

Behavioral Health Transformation Overview

Current Challenges Facing California

Serious Mental Illness & Substance Use



- » **1 in 20 adults** is living with a serious mental illness (SMI).
- » **1 in 13 children** has a serious emotional disturbance (SED).
- » 30% of youth 12 to 24 years of age experience serious **psychological distress**.
- » Veterans experience higher rates of **suicide, mental illness, and substance abuse**.
- » **1 in 10 Californians** meet the criteria for a substance use disorder (SUD).

Intersection with Homelessness

- » **82% of Californians** experiencing homelessness reported having a serious mental health condition.
- » 27% of individuals experiencing homelessness have been **hospitalized for a mental health condition**.
- » Nearly two-thirds (65%) of individuals experiencing homelessness had a period in their life in which they regularly used illicit drugs.
- » In 2020, there were **more than 10,000 veterans** experiencing homelessness.
- » Limited care facilities contribute to the **growing crisis of homelessness and incarceration** among people with a mental health disorder.

Behavioral Health Transformation

In March 2024, California voters passed Proposition 1, a two-bill package, to modernize the state's behavioral health care system. It includes a substantial investment in housing for people with behavioral health care needs.

Behavioral Health Services Act

- » Reforms behavioral health care funding to provide services to Californians with the most significant behavioral health needs
- » Expands the behavioral health workforce to reflect and connect with California's diverse population
- » Focuses on outcomes, accountability, and equity

Behavioral Health Bond

- » Funds behavioral health treatment beds, supportive housing, and community sites
- » Directs funding for housing to veterans with behavioral health needs

Behavioral Health Transformation

By enacting changes resulting from Proposition 1, Behavioral Health Transformation expands ongoing efforts to **support vulnerable people** living with the **most significant** mental health conditions and SUDs.

Behavioral Health Transformation at a Glance:

1. Evolves the Mental Health Services Act to the Behavioral Health Services Act
2. Includes bonds to increase infrastructure

High-level **aims of Behavioral Health Transformation** include:



Improving
Accountability



Increasing
Transparency



Expanding
Capacity of Behavioral
Health Facilities

Behavioral Health Transformation Milestones

Below are 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 BHCIP: Round 1 Launch Ready

Requests for Applications (RFA) for up to \$3.3 billion in funding will leverage BHCIP.

Beginning Early 2025

Integrated Plan Guidance and Policy

Policy and guidance will be **released in phases** beginning with policy and guidance for integrated plans.

Summer 2026

Integrated Plan

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

Behavioral Health Services Act

Behavioral Health Services Act:

- » **Updates allocations** for local services and state-directed funding categories
- » Broadens the target population to **include individuals with SUDs**
- » Focuses on the **most vulnerable and at-risk**, including children and youth
- » Advances community-defined practices as a key strategy for **reducing health disparities** and **increasing community representation**
- » Revises county processes and improves **transparency and accountability**

Behavioral Health Services Act Funding Overview

90% County Allocation

10% State Directed

Behavioral Health Services Act Funding Breakdown

90% County Allocations

30%

Housing Interventions

Interventions include rental subsidies, operating subsidies, shared housing, family housing for eligible children and youth, and the non-federal share of certain transitional rent.

35%

Full Service Partnership Services

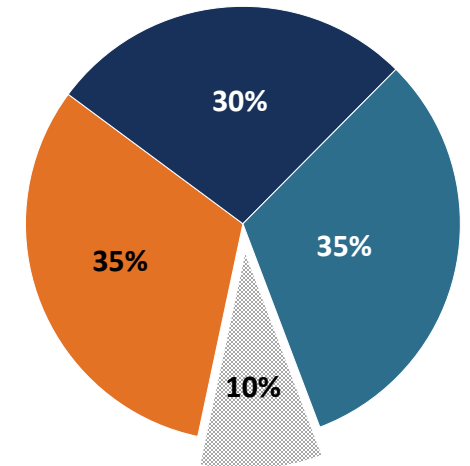
Comprehensive and intensive care for people at any age with the most complex needs (also known as the “whatever it takes” model).

35%

Behavioral Health Services and Supports

Includes early intervention, outreach and engagement, workforce, education and training, capital facilities and technological needs, and innovative pilots and projects.

