

Behavioral Health

RECOMMENDED BUDGET • FY 2021-22

MISSION

The County of El Dorado Health and Human Services Agency (HHS), Behavioral Health Department strives to alleviate the suffering of mental illness by providing recovery-oriented, client-centered, culturally competent treatment services in collaboration with clients, families, and community partners. The Department seeks to eliminate disparities in service access and to reduce the stigma associated with mental illness while offering the highest quality behavioral health care to improve the community's health and safety, to strengthen individuals' resilience, and to promote restoration of healthy families. The Department also provides substance use disorder programs to address alcohol and other drug-related issues affecting the community.

DEPARTMENT BUDGET SUMMARY

DEPT : 53 BEHAVIORAL HEALTH

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Fines & Penalties	53,134	70,498	56,500	(13,998)
Rev Use Money/Prop	207,262	116,199	45,200	(70,999)
IG Rev - State	7,294,411	8,543,036	10,635,520	2,092,484
IG Rev - Federal	9,619,344	14,443,698	10,748,759	(3,694,939)
Service Charges	528,247	484,500	449,500	(35,000)
Miscellaneous Rev	(618,636)	118,000	136,000	18,000
Other Fin Sources	8,350,499	8,958,836	9,887,957	929,121
Fund Balance	0	11,539,724	10,657,473	(882,251)
Total Revenue	25,434,260	44,274,491	42,616,909	(1,657,582)
Salaries & Benefits	9,629,780	12,847,027	11,994,312	(852,715)
Services & Supplies	5,393,465	8,378,695	8,417,922	39,227
Other Charges	13,074,568	19,698,302	19,749,519	51,217
Other Fin Uses	617,101	650,000	100,000	(550,000)
Intrafund Transfers	4,936,893	5,361,382	5,140,947	(220,435)
Intrafund Abatement	(4,936,893)	(5,361,382)	(5,140,947)	220,435
Contingency	0	2,700,467	2,355,156	(345,311)
Total Appropriations	28,714,914	44,274,491	42,616,909	(1,657,582)
FUND 1110 MENTAL HEALTH TOTAL	3,280,654	0	0	0

MAJOR BUDGET CHANGES

Revenues

Fines & Penalties

(\$13,998) Decrease in Substance Use Disorder court fines.

Use of Money/Property

(\$70,999) Decrease in Interest revenue based on trends and reduced fund balance.

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Intergovernmental State

\$2,096,737 Increase in Proposition 63 Mental Health Services Act (MHSA) revenue.

(\$4,253) Decrease in State Medi-Cal revenue.

Federal Intergovernmental

(\$3,694,939) Decrease primarily due to a projected decrease in revenues from the Federal Medicaid program, operated in California Counties as the Medi-Cal program, to align the budget to historical trends.

Services Charges

(\$35,000) Decrease in charges for Behavioral Health Services.

Other Financing Sources

\$1,361,294 Increase in Operating Transfers In from 1991 Realignment due to the 10% transfer of Realignment revenues from both the Public Health and Social Services Local Revenue Funds.

(\$432,173) Decrease in Operating Transfers In from the 2011 Realignment special revenue fund.

Fund Balance

(\$882,251) Decrease in estimated Fund Balance based on projected activity in FY 2020-21: Mental Health Traditional (\$597,323), MHSA (\$276,594) and SUDS (\$8,334).

Appropriations

Salaries and Benefits

(\$921,876) Decrease in Salaries and Benefits primarily to the deletion of 5.0 FTE vacant positions in the SUDS Division's Drug Medi-Cal program (2.0 FTE Health Educators, 2.0 FTE Health Program Specialists, and 1.0 FTE Fiscal Technician) to align staffing levels to actual client service levels.

(\$81,000) Decrease in Temporary Help (\$44,000) and Overtime (\$37,000) to align budget to actual trends.

\$174,749 Increase in CalPERS retirement costs.

