

POLICY TOOLKIT

ITUP
Insure the Uninsured Project

AUGUST 2024

BEHAVIORAL HEALTH IN CALIFORNIA



THIS CURATED POLICY TOOLKIT combines the wide array of California initiatives and resources that support the emotional and behavioral well-being of Californians. It contains hyperlinks to help seamlessly navigate between the federal entities, state agencies, initiatives, policy plans, engagement opportunities, and additional resources that help to ensure a better future of behavioral health care for California communities.

What is Behavioral Health?

Behavioral health refers to the behaviors that affect an individual's wellbeing, encompassing mental, emotional, and social aspects.¹ Behavioral health care refers to the prevention, diagnosis, and treatment of those conditions, such as mental health, substance abuse, etc.²

Key California Behavioral Health Initiatives

Mental Health Services Act (MHSA)

The Mental Health Services Act (MHSA) is a personal income tax on yearly incomes exceeding \$1 million. The MHSA funds California's behavioral health system and allocates the majority of funds to county mental health departments to support implementation of behavioral health services. The Department of Mental Health (DMH) and the Mental Health Services Oversight and Accountability Commission (MHSOAC) provide oversight on the distribution of MHSA funds.

Children & Youth Behavioral Health Initiative (CYBHI)

The Children & Youth Behavioral Health Initiative (CYBHI) is a multi-billion-dollar, multi-year investment plan for California's youth behavioral health system. Streamlined by five state departments, the initiative aims to address the youth mental health crisis in California and transform the behavioral health care and health care delivery system for children, youth, and families.

Mental Health for All (MH4A)

Mental Health for All is a multi-year effort to transform California's behavioral health landscape. Starting in Summer 2024, this effort aims to use Proposition 1 implementation to work toward all counties adopting comprehensive behavioral health services plans by 2026.

Proposition 1 (Prop 1)

Proposition 1 (Prop 1) is a multi-billion-dollar bond which intends to expand access to behavioral health systems. Prop 1 changes the legislative language of the MHSA to encompass all of the Behavioral Health Services Act. Prop 1 reduces the allocated MHSA funding and increases state administered funding. This proposition utilizes the funds for treatment facilities and supportive housing for veterans and individuals with behavioral health challenges.

Fast Facts >>



1 in 7 adults experience a mental illness³

2/3 of adolescents with major depressive episodes do not get treatment³



82% of people experiencing homelessness had a mental health condition or substance use challenge⁴



66% of people experiencing homelessness experience mental health problems, such as depression, anxiety, hallucinations, or trouble remembering things⁴



1 in 10 children living below the federal poverty level experience serious emotional disturbances⁵



Mental Health for All: Targeted Demographics and Resources

MHSA: All Californians

- [How Can MHSA Be Used To Support Homeless Individuals?](#)
- [How Can MHSA Be Used To Support Individuals In The Criminal Justice System?](#)
- [Medi-Cal Peer Support Specialist Certification Program Implementation](#)
- [Implementation of Assembly Bill \(AB\) 1976: Mental Health Services; Assisted Outpatient Treatment \(AOT\)](#)
- [Use of MHSA Funds for Substance Use Disorder Treatment](#)

CYBHI: Children & Youth (0-25), Focuses on Black, Indigenous, and People of Color (BIPOC) + Lesbian, Gay, Bisexual, Transgender, and Queer or Questioning (LGBTQ)

- [Evaluating California's Children and Youth Behavioral Health Initiative \(CYBHI\)](#)
- [Youth at the Center](#)
- [Department of Health Care Services \(DHCS\) - Children & Youth Behavioral Health Initiative](#)



Prop 1: Unhoused Populations (Including Unhoused Veterans)

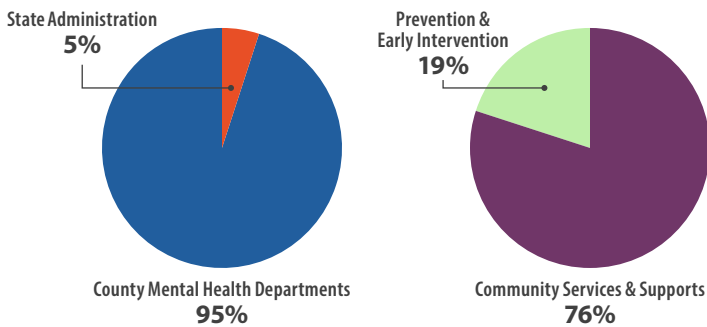
- [Prop 1 - Media & Fact Sheet](#)
- [The Behavioral Health Services Act SB 326 \(Eggman\)](#)
- [The Behavioral Health Infrastructure Bond Act of 2023 AB 531 \(Irwin\)](#)



