | $7,720,071 |

# Workforce Education and Training

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# Workforce Education and Training (WET)

**WET carries forth the vision of the MHSA to create a transformed culturally-competent system that promotes wellness, recovery, and resilience across the lifespan of all age groups and cultural backgrounds.**

## The WET Component provides:

- Training Opportunities to the Behavioral Health Services and contract agency staff to:
  - Promote and recruit a culturally diverse workforce
  - Offer financial incentives
  - Facilitate clinical intern programs
  - Support the inclusion and incorporation of consumers and family members into the workforce to help with the workforce shortage.

# Workforce Education and Training

| PROGRAMS | PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS | FUNDING UPDATES | |
|---|---|---|---|
| | | 3 yr. Plan | Update |
| **Workforce Staffing Support** | Reduce budget to align with available funding and actual expenditures | $1,814,758 | $1,694,758 |
| **Financial Incentives Program** | Reduce budget to align with available funding and actual expenditures | $718,468 | $418,468 |

# Capital Facilities and Technological Needs

1.

# Capital Facilities and Technological Needs

**CFTN Projects must support the goals of MHSA with the planned use of funds to produce long-term impacts with lasting benefits to include technological advancements, strategies and/or community based-facilities to house MHSA and public behavioral health programs.**

- CFTN Funds have been used to help develop:
  - Peer-support and consumer-run facilities
  - Development of community based, least restrictive settings that will reduce the need for incarceration or institutionalization
  - Development of an Electronic Health Record for public behavioral health system to facilities high quality, cost-effective services and supports for consumers and their families.

# Capital Facilities and Technological Needs

| PROGRAMS | PROGRAM CHANGES, UPDATES, PROPOSED NEW PROGRAMS | FUNDING UPDATES | |
|---|---|---|---|
| | | 3 yr. Plan | Update |
| **CFTN** | Electronic Health Record – Adjustment | $22,784,586 | $21,414,890 |

# Next Steps

- Required to have MHSA Annual Update approved by BOS before June 30, 2025.
- Move existing Component programs forward:
  - Prevention and Early Intervention
  - Community Services and Supports
  - Workforce Education and Training
  - Capital Facilities and Technological Needs
- 30 Day Review and Public Comment scheduled for March 5- April 5, 2025
  - Hosting a series of virtual meetings during posting to provide the public an opportunity to review existing MHSA plan information and engage in a dialogue.
- Provide Public Comments to Behavioral Health Advisory Board prior to Public Hearing.
- Public Hearing April 9, 2025, at Community Administration South Building from 10am – 12pm
- OC Board of Supervisor Approval (May/June 2025)
- Submission to California Department of Health Care Services and the Behavioral Health Services Oversight and Accountability Commission.

# Access to the Plan and Public Comment Form

**To access the draft plan, scan the QR code or click**
**https://bit.ly/3T73WiU**

Within the link you will find the draft Plan, the Executive Summary, and an additional link to the online public comment form. Links to the Executive Summary in the different threshold languages will become active on the website over the next weeks as translations are completed. The Plan website also has a list of upcoming Community Planning Meetings to learn more about the changes in the Plan Update. We hope you can join either virtually or in person.

For hardcopies of the MHSA Annual Update Plan, please contact: MHSA Program Planning and Administration at (714) 834-3104 or email bhsa@ochca.com

# Thank you for your attendance!

**Please complete and turn in your surveys.**

For questions or to request a meeting, please contact Michelle Smith at msmith@ochca.com or call (714) 834-3104

For MHSA/BHSA information please call (714) 834-3104 or email bhsa@ochca.com

**assess.**

**discuss.**

**improve.**

**#BHSA**

BHAB Public Hearing

# April 9, 2025

**10:00 am to 12:00 pm**

The Public Hearing will be held at the
**County Administration South Multi-Purpose Room (MPR) 103-105**
601 N. Ross Street | Santa Ana, CA 92701