



JENNIFER KENT
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

July 19, 2017

The Honorable Ricardo Lara
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, California 95814

Dear Senator Lara:

ASSEMBLY BILL 254 (AS AMENDED JUNE 28, 2017) – OPPOSE

The California Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 254. This bill would require DHCS, in cooperation with the California Department of Education, to establish the Local Educational Agency Behavioral Health Integration Pilot Program for providing and improving the delivery of underutilized direct behavioral health services.

DHCS appreciates the author's commitment to the delivery of behavioral health services to Medi-Cal eligible children and youth. Unfortunately, we must oppose AB 254 because the Mental Health Services Act (MHSA) administrative funds are consistently oversubscribed each year and funding direct services using a source that is already over-utilized may result in the inability to provide the services originally intended by the MHSA. The amount of administrative funding available fluctuates each Fiscal Year (FY) because it is dependent on the level of MHSA funds collected. For FY 2017/18, administrative expenditures are projected to be above the five percent cap by \$16.3 million. In addition, the services proposed under this bill are already provided to Medi-Cal beneficiaries through other delivery systems, thus leading to the possibility of the duplication of services.

If you have any questions, please contact me at 440-7500.

Sincerely,

Original signed by

Carol Gallegos
Deputy Director
Legislative and Governmental Affairs

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cc The Honorable Assembly Member Thurmond
Member of Assembly
State Capitol, Room 4005
Sacramento, CA 95814

Members, Senate Appropriations Committee
Senate Republican Caucus

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bcc: CHHSA Legislative Unit
Department of Finance