

Prop 1 and Behavioral Health Transformation

MENTAL
HEALTH
FOR
ALL

Words to Deeds Conference
September 5, 2024



Agenda

- » Mental Health For All
- » BUILD - Bond
- » PLAN – Behavioral Health Services
- » Enhanced Accountability



Mental Health for ALL

- » California is transforming our entire mental health and substance use disorder (SUD) system.
- » The result: better behavioral health care for ALL Californians.
- » <https://www.mentalhealth.ca.gov/>



Justice-Impacted Population

There is a crucial need to improve BH services for justice-impacted individuals.

- » Formerly incarcerated people are almost **10x more likely to experience homelessness** than the general population.¹
- » In CA jails, **incarcerated individuals with an active MH case rose by 63%** over the last decade.²
 - Nationally, incarcerated individuals are 3–12x more likely to experience mental illness compared to the general population.³
 - Nationally, more than half of incarcerated individuals with a history of MI do not receive MH treatment while incarcerated.⁴ In June 2024, a federal judge found top CA prison officials in civil contempt for failing to hire enough MH professionals to adequately treat incarcerated people.⁵
- » **66% of individuals in CA jails/prisons have a moderate or high need for SUD treatment.**²
 - Overdose is the leading cause of death for individuals recently released from incarceration.
 - People incarcerated in CA jails/prisons have a drug overdose death rate over 3x that of incarcerated people nationwide.

1. [Nowhere to Go: Homelessness among formerly incarcerated people | Prison Policy Initiative](#)
2. [TRANSFORMATION OF MEDI-CAL: JUSTICE-INVOLVED](#)
3. [Fact Sheet: Incarceration and Mental Health | Weill Cornell Medicine Psychiatry](#)
4. [NAMI CriminalJusticeSystem-v5](#)
5. [US Judge Finds California in Contempt Over Prison Mental Health Staffing - KFF Health News](#)



Build for Transformation: Bond Overview



BH Infrastructure Bond Funding: Treatment Sites

- [AB 531](#) / Prop 1 Behavioral Health Infrastructure Bond Act provides **\$6.38 billion** with up to **\$4.4 billion** for competitive grants for counties, cities, tribal entities, non-profit and private sector towards **behavioral health treatment settings**. (The remaining **\$2.2 billion** is for **supportive housing**)
- Of the **\$4.4 billion** available for BH treatment sites, \$1.5 billion will be awarded through competitive grants **ONLY** to **counties, cities** and **tribal entities**. \$30 million will be set aside for tribes ONLY.
- DHCS competitive grant requirements **similar to the BH Continuum Infrastructure Program requirements (2022-2024)**.
- Additional requirements, due to the provision of receiving bond funding, will be outlined in the request for application.



Bond BHCIP Round 1: Launch Ready

- » May 14, 2024: **\$3.3 billion** in funding for BH treatment facilities statewide through [Bond BHCIP Round 1: Launch Ready](#) was announced by the **Governor** which will provide up to:
 - \$1.8 billion open to counties, cities, and tribal entities, as well as nonprofit and for-profit organizations (subject to regional funding caps)
 - \$90 million to be awarded to Tribal entities
 - \$1.5 billion open only to counties, cities, and Tribal entities (not subject to regional funding caps)
 - \$30 million minimum of the \$1.5 billion to be awarded to Tribal entities.
- July 17, 2024: DHCS [Request for Applications](#) posted
 - Governor's announcement available [here](#)
 - **Funds awarded by early 2025.**
- » The final round of Prop 1 Bond funding for behavioral health treatment sites (**up to \$1.1 billion**), Bond BHCIP Round 2: Unmet Needs, will be made available in **mid-2025** from DHCS.



