

4040500000—Mental Health Services

Health Services

Greg Diederich, Health Care Services Director

Special Revenue Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Salaries & Benefits	\$59,871,373	\$69,684,350	\$73,863,665	\$73,863,665	\$4,179,315
Services & Supplies	51,383,233	80,575,768	86,416,155	86,416,155	5,840,387
Centrally-Budgeted Expenses	2,574,460	2,512,818	2,284,485	2,284,485	(228,333)
Other Charges & Uses	2,371,027	7,337,027	7,934,635	7,934,635	597,608
Fixed Assets	1,023,520	3,834,786	6,072,959	6,072,959	2,238,173
Total Expenditures	\$117,223,613	\$163,944,749	\$176,571,899	\$176,571,899	\$12,627,150
Expenditure Reimbursements	(15,525,811)	(20,061,246)	(20,116,072)	(20,116,072)	(54,826)
Total Appropriations	\$101,697,802	\$143,883,503	\$156,455,827	\$156,455,827	\$12,572,324
Earned Revenues By Source					
Interest/Rents	\$177,467	\$60,000	\$390,000	\$390,000	\$330,000
Aid From Other Governments	57,763,676	91,908,893	97,404,163	97,404,163	5,495,270
Charges For Services	47,156,017	47,761,661	53,569,655	53,569,655	5,807,994
Miscellaneous Revenues	31,979	176,689	97,459	97,459	(79,230)
Operating Transfers In	4,016,206	3,976,260	3,950,759	3,950,759	(25,501)
Fund Balance	(7,447,543)	0	1,043,791	1,043,791	1,043,791
Total Revenues	\$101,697,802	\$143,883,503	\$156,455,827	\$156,455,827	\$12,572,324
Net County Cost	\$0	\$0	\$0	\$0	\$0
Staffing					
Allocated Positions	514.0	560.0	583.0	583.0	23.0
Temporary (Full-Time Equivalent)	134.0	101.6	95.9	95.9	(5.7)
Total Staffing	648.0	661.6	678.9	678.9	17.3

- Operating Transfers In includes a General Fund Contribution of \$1,610,759 for 2019-2020.

Purpose

Mental Health Services (MHS) provides programs to all age groups, including inpatient and outpatient services, and 24-hour emergency crisis intervention. Clinics are located in Stockton, Lodi, Manteca, and Tracy, but MHS services are provided throughout the County. Major sources of funding include Medi-Cal reimbursement, Mental Health Services Act (MHSA) funds, and 1991 State Realignment monies.

Behavioral Health Administration (BHA) provides administrative support for MHS, the Mental Health Plan (Medi-Cal Managed Care Plan), Substance Abuse Services (SAS), Public Guardian/Conservator's Office (PG/C), and youth Psychiatric Services at the Juvenile Justice Center.

This narrative combines the MHS (#4040500000) and BHA (#4040700000) budgets.

Major Budget Changes

Salaries & Employee Benefits

- \$1,879,003 Salary and benefits adjustments.
- \$745,641 Full-year cost of nine positions added midyear 2018-2019.
- \$1,877,563 Add 22 new positions.
- \$144,368 Transfer an Accountant position from SAS to BHA.

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- (\$467,260) Decrease in extra-help.
- (\$467,003) Decrease in expenditures for Human Services Agency (HSA) clients.

