Governor's Behavioral Health Modernization
Proposition 1 (Approved by voters in March, 2024)
CALBHB/C Summary

Legislation: SB 326 and AB 531

CHHS Info: chhs.ca.gov/behavioral-health-reform

Key Elements

1. Behavioral Health Infrastructure Bond Act: $6.38 Billion Bond
2. Behavioral Health Services Act – The Mental Health Services Act (MHSA) shall become the "Behavioral Health Services Act" (BHSA)

1. $6.38 Billion Bond for Behavioral Health Infrastructure

- Supported Housing and Residential Care Settings: (Unlocked) for individuals with SMI or SUD, to include:
    - ✔ Veterans or their households, who are homeless, chronically homeless, or are at risk of homelessness *and*
    - ✔ Persons who are homeless, chronically homeless, or are at risk of homelessness

- Behavioral Health Settings: Expand the continuum of behavioral health treatment resources to build new capacity or expand existing capacity for:
    - o Short-term Crisis Stabilization
    - o Acute and Subacute care
    - o Crisis Residential (Including Children's Residential Crisis Programs)
    - o Recovery housing
    - o Substance Use Disorder Residential (Including Children's SUD Residential Programs)
    - o Short-term residential therapeutic programs
    - o Social rehabilitation programs
    - o Community-Based Mental Health Residential
    - o Peer Respite
    - o Community and Outpatient Behavioral Health Services
    - o Other clinically enriched longer term treatment and rehabilitation options

2. Behavioral Health Services Act – Reconfiguring the Mental Health Services Act (MHSA) to become the "Behavioral Health Services Act" (BHSA):

A. **Populations Served**:
- o Individuals with Serious Mental Illness (SMI) and populations at risk of developing a mental health disorder or condition as specified in subdivision (d) of Section 14184.402
- o Individuals with Substance Use Disorder (SUD) and populations at risk of developing an SUD
- o Children & Youth:
    - o With Serious Emotional Disturbance (SED) or Substance Use Disorder (SUD)

- o At high risk for a behavioral health disorder due to experiencing trauma, as evidenced by scoring in the high-risk range under a trauma screening tool such as an adverse childhood experiences (ACEs) screening tool
- o Involved in the child welfare system or juvenile justice system
- o Experiencing homelessness
- o Individual children and youth in populations with identified disparities in behavioral health outcomes.

B. **Housing Interventions**

- o Dedicate 30% in local MHSA funding for housing interventions for people living with serious mental illness/serious emotional disturbance and/or substance use disorder who are experiencing homelessness.
  - o Exemptions:
    - ▪ Counties with a population of 200,000 or less may request an exemption from this requirement.
    - ▪ All counties (regardless of size) may request exemptions from this requirement
- o 30% is approximately $1 billion but will vary year to year.
- o Funding could be used for full spectrum of housing services and supports, rental subsidies, operating subsidies, and non-federal share for Medi-Cal covered services, including clinically enriched housing. It also could be used to further the California BH-CONNECT.
- o Funding may also be used for capital development projects, subject to DHCS limits established through bulletin authority

C. **Other Changes**

1. Remaining Local Funds: (Initially, there will be some flexibility between funding categories.)

- o 35% of the local assistance for Full Service Partnership (FSP) which should be optimized to leverage Medicaid as much as possible
- o 35% for other services including Behavioral Health Services and Supports (non FSP), Outreach & Engagement, Prevention and Early Intervention*, Capital Facilities and Technological Needs, Workforce Education and Training, and prudent reserve

  * A county shall utilize at least 51 percent of Behavioral Health Services and Supports funding for early intervention programs *and of that 51 percent*, 51 percent must be allocated for early intervention programs to serve individuals who are 25 years of age and younger.

2. Prevention: The State shall direct 4% for Population-Based Prevention (CDPH in consultation with DHCS and BHSOAC). Of these funds, at least 51 percent shall be used for programs serving populations who are 25 years of age or younger. Components:
   (i) Population-based prevention programs are activities designed to reduce the prevalence of mental health and substance use disorders and resulting conditions.

(ii) Population-based prevention programs shall incorporate evidence-based promising or community-defined evidence practices and meet one or more of the following conditions:
  - (I) Target the entire population of the state, county, or particular community to reduce the risk of individuals developing a mental health or substance use disorder.
  - (II) Target specific populations at elevated risk for a mental health, substance misuse, or substance use disorder.
  - (III) Reduce stigma associated with seeking help for mental health challenges and substance use disorders.
  - (IV) Target populations disproportionately impacted by systemic racism and discrimination.
  - (V) Prevent suicide, self-harm, or overdose.

(iii) Population-based prevention programs may be implemented statewide or in community settings.

(iv) Population-based prevention programs shall not include the provision of early intervention, diagnostic, and treatment for individuals.