BH Infrastructure Bond Funding: Supportive Housing

- [AB 531](#) / Prop 1 Behavioral Health Infrastructure Bond Act provides **\$6.38 billion** with up to **\$1.972** to HCD/CalVet for supportive housing (HomeKeyPlus)
- Of the **\$1.972** available for supportive housing:
 - **\$922 million** will go to HCD for housing investments
 - **\$1.065 billion** will go to CalVET and HCD for housing investments



CALVET



BH Infrastructure Bond Funding:

Supportive Housing

- Modeled after HCD's existing Homekey Program grants for housing with supportive services
- Extremely low income (30% AMI or less).
- Experiencing or at-risk of homelessness + behavioral health challenge
- At least 5 years supportive services required; initial seed money for operations but looking for long term sustainability
- HCD and CalVet to coordinate on Veterans program (\$1.065 billion)

Eligible Use of Funds:

- Acquisition, rehabilitation of motels, hotels, hostels, or other sites and assets that could be converted to permanent housing.

Eligible Entities:

- Cities, Counties, regional and local public entities
- Development Sponsor (loans only)



What's Next:

- Other Prop 1 bond construction funding (**up to \$2 billion**) will be available to build permanent supportive housing (PSH) for veterans and others that are homeless or at risk of homelessness and that have mental health or substance use challenges.
 - HCD and CalVet are actively working to make applications for funding available by **late 2024**.
 - <https://www.hcd.ca.gov/grants-and-funding/homekey-plus>
- All Bond funds will be awarded and put to work in communities **by 2026**.



Plan for Transformation: Behavioral Health Services



CALVET



Five Key Opportunities for Transformational Change



1. Reaching & Serving High Need/Risk Priority BHSA Populations

Eligible adults and older adults who are:

- Chronically homeless or experiencing homelessness or are at risk of homelessness.
- In, or are at risk of being in, the justice system.
- Reentering the community from prison or jail.
- At risk of conservatorship.
- At risk of institutionalization.

Eligible children and youth who are:

- Chronically homeless or experiencing homelessness or are at risk of homelessness.
- In, or at risk of being in, the juvenile justice system.
- Reentering the community from a youth correctional facility.
- In the child welfare system.
- At risk of institutionalization.



2. Inclusion of Substance Use Disorder

BHSA expands eligible services beyond those for serious mental illness to include treatment for SUD for children, youth, adults and older adults.

- » Broadens the populations eligible for services under BHSA.
- » Counties must use data to appropriately allocate funding between MH & SUD treatment services and identify strategies to address disparities in their integrated plan.
- Counties may use BHSA funding for services not covered by Medi-Cal through the Drug Medi-Cal/Drug Medi-Cal Organized Delivery System.



3. Housing is Health

Housing is an essential component of behavioral health treatment, recovery, and stability.

- BHSA strengthens housing support tools in MHSA
- 30% of each county's BHSA funding allocation is required to be used for housing interventions for Californians with the most significant BH needs who are homeless or at risk of homelessness.
 - Half of that amount is prioritized for individuals experiencing long-term homelessness.
- Provides ongoing revenue to supporting housing & long-term recovery for individuals with severe BH needs



4. Supporting Children and Youth

BHSA continues to go upstream to interrupt the course of potential illness

» Supports children & youth with BH needs

- FSP's & county housing intervention programs include children & youth

» Supports **intervening early in the life course** to prevent BH needs from becoming more serious

- Counties must use majority of Behavioral Health Services and Supports funds for **early intervention services**; 51% must serve individuals 25 years old and younger.

» **Reduces the possibility of having BH needs** in the first place.

- BHSA dedicated 4% of funding to **Population-Based Prevention** to reduce the prevalence of mental health and substance use disorders; 51% must serve individuals 25 years old and younger.



5. Measuring Progress and Impact

Counties are required to submit Integrated Plans for BH services & Outcomes and BH Outcomes, Accountability & Transparency Reports.

- » Includes all services funded by BHSA, Medi-Cal, county realignment & other funds.
- » Will include **data through the lens of health equity** to identify demographic disparities & **inform disparity reduction efforts**.
 - Requires stratified data & strategies for reducing health disparities
- » Requires fully maximizing available health insurance funding (Medi-Cal and commercial) before using BHSA funds.
- » Clearly advances **community-defined practices** as a key strategy of reducing health disparities & increasing community representation.