Services & Supplies

- \$1,500,000 Increase in MHSA-Turning Point contract.
- \$1,480,014 Increase in MHSA-Telecare contract.
- \$1,318,232 Increase in costs for MHSA-funded projects.
- \$1,193,000 Increase in payments to Stockton Self-Help Housing.
- \$1,095,000 Increase in intensive adult and justice response.
- \$1,058,000 Increase in costs for children's mental health services.
- \$615,861 Increase in BHA indirect costs.
- \$601,456 Increase in software and computer supplies costs.
- \$501,226 Increase in Victor Community Support Services contract.
- \$308,780 Increase in reimbursement to PG/C.
- \$297,706 Increase in San Joaquin Child Abuse Prevention Council contract.
- \$272,817 Increase in adult placements.
- \$208,388 Increase in County Counsel legal services.
- \$188,584 Increase in reimbursement to MHS.
- \$146,000 Increase in costs for billing system.
- \$90,878 Increase in facility maintenance costs.
- \$79,071 Increase in professional services.
- \$26,248 Increase in costs for outside services.
- (\$1,672,937) Decrease in various MHSA-funded service contracts.
- (\$1,250,000) Decrease in payments to Housing Authority of the County of San Joaquin.
- (\$518,928) Decrease in children's placement contracts.

Centrally-Budgeted Expenses

- (\$125,218) Decrease in Workers' Compensation, Medical Malpractice, and Casualty insurance costs.
- (\$105,476) Cost Allocation Plan adjustment.

Other Charges

- \$588,277 Increase in Proposition 47 and MHSA contracts with Community Medical Centers.

Expenditure Reimbursements

- \$459,830 Increase in reimbursement from MHS.
- \$353,867 Increase in reimbursement from MHSA.
- (\$839,691) Decrease in reimbursement from HSA.

Revenues

- \$4,844,839 Increase in Medi-Cal funding.
- \$4,368,184 Increase in MHSA funding.
- \$1,614,592 Increase in State Managed Care allocation.
- \$703,862 Increase in funding for Medi-Cal administration.
- \$506,135 Increase in Mental Health Block Grant funding.
- \$330,000 Increase in interest income.

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- \$219,422 Increase in Early and Periodic Screening, Diagnostic, and Treatment funding.
- \$146,780 Increase in Conditional Release funding.
- (\$1,166,311) Decrease in realignment revenue.
- (\$79,000) Decrease in community treatment rebates.
- \$1,043,791 Increase in use of fund balance.

Fixed Assets/Capital Improvement

- \$2,114,786 Crisis and Acute Services expansion.
- \$940,000 Facility upgrades and renovations.
- \$500,000 Consumer restroom and shower renovation.
- \$450,000 Cleaning and painting building exteriors.
- \$360,000 Computer equipment.
- \$275,173 Remodel public restrooms (2).
- \$210,000 Duress alarm.
- \$200,000 Additional parking.
- \$200,000 Security camera project.
- \$175,000 Vehicles (5).
- \$125,000 Outdoor lighting.
- \$100,000 Boiler.
- \$75,000 24-Hour and Crisis area flooring.
- \$75,000 System furniture for Children Youth Services (CYS) and inpatient areas.
- \$50,000 Conference room upgrades.
- \$48,000 Protective wall sheets.
- \$40,000 Workstations for call center.
- \$30,000 Pump and motor.
- \$25,000 CYS and Outpatient Administration area redesign.
- \$20,000 Stone veneer replacement.

- \$20,000 Heat pump.
- \$20,000 Key card patio access.
- \$20,000 Backflow valve.

Program Discussion

The 2019-2020 recommended combined budget for MHS and BHA totals \$176,571,899, which is an increase of \$12,627,150 from the 2018-2019 adjusted budget. The change is primarily due to salary and benefits adjustments, full-year cost of 9 positions added midyear 2018-2019, the addition of 22 new positions, transfer of 1 position from the SAS budget, and increases in various MHSA-funded projects.

The recommended budget adds 22 new full-time positions as follows:

- Mental Health Clinician (4)
- Mental Health Specialist (9)
- Mental Health Outreach Worker (2)
- Mental Health Interpreter
- Office Assistant (2)
- Senior Psychiatric Technician
- Psychiatric Technician
- Contracts Supervisor
- Business Analyst

An Accountant position is also being transferred from SAS to the BHA budget.

