

THE MENTAL HEALTH SERVICES ACT IN SAN DIEGO COUNTY UNSPENT FUNDS, ONGOING NEEDS

SUMMARY

The mental health care system in San Diego County involves multiple stakeholders, including government agencies (local, county, state and federal), hospitals (both acute and long-term), non-profit and for-profit service providers, jails, schools, clinical practitioners, advocacy groups. These entities serve mentally ill and at-risk children, youth, and adults, and also the general county population. This report focuses on one issue: the County of San Diego's Health and Human Services Agency (HHS) use of Mental Health Services Act (MHSA) funds. The 2015/2016 San Diego County Grand Jury recommends that HHS tighten its focus on severe mental illness, allocate a higher percentage of available funds each year, and streamline the process for MHSA fund expenditure, particularly Innovation funds.

INTRODUCTION

MHSA has transformed the California mental health care landscape. San Diego County alone will receive over \$130,000,000 this fiscal year. In response to a citizen complaint, the 2015/2016 Grand Jury investigated the county's expenditure of these funds.

PROCEDURE

The Grand Jury interviewed senior HHS officials, facilities administrators, mental health advocates and service providers. Financial information was gleaned from county Behavioral Health Services (BHS) reports, as were lists and descriptions of funded programs. The Grand Jury also reviewed independent analyses of MHSA.

DISCUSSION

Passed by California voters in 2004 as Proposition 63, MHSA created a new revenue stream for mental health services to the seriously mentally ill¹ and those at risk (MHSA Section 3²). Funded by a 1% income tax surcharge on incomes over \$1,000,000 and distributed to counties proportionally by population (San Diego County receives 8.1%), the Act mandates expenditures in five areas: Community Services and Supports (CSS), Prevention and Early Intervention (PEI), Human Resources, Education and Training (in San Diego County labeled Workforce Education and Training [WET]), Innovative Programs (INN), and Capital Facilities and Technological Needs (CFT). The Act requires a "Prudent Reserve" to ensure continuation of services in low-revenue years (WIC

¹California Welfare and Institutions Code (WIC) 5600.3(b)(2). "Serious mental disorders include, but are not limited to, schizophrenia, bipolar disorder, post-traumatic stress disorder, as well as major affective disorders or other severely disabling mental disorders."

² <http://prop63.org/about/prop-63-today/>

5847(b)(7))³ and sets aside 5% of revenues for state administration of the Act (WIC 5892(d))⁴.

The process for distributing funds outlined in MHSa (WIC 5847-5848) begins with extensive consulting with stakeholders to produce a three-year plan “based on available unspent funds and estimated revenue allocations”. The three-year plan, including goals for number of people served and provisions for evaluation, forms the basis for an expenditure plan, to be updated each year, with annual reports “on the achievement of performance outcomes.” The annual expenditure update “shall include utilization of unspent funds allocated in the previous year and the proposed expenditure for the same purpose” (WIC 5847(e)).

USE OF FUNDS: UNSPENT FUNDS.

San Diego County has never appropriated all the MHSa funds it has received (not including the Prudent Reserve of \$42 million, which has been fully funded for several years). In the current three-year plan (2014-2015 through 2016-2017) as Table 1 shows, total expenditures average 61% of income.

TABLE 1

THREE YEAR MHSa FUNDING SUMMARY (IN MILLIONS , ROUNDED)						
YEAR	UNSPENT FROM PREVIOUS YEARS	ESTIMATED NEW FUNDING	TOTAL AVAILABLE	BUDGETED	UNSPENT	% UNSPENT
2014 - 2015	102	133	235	135	100	43
2015 - 2016	101	115	216	137	79	37
2016 - 2017	79	124	203	128	75	37

Over the past five years (2012-2013 through 2016-2017) the three largest categories (CSS, PEI, INN) have averaged 70%.