BHSA Funding Allocations



BHSA County Funding Allocations (90% of Total Funds)

Housing Interventions – 30%

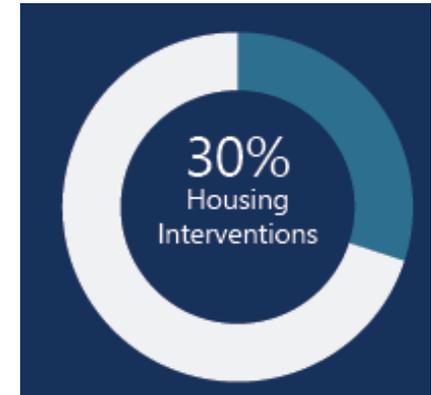
- » For individuals living with SMI/SED and/or SUD who are experiencing or at risk of homelessness.; 50% prioritized for individuals who are chronically homeless with BH challenges
 - Not limited to FSP partners or persons enrolled in Medi-Cal
- » Includes: rental subsidies, operating subsidies, shared & family housing, capital, and the non-federal share for certain transitional rent

Full Service Partnerships (FSP) – 35%

- Outpatient BH services necessary for on-going evaluation/stabilization
- Clinical & non-clinical services, including services to support maintaining housing
- Includes MH, supportive services, and SUD treatment services; Assertive Community Treatment/Forensic Assertive Community Treatment, supported employment & high fidelity wraparound are required.

Behavioral Health Services and Supports (BHSS) – 35%

- » Includes early intervention, outreach/engagement, workforce education/training, capital facilities, technological needs & innovative pilots/projects.
- » At least 51% shall be used for Early Intervention; at least 51% of Early Intervention must serve people 25 years younger.



BHSA Allocations: Funding Flexibility

- **Counties will have the flexibility within the above funding areas to move up to 7% from one category into another, for a maximum of 14% more added into any one category,** to allow counties to address their different local needs and priorities – based on data and community input.
- Changes are subject to DHCS approval and can only be made during the 3-year plan cycle. The next cycle is Fiscal Year 2026–2029.
- **Innovation permitted in all categories.**



BHSA State Funding Allocations (10% of Total Funds)

New State Responsibilities:

Statewide Population-Based Prevention (4% - CDPH)

- Reduce prevalence of mental health and substance use disorders
- 51% must serve people 25 years and younger
- Evidence-based promising or community-defined evidence practices
- Target: entire population of state/county/community; specific populations at elevated risk; and populations disproportionately impacted by systemic racism & discrimination
- Reduce stigma associated with seeking help
- Prevent suicide, self-harm, or overdose.



BHSA State Funding Allocations cont. (10% of Total Funds)

New State Responsibilities:

Statewide Workforce (3% - HCAI)

- Expand culturally-competent & well-trained BH workforce
 - Assist in drawing down federal funding through Medi-Cal BH-CONNECT
 - Portion of funding may focus on maximizing use of peer support specialists
-
- Remaining 3% for State Administration (reduced from 5%)
 - \$20 million annually for the BH Services Act Innovation Partnership Fund (administered by BHSOA) to develop innovations with non-governmental partners



Engagement with Local Government

Accountability:

- County BH Outcomes, Accountability and Transparency Report and the Integrated Plan for Behavioral Health Services and Outcomes
- Establish metrics to measure and evaluate the quality and efficacy of the BH services and programs.

Quality:

- Establish a biennial list of evidence-based practices and community-defined evidence practices (CDEP) for EI program.
- Full Service Partnerships (FSP) services.

Flexibility:

- Exemption and flexibility processes for requesting an exemption of statutory funding percentages throughout.

Funding:

- New costs to implement law that exceed existing county obligations... for inclusion in the Governor's 2024–25 May Revision; BHSA Revenue Stability Workgroup.



Engagement with Communities

County Behavioral Health (BH) Advisory Boards

- Must reflect the diversity and demographics of the county, additional membership to reflect modernization (e.g. + SUD perspective).
- Engages with stakeholders on 3-year plan through a 30-day comment period and public hearing.

