California's Behavioral Health Transformation Efforts

January 2024

OVERVIEW

Today, nearly 1,300 Community Health Centers (CHCs) in California provide high-quality comprehensive care to 7.7 million people – that is 1 in 5 Californians. CHCs provide the full spectrum of care, from primary care to dental to behavioral health services, to everyone who walks through their doors, regardless of their ability to pay, their immigration status, or their individual circumstances.

HEALTH CENTERS' ROLE IN BEHAVIORIAL HEALTH CARE

CHCs have a long history of serving underserved and culturally diverse populations through integrated care models that provide patients with behavioral health care as a part of the primary care health home. This integrated primary-and-behavioral-health care model is a critical tool in ensuring that mental health and substance use disorder conditions are captured and addressed early, prior to becoming chronic. In fact, the UCLA Center for Health Policy Research finds that more than 70 percent of behavioral health conditions are diagnosed and treated within the primary care setting.[1]

To do this successfully CHCs have sought funding, including from the CA Mental Health Services Act (MHSA) to support expanding their behavioral health services. MHSA funds have been used to provide mental health services to uninsured patients as well as programming that is not covered by Medi-Cal. Because CHCs are embedded in communities, with providers that look like and understand those communities, CHCs are uniquely positioned to provide mental and behavioral health services.

BEHAVIORIAL HEALTH SERVICES IN CALIFORNIA

California's public behavioral health system remains siloed and highly fragmented. Medi-Cal enrollees must navigate three separate systems of care. They receive care for serious mental health issues, such as schizophrenia, from county-contracted specialty mental health providers and substance use disorders (SUD) from county Drug Medi-Cal providers. Additionally, patients receive diagnosis and treatment for mild-to-moderate mental health conditions by Managed Care Plan contracted providers, like CHCs. These divisions, and the different rules for payment and documentation surrounding them, make it difficult for patients to find the care they need, and for providers to respond in a patient-centered way.

In 2023, the California Legislature approved two pieces of legislation that would expand behavioral health services but make it harder for CHCs to access funding to support these services.

Mental Health Services Act Reform Efforts

To help fund the public mental health system, voters approved Proposition 63, also known as the MHSA, in 2004. The MHSA levies a 1 percent tax on personal incomes above $1 million and generates enough dollars each year to fund nearly 25% of the state's public mental health system. Its proceeds support a wide range of prevention, early intervention, and treatment services, along with development of the infrastructure, technology, and workforce needed to deliver them.

In 2023, Governor Newsom's administration worked with the California legislature to revise how funding is disseminated within the MHSA, leading to decreased funding for services that exist today. These changes, if approved by voters via a state ballot initiative (Proposition 1) in March, include allowing funds to go towards addressing SUDs but do not increase funding for these services. Proposition 1 would change the name to the Behavioral Health Services Act (BHSA), and the BHSA would also require counties to allocate 30% of their funds towards housing support while reducing funding for prevention and early intervention services, which CHCs help to provide. Although we acknowledge that more funding is needed to support unhoused populations, we do not believe it should be to the

[1] Pourat, N et. al. (Jan. 2015). "One-Stop Shopping: Efforts to Integrate Physical and Behavioral Health Care in Five California Community Health Centers." Available at http://healthpolicy.ucla.edu/publications/Documents/PDF/2015/integrationbrief-jan2015.pdf

detriment of funding for the provision of mental health services.

Counties and their contracted providers, like CHCs, will be forced to cut services that were previously funded by MHSA if voters approve the transition to BHSA through Proposition 1. CHCs use MHSA funds to support programs that expand their behavioral health services culturally and linguistically appropriately, including programs provided in various languages. Services being offered in these programs include mental health education, community outreach, workshops, individual and community consultations, referrals, support groups and preventative counseling to diverse communities. With MHSA dollars CHCs have also expanded their behavioral health workforce to include providers, such as community health workers/promotoras, traditional healers, or peer counselors, which are not covered by Medi-Cal or the prospective payment system (PPS).

Finally, Proposition 1 includes a $4.68 billion general obligation bond to build 10,000 new in-patient clinic beds. While we agree that additional in-patient beds are needed, there is not sufficient health workforce to support those additional beds, and the BHSA would reduce funding that has traditionally been used for workforce development.

Expanding Conservatorships

To further address issues with homelessness, California has passed legislation that increases the ability to institutionalize individuals with severe behavioral health issues. This includes the passage of the Community Assistance, Recovery and Empowerment (CARE) Court initiative and Senate Bill 43, which makes it easier to involuntarily detain people struggling with mental health disabilities, especially those that are unhoused.

More specifically, SB 43 expands the definition of "gravely disabled," for purposes of involuntarily detaining an individual with a severe SUD, or a co-occurring mental health disorder and a severe SUD, or chronic alcoholism that leads that individual to be unable to care for themselves and their medical needs.

Since California is moving towards increasing involuntary institutionalization, we are advocating those investments

be made to fund the necessary infrastructure and behavioral health workforce to implement these initiatives. This includes investing in community-based workforce to provide wrap around services for individuals when they are released from institutional settings.

BEHAVIORIAL HEALTH WORKFORCE IMPACTS

To implement CARE Court, SB 43, and the potential changes looming with Proposition 1's passage, California will require more funding to support the growth of the behavioral health workforce. Unfortunately, if Proposition 1 passes, funding that could be accessed by CHCs to expand its behavioral health workforce will be reduced.

We are concerned that the state of California is expanding behavioral health services without properly funding these expansions. Furthermore, CHCs are being underutilized in the delivery of this critical care. Like much of the United States, California is facing a workforce shortage; this must be addressed to ensure proper implementation of new behavioral health initiatives.

SOLUTION

CPCA Advocates urge Congress to recognize the vital role that CHCs play in the provision of behavioral health services.

To ensure active CHC participation in behavioral health services, Congress must:

1. **Include CHCs in any federal behavioral health legislation; and**

2. **Increase health center funding to help support and expand the behavioral health workforce and ensure CHCs have access to culturally and linguistically appropriate providers.**