TABLE 2

REVENUES AND BUDGET (CSS, PEI, INN) (IN MILLIONS, ROUNDED)				
YEAR	REVENUE	BUDGETED	UNBUDGETED	% UNSPENT
2012 - 2013	130	68	62	47
2013 - 2014	155	132	23	15
2014 - 2015	202	127	75	37
2015 - 2016	190	127	63	33
2016 - 2017	187	127	60	32

³ <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wic&group=05001-06000&file=5845-5848>

⁴ <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wic&group=05001-06000&file=5890-5899>

There are, obviously, great challenges to spending public money wisely. County officials spoke of the necessity of prudent planning, given the fluctuations in MHSA's tax-based revenue stream and the lead time necessary to establish successful programs.

Nevertheless, MHSA is now almost twelve years old, the need for services remains acute, and stakeholders should have some sense (even if anecdotal rather than research-based) of what has worked well so far.

Fact: Over the three fiscal years 2014-2015, 2015-2016, 2016-2017 (estimated), the County has spent or plans to spend on average 61% of MHSA funds (Table 1), leaving approximately 39% unspent.

Fact: The three largest categories of expenditure are Community Services and Supports (CSS), Prevention and Early Intervention (PEI), and Innovation (INN). Over the five fiscal years 2012-2013 to 2016-2017 (estimated) the County has spent or plans to spend an average of 70% of MHSA funds, leaving about 30% unspent (Table 2).

Fact: The "Prudent Reserve" required by MHSA (\$42 million for San Diego County) has been fully funded for over seven years.

Fact: Percentages of unspent MHSA dollars have not changed significantly in the past five years.

Finding 01: HHSa has substantial funds available to expand services.

USE OF FUNDS: APPROPRIATE PROGRAMS

On one hand, MHSA has a very clear focus: "To define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care" (Section 3(a)). On the other hand, MHSA includes vague and ambiguous language that allows very broad interpretations of how to spend MHSA funds. The result is that San Diego County uses MHSA for a wide variety of programs only tangentially related to those with, or at risk of, serious mental illness.

For example, over \$500,000 in MHSA funds goes to the domestic violence program "Families as Partners,"⁵ for "families at highest risk of child abuse and neglect". This is clearly an essential public health concern, fully deserving of public support. It has no explicit connection with serious mental illness, but is nevertheless included in the Prevention and Early Intervention category.

⁵http://www.sandiegocounty.gov/HHSaA/programs/bhs/documents/Children_PEI_Program_Reports_FY2012-13.pdf

Another example relevant in San Diego County is expenditure for “reduction in stigma associated with either being diagnosed with a mental illness or seeking mental health services” (WIC 5840(b)(3)). The 2015-2016 MHSA Program Summary lists twenty-five in-patient and out-patient drug and alcohol treatment programs receiving MHSA funds to “Reduce stigma associated with mental health concerns” at a cost of over \$3,000,000. Though this is completely legitimate according to the letter of MHSA, it dilutes the county’s response to those people MHSA was designed to help most, those suffering serious mental illness.⁶

A 2013 report⁷ (described as a “hatchet job” by one interviewee not employed by the county) is highly critical of three programs in San Diego County for being inconsistent with MHSA: gang violence reduction⁸, Triple P Parenting⁹, and outreach to Alzheimer’s patients. The Grand Jury also questions the Mobile Hoarding Program in the Innovation category, whose goal is to “diminish long term hoarding behavior in older adults”. While seriously mentally ill people may be hoarders, hoarders are not by definition seriously mentally ill.

It must be noted that the large majority of MHSA-funded programs in the county serve the seriously mentally ill and at-risk population. The Grand Jury encourages HHS to sharpen its focus on the original intent of MHSA in order to meet the most pressing needs of seriously mentally ill children, youth, and adults.

FACTS AND FINDINGS

Fact: MHSA states that the purpose of the Act is to decrease the severity of serious mental illness in children, youth, adults and those at risk.

Fact: MHSA does not include drug and alcohol abuse treatment.

⁶ According to minutes of one state oversight board meeting, MHSA was written specifically to exclude substance abuse as a category: “Vice-Chair Van Horn commented that there are not a lot of evidence-based practices yet in the PEI arena. He also pointed out that the reason co-occurring disorders were not mentioned in the MHSA was because during the Proposition 63 focus groups they were informed that using that language would lead to the defeat of the proposition. It is clear that co-occurring disorders need to be dealt with at the same level.” Mental Health Services Oversight and Accountability Commission Meeting Minutes September 22, 2011 Page 5

⁷ California’s Mental Health Services Act: A Ten Year \$10 Billion Bait and Switch. Mental Illness Policy Org., August 15, 2013.