(\$24,588) Decrease in Workers' Compensation charge, recommended at \$0 to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

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Services and Supplies

- (\$242,592) Decrease in Other Governmental Agencies as counties will not be charged their share of the statewide Office of Inspector General (OIG) and Affordable Care Act (ACA) audits in FY 2021-22. It is unknown whether the State will recoup the FY 2021-22 audit amounts in future years.
- \$96,612 Increase in Psychiatric Medical Services due to the annual 2% inflationary increase for the Telecare contract for the operation of the Psychiatric Health Facility (PHF).
- \$49,295 Increase in General Liability Insurance Premium expense, as departmental charges are resuming after a rate holiday in FY 2020-21.
- \$144,059 Increase in Additional Liability Insurance Premium due to malpractice insurance premiums that have risen dramatically in the past two years and will continue to increase in FY 2021-22 per Risk Management.
- (\$8,147) Decrease in other Services and Supplies to align with prior year actuals.

Other Charges

- \$1,242,692 Increase in Institute of Mental Disease (IMD) to align with actual trends in adult placements and hospitalizations.
- (\$1,207,327) Decrease in Health Services due primarily to the elimination of Health Service contracts that were included in FY 2020-21 MHSA Innovation Plan.
- (\$330,756) Decrease in Support & Care of Persons to correspond with the projected decrease in revenues from the Federal Medicaid program, operated in California counties as the Medi-Cal program.
- \$77,500 Increase in Ancillary Services and Expenses to correspond with the projected decrease in the Federal Medicaid program.
- \$269,108 Increase in Interfund Transfers Out primarily due to an increase in Cost Allocation Plan charges (\$209,372), an increase to the Indirect Cost Rate (ICR) charge from HHSA Administration and Finance Department (\$62,582), and a decrease to Central Services' Mail, Stores, and Facilities services (\$2,846).

Other Financing Uses

- (\$550,000) Decrease in Operating Transfers Out from the elimination of the MHSA Innovation contribution for the Public Health Community HUBS Project as the project will not be renewed.

Intrafund Transfers

- (\$220,435) Decrease in Intrafund Transfers due to an accounting methodology change whereby the administrative costs within the MHSA components (e.g., Innovation) will no longer be transferred to the individual programs within the components.

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Intrafund Transfer Abatements

\$220,435 Decrease in Intrafund Transfer Abatements due to the decrease in Intrafund Transfers identified above.

Contingency

(\$345,311) Decrease to Contingency due to projected use of Contingency amounts in FY 2021-22 for program activities.

PROGRAM SUMMARIES

Traditional Behavioral Health Programs

The Behavioral Health Department's (BHD) traditional programs include mandated and/or core programs that existed prior to the passage of the Mental Health Services Act (MHSA) in November 2004. The County General Fund contribution represents a required General Fund cash match to support mandated services. The majority of services provided are Medi-Cal-eligible services provided to predominantly Medi-Cal-eligible clients. Primary traditional programs in order of relative magnitude include:

Outpatient Mental Health Services for Children

These programs are primarily provided through contracted resources that provide a variety of therapeutic interventions for severely emotionally disturbed children, including assessments, and in consultation with schools, other community partners, and families.

Outpatient Mental Health Services for Adults

Provides initial mental health assessments for new clients, as well as mental health services for a limited number of severely mentally ill adults who are not enrolled in the MHSA Wellness and Recovery programs.

Psychiatric Health Facility (PHF)

Located in Placerville, El Dorado County contracts with the Telecare Corporation to operate the PHF, a licensed, 16-bed, 24-hour, acute, non-medical facility providing adult inpatient services for persons requiring intensive psychiatric care, many of whom are involuntarily hospitalized. Although the County of El Dorado's residents receive priority for required admissions, the Department contracts with several other counties to provide their residents with inpatient care on an as-needed, as-available, basis.

Institutional and Residential Care

Involves appropriate placement and care of seriously mentally ill adults and seriously emotionally disturbed children when required based on the level of severity of their illness/disturbance.

Psychiatric Emergency Services (PES)

Ensures 24/7/365 on-call services provided predominantly at hospitals on both slopes of the County to respond to psychiatric crises, provide referrals for follow-up services, and, when necessary, detain and admit individuals to a psychiatric hospital.

