



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 19, 2014

MHSUDS INFORMATION NOTICE NO.: 14-016

TO: COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS
COUNTY MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH BOARDS

SUBJECT: FISCAL YEAR 2013-14 BEHAVIORAL HEALTH SUBACCOUNT
ALLOCATIONS

REFERENCE: SENATE BILL (SB) 1020 (CHAPTER 40, STATUTES OF 2012)

EXPIRES: Retain until superseded

Senate Bill (SB) 1020 (Chapter 40, Statutes of 2012) amended Section 30025 of the Government Code to create the Behavioral Health Subaccount within the Support Services Account of the Local Revenue Fund 2011. Section 30029.6 of the Government Code requires the State Controller's Office (SCO) to distribute funds in the Behavioral Health Subaccount to counties on a monthly or quarterly basis pursuant to a schedule provided by the Department of Finance (DOF) created in consultation with appropriate State agencies and the California State Association of Counties. Funds distributed to counties from the Behavioral Health Subaccount can only be used to provide Medi-Cal Specialty Mental Health Services (SMHS), including the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit, and the following substance use disorder programs: Drug Medi-Cal, non-Drug Medi-Cal substance abuse treatment programs, drug court operations and services, and perinatal drug services and treatment.

The DOF transmitted a schedule to the SCO on September 9, 2013, for the purpose of distributing funds to the counties from the Behavioral Health Subaccount for 2013-2014, which includes cash received in the Local Revenue Fund 2011 beginning on August 16, 2013 through August 15, 2014. The updated allocation schedule was effective with the September 2013 distribution. Please note that the Medi-Cal SMHS program, including the EPSDT benefit, and the Drug Medi-Cal program are federal entitlements. Counties are required to provide all SMHS and Drug Medi-Cal services to which Medi-Cal beneficiaries are entitled without caps. Additional information regarding the distribution of approximately \$27.9 million in the Behavioral Health Services Growth Special Account is forthcoming. Expenditures made for the federal entitlements will be

the first priority for these growth funds. In addition, Government Code section 30026.5(k) specifies that Medi-Cal Specialty Mental Health Services shall be funded from the Behavioral Health Subaccount, the Behavioral Health Services Growth Special Account, the Mental Health Subaccount (Welfare and Institutions Code 17600), the Mental Health Account (Welfare and Institutions Code 17600.10), and to the extent permissible under the Mental Health Services Act, the Mental Health Services Fund. Government Code section 30026.5(g) requires counties to exhaust both 2011 and 1991 Realignment funds before County General Fund is used for entitlements.

The purpose of this Information Notice is to: 1) describe the changes in the methodology used to develop the allocation schedule for Fiscal Year 2013-14, 2) describe the methodology used to estimate the proportional share of funding for each county, and 3) describe how those estimates determined each county's allocation percentage from the Behavioral Health Subaccount.

1. Updated Distribution Methodology for Fiscal Year 2013-14

The methodology used to estimate the proportional share of funding for each county to provide Medi-Cal Specialty Mental Health EPSDT services has been updated for Fiscal Year 2013-14. The same aggregate amount for EPSDT Specialty Mental Health Services, \$584,230,000 in Fiscal Year 2012-13, was used to estimate the proportional share of funding for each county to provide EPSDT Specialty Mental Health Services in Fiscal Year 2013-14. However, the methodology used to estimate the proportional share of funding for each county to provide EPSDT Specialty Mental Health Services has been updated in two ways to provide counties with funding that aligns with their expenditure for EPSDT Specialty Mental Health Services.

First, the methodology has been updated to reflect expenditures from the most currently available county estimated Certified Public Expenditures (CPE) for EPSDT Specialty Mental Health for Fiscal Year 2011-12 (as of August 2013). The more current CPE information was used to estimate the proportional share of funding for each county to provide existing EPSDT services.

Second, the more current CPE information was used to estimate the proportional share of funding for each county to provide Medi-Cal Specialty Mental Health Services under the Katie A. v. Bontá settlement agreement and for Healthy Families Program beneficiaries who transfer to the Medi-Cal program, expenditures for which were included in the funds realigned to counties to provide EPSDT Specialty Mental Health Services. For Fiscal Year 2012-13, the methodology for EPSDT Specialty Mental Health Services had been based on three separate estimates of the proportional share of funding for each county to implement the Katie A. v. Bontá settlement agreement, provide specialty mental health services to Healthy Families Program (HFP) beneficiaries who transitioned to the Medi-Cal program, and to provide existing EPSDT

specialty mental health services. The methodology used for each of these estimates for Fiscal Year 2012-13 is described in [MHSD Information Notice 12-08](#).

By contrast, for Fiscal Year 2013-14, a single estimate based on the most current county estimated CPE information for EPSDT Specialty Mental Health Services for Fiscal Year 2011-12 was used to estimate the proportional share of funding for each county to provide all EPSDT Specialty Mental Health Services.