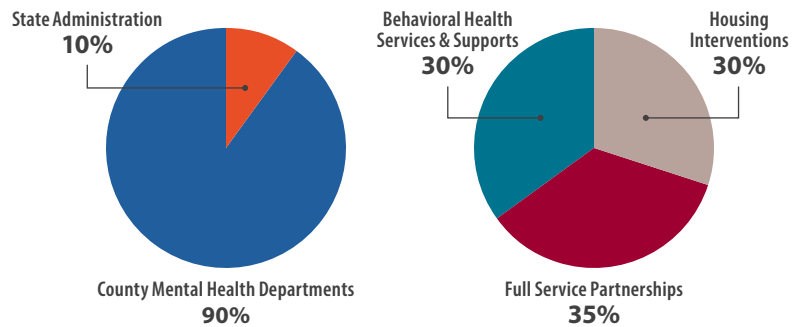
Impact of Legislation

Prior to the passing of Proposition 1, 95% of funding from the MHSA was distributed to all 58 counties, and the remaining 5% is reserved for the state administration. Of the 95%, counties are required to allocate 76% of MHSA funding to Community Services and Supports and to allocate the remaining 19% to Prevention and Early Intervention. Proposition 1 modifies MHSA funding to a 5% increase reserved for the state and a change in county allocations.⁶ With 10% now toward state funding, the remaining 90% will be allocated by 30% for housing interventions, 35% for Full Service Partnerships (FSP), and 35% for Behavioral Health Services and Supports (BHSS).⁷

Before Proposition 1



Allocation of Funds with Proposition 1



Funding Stream Resources

Mental Health Service Act:

- [County MHSA Three-Year Program and Expenditure Plans and Updates](#)
- [MHSA Allocation and Methodology for Fiscal Year \(FY\) 2023-24](#)
- [Use of MHSA Funds for Prevention and Early Intervention Programs](#)
- [MHSA Annual Revenue and Expenditure Reports by County - Fiscal Year \(FY\) 16-17 through Fiscal Year \(FY\) 22-23](#)
- [Fiscal Year \(FY\) 23-24 Prudent Reserve \(PR\) Maximum Funding Levels](#)
- [Redistribution of Reverted Mental Health Services Act Funds - June 2024](#)
- [Peer Support Services - Funding Sources](#)

Prop 1:

- [Proposition 1 Overview](#)
- [Behavioral Health Bond](#)
- [Proposition 1 Behavioral Health Services Act: How to Use BHSA/MHSA Funds for Housing](#)

Implementation Timelines

Mental Health Services Act (MHSA) + Proposition 1 (Prop 1)

2020-2023

- The Department of Health Care Services (DHCS) requires [MHSA County Performance Outcomes](#) to provide three-year plans and annual updates for behavioral health services implemented by each county.
- [Mental Health Services Performance](#) is tracked in order to assess county and statewide achievement.

October 2023

- [SB 326: The Behavioral Health Services Act \(Eggman\)](#) is approved by Governor Newsom aiming to recast the Mental Health Services Act (MHSA) and update county regulations.
- [AB 531: The Behavioral Health Infrastructure Bond Act \(Irwin\)](#) is approved by Governor Newsom aiming to safeguard projects and authorize a \$6.4 billion bond.

2024

- DHCS provides [MHSA County Program Reviews](#) to conduct oversight of each county's compliance with the MHSA and state regulations.

March 2024

- [Governor Newsom Puts Historic Mental Health Transformation on March 2024 Ballot](#), where Prop 1 is announced.
- Official voter [Information Guide - Prop 1](#) is provided for the March Primary.
- [Prop 1 passes with a 50.1% majority vote](#), approving SB 326 (Eggman) and AB 531 (Irwin).