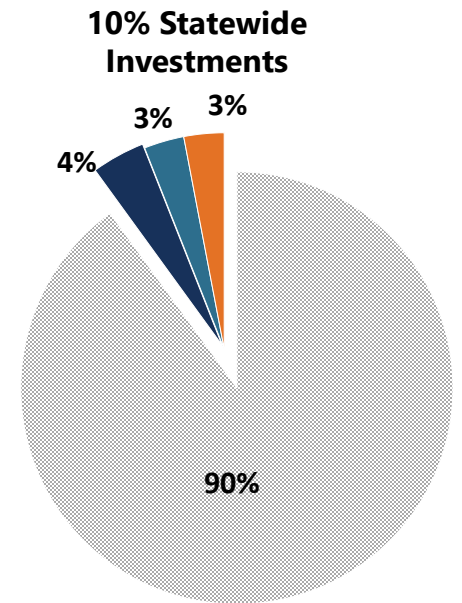
90% County Allocations



Behavioral Health Services Act Funding Breakdown

10% **Statewide Investments**

- 3%** **Statewide Oversight and Monitoring**
State entities will develop statewide goals, oversee county outcomes, train and provide technical assistance to counties and providers, research and evaluate, and administer programs.
- 3%** **Workforce**
The Department of Health Care Access and Information will expand and support a culturally competent and well-trained statewide behavioral health workforce.
- 4%** **Prevention**
The California Department of Public Health will administer statewide prevention services to reduce the risk of people developing mental health conditions or SUDs.



Behavioral Health Bond

- » [Behavioral Health Bond](#) provides **\$6.38 billion**, with up to **\$4.4 billion** for competitive grants for counties, cities, tribal entities, nonprofit entities, and the private sector toward **behavioral health treatment settings**.
- » Of the **\$4.4 billion** available for treatment sites, \$1.5 billion, with \$30 million set aside for tribes, will be awarded through competitive grants **exclusively** to counties, cities, and tribal entities.
- » Funds will be distributed through the current [Behavioral Health Continuum Infrastructure Program \(BHCIP\)](#)

Behavioral Health Bond

\$6.38B

Behavioral Health Bond

\$4.4B

Up to \$4.4 billion for **competitive grants to build, enhance, and expand behavioral health treatment settings.**

\$1.065B

Up to \$1.065 billion for **housing investments for veterans** experiencing or at risk of homelessness who have behavioral health conditions

\$922M

Up to \$922 million for housing investments for **persons at risk of homelessness** who have behavioral health conditions

Capturing Behavioral Health Funding

- » The Behavioral Health Services Act requires counties to submit three-year **integrated plans** for Behavioral Health Services and Outcomes that outline planned county activities and projected expenditures for all county mental health and SUD services funded under the following behavioral health funding streams¹
 - Bronzan-McCorquodale Act (1991 and 2011 Realignment)
 - Medi-Cal behavioral health, including Specialty Mental Health Services, Drug Medi-Cal (DMC), and Drug Medi-Cal Organized Delivery System (DMC-ODS)
 - Federal block grants
 - Opioid settlement funding
 - Behavioral Health Services Act

Integrated Plan for Behavioral Health Services and Outcomes

	Three-Year County Integrated Plan
Purpose	Prospective plan and budget for all county behavioral health services.
Goal	Standardize data collection and reporting to increase transparency, promote stakeholder engagement, and improve local outcomes.
Frequency	Developed every three years.
Timing	First due on June 30, 2026.

Behavioral Health Outcomes, Accountability, and Transparency Report (BHOATR)



The Behavioral Health Services Act requires counties to submit BHOATRs to DHCS annually.



The BHOATR provides information on county adherence to their integrated plans, including reporting on actual mental health and SUD expenditures and activities undertaken during the reporting period.



DHCS will use county BHOATRs to develop a statewide BHOATR outlining activities and gaps in mental health and SUD delivery across California.

Resources

Behavioral Health Transformation Website and Monthly Newsletter



Explore the [Behavioral Health Transformation](#) website to discover additional information and access resources.

Please sign up on the DHCS [website](#) to receive monthly Behavioral Health Transformation updates.

Public Listening Sessions



Attend recurring public listening sessions to provide feedback on Behavioral Health Transformation-related topics. Registration links for all public listening sessions will be posted on the [Behavioral Health Transformation website](#), along with their recordings, once available.

Questions and Feedback



Please send any other questions or feedback about Behavioral Health Transformation to BHTInfo@dhcs.ca.gov.