

Timeline of Mental Health Funding

1965	<p>United States congress passed Title XVIII, the Medicare legislation for some disabled individuals and persons 65 years of age and over, and Title XIX, the Medicaid legislation that provided federal matching funds to states that implemented a comprehensive health care system for the poor</p>
1966	<p>California implemented the Medi-Cal program. Mental health services for which there was federal reimbursement included psychiatric inpatient hospital services, nursing facility care, and professional services provided by psychiatrists and psychologists.</p> <p>Services were provided under a fee for service reimbursement arrangement with rates set by the Department of Health Services (DHS). This system came to be known as Fee for Service Medi-Cal (FFS/MC).</p>
1971	<p>California added Short-Doyle community mental health services into the scope of benefits of the Medi-Cal program enabling counties to obtain federal matching funds on their costs of providing certain mental health services to persons eligible for Medi-Cal.</p> <p>Short Doyle Medi-Cal (SD/MC) services consisted of inpatient hospital services delivered in acute care hospitals, individual, group or family therapy delivered in outpatient or clinic settings and various partial day or day treatment programs.</p> <p>Reimbursement under the SD/MC program is primarily based on allowable costs or negotiated rates approved by DMH, up to a statewide maximum allowance.</p>
1984	<p>CA legislature enacted AB 3632 (W. Brown) that mandated counties to provide IDEA-related mental health services to students.</p>
1988	<p>Targeted Case Management added to SD/MC</p>
1991	<p>Realignment program established – costs for care of Medi-Cal and indigent shifted to counties, funded through formula of state sales tax and vehicle license fees. However, due to Mental Health services’ status as a “non-entitlement” (covered under Titles VIII or IX), the funding is soon consumed by Social Service programs such as in-home support & foster care.</p>
1993	<p>Rehabilitation Option added – Community based (non-clinic) services, expanded service provider types, permitted additional services, included long-term community care model.</p>
1994	<p>1915(b) Freedom of Choice Medicaid waiver granted the right to consolidate SD/MC (county contractors) and FFS/MC (DHS certified</p>

	providers).
1995	Medi-Cal Specialty Mental Health Services Consolidation program begins. County mental health departments take on responsibility for authorization and payment of all Medi-Cal covered psychiatric inpatient hospital services for beneficiaries in the county. Previously, county mental health departments had managed psychiatric inpatient hospital services only at county hospitals or hospitals under contract to the county.
1997	1915 (b) waiver modified to include inpatient hospital services, outpatient specialty mental health services, and certain Skilled Nursing Facility services.
2004	CA voters passed Proposition 1A, which requires the state to either suspend or fully reimburse counties annually for unreimbursed costs associated with a mandate.
2005	MHSA is enacted (voted in – 2004). Millionaire tax – “non-supplantable”.