

# Behavioral Health

## RECOMMENDED BUDGET • FY 2022-23

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### MISSION

The County of El Dorado Health and Human Services Agency (HHSA), Behavioral Health Department strives to alleviate the impact of mental illness or significant emotional disturbance 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, strengthen individuals' resilience, and promote restoration of healthy families. The Department also provides substance use disorder services to address alcohol and other drug-related issues affecting the community.

### DEPARTMENT BUDGET SUMMARY

Description	FY 2020-21 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Fines & Penalties	51,204	56,500	44,000	(12,500)
Rev Use Money/Prop	42,063	45,200	20,710	(24,490)
IG Rev - State	11,990,510	10,885,520	14,528,995	3,643,475
IG Rev - Federal	10,227,501	11,605,759	13,246,758	1,640,999
Service Charges	346,920	649,500	460,600	(188,900)
Miscellaneous Rev	140,839	136,000	163,475	27,475
Other Fin Sources	10,124,200	9,887,957	13,591,869	3,703,912
Fund Balance	0	12,507,129	13,963,198	1,456,069
<b>Total Revenue</b>	<b>32,923,237</b>	<b>45,773,565</b>	<b>56,019,605</b>	<b>10,246,040</b>
Salaries & Benefits	9,850,998	12,194,312	13,727,292	1,532,980
Services & Supplies	6,232,131	8,980,258	6,446,185	(2,534,073)
Other Charges	15,296,958	19,973,276	26,283,246	6,309,970
Other Fin Uses	346,502	100,000	100,000	0
Intrafund Transfers	4,465,575	5,142,450	5,278,394	135,944
Intrafund Abatement	(4,465,575)	(5,142,450)	(5,278,394)	(135,944)
Contingency	0	4,525,719	9,462,882	4,937,163
<b>Total Appropriations</b>	<b>31,726,590</b>	<b>45,773,565</b>	<b>56,019,605</b>	<b>10,246,040</b>
<b>FUND 1110 MENTAL HEALTH TOTAL</b>	<b>(1,196,647)</b>	<b>0</b>	<b>0</b>	<b>0</b>

### MAJOR BUDGET CHANGES

#### Revenues

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##### *Fines & Penalties*

(\$12,500) Decrease in Substance Use Disorder court fine revenue to align the budget to historical trends.

##### *Use of Money/Property*

(\$24,490) Decrease in Interest revenue based on trends and reduced fund balance.

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### *State Intergovernmental*

- \$2,459,057 Increase in Proposition 63 Mental Health Services Act (MHSA) revenue.
- \$1,184,418 Increase in state revenue primarily from Mental Health Student Services Act (MHSSA) pass-thru funding and Behavioral Health Continuum Infrastructure Project (BH-CIP) funding.

### *Federal Intergovernmental*

- \$1,007,178 Increase in projected revenue from the federal Medicaid program, operated in California counties as the Medi-Cal program, to align the budget to historical trends.
- \$633,821 Increase in federal revenue primarily from Substance Use Block Grant and Mental Health Block Grant funding.

### *Services Charges*

- (\$188,900) Decrease in Service Charges primarily due to the lack of charges to/revenue received from the Family Urgent Response System (FURS).

### *Miscellaneous Revenue*

- \$27,475 Increase in Miscellaneous revenue primarily from increases in projected reimbursements from service providers.

### *Other Financing Sources*

- \$2,000,000 Increase in Operating Transfers In from the American Rescue Plan Act (ARPA) Special Revenue Fund as approved by the Board with Legistar item 21-1680.
- \$1,703,912 Increase in Operating Transfers In primarily due to increased state Realignment funding.

### *Fund Balance*

- \$1,456,069 Increase in fund balance primarily due to ARPA funding that reduces the burden of pandemic related administrative days at the Psychiatric Health Facility on Realignment funding.

## Appropriations

### *Salaries and Benefits*

- \$144,497 Increase in Workers' Compensation charges due to a resumption of premium charges after a rate holiday in FY 2021-22.
- \$101,562 Increase in the CalPERS unfunded accrued liability charge.
- \$104,158 Increase in Salaries and Benefits due to Board-approved allocation changes during FY 2021-22: the addition of 1.0 FTE Supervising Mental Health Worker allocation partially

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offset by the deletion of a Mental Health Worker I/II allocation (\$5,762), 1.0 FTE Administrative Analyst I/II allocation that is partially offset by the deletion of 1.0 Administrative Technician Allocation (\$14,365) and 1.0 FTE Mental Health Worker I/II Limited Term (\$96,961).