Mental Health Services Act (MHSA)

MHSA continues to be a major funding source for MHS. The overall purpose of MHSA is to reduce long-term adverse impacts on individuals, families, and State and local budgets as a result of untreated, serious mental illness. MHSA funding is used for a wide variety of prevention, intervention, and treatment programs for mental health concerns.

Behavioral Health Services (BHS) carefully examines the use of MHSA funds and evaluates the outcomes of MHSA-funded projects. In the past several years, BHS has made a concerted effort to substantially increase the number of MHSA-funded projects, while paying careful attention to strict State regulations that govern the use of MHSA funds. An annual community-wide planning process is conducted to determine community needs and priorities. BHS also incorporates the Board Strategic Priorities into the annual MHSA planning process, such as improving public safety and addressing homelessness.

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MHSA funding is allocated within five component areas:

- Prevention and Early Intervention (PEI)
- Community Services and Supports (CSS)
- Innovation (INN)
- Workforce Education and Training (WET)
- Capital Facilities/Technological Needs (CFTN)

In 2019-2020, two new large-scale PEI projects will focus on community education to reduce suicide risks, as well as education about mental health concerns. Other PEI projects are in various stages of implementation, including school-based counseling services for children and youth; services focused on diverting non-violent and non-serious offenders from the criminal justice system; and counseling services for individuals who have experienced trauma.

CSS programs include four new Intensive Full Service Partnerships (FSP), which are also in the start-up phase. These are estimated to serve 60 very high-risk mental health consumers in 2019-2020. As a result of these new programs, several current contracts for FSP services with community-based organizations will end in 2018-2019. Other CSS projects being implemented are an expansion of Mobile Crisis Response Teams to provide on-site clinical assessment and interventions in partnership with first responders, hospital emergency rooms, children's group homes, and Mary Graham Children's Shelter; a project for treatment and case management of clients with very intensive treatment needs; licensed adult residential facilities for housing individuals with mental illness; and a Peer Navigation Program. In addition, a transfer of funding from the CSS component will re-fund the WET and CFTN components, as the original allocation of funds for these components was fully expended in 2017-2018.

Crisis and Inpatient Services

An expansion of the Crisis Stabilization Unit was completed in March 2017, bringing its capacity to 16 beds. Despite the increase, acute care services remain impacted and BHS continues to seek additional intensive rehabilitative services. A Request for Proposals for these services was released in 2017 and resulted in an award to Telecare, Inc. Additional funding through the MHSA CFTN component will be allocated to renovation costs for a new rehabilitation facility for individuals requiring intensive psychiatric services with 24 hours a day, 7 days per week monitoring.

Services for Homeless Individuals

In 2017, BHS was awarded a \$6.0 million grant from the California Board of State and Community Corrections for the

“Homeward Bound” Initiative. An additional \$7.7 million of MHSA INN funding was leveraged to support this Initiative. Homeward Bound includes a community-based Behavioral Health Assessment and Respite Center operated by Community Medical Centers. The Center is envisioned as a “friendly front door” to services for unserved and underserved individuals who may be reluctant to access the public mental health system, as well as withdrawal management and medication-assisted treatment programs. Homeless individuals may be eligible for a grant-funded housing assistance project operated by the Central Valley Low Income Housing Corporation.

A second project, Progressive Housing, is operated by Stockton Self-Help Housing and is designed to increase housing options for individuals with mental health challenges by developing a number of small-scale housing facilities. This project is funded with \$6.4 million of MHSA INN funding.

A third project, Project-Based Housing, is being implemented with CSS funds in partnership with the Housing Authority. The project will result in 15 studio apartments for adults with serious mental illness.

No Place Like Home (NPLH)

NPLH was approved by voters in November 2018 and authorized the use of MHSA funds for the development of permanent supportive housing for individuals with serious mental illnesses who are homeless, chronically homeless, or at-risk of chronic homelessness. The County is eligible for non-competitive allocation of \$2.1 million and may also apply for a competitive allocation in partnership with a development sponsor. BHS developed a plan for addressing homelessness for people with serious mental illness and issued a Request for Qualifications for development sponsors. A development sponsor will be selected and a project proposal will be initiated in 2019-2020.

