Prop. 63, Mental Health Services Act, not as advertised

MENTAL HEALTH Budget amendments are diverting funding away from treatment

Rose King

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In 2004, voters approved Proposition 63, which levied a 1 percent tax on millionaires to expand mental health services, and created a state plan to ensure progress toward providing them. Before we passed the law, the official ballot pamphlet told us "how the money would be spent." New tax revenue would:

-- Expand existing county mental health Systems of Care for children, adults and older adults, based upon a proven model of service; and

-- Create prevention and early intervention programs within the model systems to help prevent mental illnesses from becoming more severe and disabling.

As one of several co-authors of the Mental Health Services Act, the official name of Prop. 63, I thought the purpose and intent provisions spelled out a clear path to implementation. The Systems of Care model that would receive 75 percent of the Prop. 63 revenue was fully explained in legal codes; government couldn't screw this up.

I was wrong. Incompetence and politics led the state Department of Mental Health to change the law for private reasons and required counties to follow a different path altogether.

In 2007, the director of the department explained to me that we now were prioritizing services to "those most in need." To do so, the department tossed the proven model to begin anew, with startups, and a new costly and endless stakeholder, planning and training process. This generated a bonanza for the consulting and contracting industry.

Mental health care in California is provided through a partnership of the state with each county. The new state regulations directed counties to spend the majority of Prop. 63 revenues on new programs for new clients. Counties were told to ignore the existing mental health programs, which, while underfunded and understaffed, are the primary source of treatment for mental illness.

Twenty percent of Prop. 63 funds are to be spent for prevention and early intervention so as to keep mental illnesses from becoming "severe and disabling." But few such programs exist because state regulations prohibit counties from spending this prevention money to serve those "diagnosed with a serious mental illness or serious emotional disturbance."

Meanwhile, the tax revenue exceeded expectations - by June 30, $7 billion in Prop. 63 funds had been allocated to counties (despite a significant raid on the act's trust fund during Gov. Jerry Brown's first budget year) and the act is on track to generate $1.4 billion this fiscal year. In 2010-2011, the state spent $4.4 billion on mental health services. The percentage of revenue from each funding
source for California mental health services was: 35 percent federal; 25 percent Prop. 63; 23 percent state realignment (a dedicated funding source created in 1991 and fed by sales taxes and vehicle license fees) funds; 17 percent state General Fund and other sources.

The Mental Health Services Act has funded 1,600 new programs throughout the state. The state Department of Mental Health has reported that 25,000 mental health services consumers were now "fully served." The 600,000 other public mental health consumers remain in the old primary county systems. They are as poorly served after Prop. 63's passage as before.

In every county, new Prop. 63 programs operate as an independent system alongside the old System of Care. Each is managed by the same county department, but with separate budgets and accountability.

When the state Department of Mental Health closed its doors this month under the governor's realignment plan, the chief deputy director informed the Legislature's health and budget committees that its oversight of Prop. 63 had ceased. Accountability is now gone.

Senate President Pro Tem Darrell Steinberg, a sponsor of Prop. 63, endorses the current results. To make certain county plans continue in the same direction, the senator inserted amendments to the Mental Health Services Act into a budget bill, thus sanctioning regulations that defy the original purpose and intent of the law.

Steinberg's substantive amendments were not subjected to any stakeholder process or intensive public review; after one Senate policy hearing, the provisions were transferred into the budget bill and passed within 48 hours. The state will now transfer more than 25 percent of Prop. 63's revenue to county slush funds, inviting local officials and special interests to fund virtually any venture, including research, that claims to promote healthy outcomes for any constituency.

The issue is close to home for me: The state's fraudulent regulations deny two grandsons access to prevention services that would fulfill the Prop. 63 promise to help prevent serious mental illnesses from becoming more severe and disabling.

"We were robbed" is the prevailing view from volunteers like me, who collected signatures and donations, and now share the deep disappointment of betrayal by our state government and by special interests, who claim to be our advocates for change but instead support the status quo while collecting generous grants.

The state regulations and the Steinberg amendments both warrant legal challenges. The options to clean this up and fund treatment of serious mental illnesses are:

-- Lobbying for Brown administration corrections as the federal Affordable Care Act is implemented;

-- Finding a legal team to challenge these new provisions in court and prove that these violate the initiative approved by voters; and

-- Waiting for another legislator to take up the cause in a few years.
In the meantime, families and consumers will continue to speak out at state and local hearings. They will experience blank stares and sometimes a polite nod, but never any answers from the politicians.

Where the money goes

**San Francisco:** Some $127 million in Prop. 63 funds has been allocated to San Francisco. The prevention money portion funds 12 programs, one intervention/recovery service for youths experiencing early psychosis, while others focus on education, Healthy Families and access to the core mental health system. But what happens if your family, friends or neighbors seek actual help?

The Mental Health Association of San Francisco recently was awarded grants totaling $5.9 million for stigma reduction, that is, strategies to reduce stigma toward persons with mental illness. That is more than the city's total budget for prevention services.

**Sacramento:** Some $222 million in Prop. 63 funds has gone to Sacramento County. These prevention services link people to care, but the wait for a first appointment can be more than six weeks. A Strengthening Families group manages five prevention programs, none of which addresses mental illnesses, yet receives Prop. 63 funds.

Rose King is one of the co-authors of the California Mental Health Services Act, which voters approved in 2004 as Proposition 63. She has filed a whistle-blower complaint after challenging the Department of Mental Health (see mitruestories.wordpress.com). Send your feedback to us through an online form at sfgate.com/chronicle/submissions/#1

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