Integrated Plan for Behavioral Health Services and Outcomes

- Must be informed by meaningful stakeholder engagement from diverse viewpoints.
- Permits a county to provide supports, such as training and technical assistance, to ensure stakeholders have enough information and data to participate in the development of integrated plans and annual updates.
- Additional 2% (and up to 4% for small counties) of local BHSA revenue may be used to improve planning, quality, outcomes, data reporting, and subcontractor oversight for all county behavioral health funding, on top of the existing 5% county planning allotment.

Behavioral Health Services Oversight & Accountability Commission (BHSOAC)

- New perspectives added to BHSOAC, with 27 voting members (up from 16 members).
- Administers the BHSA Innovation Partnership Fund.



DHCS Initial BH Transformation Milestones

Below outlines high-level timeframes for several milestones that will inform requirements and resources. Additional updates on timelines and policy will follow throughout the project.

Started Spring 2024

Stakeholder Engagement

Stakeholder Engagement including public **listening sessions** will be utilized through all milestones to inform policy creation.



Started Summer 2024

Bond Funding Availability Begins

Requests for application for bond funding will leverage the BHCIP and HomeKey models.



Beginning Early 2025

BH Services Integrated Plan Guidance and Policy

Policy and guidance will be **released in phases** beginning with policy and guidance for Integrated Plans.



Summer 2026

BH Services Integrated Plan Begins

New Integrated Plans, fiscal transparency, and data **reporting requirements** go-live in July 2026 (for next three-year cycle)



Enhanced Accountability



County Integrated Plan for Behavioral Health Services and Outcomes

Three-year plans must include:

- All local, state, and federal behavioral health funding (e.g., BHSA, opioid settlement funds, SAMHSA and PATH grants, realignment funding, federal financial participation) and behavioral health services, including Medi-Cal.
- A budget of planned expenditures, reserves, and adjustments.
- Alignment with statewide and local goals and outcomes measures.
- Workforce strategies.



County Integrated Plan for Behavioral Health Services and Outcomes Ctd.

- Plans must be developed with consideration of the population needs assessments of each Medi-Cal Managed Care Plan and in collaboration with local health jurisdictions on community health improvement plans.
- Plans must be informed by local stakeholder input, including additional voices on the local behavioral health advisory boards.
- Performance outcomes will be developed by DHCS in consultation with counties and stakeholders.



County Behavioral Health Outcomes, Accountability, and Transparency Report

- Counties will be required to **report annually** on expenditures of **all local, state, and federal behavioral health funding** (e.g., BHSA, SAMHSA grants, realignment funding, federal financial participation), unspent dollars, service utilization data and outcomes with health equity lens, workforce metrics, and other information.
- DHCS is authorized to impose corrective action plans on counties that fail to meet certain requirements.



County Behavioral Health Outcomes, Accountability, and Transparency Report Ctd.

- The plans and reports shall include data through the lens of health equity to identify racial, ethnic, age, gender, and other demographic disparities and inform disparity reduction efforts.
 - Other data and information may include the number of people who are eligible adults and older adults, who are incarcerated, experiencing homelessness, inclusive of the availability of housing, the number of eligible children and youth.
- The metrics shall be used to identify demographic and geographic disparities in the quality and efficacy of behavioral health services and programs.



Behavioral Health Services Oversight and Accountability Commission (BHSOAC)

- **DHCS will consult with BHSOAC on:**
 - Development of biennial list of Early Intervention evidence-based practices.
 - Building FSP levels of care.
 - Developing statewide outcome metrics.
 - Determining statewide BH goals and outcome measures.
- **CDPH will consult with BHSOAC** and DHCS on population-based mental health and SUD prevention programs
- **BHSOAC will consult with:**
 - CalHHS and DHCS to determine allowable uses of funds for the BHSA Innovation Partnership Fund.
 - CDPH for population-based prevention innovations.
 - HCAI for workforce innovations.
 - CalHHS regarding funding allocations created by the Investment in MH Wellness Act.
- **BHSOAC will collaborate with:**
 - CalHHS to promote transformational change through research, evaluation, and tracking outcomes.
 - DHCS and the California Behavioral Health Planning Council (CBHPC) to write a report with recommendations for improving/standardizing BHSA promising practices.