(\$223,389) Decrease in Salaries and Benefits costs due to the move of 1.0 FTE Director of Behavioral Health allocation to the HHSA Administration and Finance Department in alignment with the revised Executive Staff Cost Allocation Plan.

\$136,993 Increase in Salaries and Benefits due to the addition of 1.0 FTE Mental Health Program Coordinator allocation.

\$1,269,159 Increase in Salaries and Benefits costs primarily due to Board-approved compensation increases.

### *Services and Supplies*

(\$4,927,259) Decrease in Psychiatric Medical Services as the Telecare contract for the operation of the Psychiatric Health Facility (PHF) is now being accounted for in Other Charges.

\$956,000 Increase in Other Governmental Agencies expense due to increased Mental Health Student Services Act (MHSSA) pass thru funding.

\$1,005,000 Increase in Special Projects primarily due to ARPA-funded improvements to the Behavioral Health Continuum of Care through the development of a Crisis Residential, Social Rehabilitation, or Peer Respite facility in El Dorado County.

\$168,487 Increase in Software licenses primary due to additional Zoom licenses for telehealth, contractual increases to electronic health record and billing system, and the movement of expenses from Professional and Specialized Services to Software License.

\$159,568 Increase in travel and training costs to train staff in lower levels of care to improve the behavioral health system of care.

\$104,131 Increase in Services and Supplies to align with projected increases, primarily in Computer Equipment (\$68,700), software maintenance (\$5,835), rental costs (\$10,964), subscriptions (\$10,950), and memberships (\$10,000), partially offset by slight decreases in multiple objects (\$2,318).

### *Other Charges*

\$5,970,307 Increase in Health Services as the Telecare contract for the operation of the Psychiatric Health Facility (PHF) is now being accounted for in Other Charges.

\$223,520 Increase to Countywide Cost Allocation Plan charges.

\$238,933 Increase in Executive Staff cost allocation charges that are based on the current agency organizational structure.

(\$122,790) Decrease in Other Charges primarily due to the adjustments across multiple objects that align with historical trends.

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## *Intrafund Transfers*

\$135,944 Increase in Intrafund Transfers across Behavioral Health programs primarily to recover Behavioral Health administration costs across the various programs.

## *Intrafund Abatements*

(\$135,944) Increase in Intrafund Abatements across Behavioral Health programs.

## *Contingency*

\$4,937,163 Increase to Contingency primarily due to ARPA funding, increased funding from the 10% Realignment Transfer Authority, and increased the Mental Health Services Act (MHSA) fund balance.

## 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 the minimum 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 specialty mental health services for a limited number of severely mentally ill adults who are not enrolled in MHSA funded 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 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 and seriously emotionally disturbed children, 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, including 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:

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

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 to other counties. 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 10-year reversion policy and are operating from fund balances and transfers from CSS, as these components are no longer allocated MHSA funds from the State. Primary MHSA programs include the following components:

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### *Community Services and Supports (CSS)*

Full Service Partnership (FSP) programs improve the quality and intensity of specialty mental health services for clients requiring a high level of treatment interventions and supportive services to reach their treatment goals. The FSP programs serve children, transitional age youth, adults, and older adults. FSPs require a “whatever it takes” approach to the provision of high intensity services, meaning finding the methods and means to engage a client, determine their needs for recovery, and create collaborative services and support to meet those needs. FSP teams may utilize non-traditional interventions, treatments, and supportive services tailored to each client’s specific needs and strengths to aid in their recovery, including both mental health and non-mental health services and supports.

General System Development (GSD) projects are designed to provide specialty mental health services that may be needed to support individuals to access natural and/or community-based supports for managing their mental illness upon graduation. The Vision of the El Dorado County HHSA is “Transforming Lives and Improving Futures,” and consistent with that vision, Behavioral Health provides individuals who meet criteria for specialty mental health services with services and supports to allow them to achieve their own vision of wellness, recovery and resilience.

Outreach and Engagement (O&E) programs are designed to provide outreach and engagement services to individuals who meet medical necessity for specialty mental health services and to support the Behavioral Health system of care.