Utilization Review/Quality Improvement

Ensures timely and appropriate access to services and compliance with Federal and State regulations, as well as quality improvement efforts, staff development programs, and clinical program evaluation.

Extra-help staff and overtime are used in support of traditional programs primarily to ensure the availability of after-hours and on-call psychiatric emergency services. Extra-help staff is sometimes used as a more cost-effective way to provide other intermittent, mental health services, often when after-hours or weekend work is necessary.

MHSA Programs

In November 2004, California voters passed Proposition 63, known as the Mental Health Services Act (MHSA). The MHSA is funded by a one percent (1%) tax on personal income in excess of \$1,000,000 for California residents. The Department’s MHSA programs are designed to reduce disparity in service access and to promote mental health wellness and recovery by providing effective mental health interventions and critical supportive services to seriously mentally ill individuals, often to those client populations that were previously underserved or unserved. MHSA programs are designed to engage clients, and sometimes other supportive individuals, in playing a significant role in formulating client recovery plans. Community participation is also a key element of creating and monitoring our MHSA programs. MHSA funds cannot be used to supplant other funds, specifically Realignment, for programs that were in existence in 2004 when the Act was passed; however, MHSA funds can be used for expansion of traditional programs beyond the base 2004 service level.

MHSA is composed of the following five components:

<u>Component</u>	<u>Recommended Budget Total Appropriations</u>
Community Services and Supports (CSS)	\$13,315,156
Workforce Education and Training (WET)	\$301,863
Prevention and Early Intervention (PEI)	\$6,068,154
Innovation	\$2,580,284
Capital Facilities and Technological Needs (CFTN)	\$2,095,509

The Behavioral Health Department currently has approved plans for all components. Funding for each of these components is provided through county allocations from the State. The funding for each component must be expended within a certain period of time or the funding reverts to the State for redistribution. The CSS, PEI, and Innovations components have a five-year reversion policy and continue to receive allocations on an annual basis; CFTN and WET have a ten-year reversion policy and are operating from fund balances as these components are no longer allocated MHSA funds. Primary MHSA programs include the following components:

Community Services and Supports (CSS)

Adult Wellness and Recovery Services – integrates a variety of available services and supports for seriously mentally ill adults, based on the type and level of service required for each individual. Services range from outreach and engagement (to reach homeless individuals and other high-risk populations) to diversified wellness and recovery strategies (including life skills training, groups, medication management, etc.), to full-service partnerships (client-driven, recovery-oriented service plans offering a range of services and supports). Full-service partnership clients may be eligible for limited transitional housing beds and/or housing subsidies. The Wellness Center also provides supportive services, such as linkage to primary healthcare, and peer support services.

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Youth and Family Strengthening – provides wraparound services for youth at risk for out-of-home placement plus a variety of programs and services employing evidence-based practices, such as Aggression Replacement Treatment and Trauma-Focused Cognitive Behavioral Therapy. High-risk youth about to be released from the County’s juvenile detention facility (and their families) will also be offered mental health, addiction, and other specialized transition services to reduce recidivism and promote family reunification.

Housing offers funds for the development of permanent supportive housing and services for persons with serious mental illness who are homeless or at risk of homelessness and eligible to participate in the MHSA full-service program. The housing program is jointly administered by the California Department of Health Care Services (DHCS) and the California Housing Finance Agency (CalHFA). Housing development funds allocated to the County have been assigned to CalHFA who is now responsible to review, approve and oversee housing developments after initial approval by the Board of Supervisors for the use of MHSA funds for the development.

Additional programs and/or services may be added as a result of community input into the FY 2021-22 MHSA planning process.

Workforce Education and Training (WET)

This program supports activities intended to remedy the shortage of qualified individuals to provide mental health services, as well as activities designed to assist in the transformation of current service delivery.

Prevention and Early Intervention (PEI)

PEI promotes services aimed at both preventing mental illness and providing early intervention at the onset of a mental illness to keep it from becoming severe and debilitating. PEI programs also address health disparities, including culturally specific outreach and engagement services, through contract providers, to the Latino and Native American populations. Our current health disparities program also addresses improved linkage between behavioral health, primary care, and natural community supports. In addition, PEI includes programs aimed at mental health stigma and discrimination reduction. Statewide PEI programs are being addressed through the County’s membership in CalMHSA, a multi-county Joint Powers Authority.

