



JENNIFER KENT  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

August 29, 2017

The Honorable Sharon Quirk-Silva  
Member of the Assembly  
State Capitol, Room 6012  
Sacramento, CA 95814

Dear Assembly Member Quirk-Silva:

**ASSEMBLY BILL 974 (AS AMENDED MARCH 28, 2017) – OPPOSE**

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 974. AB 974 would require counties to collect and report on Mental Health Services Act (MHSA) spending for veteran mental health services in the Annual MHSA Revenue and Expenditure Report (ARER). ARERs are submitted to DHCS and the Mental Health Services Oversight and Accountability Commission (MHSOAC). This bill would require counties to collect and report more information than currently required, and consequently, would impose a state-mandated local program.

DHCS is concerned that the provisions of AB 974 would provide an incomplete report of the costs attributed to veterans' mental health services. Reporting veterans spending on the MHSA ARER would not accurately capture and represent all expenditures for mental health services provided to all California veterans because veteran status is typically obtained through self-reporting and the MHSA ARER does not include those mental health services provided by other sources, such as the United States Department of Veterans Affairs and private insurance. Further, by considering only the quantity of services (expenditure) but not the quality of the services, there would be no way to determine the adequacy of mental health services provided to veterans.

DHCS is currently implementing the requirements of AB 1618 (Committee on Budget, Chapter 43, Statutes of 2016) and AB 114 (Committee on Budget, Chapter 38, Statutes of 2017) which made changes to the MHSA to improve transparency and accountability of MHSA funds. Although DHCS acknowledges that mental health conditions are prevalent among veterans, and DHCS supports efforts to publically report on MHSA funds, the requirement to report on a specific subpopulation would be premature, as efforts to improve reporting are still underway.

The Honorable Sharon Quirk-Silva  
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If you have any questions regarding our position, please feel free to contact me at (916) 440-7500.

Sincerely,

Original signed by

Carol Gallegos  
Deputy Director

cc: The Honorable Ricardo Lara  
Chair, Senate Appropriations Committee  
State Capitol, Room 5050  
Sacramento, CA 95814

Members, Senate Appropriations Committee  
Senate Republican Caucus