Housing is a key client support under MHSA for persons with serious mental illness who are homeless or at risk of homelessness and eligible to participate in the specialty mental health services programs. The permanent supportive 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, which 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 2022-23 MHSA planning process.

### *Workforce Education and Training (WET)*

The Workforce Education and Training (WET) component includes education and training projects and activities for prospective and current public mental health system employees, contractors and volunteers. WET provides funding to remedy the shortage of staff available to address mental illness, improve the competency of staff, and promote the employability of consumers.

### *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 disabling. 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 programs also address 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*

The Innovation component consists of projects that are designed to contribute to learning, rather than having a primary focus on providing a service. 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.

### *Capital Facilities and Technological Needs (CFTN)*

CFTN supports the development of an integrated infrastructure and improves the quality and coordination of care. This program includes the development and implementation of an integrated information system infrastructure that 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.

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 Behavioral Health System of Care Changes*

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. 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 residential 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 residential bed in a lower level of care is available.

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Offsetting Medi-Cal revenue cannot be claimed for the days waiting for an appropriate placement, which further exacerbates this funding issue.

Behavioral Health has received Behavioral Health Continuum Infrastructure Project (BH-CIP) funds for the planning of a Crisis Care Mobile Unit (CCMU) and a Crisis Residential Treatment (CRT) facility. The Board has allocated one-time ARPA funding to aid in the development of additional lower levels of care. These programs will add to Behavioral Health's continuum of care options, decreasing reliance on Realignment funds.

### *State Audits*

The State recently sent notification to the counties that it is planning to recoup funds for four separate statewide audits conducted over the past few years. El Dorado County's portion of the recoupment is \$1.7 million, which they plan to collect over the next four fiscal years. On April 5, 2022, the Board sent a letter to the Department of Finance in support of the California Behavioral Health Directors Association (CBHDA) and the California State Association of Counties (CSAC) action requesting forgiveness of the pending California Department of Health Care Services (DHCS) recoupment of behavioral health services claims. As waiver of recoupment is still outstanding, the first year of these collections is included in the recommended budget.

### *CalAIM Initiative*

The State 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.

### *MHSA Plan*

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



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### BUDGET SUMMARY BY PROGRAM

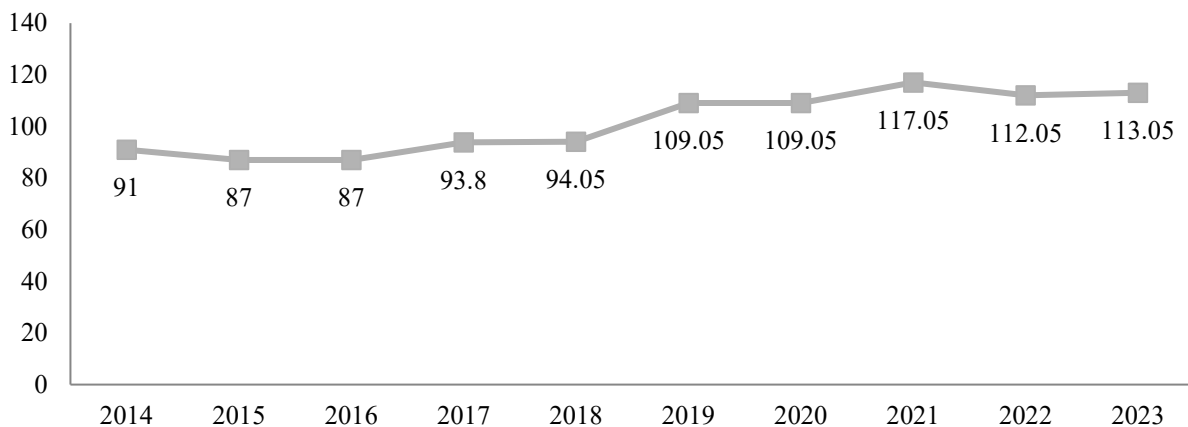
	Appropriations	Revenues	Net County Cost GF Contribution	Staffing
Substance Use Disorders Programs	\$ 6,735,606	\$ 6,735,606	-	19.77
MHSA Programs	\$ 31,335,132	\$ 31,335,132	-	59.60
Traditional Programs	\$ 17,948,867	\$ 17,792,934	\$ 155,933	33.68
<b>TOTAL</b>	<b>\$ 56,019,605</b>	<b>\$ 55,863,672</b>	<b>\$ 155,933</b>	<b>113.05</b>