Innovation

Consists of programs that test a new or adapted mental health practice or approach for the purpose of learning new practices supporting the delivery of mental health services and supports. The current Innovation programs are a partnership between Senior Nutrition and Behavioral Health to reach home-bound older adults in need of mental health services, and the HUBS, which provide outreach and health supports to the community using the local libraries as a home base. The HUBS program will not continue into FY 2021-22.

Capital Facilities and Technological Needs (CFTN)

Supports capital facilities and/or technology projects. This program includes the development and implementation of an integrated information system infrastructure which includes the establishment, maintenance, and enhancement of an Electronic Health Record (EHR) system, electronic clinical assessment and outcome measurement tools for children and adults, an electronic care pathways system to facilitate linkage between behavioral health and primary health care providers, improvement of

telepsychiatry and videoconferencing capabilities to reach and serve underserved communities, related training and administrative/technical support, as well as updated technological hardware equipment and software. In addition, the CFTN program includes funding for the future requisition of an Integrated Care Facility, formerly known as the Community Wellness Center.

Extra Help staff and overtime are used in support of MHSA programs primarily to ensure the required level of service and activities identified in the approved MHSA plans. Extra Help staff is sometimes used to provide other intermittent, mental health services, often when after-hours or weekend work is necessary.

Substance Use Disorders (SUDS) Programs

These programs implement strategies designed to address alcohol and other drug-related issues affecting communities, criminal justice, child welfare systems, and schools. Activities include education, raising public awareness of issues, promoting drug-free alternatives for youth and adults, drug-free workplace programs, activities to reunite families, where appropriate, and related services. Also included are drug court activities. Revenues in these programs include State and Federal funding, Local Realignment, miscellaneous revenues, and court fines. The Local realignment is used for Drug Medi-Cal services and Drug Court Program.

Beginning June 1, 2019, Behavioral Health opted into participating in the Organized Delivery System (ODS) Waiver Program for a more comprehensive substance abuse treatment approach. The waiver is a California pilot program that enables more local control and accountability, provides greater administrative oversight, creates utilization controls to improve care and efficient use of resources, implements evidence-based practices in substance abuse treatment, and coordinates with other systems of care. Participating counties can offer an expanded range of SUDS treatment modalities for Medi-Cal beneficiaries, including a Narcotic Treatment Program, non-perinatal residential substance abuse treatment, withdrawal management, and recovery services.

FUTURE/PENDING ISSUES AND POLICY CONSIDERATIONS

Adult Placements

Traditional Behavioral Health program funding continues to present a challenge to the County since the majority of traditional Realignment funds are spent on a relatively small number of out-of-county placements and placements in the PHF. Currently, one client is placed in a State Hospital with an estimated cost of \$230,000 per year. Just a few clients placed at high-cost facilities can have a significant effect on the use of Realignment funds. In addition, with a shortage of beds available statewide, conserved clients, who no longer meet the medical necessity requirements of acute PHF placement, continue to remain at the PHF until a bed is available. Offsetting Medi-Cal revenue cannot be claimed for these days waiting for an appropriate placement, which further exacerbates this funding issue.

State Audits

The State is beginning to resume progress on auditing and settling past County Medi-Cal cost reports and is currently auditing the FY 2013-14 cost report. These audits often involve large settlements, in both directions, which can have a significant effect on the Department's available fund balances. Since the State is significantly behind in this process, it is expected that the State will be auditing and settling multiple years within a single fiscal year, which could lead to even greater fund balance changes. It is

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expected that any amounts determined to be owed back to the State would likely be repaid via reductions in 1991 Realignment.

