



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



GAVIN NEWSOM
GOVERNOR

DATE: January 22, 2021

Behavioral Health Information Notice No: 21-006

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Fiscal Year 2020-21 Behavioral Health Subaccount Allocations

PURPOSE: To transmit the Fiscal Year 2020-21 Behavioral Health Subaccount Allocations and describe the rolling base methodology for developing the allocations.

REFERENCE: Senate Bill (SB) 1020 (Chapter 40, Statutes of 2012)
[MHSUDS Information Notice No.: 16-052](#)

The Department of Finance (DOF), in consultation with the Department of Health Care Services and the California State Association of Counties, has selected a standard methodology, called the rolling base methodology, for calculating the allocation schedule for the Behavioral Health Subaccount. This information notice includes a description of the allocation methodology and how DOF applied that methodology to develop the FY 2020-21 Behavioral Health Subaccount allocation schedule. DOF submitted this schedule to the State Controller's Office (SCO) on September 2, 2020.

Background:

SB 1020 amended Government Code (GC) Section 30025 to create the Behavioral Health Subaccount within the Support Services Account of the Local Revenue Fund 2011. GC Section 30029.6 requires the SCO to distribute funds in the Behavioral Health Subaccount to counties on a monthly or quarterly basis. DOF develops a distribution schedule in consultation with appropriate State agencies and the California State Association of Counties.

GC Section 30025(f) (16) (B) provides that funds distributed 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 (DMC), Non-DMC, Drug Court Operations and Services, and Perinatal Drug Services and Treatment. The Medi-Cal SMHS program, including the EPSDT benefit, and the DMC program are federal entitlements. Counties are required to provide all SMHS and DMC services to which Medi-Cal beneficiaries are entitled without caps. GC Section 30026.5(k) specifies that Medi-Cal SMHS shall be funded from the Behavioral Health Subaccount, the Behavioral Health Services Growth Special Account, the Mental Health Subaccount (Welfare and Institutions Code (W&I) Section 17600), the Mental Health Account (W&I Section 17600.10), and to the extent permissible under the Mental Health Services Act, the Mental Health Services Fund.

The Rolling Base Methodology

The rolling base methodology calculates each county's allocation from the Behavioral Health Subaccount as the sum of the prior year distribution from the Behavioral Health Subaccount and the prior year distribution from the Behavioral Health Growth Special Account, if there was growth in the prior year. For example, the FY 2019-20 Behavioral Health Subaccount allocation schedule was based upon the sum of the amount counties received from the Behavioral Health Subaccount in FY 2018-19 and the amount counties received from the Behavioral Health Services Growth Special Account in FY 2018-19.

DOF cannot calculate the allocation schedule for the Behavioral Health Subaccount using the rolling base methodology until it knows how much each county received from the Behavioral Health Services Growth Special Account. DOF does not know the final amount of money deposited into the Behavioral Health Services Growth Special Account until late September following the close of each fiscal year. As a result, the SCO is not able to distribute funds in the Behavioral Health Services Growth Special Account from the prior fiscal year until late September or early October. Therefore, the SCO will distribute funds available for distribution in the Behavioral Health Subaccount in September using the allocation schedule from the prior fiscal year. DOF will provide the SCO with an updated allocation schedule and an offset schedule for the Behavioral Health Subaccount in October of each year.

January 22, 2021

The purpose of the offset schedule is to align the distributions the SCO made in September with the updated allocation schedule provided to the SCO in October. The offset schedule is equal to the amount the county would have received from the Behavioral Health Subaccount in September if the SCO had used the updated allocation schedule provided to it in October less the amount the county actually received in September. Each county's October distribution will be equal to each county's updated allocation percentage multiplied by the funds available for distribution in October plus the September adjustment. Each county's distribution for all subsequent months in the fiscal year will be equal to the county's updated allocation percentage multiplied by the funds available for distribution in the month.

Fiscal Year 2020-21 Behavioral Health Subaccount Allocation Schedule

For FY 2020-21, DOF will use the same allocation schedule used in FY2019-20 since there were no available funds from the FY 2019-20 Behavioral Health Services Growth Special Account. DOF did not develop an adjustment schedule for September and October since the allocation schedule remains the same for FY2020-21.

The FY 2020-21 Behavioral Health Subaccount allocation schedule is based on the amount each county received from the Behavioral Health Subaccount in Fiscal Year 2019-20. Enclosure 1 displays the data DOF used to complete those calculations. Column A displays the amount each county received from the [Behavioral Health Subaccount in FY 2019-20](#). Column B displays the amount each county received from the Behavioral Health Services Growth Special Account, if there were funds in the account. Column C displays each county's total Behavioral Health Subaccount allocation for FY 2020-21. Column C is equal to the sum of Column A and Column B. Column D displays the FY 2020-21 Behavioral Health Subaccount allocation schedule DOF submitted to SCO on September 2, 2020. The allocation percentage for each county is equal to each county's estimated proportional share of funding calculated in Column C divided by the estimated amount available in the Behavioral Health Subaccount in FY 2020-21.

For any questions regarding this Information Notice, please contact the Behavioral Health Financing Section's Operations Unit, at BHFSEops@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Brian Fitzgerald, Chief
Local Governmental Financing Division

Enclosures