

**California Behavioral Health Planning Council
Legislation and Public Policy Committee
Meeting Summary**

Wednesday, June 14, 2023

1:30 pm to 5:00 pm

Double Tree Santa Ana-Orange County Airport
201 East MacArthur Blvd., Santa Ana, CA 92707
Ballroom F

Members Present:

Veronica Kelley, Chairperson	Barbara Mitchell, Chair-Elect	
Catherine Moore	Deborah Starkey	Uma Zykofsky
Daphne Shaw	Marina Rangel	Karen Baylor
Susan Wilson	Steve Leoni	Tony Vartan
Monica Caffey	Noel O'Neill	Liz Oseguera
Erin Franco	Stephanie Blake	Darlene Prettyman
Javier Moreno		

Meeting Commenced at 1:30 p.m.

Item #1 April 2023 and May 2023 Meeting Minutes

The committee members had an opportunity to review the April 2023 and May 2023 meeting minutes. There was a consensus to accept both meeting minutes.

Item #2 State Budget Update

Adriana Ramos-Yamamoto and Monica Davalos, Senior Policy Analysts with the California Budget & Policy Center provided an overview of the state budget process and an update on the 2023/24 proposed budget. Adriana's primary focus is on health policy issues and Monica's focus is on homelessness. The California Budget & Policy Center is a non-profit organization that conducts research and analysis around the state's budget. The revised budget includes the following Behavioral Health Investments:

- \$6.1 billion over five years for the BH-CONNECT Demonstration; adds \$2.4 billion across five years for the behavioral health workforce.
- \$250.3 million Opioid Settlements Fund for opioid and fentanyl response.

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- \$500 million from the Mental Health Services Fund to support the Behavioral Health Bridge Housing Program.
- \$40 million to support the governor's proposal to modernize the state's behavioral health system.

The revised budget sustains the following funding to address homelessness:

- \$1 billion one-time General Fund for the Homeless Housing, Assistance and Prevention (HHAP) Grant Program in 2023-24, with a focus on establishing stronger accountability measures.
- \$400 million General Fund for Encampment Resolution grants for local jurisdictions.
- Augmented funding for CARE Court implementation.

The legislature has until June 15th to balance the budget. The Governor and legislative leaders will keep negotiating on the budget, with the goal of wrapping things up by July 1. After July 1, the Legislature can still pass amendments that change the spending levels in the adopted budget bill as well as pass additional budget-related bills.

Item #3 Review of Legislation

The committee members reviewed the Council's Legislative Position List and discussed updates. Tony Vartan made a motion to oppose AB 1360. The motion was seconded by Uma Zykofsky. Liz Oseguera and Marina Rangel abstained. The motion passed. There were no other changes made to the Council's current positions.

Item #4 Evolution of the Mental Health Services Act

Dave Pilon, Ph.D., C.P.R.P., former President and CEO, Mental Health America of Los Angeles, provided an overview of the evolution of the MHSA. He highlighted "The Village" mode, which was highly successful and utilized to model the Full Service Partnership component of the MHSA, which is relevant to the Governor's current proposal to modernize the MHSA. Assembly Bill 3777 (Bronsan-1989) created three pilot projects (one urban, one rural, one county-wide) to demonstrate a case rate approach to mental health financing. Under the project \$15,000 was provided per person per year in advance and there was not Medi-Cal/Medicaid billing utilized. The Mental Health Association of Greater Los Angeles was awarded the grant for the urban project and randomly assigned 120 consumers to a control group. An independent evaluator conducted an ongoing evaluation from July 1, 1990, through June 30, 1993. The structure of the project included a "hybrid" model primarily combining elements of intensive case management (ACT) and psychosocial rehabilitation (Fountain House

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Clubhouse) and a full risk capitated model, which was initially responsible for both inpatient and medication costs in addition to usual and customary outpatient services. The project employed licensed staff (including psychiatrists), as well as unlicensed staff, including job developers and community integration specialists. The services were designed to address all aspects of the member's life, not just the symptoms of their mental illness. Some of the findings of the evaluation include:

- Village community Members had significantly fewer hospital days than the comparison group and had significantly lower costs for inpatient care.
- 72.6% of members tried paid employment over a three-year period, compared to 14.6% of the comparison group.
- The percentage of Village members living in group and institutional settings declined from 15.8% at baseline to 10.8% after three years. Among the comparison members, the percentage remained constant from 23.7% at baseline to 23.2% after 3 years.
- Village members reported more solitary leisure activities and more activities with others during the week before the interview than did comparison members. Village members reported significantly more support at each of the three annual interviews.
- Families of Village members reported significantly less burden and less stress from burden than did family members of the comparison group. Families of Village members were more positive about the member's hopes for the future than families of the comparison group.
- Members at the Village were significantly more satisfied with mental health services than members in the comparison group.