2. Funding for Specialty Mental Health Services (SMHS) and Substance Use Disorder Programs

Total Funding for Specialty Mental Health Services (SMHS)

Section 30025(f) (16) (B) of the Government Code allows counties to use funds distributed from the Behavioral Health Subaccount to provide the following SMHS: Mental Health Managed Care and EPSDT Specialty Mental Health services.

Managed Care Allocation. The same aggregate amount that was used in Fiscal Year 2012-13, \$196,661,000, was used in Fiscal Year 2013-14 to estimate the proportional share of funding for each county for Mental Health Managed Care. This aggregate amount was allocated among the counties based upon the amount of funding distributed to each county for Mental Health Managed Care in Fiscal Year 2011-12 pursuant to Assembly Bill (AB) 100. Enclosure 1 displays the data the State used to estimate the proportional share of funding for each county for Mental Health Managed Care.

EPSDT Specialty Mental Health. The same aggregate amount for EPSDT Specialty Mental Health Services, \$584,230,000 in Fiscal Year 2012-13, was used to estimate the proportional share of funding for each county to provide EPSDT Specialty Mental Health Services for Fiscal Year 2013-14. The estimated proportional share of funding for each county to provide EPSDT services is based upon the most currently available county estimated Certified Public Expenditures (CPE) for EPSDT Specialty Mental Health for Fiscal Year 2011-12 (as of August 2013). Enclosure 2 displays the data the State used to estimate the proportional amount of money for each county to provide EPSDT services.

- Column A displays the estimated certified public expenditures to provide EPSDT services in Fiscal Year 2011-12 as reported by each county after December 2012.
- Column B calculates each county's allocation percentage. Each county's allocation percentage is equal to its estimated CPE for EPSDT services displayed in Column A divided by the sum of all counties estimated CPE for EPSDT services displayed in Column A.

- Column C is equal to each county's allocation percentage multiplied by the \$584,230,000 realigned for EPSDT Specialty Mental Health services.

Total Specialty Mental Health. Enclosure 3 displays the estimated proportional share of funding for each county to provide all realigned SMHS in Fiscal Year 2013-14.

- Column A displays the estimated proportional share of funding for each county to provide EPSDT services and comes from Column C of enclosure 2.
- Column B displays the estimated proportional share of funding for each county for the Mental Health Managed Care and comes from Column A of enclosure 1.
- Column C is equal to the sum of Columns A and B.
- Column D represents the estimated proportional share of funding for each county to provide all realigned SMHS.

Substance Use Disorder (SUD) Programs and Services

Section 30025(f)(16)(B) of the Government Code allows counties to use funds distributed from the Behavioral Health Subaccount for the following SUD programs and services: Drug Medi-Cal, drug court operations and services, non-drug Medi-Cal substance abuse treatment programs, and residential perinatal drug services and treatment. Enclosure 4 displays the data the State used to estimate the proportional share of funding for each county to provide the realigned SUD programs and services. The percent allocations used to estimate the proportional share of funding for each county to provide realigned SUD programs and services in Fiscal Year 2013-2014 is identical to the methodology used in Fiscal Year 2012-13 for alcohol and other drug services.

The data in Enclosure 4 comes from the Fiscal Year 2011-12 Substance Abuse Subaccount Allocations.

- Column A contains the county proportional share for Drug Medi-Cal.
- Column B contains the county proportional share for non-Drug Medi-Cal.
- Column C contains the county proportional share for drug court operations and services.
- Column D is equal to the sum of Columns A, B, and C and represents the estimated proportional share of funding for each county to administer the realigned SUD programs and services.
- Column E is the total county allocation percentage for SUD funds.

3. Total Behavioral Health Subaccount Allocation Schedule

The allocation schedule that the DOF provided the SCO is based upon the estimated proportional share of funding for each county to provide the realigned SMHS and the proportional share of funding for each county to provide the realigned SUD services, which is displayed in Enclosure 5.

- Column A displays the estimated proportional share of funding for each county to provide the SUD services that have been realigned and comes from Column D of enclosure 4.
- Column B displays the estimated proportional share of funding for each county to provide the SMHS that have been realigned and comes from Column C of enclosure 3.
- Column C is equal to the sum of Columns A and B and represents the estimated proportional share of funding for each county to provide all realigned SMHS and SUD services.
- Column D calculates the Behavioral Health Subaccount allocation percentage for each county. The allocation percentage for each county is equal to each county's estimated proportional share of funding calculated in Column C divided by the sum of all county's estimated proportional share of funding calculated in column C. These are the allocation percentages that the DOF provided to the SCO for the purpose of distributing funds to the counties from the Behavioral Health Subaccount.

For any questions regarding this information notice, please contact Gary Renslo, Chief, Fiscal Management and Outcomes Reporting Branch, Mental Health Services Division, at Gary.Renslo@dhcs.ca.gov.

Sincerely,

Original Signed By

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Enclosures (5)