

Behavioral Health

RECOMMENDED BUDGET • FY 2023-24

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 the 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 2021-22 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Fines & Penalties	40,948	44,000	42,500	(1,500)
Rev Use Money/Prop	(581,195)	20,710	55,510	34,800
IG Rev - State	13,008,493	15,471,995	17,551,031	2,079,036
IG Rev - Federal	9,270,357	13,246,758	14,191,224	944,466
Service Charges	395,327	460,600	480,600	20,000
Miscellaneous Rev	270,914	163,475	133,705	(29,770)
Other Fin Sources	13,425,796	16,242,506	21,900,389	5,657,883
Fund Balance	0	17,808,811	12,641,869	(5,166,942)
Total Revenue	35,830,640	63,458,855	66,996,828	3,537,973
Salaries & Benefits	10,343,054	13,727,292	14,756,259	1,028,967
Services & Supplies	6,676,186	7,939,185	11,404,691	3,465,506
Other Charges	14,442,718	26,703,183	29,632,269	2,929,086
Fixed Assets	0	0	923,920	923,920
Other Fin Uses	47,145	100,000	100,000	0
Intrafund Transfers	4,719,743	5,279,897	5,989,877	709,980
Intrafund Abatement	(4,719,743)	(5,279,897)	(5,989,877)	(709,980)
Contingency	0	14,989,195	10,179,689	(4,809,506)
Total Appropriations	31,509,105	63,458,855	66,996,828	3,537,973
FUND 1110 MENTAL HEALTH TOTAL	(4,321,535)	0	0	0

MAJOR BUDGET CHANGES

Revenues

Fines & Penalties

(\$1,500) Decrease due to adjustments in multiple objects to align with actual revenue.

Use of Money/Property

\$34,800 Increase in Interest Revenue primarily in the Mental Health Services Act (MHSA) subfund.

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State Intergovernmental

(\$1,381,722) Decrease in MHSA funding based upon State projections of revenue for FY 2023-24.

\$3,460,758 Increase primarily related to the Behavioral Health Continuum Infrastructure Programs, Crisis Care Mobile Unit and Crisis Residential Treatment Grants.

Federal Intergovernmental

\$944,466 Increase primarily related to projected increased Medi-Cal revenue as a result of the CalAIM implementation.

Services Charges

\$20,000 Increase in Mental Health Service Charges based on prior year amounts.

Miscellaneous Revenue

(\$29,770) Decrease in Drug Medi-Cal cost report settlement reimbursement from providers as full reimbursement should be achieved in December 2023.

Other Financing Sources

(\$1,200,000) Decrease in Operating Transfers In from the American Rescue Plan Act (ARPA) Special Revenue Fund due to the use of the remaining Board-allocated ARPA funding allocated to Behavioral Health.

(\$79,423) Decrease in Operating Transfers In from the General Fund due to a reduction in hours needed from the Limited-Term Mental Health Worker dedicated to working with those impacted by the recent Fires.

(\$1,117,211) Decrease in Operating Transfer In from 1991 Realignment from Public Health and Social Services primarily due to the discontinuation of the 10% transfer from Social Services to Behavioral Health.

\$8,054,517 Increase in Operating Transfers In of 1991 and 2011 Behavioral Health Realignment primarily due to a change in accounting practice where realignment funding is not transferred from the Special Revenue Fund until it is expended, so if not needed, fund balance remains in the Special Revenue Fund at the end of the year. This would increase the Operating Transfers In and decrease fund balance in the Mental Health Fund.

Fund Balance

\$1,061,167 Increase in Opioid Settlement fund balance as the County has begun to receive funding from the Janssen and Distributors Opioid Settlement in the prior year and is developing a spending plan.

(\$1,682,781) Decrease in estimated fund balance available at the beginning of the year in the MHSA subfund.

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(\$4,545,328) Decrease in fund balance primarily due to the accounting change mentioned above where Realignment funding is left in the Realignment subfund and transferred to the Mental Health Fund only when expended.

Appropriations

Salaries and Benefits

\$153,186 Increase due the addition of a 1.0 FTE Administrative Analyst limited term allocation shared across the Traditional and Substance Use Disorder programs for the CalAIM implementation.

\$79,295 Increase due to a 0.6 FTE increase of the Mental Health Patient's Rights Advocate allocation due to an amendment to Section 5150 of the Welfare and Institutions Code that will increase the workload of the Mental Health Patient's Rights Advocate.

\$153,186 Increase due the addition of a 1.0 FTE Administrative Analyst to allow the MHSA program to monitor contract performance and outcome measures more effectively for both contracted and County-operated MHSA funded programs.

\$643,300 Increase in Salaries and Benefits costs primarily due to Board-approved compensation increases.

Services and Supplies

\$2,000,000 Increase in Special Projects for the implementation of an Adult Crisis Residential Treatment Facility as part of the Behavioral Health Continuum Infrastructure Program Grant.

\$457,550 Increase in Prior Year Revenue Refund for anticipated Mental Health Cost Report Settlements and State Audits.