Summer 2024

- [AB 531 \(Irwin\)](#) authorizes \$6.4 billion in bonds to finance behavioral health treatment beds, supportive housing, community sites, and funding for housing veterans with behavioral health needs. \$4.4 billion of these funds will be administered by [DHCS](#) for grants to public and private entities for behavioral health treatment and residential settings.
- [Bond applications for treatment sites opens.](#)

*Winter 2024

- [AB 531 \(Irwin\)](#) authorizes \$1.972 billion of \$4.4 billion for supportive housing (\$1.065 billion will be for veterans).
- [Bond applications for supportive housing opens.](#)

*Spring/Summer 2025

- [AB 531 \(Irwin\)](#) authorizes \$1.5 billion of the \$4.4 billion to be awarded only to counties, cities, and tribal entities, with \$30 million set aside for tribes.
- [Bond money awarded to cities, counties, tribal entities, and organizations across California.](#)

*2026/27

- All counties implement new 3-year comprehensive behavioral health services plans.

**As of August 2024, this is the proposed timeline for the upcoming years pertaining to MHSA and Prop 1.*

Children & Youth Behavioral Health Initiative (CYBHI) + Mental Health for All (MH4A)

2021/22

- Phase one of a 5-year timeline begins, starting with the [Student Behavioral Health Incentive Program](#) to provide additional avenues to address behavioral health in schools.
- Establishing the [Behavioral Health Continuum Infrastructure Program \(BHCIP\)](#), there is a focus to expand the community continuum of behavioral health treatment resources.

2022/23

- As the last launch of phase one, [CalHOPE Student Services](#) creates a focus on teachers and school staff to provide training to utilize existing educational practices.
- The National Suicide Prevention Lifeline number transitioned to an easy-to-remember 3-digit number, [988 Suicide & Crisis Lifeline](#).
- [Mobile Crisis Services](#) are implemented to provide rapid response, individual assessment, and community-based stabilization to Medi-Cal members.
- [Community Assistance, Recovery, and Empowerment \(CARE\) Act](#) is established to provide community-based behavioral health services and support to Californians living with untreated schizophrenia spectrum or other psychotic disorders through a new civil court process.
- [Behavioral Health Bridge Housing](#) is implemented in alignment with the CARE Program to provide funding to county behavioral health agencies and Tribal entities to operate bridge housing settings for people experiencing homelessness who have serious behavioral health conditions.

- Phase two begins with [Scaling Evidence-Based Practices and Community-Defined Evidence Practice Grants](#) aimed to improve youth behavioral health based on robust evidence for effectiveness, impact on racial equity, and sustainability.
- The second stream of grants are [School-Linked Partnerships & Capacity Grants](#) as one-time investments enabling new infrastructure built and partnerships made in order to achieve a long-term and sustainable funding model.
- The [Implementation of Dyadic Services Benefit](#) serves as the last part of phase two, with dyadic care now covered under Medi-Cal.
- Governor Newsom proposes a major transformation of California's behavioral health system with the [Behavioral Health Services Act \(BHSA\)](#).

2023/24

- Phase three moves toward a focus on the delivery and acceleration of impact, launching its full-scale effort with the [Behavioral Health Virtual Services and E-consult Platform](#).
- DHCS and Department of Managed Health Care (DMHC) develop a [Statewide Fee Schedule & BH Provider Network](#) for outpatient mental health or substance use disorder services.
- The last stage of phase three expands on [Pediatric and Primary Care Training](#) to integrate CYBHI in the California Advancing and Innovating Medi-Cal (CalAIM) Initiative's [Strategy to Support Health and Opportunity for Children and Families](#).
- [BHCIP data dashboards](#) showcase recent performance outcomes.
- MH4A effort highlights [California's Behavioral Health Transformation](#).

References

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6. The Legislative Analyst's Office, [Proposed Restructuring of the MHSA Funding Categories and Impacts on County Spending, July 2023](#), Accessed: July 19, 2024.
7. California Health & Human Services Agency, [Mental Health for ALL: California's Behavioral Health Transformation, June 2024](#), Accessed: July 19, 2024.

About ITUP

ITUP is an independent, nonprofit, health policy institute that has been a central voice in the California health policy landscape for more than two decades. ITUP serves as a trusted expert, grounded in statewide and regional connections with a network of policymakers, health care leaders, and stakeholders. The mission of ITUP is to promote innovative and community-informed policy solutions that expand access to equitable health care and improve the health of all Californians.

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