



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



GAVIN NEWSOM  
GOVERNOR

DATE: January 4, 2021

Behavioral Health Information Notice No: 20-057

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Association of Social Rehabilitation Agencies  
California Consortium of Addiction Programs and Professionals  
California Council of Community Behavioral Health Agencies  
California Hospital Association  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators

SUBJECT: Use of MHSAs Funds for Substance Use Disorder Treatment

PURPOSE: Provides guidance to counties on the statutory requirements of AB 2265 to allow for Mental Health Services Act (MHSA) funds to be used for substance use disorder (SUD) treatment for individuals with a co-occurring mental health (MH) disorder.

REFERENCE: [Assembly Bill \(AB\) 2265](#)

**BACKGROUND:**

On September 25, 2020, AB 2265 was chaptered, adding Welfare and Institutions Code section 5891.5 to (1) clarify how MHSA funds may be used for SUD treatment for individuals with co-occurring MH and SUD and (2) create a reporting requirement for both the counties and DHCS to track the number of people assessed for co-occurring MH and SUD and the number of people assessed for co-occurring SUD who were later determined to have only an SUD without another co-occurring MH condition.

POLICY:

Use of MHSA Funds for SUD Treatment

The county may use MHSA funds to assess a person for co-occurring MH and SUD, and to treat a person who is preliminarily assessed to have co-occurring MH and SUD, even if it is later determined they do not qualify for services under the requirements of the MHSA because it is determined the person only has a SUD. If an individual is being treated for co-occurring MH and SUD and it is determined that they are not eligible for services under the MHSA requirements because the individual only has an SUD, then the county must refer that person to SUD treatment services in a timely manner<sup>1</sup>.

MHSA funds allocated to the Community Services and Supports, Prevention and Early Intervention, and Innovation components may be used to provide SUD treatment to children, adults, and older adults when they have co-occurring MH and SUD conditions and when they are otherwise eligible for MHSA services. In order to use MHSA funding for SUD treatment, a county must comply with all applicable MHSA requirements when providing co-occurring SUD treatment, including identifying the treatment of co-occurring MH and SUD in their three-year program and expenditure plan or annual update.

Reporting Requirements

Counties are required to report the number of people assessed for co-occurring MH and SUD using MHSA funding and the number of these same people assessed for co-occurring MH and SUD who were later determined to have only an SUD without another co-occurring MH condition. Beginning January 1, 2022, and each year after, DHCS will report this data on its website as both statewide counts and counts by county or groupings of counties, as necessary to protect the private health information of persons assessed.

Counties must use the Mental Health and Substance Use Disorder Assessment Reporting Form (DHCS Form #) to report the total number of people who have been assessed for co-occurring MH and SUDs using MHSA funding and the total number of these same people who were later determined to have only an SUD without a co-occurring MH condition. Data must be collected each fiscal year and submitted to [MHSA@dhcs.ca.gov](mailto:MHSA@dhcs.ca.gov) by October 1 following the end of the previous fiscal year. Any data submitted to DHCS outside of the Mental Health and Substance Use Disorder Assessment Reporting Form will be returned to the county for resubmission.

As AB 2265 is effective beginning on January 1, 2021, the first reporting period will be abbreviated to half of the fiscal year beginning January 1, 2021, to June 30, 2021.

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<sup>1</sup> Timely manner shall be in accordance with federal timely access standards as specified in [MHSUDS Information Notice 18-011](#).

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Subsequent data reporting periods must include the full state fiscal year. Questions regarding this Information Notice may be sent to [MHSA@dhcs.ca.gov](mailto:MHSA@dhcs.ca.gov).

Sincerely,

Original signed by

Marlies Perez, Chief  
Community Services Division