(\$848,000) Decrease in Mental Health Student Services Act Pass through funding to the El Dorado County Office of Education.

\$1,076,080 Increase in Professional and Specialized Services primarily due to the implementation of the Crisis Care Mobile Unit Behavioral Health Continuum Infrastructure Program Grant.

\$126,172 Increase in Software License costs primarily due to upgrades to the Avatar electronic health record and billing system and the purchase of additional licenses for contracted providers in the MHSA program.

\$830,000 Increase in Services and Supplies for anticipated Opioid Settlement funded programs and services.

(\$176,296) Decrease in Services and Supplies due to adjustments in multiple objects to align with actual costs.

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Other Charges

\$2,886,403 Increase to Health Services due to anticipated MHSA contracted Peer Support Specialists (\$900,000), projected increases to the Telecare Contract for the operation of the Psychiatric Health Facility (\$974,195), the addition of services for the Opioid Settlement funded programs (\$831,167), and adjustments across other contracts to align with actual costs (\$181,041).

\$42,683 Increase in Other Charges due to adjustments in multiple objects to align with actual costs.

Fixed Assets

\$923,920 Increase in Fixed Assets for the purchase of a Crisis Care Mobile Unit.

Intrafund Transfers

\$709,980 Increase in Intrafund Transfers across the Behavioral Health programs primarily to recover Behavioral Health administration costs across the various programs.

Intrafund Abatements

(\$709,980) Increase in Intrafund Abatements across Behavioral Health programs primarily related to recovering Behavioral Health administration costs across the various programs.

Contingency

(\$4,809,506) Decrease in Contingency primarily due to planned MHSA expenditures reducing the amount of MHSA funding not programmed for use.

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)

El Dorado County contracts with the Telecare Corporation to operate the PHF, which is located in Placerville and is 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 are 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 in 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 the 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)

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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:

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 support for managing their mental illness upon graduation. The Vision of the El Dorado County HHS is “Transforming Lives and Improving Futures,” and consistent with that vision, Behavioral Health provides individuals who meet the 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 the 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 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 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 are 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.

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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 Psychiatric Health Facility (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. 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 Program (BH-CIP) funds for 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, with implementation beginning in FY 2023-24, will add to Behavioral Health's continuum of care options, decreasing reliance on Realignment funds in future years.

State Audits

The State has notified the counties that it is planning to recoup funds for four separate statewide audits conducted over the past several years. El Dorado County's portion of the recoupment is \$846,231, which they plan to collect over the next four fiscal years. In addition, the State will be auditing several years of cost reports in the next couple of years which could result in significant recoupments to the State.

CalAIM Initiative

As stated earlier, CalAIM will have significant impacts on Behavioral Health with CalAIM Medi-Cal payment reform going into effect on July 1, 2023. This will eliminate the current cost report and settlement requirements and instead implement a county-specific fee-for-services rate. Although current estimates show a modest increase in anticipated Medi-Cal revenue with payment reform, the Recommended Budget takes a conservative approach to estimating the Medi-Cal revenue increases, as the fee-for-service model and rate schedule are so different from the current reimbursement model. In addition to revenue impacts, the CalAIM Initiative includes changes to service provision with an emphasis on demonstrating outcomes. The Recommended Budget is a projection of the services and revenue impacts on CalAIM, however, actual impacts will likely not be known until late FY 2023-24.

Opioid Settlements

The County has begun receiving the Janssen and Distributors Opioid Settlement payments and the funds are being deposited into a Behavioral Health Special Revenue Fund. HHSA has begun discussions with community stakeholders and County Departments about eligible activities. There will likely be other opioid settlements in the coming years that should result in additional funding. The Recommended Budget includes the new Opioid Settlement Special Revenue Fund and estimates expenditures based on early plans.

MHSA Plan

The Mental Health Services Plan (MHSA) is a three-year plan, beginning with FY 2023-24, with updates made annually. The Plan Update was in process and not finalized for this budget submission. The

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Recommended Budget includes an estimate of MHSA Plan updated costs. Upon the Board of Supervisors’ approval of the Plan in June, HHSA will update the MHSA budget to reflect the approved Annual Update with the Adopted Budget.