(v) Population-based prevention programs shall be provided on a schoolwide or classroom basis and may be provided by a community-based organization off campus or on school grounds.

(vi) School-based prevention supports and programs shall be provided at a school site or arranged for by a school on a schoolwide or classroom basis and shall not provide services and supports for individuals. These supports and programs may include, but are not limited to:
  - (I) School-based health centers, student wellness centers, or student wellbeing centers.
  - (II) Activities, including, but not limited to, group coaching and consultation, designed to prevent substance misuse, increase mindfulness, self-regulation, development of protective factors, calming strategies, and communication skills.
  - (III) Integrated or embedded school-based programs designed to reduce stigma associated with seeking help for mental health challenges and substance use disorders.
  - (IV) Student mental health first aid programs designed to identify and prevent suicide or overdose.
  - (V) Integrated training and systems of support for teachers and school administrators designed to mitigate suspension and expulsion practices and assist with classroom management.

(vii) Early childhood population-based prevention programs for children 0 to 5 years of age, inclusive, shall be provided in a range of settings.

(viii) Funding under this provision shall comply with Section 5891 and shall be used to strengthen population-based strategies and not supplant funding for services and supports for which ongoing funding is available through Children and Youth Behavioral Health Initiative or other sources.

3. Workforce:
- Locally: Expand the use of local BHSA funds under the Workforce Education and Training (WET) component to include activities for workforce recruitment, development, and retention. The use of these funds could include professional licensing and/or certification testing and fees, loan repayment, retention incentives and stipends, internship and apprenticeship programs, continuing education and that increase the racial/ ethnic and geographic diversity of the workforce.
- Statewide Initiative: Allocate 3% of BHSA funds (administered through HCAI) to create a new Behavioral Health Workforce Initiative. This initiative shall be developed in

consultation with stakeholders and shall focus on efforts to build and support the workforce to meet the need to provide holistic and quality services and support the development and implementation of strategies for training, supporting, and retaining the county behavioral health workforce and contracted behavioral health workforce, including efforts to increase the racial, ethnic, and linguistic diversity of behavioral health providers and increase access to behavioral health providers in geographically underserved areas.

4. BHSOAC: The Mental Health Services Oversight and Accountability Commission changes to the "Behavioral Health Services Oversight and Accountability Commission" (BHSOAC)
   - Innovation: Administer $20 million annually for the BHSA Innovation Partnership Fund
   - Representation: Add enhanced representation consistent with inclusion of SUD.

   a. Duties: The Commission shall promote transformational change in California's behavioral health system through research, evaluation and tracking outcomes, and other strategies to assess and report progress. The commission shall use this information and analyses to:
      a. Inform the commission's grant making
      b. Identify key policy issues and emerging best practices
      c. Provide technical assistance and training
      d. Promote high-quality programs implemented
      e. Advise the Governor and the Legislature, pursuant to the Behavioral Health Services Act and related components of California's behavioral health system. For this purpose, the commission shall collaborate with the California Health and Human Services Agency, its departments and other state entities.

5. Local Mental/Behavioral Health Boards / Commissions

WIC 5604 Amendments (to become operative January 1, 2025):

1) Youth Membership Requirement: 5604. (2)(B)(i) Fifty percent of the board membership shall be consumers, or the parents, spouses, siblings, or adult children of consumers, who are receiving or have received *behavioral* health services. *One of these members shall be an individual who is 25 years of age or younger.* (ii) At least 20 percent of the total membership shall be consumers, and at least 20 percent shall be families of consumers.

2) Local Education Agency Membership Requirement: 5604. (2)*(D)*

(i) At least one member of the board shall be an employee of a local education agency.

(ii) To comply with clause (i), a county shall notify its county office of education about vacancies on the board.

3) "Mental" is changed to "Behavioral", and advising regarding "substance use disorder" is added within the duties.

6. Transparency and Accountability - The BHSA sets clear expectations as to what the funds are to be used for and who they are intended to serve, including:
    A. Data Measures - Specific data measures that are made public so taxpayers are able to track impact and progress

    B. Accountability **-** Clear actions that the state will take against counties not delivering

    C. Planning Requirements are updated.

        - Pare back requirements in 3-year and annual expenditure plans
        - Standardize data
        - Introduce new, broader planning process
            - Current Planning Process: Mental Health, County-only
            - Update Planning Process: All Behavioral Health, Regional
                - Specify state behavioral health goals/outcomes and local goals/outcomes
                - Collaboration with cities, managed care plans, and Continuums of Care to outline responsibilities and coordination in Housing
        - Interventions

    D. Access to Public and Private Coverage of Behavioral Health Services – The BHSA requires counties to pursue reimbursement through various channels and authorizes the counties to report issues with managed care plans and insurers to the Department of Managed Health Care or the Department of Insurance.

More information: www.calbhbc.com/bhsa