Based on the success seen with this project, Dave provided the following three recommendations for the modernization of the state's behavioral health system:

1. Explore a true pay-for-value system that holds providers accountable for their outcomes. Reduces the documentation and billing burdens that our staff experience under Medicaid.
2. Provide separate funding streams (de-coupled from FSPs) for psychosocial rehabilitation services like supported employment, supported education, and community integration services.
3. Increase hiring of and reliance on non-licensed B.A. level staff to provide psychosocial rehabilitation services.

Item #5	Public Comment
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Steve McNally thanked Dave Pilon for his presentation to the Council and the Mental Health Oversight and Accountability Commission.

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Item #6 Community Partner's Voice: MHSA Modernization

Karen Vicari, Interim Public Policy Director, Mental Health America California (MHAC) provided their perspective on the behavioral health modernization proposal. MHAC is very concerned that individuals will lose services because of MHSA funding being diverted to housing. She highlighted that the majority of unhoused people are not unhoused because of a mental health condition but as a result of inadequate affordable housing. They are also concerned about the long-term impacts of directing 30% of MHSA funding to housing when the state's needs may change. Karen provided an overview of the current MHSA funding buckets and the proposed funding formula. She stated the change in funding would be \$584,869,602.60, which is very concerning. She highlighted there is a lack of inclusion of upstream services and the LGBTQ+ youth and youth of color will be most impacted. Additional concerns are that the Streamlined Community Planning Processes will weaken the community and peer voice and the need to ensure flexibility in the spending buckets over time.

Stacie Hiramoto, Director of the Racial and Ethnic Mental Health Disparities Coalition (REMHDCO) provided their perspective on the behavioral health modernization proposal. Their main concern is the loss of Prevention and Early Intervention (PEI) and Innovation (INN) because PEI and INN allow the funding of culturally anchored interventions that reflect the values, practices, histories, and lived experiences of the communities they serve. Community Defined Evidence Practices (CDEPs) are at risk of being lost. CDEPs are used in place of or in conjunction with Evidence Based Practices (EBPs) and are utilized and highly valued by BIPOC, Client/Consumer, LGBTQ+, Children, Transition Age Youth (TAY), and Older Adult communities. Stacie shared that the California Reducing Disparities Project (CRDP) has released their evaluation report. Stacie urged all to fight to preserve the MHSA by writing letters to the Governors office and Legislature and meeting with the Assembly Health Committee.

Item #7 CBHPC Advocacy: MHSA Modernization

The committee members were given the opportunity to discuss SB 326 and plan the public forums they initially discussed wanting to host at the May 18th meeting. Members expressed that the public forums are an opportunity for the Council to ensure the community is informed, as well as to hear feedback and input on SB 326. They determined the information gathered could be used to guide the Council's advocacy. The Committee decided that they would like staff to plan at least one public forum

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before the October meeting and inform the administration of the feedback gathered. Additionally, the members would like a letter approved by Council leadership to be sent including the following input:

- There has not been a robust stakeholder process that honors the purpose of the MHSA, which will be conducted before the initiative is placed on the ballot.
- The Council is concerned about the loss of services and PEI due to MHSA funds being diverted for housing.
- There is also a concern about the emphasis on homeless veterans as the percentage of homeless veterans in California is very low and the funding for services for that target population is already over-proportioned for the general population.
- The Council supports the inclusion of substance use disorders, however, there is a concern about the population expansion without any additional funding.
- The funding formulas are too rigid, which will result in competition between counties because every county has different local priorities.
- The restructure will be a disservice to the MHSA and put more individuals at risk of becoming homeless.

Item #8

Public Comment

No public comment.