1991 Realignment

As permitted in the Realignment legislation, \$2,004,244 will be redirected from Mental Health Realignment funding in 2019-2020 to support other Health Care Services Agency departments; \$1,131,979 to support Public Health Services and \$872,265 to support HCS Administration.

Network Adequacy of Mental Health Plan

BHS is designated as a prepaid Mental Health Plan for Mental Health Medi-Cal Services and is required by the Federal Centers for Medicaid and Medicare to demonstrate an adequate network of medical and clinical providers to serve the County's Medi-Cal population. In January 2019, BHS was notified that the number of network providers reported to

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the State in 2018 was insufficient to meet the requirements. In April 2019, the State informed the County that a portion of funding provided for services would be withheld beginning in June 2019, until it could be demonstrated that the number of providers available had increased. BHS continues to work with the State to ensure that its network adequacy report is correct and that all providers are accurately counted. In addition, BHS is exploring options to become a more competitive employer within the region to maintain sufficient provider capacity.

Mental Health Services Act Fund

The projected State allocation to be received in the MHSA Fund (#20601) for 2019-2020 is \$33,416,881, an increase of 1.3% from 2018-2019. MHSA funds must be appropriated within three years of receipt or be subject to reversion to the State. Monies can only be used in accordance with the MHSA

legislation and as part of the local MHSA program and expenditure plan. Fund balance as of March 31, 2019, was \$26,720,845; however, this amount included an erroneous transfer out, which was subsequently reversed in April 2019. The adjusted fund balance for March 31, 2019, was \$89,720,845. The 2019-2020 recommended budget includes \$63,467,386 in transfers from the MHSA Fund to reimburse eligible costs. MHS is also required to maintain the MHSA Prudent Reserve Fund (#20606), which had a balance of \$12,098,557 as of March 31, 2019.

Dorothy Chase Estate Mental Health Fund

The Dorothy Chase Estate Mental Health Fund (#81261) is dedicated to the development and/or funding of mental health services, especially those benefiting senior citizens in the County. Fund balance as of March 31, 2019, was \$39,462.

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Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
Adult Services (Days)					
<i>Psychiatric Health Facility</i>	5,708	7,062	6,924	6,939	7,000
<i>State Hospital</i>	1,095	1,095	1,095	1,095	1,095
<i>Crisis Residential</i>	11,663	11,495	11,534	11,201	11,500
<i>Adult Transitional</i>	5,344	5,378	5,935	5,414	5,500
Day Treatment (Days)					
<i>Children Placements</i>	835	699	318	87	100
<i>UOP Socialization</i>	11,036	10,026	8,303	6,520	8,000
<i>Crisis Stabilization</i>	29,129	25,711	33,067	34,494	35,000
Outpatient (Hours)					
<i>Adult Outpatient/Crisis</i>	42,626	46,774	42,406	55,502	58,000
<i>Crisis</i>	2,364	2,972	4,036	3,406	3,200
<i>Children's Services</i>	56,232	58,196	58,447	56,780	57,500
<i>Older Adults</i>	6,295	6,687	5,584	7,944	6,700
<i>Children's Placements</i>	293	8,408	2,997	331	100
MHSA Services (Hours)					
<i>Adult Outpatient</i>	46,914	46,925	56,444	55,852	59,000
<i>Crisis</i>	23,970	23,564	24,028	21,279	23,210
<i>Children's Services</i>	25,257	25,260	27,339	24,809	26,000
<i>Older Adults</i>	3,440	2,678	3,704	5,293	4,500
<i>System-wide Cost Per Consumer</i>	\$5,206	\$5,267	\$5,878	\$6,178	\$6,487