SUDS Organized Delivery System (ODS) Waiver and Clinic-Based Programs

The SUDS ODS program began ramping up in FY 2019-20 with staff being added and staff-provided services, to be billed to Medi-Cal, beginning in January 2020. By January 2021, it became apparent that the program was overstaffed based on service demand, with Realignment funding covering what Medi-Cal billing could not cover. As such, some staff were reassigned to other SUDS programs, like Quality Assurance, that are funded by other sources. The 5.0 FTE in vacant SUDS positions are being deleted in the FY 2021-22 Recommended Budget. SUDS ODS staff billing productivity levels have shown improvement over the past several months, resulting in increased offsetting Medi-Cal revenue. Close attention will continue to be paid to staffing levels, productivity levels, and service demand to assure that clients are appropriately served while minimizing the impact on Realignment funding.

CalAIM Initiative

The State recently is resuming the CalAIM initiative, which has the stated goals of:

- Identifying and managing member risk and need through Whole Person Care approaches and addressing Social Determinants of Health;
- Moving Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improving quality outcomes and driving delivery system transformation through value-based initiatives, modernization of systems, and payment reform.

The initiative's Medi-Cal payment reform would eliminate the current cost report and settlement to cost requirements and would instead implement "peer" county rates. Counties would be allowed to be paid in excess of their actual cost, with the excess being reinvested into counties' mental health programs. In addition, counties would be allowed to include incentive payments for quality outcomes in their contracts with service providers.

Adult Behavioral Health System of Care Changes

The Behavioral Health Department's contracted consultant recently completed her review and assessment of the County's Adult Behavioral Health Outpatient and Inpatient System of Care, and this review was presented to the Board on March 5, 2021. Leadership is currently working on strategies for improvement based on this review. Implementation of these strategies may involve significant changes to Behavioral Health's operation.

MHSA Plan

The Mental Health Services Plan (MHSA) is a three-year plan, beginning with FY 2020-21, with updates made annually. The current Plan update is in process and not available for this budget submission. Upon Board of Supervisor approval of the Plan update later this summer, HHSA will update the MHSA budget to reflect the approved Plan with the Adopted Budget.

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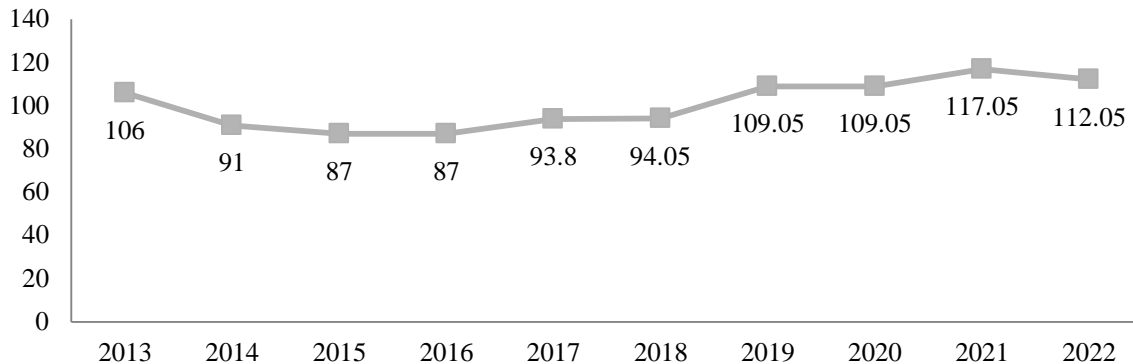
BUDGET SUMMARY BY PROGRAM

	Appropriations	Revenues	Net County Cost GF Contribution	Staffing
Substance Use Disorders Programs	\$ 5,351,304	\$ 5,351,304	-	19.27
MHSA Programs	\$ 24,360,966	\$ 24,360,966	-	59.10
Traditional Programs	\$ 12,904,639	\$ 12,888,129	\$ 16,510	33.68
TOTAL	\$ 42,616,909	\$ 42,600,399	\$ 16,510	112.05

STAFFING TREND

The staff allocation for FY 2021-22 is recommended at 112.05 FTEs, which is a net decrease of 5.0 FTE when compared to the FY 2020-21 Adopted Budget. The Recommended Budget includes the deletion of 2.0 FTE vacant Health Educator allocation, 2.0 FTE vacant Health Program Specialist allocation, and 1.0 FTE vacant Fiscal Technician allocation. These positions had been assigned to the SUDS ODS program but are no longer needed due to lower-than-expected demand for client ODS services.