Other Changes

State Oversight and Administration Reduced from 5% to 3%

- Used to develop statewide outcomes, conduct oversight of county outcomes, train and provide technical assistance, research and evaluate, and administer programs.

Align Managed Care and BH Contracts

- Authorizes DHCS to align the terms of the county behavioral health plan contracts regarding organization, infrastructure, and administration with Medi-Cal managed care plan contracts.



For More Information:

DHCS Behavioral Health Transformation Webpage [linked here](#)

Behavioral Health Transformation



Behavioral Health Transformation

- Stakeholder Engagement
- Behavioral Health Continuum Infrastructure Program
- Resources
- Mental Health for All

Modernizing behavioral health to improve accountability, increase transparency, and expand the capacity of behavioral health care facilities.

Behavioral Health Transformation (BHT) is the effort that will implement the ballot initiative known as Proposition 1. BHT complements and builds on California's other major behavioral health initiatives including, but not limited to, [California Advancing and Innovating Medi-Cal \(CalAIM\)](#) initiative, the [California Behavioral Health Community-Based Organization Networks of Equitable Care and Treatment \(BH-CONNECT\) Demonstration proposal](#), the [Children and Youth Behavioral Health Initiative \(CYBHI\)](#), [Medi-Cal Mobile Crisis 988 expansion](#), and the [Behavioral Health Continuum Infrastructure Program \(BHCIP\)](#).

Californians voted to pass Proposition 1 to modernize the behavioral health delivery system, improve accountability and increase transparency, and expand the capacity of behavioral health care facilities for Californians. Proposition 1 includes up to \$6.4 billion in bonds to build new supportive housing and community-based treatment settings. DHCS is enacting changes resulting from Proposition 1 through the Behavioral Health Transformation (BHT) project.

The two legislative bills that created the language in Proposition 1 are:

- Behavioral Health Services Act [SB 326](#)
- Behavioral Health Infrastructure Bond Act [AB 531](#)

Contact Us

Inquiries about the Behavioral Health Transformation may be sent to BHTinfo@dhcs.ca.gov

Resources

Behavioral Health Transformation

Frequently Asked Questions

These pages represent the work of the California Department of Health Care Services in implementing Proposition 1, a key component of Governor Newsom's [Mental Health for All Initiative](#). More information about the contributions of other agencies can be found via the [Department of Veterans' Affairs](#) and the [California Department of Housing and Community Development](#).

- [Proposition 1: An Overview](#) (July 2024)
- [Behavioral Health Services Act](#) (July 2024)
- [Behavioral Health Bond](#) (July 2024)
- [Behavioral Health Services Act: Housing Supports Primer](#) (July 2024)

Resources

- [How to Use Behavioral Health Services Act/Mental Health Services Act Funds for Housing](#) (July 2024)
- [Behavioral Health Continuum Infrastructure Program Round 1: Launch Ready](#) (July 2024)
- [Behavioral Health Services Act: Maximizing Funding Opportunities](#) (July 2024)
- [BHT Implementation Timeline](#) (May 2024)
- [Behavioral Health Infrastructure Bond Act of 2024: Behavioral Health Continuum Infrastructure Program Round 1 and 2](#)
- [Fact Sheet \(Governor's Transformation of Mental Health Services 2023\)](#)

Presentations

- [California State Association of Counties Legislative Conference Presentation](#) (April 2024)
- [Behavioral Health Reform Presentation Slides](#) (January 2024)
- [California's Behavioral Health System Reform Package Webinar](#) (September 2023)
- [Mental Health for ALL: California's Behavioral Health Transformation PowerPoint Slides](#) (June 2024)

Contact Us

Inquiries about the BHT may be sent to BHTinfo@dhcs.ca.gov. [Sign up to receive DHCS' BHT stakeholder updates.](#)



Additional information:



- The Governor's Mental Health for All Webpage [linked here](#)
- CalHHS Behavioral Health Transformation Webpage [linked here](#)