### STAFFING TREND

The staff allocation for FY 2022-23 is recommended at 113.05 FTEs, which is a net increase of 1.0 FTE when compared to the FY 2021-22 Adopted Budget. During FY 2021-22, the Board approved the addition of 1.0 FTE Supervising Mental Health Worker allocation partially offset by the deletion of a Mental Health Worker I/II allocation, 1.0 FTE Administrative Analyst I/II allocation that is partially offset by the deletion of 1.0 Administrative Technician Allocation, and 1.0 FTE Mental Health Worker I/II Limited Term allocation dedicated to Caldor Fire recovery.

The Recommended Budget includes the addition of 1.0 FTE Mental Health Program Coordinator IA/IB/II allocation that will be split between the MHSA and SUDs programs. One vacant Medical Office Assistant I/II allocation was alternately filled during FY 2021-22 with a Sr. Office Assistant due to changes to County job classifications. The Recommended Budget revises the remainder of the Medical Office Assistant allocations to Sr. Office Assistant allocations to match the current classification of the allocation.

A total of 93.55 FTEs are located on the West Slope and 19.5 FTEs in South Lake Tahoe. There are 30.92 FTEs in Mental Health Traditional programs, 62.36 FTEs in MHSA programs, and 19.77 FTEs in Substance Use Disorders Program.



### RECOMMENDED BUDGET

This Budget is recommended at \$56,019,605, which is an increase of \$10,246,040 (22.4%) when compared to the FY 2021-22 Adopted Budget. The General Fund provides \$16,510 for the Department’s Maintenance of Effort (MOE) as directed by the State Department of Health Care Services and \$139,423 for a Mental Health Worker dedicated to working with those impacted by the Caldor Fire.

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### Traditional Behavioral Health Programs

The Recommended Budget for the Traditional Behavioral Health Programs is \$17,948,867, which is an increase of \$4,751,883 (36%) when compared to the FY 2021-22 Adopted Budget. The increase in appropriations is due to \$2 million in ARPA funding, and Behavioral Health Continuum Infrastructure Project (BH-CIP) funding.

The FY 2022-23 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 \$1.5 million in revenue into Traditional Behavioral Health Programs. As improvements to the Behavioral Health Continuum of Care are implemented, it is anticipated that this comprehensive system of care will reduce the structural deficits in Realignment funding for Behavioral Health and the 10% transfer will not be needed in future years. HHSa will return to the Board in FY 2022-23 for the Crisis Care Mobile Unit and a Crisis Residential Treatment facility projects and to update the Board on the implementation of the IDEA assessment on the Behavioral Health Continuum of Care.

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

### Mental Health Services Act (MHSA) Program

The Recommended Budget for the MHSA Programs is \$31,335,132, which is an increase of \$4,609,728 (17.2%) when compared to the FY 2021-22 Adopted Budget. The increase in the budget is primarily due to the increased fund balance available for use in FY 2022-23 and Mental Health Student Services Act (MHSSA) pass-thru funding.

The FY 2022-23 Recommended Budget will use \$5,407,414 of fund balance for MHSA programming, representing 50% of total MHSA fund balance. This will leave \$5,492,505 of fund balance by the end of the year. The MHSA Annual Update will be presented to the Board in June or July 2022, at which time a further analysis of fund balance can be completed on the proposed MHSA Annual Update for FY 2022-23.

### Substance Use Disorder (SUDS) Programs

The Recommended Budget for Substance Use Disorder Programs is \$6,735,606, which is an increase of \$884,429 (15.1%) when compared to the FY 2021-22 Adopted Budget. The increase is primarily due to Substance Abuse Block Grants.

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 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.

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The Behavioral Health Fund Balance use is budgeted as follows:

<b>Program</b>	<b>FY 2022-23 Est Beginning Fund Balance</b>	<b>Budgeted Fund Balance Use</b>	<b>FY 2022-23 Est Ending Fund Balance</b>
SUDS Programs	\$ 74,873	\$ -	
MHSA Programs	\$ 10,899,919	\$ 5,407,414	\$ 5,492,505
Traditional Programs	\$ 3,063,279		\$ 3,970,377
<b>TOTAL</b>	<b>\$ 14,038,071</b>	<b>\$ 5,407,414</b>	<b>\$ 9,462,882</b>