A total of 90.55 FTEs are located on the West Slope and 21.50 FTEs in South Lake Tahoe. There are 33.68 FTEs in Mental Health Traditional programs, 59.10 FTEs in MHSA programs, and 19.27 FTEs in Substance Use Disorders Program.



RECOMMENDED BUDGET

This Budget is recommended at \$42,616,909, which is a decrease of \$1,657,582 (3.7%) when compared to the FY 2020-21 Adopted Budget. The General Fund provides \$16,510 for the Department’s Maintenance of Effort (MOE) as directed by the State Department of Healthcare Services. This amount is unchanged from prior years.

Traditional Behavioral Health Programs

The Recommended Budget for the Traditional Behavioral Health Programs is \$12,904,639, which is a decrease of \$721,577 (5.3%) when compared to the FY 2020-21 Adopted Budget.

The decrease in the budget is primarily due to a decreased use of fund balance. The FY 2021-22 Recommended Budget includes the 10% transfer of Realignment revenue from Public Health and Social Services into Behavioral Health. This transfer adds up to an additional \$1,351,294 in revenue into Traditional Behavioral Health Programs. Even if this whole amount is transferred, it is anticipated that Behavioral Health realignment will end without fund balance for use in FY 2022-23.

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The Traditional programs are primarily funded by federal revenues, Realignment/state revenues, and charges for services to other counties and private payers.

The Chief Administrative Office requested that HHSa explore all options that would allow Behavioral Health to provide current service levels without the 10% transfer of \$1.7 million from Public Health and Social Services to Behavioral Health. HHSa was unable to identify an option that would not increase General Fund support or impact services in time for the Recommended Budget. The Chief Administrative Office has asked that HHSa provide a plan to address all structural budget deficits in the Agency, including a five-year projection of 1991 and 2011 Realignment revenues and expenditures. This plan is to be presented to the Board before the Adopted Budget in September.

Mental Health Services Act (MHSA) Program

The Recommended Budget for the MHSA Programs is \$24,360,966, which is a decrease of \$290,421 (1.2%) when compared to the FY 2020-21 Adopted Budget. The decrease in the budget is primarily due to the reduction in Health Services contracts and the elimination of the HUBS program with the end of the MHSA Innovation funding for the program.

The FY 2021-22 Recommended Budget will use \$7,408,401 of fund balance for MHSA programming, representing 76% of total MHSA fund balance. This will leave only \$2,355,156 of fund balance by the end of the year. The MHSA plan will be brought to the Board in June or July 2021, at which time a further analysis of fund balance can be completed on the proposed MHSA plan for FY 2021-22. This analysis will be included with the overall plan for addressing deficits the Agency will present to the Board the Adopted Budget in September.

Substance Use Disorder (SUDS) Programs

The Recommended Budget for Substance Use Disorder Programs is \$5,351,304, which is a decrease of \$645,584 (10.8%) when compared to the FY 2020-21 Adopted Budget.

The decrease is primarily due to the deletion of 5.0 FTE to align staffing levels to client service demand.

SUDS Programs are funded primarily by Federal and State revenue and Realignment funds.

Sources and Uses of Funds

The Behavioral Health Department is funded primarily by MHSA revenue, which is derived from a one percent (1%) tax on personal income in excess of \$1 million for California residents, State Realignment revenue, and Federal Medi-Cal funding to support the Mental Health and Drug Medi-Cal-ODS Waiver program.

The Behavioral Health Fund Balance use is budgeted as follows:

Program	FY 2021-22 Est Beginning Fund Balance	Budgeted Fund Balance Use	FY 2021-22 Est Ending Fund Balance
SUDS Programs	\$ -	\$ -	\$ -
MHSA Programs	\$ 9,763,557	\$ 7,408,401	\$ 2,355,156
Traditional Programs	\$ 893,916	\$ 893,916	\$ -
TOTAL	\$ 10,657,473	\$ 8,302,317	\$ 2,355,156