

California's Community Mental Health System

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California Alliance
OF CHILD AND FAMILY SERVICES



Center for Behavioral Health

California's community mental health system provides services and supports to adults who have a serious mental illness and children with a severe emotional disorder in order to promote their recovery. California counties and the community agencies with whom they contract strive to provide high-quality, cost-effective mental health care that is consumer- and family-driven, resiliency-based, and culturally competent. Unlike children and adults with developmental disabilities, adults with mental illness do not have an entitlement to services; mental health services are provided to the extent resources are available. The most common diagnoses of individuals served are depression, bipolar disorder, schizophrenia, and adjustment disorders. According to the most recent data from the California Department of Mental Health, the community mental health system is able to serve about 67% of the nearly 1 billion residents in need of public mental health services per year (approximately 658,300 of 971,700 individuals).

Key Community Mental Health Issues

➤ **The timeliness of existing state and federal funding is imperative to the community mental health system.**

- State Medi-Cal reimbursement timeframes can vary from 30 days to five years depending on the funding source.
- Scarce Realignment and county general funds often cover all mental health program costs until other sources of funding/reimbursement are received by the county.
- The county must incur and certify the full public expenditure up front to be eligible for Medi-Cal federal financial participation (FFP) reimbursement.
- The state is not currently incentivized to expedite payments to counties, as counties carry the debt and the state is not required to pay interest to the counties on that debt.
- The two children's entitlement programs (AB 3632 and Early and Periodic Screening, Diagnosis and Treatment [EPSDT]) are subject to annual legislative appropriation and are often subject to multi-year State General Fund (SGF) reimbursement deferrals. Counties are currently owed nearly \$500 million from the state for state-mandated AB 3632 services, and \$16 million (plus FFP) for EPSDT cost settlement deferrals.
- On a cash flow and borrowing basis adult, older adult and children's mental health programs compete for the same limited Realignment and county funds until funding/reimbursement is received by the county.



Mental Health
Association in
California
an affiliate of Mental Health America

➤ **Mental Health Services Act funding has become virtually the only source for providing community mental health services to adults with serious mental illness in California.**

- Outpatient and rehabilitation services are virtually disappearing, except for those funded fully or partially by Mental Health Services Act (MHSA) dollars. However, MHSA revenues are volatile and go down during economic downturns.



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- In FY 2009-10, the state budget reduced by 50% counties' allocation for the Medi-Cal Specialty Mental Health program.
 - Vehicle License Fees declined 8.5% in FY 2008-09. Estimates show a 4% to 5% overall Realignment decline in FY 2009-10.
 - County entitlement and law enforcement programs are now competing for limited county general funds and funds borrowed for cash flow purposes.
 - Returning Iraq and Afghanistan combat veterans with serious mental health needs (including PTSD) are creating additional demands on eroding community mental health services.
- **Without adequate community resources, people with serious mental illness are forced to seek treatment in hospital emergency rooms.**
- Continued cuts to county health and mental health programs are resulting in California's emergency rooms often times being the ONLY source of care, even for those not needing an emergency level of care.
 - For example, in Sacramento County during the months of June and July of 2009, there was a 65% increase in the number of psychiatric patients presenting in hospital emergency rooms; the average wait time for all patients in the emergency department increased 62% (nearly 7 hours). The average length of time a patient in a hospital emergency department awaiting placement into an inpatient psychiatric bed was nearly 40 hours.
 - Any downsizing or closure of mental health, substance use or homeless programs exacerbates the dependence on hospital emergency departments-the most expensive level of care.
 - Increasing numbers of individuals with acute mental health needs are languishing in hospital emergency rooms with few, if any, community treatment options.
- **Mental health services for criminal justice populations have put even more strain on the community mental health system.**
- Pressures to release significant numbers of inmates from the state prisons, including inmates with significant health and mental health disabilities, shifts the responsibility for supervision and support services to ailing local government programs.
 - Insufficient community mental health and substance abuse services also lead to increased costs to state prisons and county jails.
 - Proactive planning and treatment on the part of the community mental health system is hindered by the current state policy of releasing parolees into the community without sufficient information about their mental health, health, and criminal history.
 - State prisons' rehabilitation programs are being reduced by 80 percent; however, a majority of California's prison population has reported a recent history or symptoms of mental illness. "Unfortunately, the likelihood of these men receiving adequate health care once released from prison is probably low, given their high rates of uninsurance and other barriers to care." (RAND, 2009)

