

Major Sources of Funding for California’s Community Mental Health System

November 2009

	Realignment	Mental Health Services Act (Proposition 63)	Specialty Mental Health Medi-Cal Managed Care	Early Periodic Screening, Diagnosis, and Treatment (EPSDT)	Mental Health Services for Special Education Pupils (AB 3632)	Healthy Families – Seriously Emotionally Disturbed (SED) Benefit
Funding Source	County Realignment Funds (Mental Health Sub-Account), which consists of state sales tax and vehicle license fees.	1% income tax on personal income above \$1 million. The funds are made available to counties, and up to 5% of the funds can be used for state-level administration activities.	State GF provides some funding to county Mental Health Plans (MHPs) to provide inpatient and other “federally-required” Medi-Cal services. However, that allocation was reduced by 50% in 09/10, with no change in county responsibilities. Any expenditure beyond the state allocation for this population is funded from county Realignment and other non-federal funds. County MHPs are responsible for certifying that a public expenditure was made in order to draw down federal matching funds.	State GF provides up to 45% (subject to county maintenance of effort requirements), and counties provide the remaining funds necessary to certify that a public expenditure was made in order to draw down the 50% federal matching funds.	Federal Individuals with Disabilities Education Act (IDEA) funding and State GF.	Counties provide a 35% match to draw down a 65% federal match. County MHPs are responsible for certifying that a public expenditure was made in order to draw down federal matching funds.
Services	To the extent resources are available, crisis care, assessments, medication support, case management, vocational rehabilitation, long-term nursing care, and 24-hour care in state hospitals and community-based acute care hospitals.	Intended to expand community-based mental health services for all ages. Specific services vary in each county, based upon priorities identified by the community. Service categories include community services and supports, prevention and early intervention, innovative programs, capital facilities and technology, and workforce education and training.	Medically necessary psychiatric inpatient hospital services, outpatient services, and community-based specialty mental health services as specified in the state’s Medicaid Plan under the Rehabilitation Option and Targeted Case Management, and subject to the conditions of the 1915(b) Medi-Cal Specialty Mental Health Services waiver.	Services determined to be “medically necessary” to prevent, correct or ameliorate a mental illness or condition, including: crisis intervention, day treatment, therapeutic behavioral services, medication support, and targeted case management.	Mental health assessment and treatment, including psychotherapy, medication monitoring, intensive day treatment, day rehabilitation and case management, as provided in a student’s individualized education program (IEP).	To the extent resources are available, all outpatient and inpatient services beyond the first 30 days of inpatient and 20 days of outpatient care for children determined by the county to be seriously emotionally disturbed.
Eligible Population	<ul style="list-style-type: none"> ▪ Seriously emotionally disturbed children and adolescents. ▪ Adults and older adults, including veterans, who have a severe and persistent mental disorder subject to the provisions of state law and state and federal third-party and individual payment requirements. 	<ul style="list-style-type: none"> ▪ Seriously emotionally disturbed children and adolescents. ▪ Adults and older adults, including veterans, who have a severe and persistent mental disorder subject to the provisions of state law and state and federal third-party and individual payment requirements. ▪ Children, adults and older adults who are un-served, under-served, or inappropriately served (e.g., homeless, frequent users of hospitals, individuals with criminal justice history). 	<ul style="list-style-type: none"> ▪ Adults and older adults enrolled in Medi-Cal. ▪ Diagnosis of severe impairment in life functioning and not responsive to physical health care based treatment. <p><u>Note:</u> Federal law prohibits federal Medicaid funding for services provided to Medi-Cal beneficiaries receiving care in Institutions for Mental Disease (IMDs), which includes acute psychiatric hospitals and skilled nursing/long-term care facilities.</p>	<ul style="list-style-type: none"> ▪ Under age 21 enrolled in Medi-Cal. ▪ Meet EPSDT medical necessity criteria. 	<ul style="list-style-type: none"> ▪ All special education students under age 22 who are determined, through an IEP, to need mental health services to benefit from their federally-entitled free and appropriate public education. 	<ul style="list-style-type: none"> ▪ Under age 19 enrolled in the Healthy Families Program. ▪ Seriously emotionally disturbed.

❖ **“Serious and Persistent Mental Illness”:** An adult is considered to have a serious mental disorder if he/she has an identified mental disorder that is severe in degree, persistent in duration, which may cause behavioral functioning that interferes substantially with the primary activities of daily living, and may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time.

❖ **“Seriously Emotionally Disturbed”:** A child or adolescent is considered to have a serious emotional disturbance if he or she has an identified mental disorder that results in behavior inappropriate to the child's age; has substantial impairment in at least 2 areas (self-care, school functioning, family relationships, ability to function in the community); is either at risk of removal from the home or has already been removed OR the mental disorder and impairments have been present for more than 6 months or are likely to continue for more than 1 year without treatment; and displays psychotic features, risk of suicide or risk of violence due to the mental disorder.