BUDGET SUMMARY BY PROGRAM

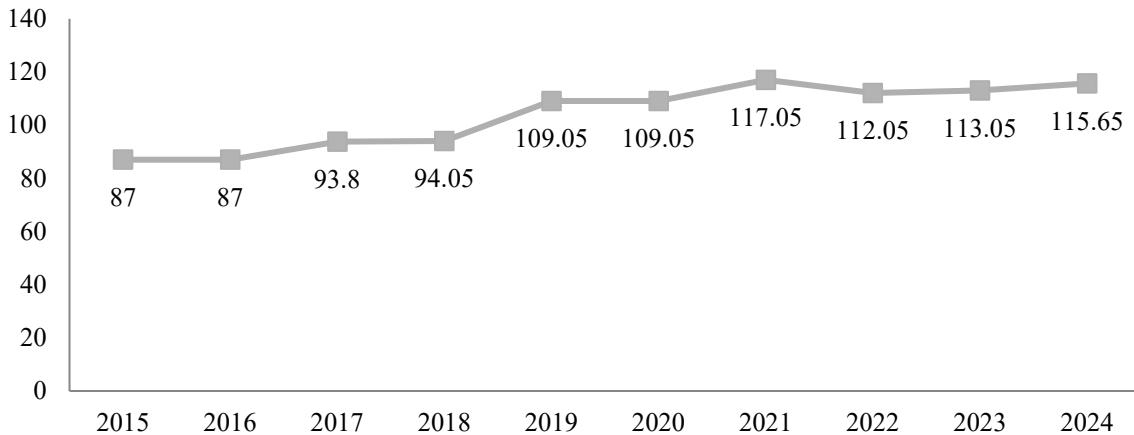
	Appropriations	Revenues	Net County Cost GF Contribution	Staffing
Substance Use Disorders Programs	\$ 7,706,479	\$ 7,706,479	-	19.14
MHSA Programs	\$ 33,514,347	\$ 33,514,347	-	63.83
Traditional Programs	\$ 25,776,002	\$ 25,699,492	\$ 76,510	32.68
TOTAL	\$ 66,996,828	\$ 66,920,318	\$ 76,510	115.65

STAFFING TREND

The staff allocation for FY 2023-24 is recommended at 115.65 FTEs, which is a net increase of 2.6 FTE when compared to the FY 2022-23 Adopted Budget. During FY 2022-23, the Board approved the addition of 1.0 FTE Manager of Mental Health Programs allocation which was partially offset by the deletion of a Program Manager allocation.

The Recommended Budget includes the addition of 1.0 FTE Administrative Analyst I/II Limited Term allocation that will be split between the Traditional Behavioral Health and SUDs programs and 1.0 FTE Administrative Analyst I/II allocation in the MHSA programs. The Recommended Budget increases the Mental Health Patient’s Rights Advocate allocation by 0.6 FTE due to an amendment to Section 5150 of the Welfare and Institutions Code that will increase the workload of the Mental Health Patient’s Rights Advocate. During FY 2022-23, one vacant Medical Office Assistant I/II was alternately filled with a Sr. Office Assistant, and one vacant Health Program Specialist was alternately filled with a Health Educator allocation. The Recommended Budget revises the allocation to match the current classification of the allocations.

A total of 95.15 FTEs are located on the West Slope and 20.5 FTEs in South Lake Tahoe.



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This Budget is recommended at \$66,996,828, which is an increase of \$3,537,973 (5.6%) when compared to the FY 2022-23 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 \$60,000 for a Mental Health Worker dedicated to working with those impacted by the recent Fires.

Traditional Behavioral Health Programs

The Recommended Budget for the Traditional Behavioral Health Programs is \$25,776,002, which is an increase of \$4,099,386 (18.9%) when compared to the FY 2022-23 Adopted Budget. The increase in appropriations is primarily due to the Behavioral Health Continuum Infrastructure Program (BH-CIP) Grants.

The FY 2023-24 Recommended Budget includes the 10% transfer of 1991 Realignment revenue from Public Health and 2011 Realignment revenue from Social Services into Behavioral Health. This transfer adds up to an additional \$1 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. There is some indication that CalAIM Medi-Cal Payment Reform may reduce the structural deficits in Realignment funding, and staff will be carefully monitoring this as payment reform is implemented during FY 2023-24.

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 Program is \$33,514,347, which is a decrease of \$1,127,349 (3.3%) when compared to the FY 2022-23 Adopted Budget. The decrease in the budget is primarily due to the decreased fund balance available for use in FY 2023-24.

The FY 2023-24 Recommended Budget will use \$8,571,690 of fund balance for MHSA programming, representing 74% of the total MHSA fund balance. This will leave \$3,009,012 of fund balance by the end of the year. The MHSA Plan was presented to the Board in May and will be brought to the Board for approval in June after the budget hearing. After the end of FY 2022-23, further analysis of fund balance will be completed and an update to fund balance will be included in the Adopted Budget revisions.

Substance Use Disorder (SUDS) Programs

The Recommended Budget for Substance Use Disorder Programs is \$7,706,479, which is an increase of \$565,936 (7.9%) when compared to the FY 2022-23 Adopted Budget. The increase is primarily due to Opioid Settlement Funding.

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 is budgeted as follows:

Program	FY 2023-24 Est Beginning Fund Balance	Budgeted Fund Balance Use	FY 2023-24 Est Ending Fund Balance
Realignment Funded Programs	\$ 9,228,781	\$ 2,058,104	\$ 7,170,677
MHSA Programs	\$ 11,580,702	\$ 8,571,690	\$ 3,009,012
Opioid Settlement	\$ 1,061,167	\$ 1,061,167	\$ -
TOTAL	\$ 21,870,650	\$ 11,690,961	\$ 10,179,689