⁸ “Community violence response team and services to siblings of identified gang members in an effort to increase community resiliency and combat the negative effects of violence”.

⁹ <http://www.triplep.net/glo-en/find-out-about-triple-p/triple-p-in-a-nutshell/> The Triple P – Positive Parenting Program ® is a parenting and family support system designed to prevent – as well as treat – behavioral and emotional problems in children and teenagers. It aims to prevent problems in the family, school and community before they arise and to create family environments that encourage children to realize their potential.

Fact: Significant funds (between \$3 million and \$4 million) are spent on “Co-occurring Disorders” with “reduce the stigma” language.

Fact: Several MHSA-funded programs do not serve the seriously mentally ill.

Finding 02: While legally allowable within the ambiguous language of MHSA, some MHSA-funded programs are not consistent with the stated purpose of MHSA to serve the seriously mentally ill.

USE OF FUNDS: PROCESS

Five percent of MHSA funds are to be applied to Innovation in services for the seriously mentally ill. In San Diego County, a new funding cycle begins every three years. HHSa, in consultation with the public and stakeholders, identifies major concerns, then potential responses to those concerns, develops requests for proposals from providers, and awards grants. This process takes twelve to eighteen months. The programs operate for three years and are evaluated annually, with a final evaluation to determine the program’s effectiveness (which can take up to a year). The entire Innovation cycle, then, lasts over five years.

In several interviews, service providers spoke of how cumbersome the Innovation process is, while lauding HHSa for its collaborative efforts. A sign of the challenges facing implementing innovative programs is that, in the past five years, the county has appropriated an average of 44% of MHSA Innovation funds, leaving 56% unspent. Mentally ill people could benefit from compressing the innovation cycle and funding more programs, even at the risk of funding programs later found to be ineffective.

FACTS AND FINDINGS

Fact: Multiple interviews referenced HHSa and BHS slowness to act.

Fact: For fiscal years 2012-2013 through 2016-2017, MHSA Innovation expenditures average 44%, leaving 56% unspent.

Fact: Multiple interviews confirmed collaboration among stakeholders, including HHSa and BHS, service providers, and advocates.

Finding 03: Building on HHSa’s collaborative efforts, streamlining the innovation cycle would benefit the county’s seriously mentally ill and at-risk population.

EDUCATION

At multiple interviews, the Grand Jury heard that San Diego County has definite difficulties recruiting and retaining public-funded mental health professionals. MHSA designates funds for Workforce Education and Training (WET), which, in San Diego County, provide stipends, subsidies, loan repayments, and educational programs totaling \$2.6 million dollars in 2015-2016 for students in fields ranging from early childhood

education to psychiatric residency, social work, and marriage and family therapy. HHS and participating schools have made particular efforts to increase the diversity of the mental health workforce with “culturally competent” employees (WIC 5822(j)); given the county’s diverse population, this remains a challenge.

Approximately two-thirds of WET funds go to mental health staff development and to students already enrolled in professional programs. Exposing more community college and even high school students to mental health careers through work-study and internships could increase the number and diversity of mental health professionals in the future.

FACTS AND FINDINGS

Fact: MHSA sets a standard of “culturally competent” mental health care.

Fact: County WET funds are weighted to professional development and to students in professional programs, including psychiatric residency, social work, and marriage and family therapy.

Finding 04: Providing incentives and opportunities earlier in students’ education could increase and diversify the pool of potential mental health professionals in the county.

RECOMMENDATIONS

The 2015/2016 San Diego County Grand Jury recommends the San Diego County Board of Supervisors and the County of San Diego’s Health and Human Services Agency:

- 16-66:** **Appropriate a larger percentage of MHSA funds each year in order to improve services to a larger number of seriously mentally ill and at-risk county residents.**
- 16-67:** **Focus MHSA funds more narrowly on services to the seriously mentally ill and at-risk population.**
- 16-68:** **Shorten the innovation process in order to spend more MHSA Innovation funds creatively.**
- 16-69:** **Collaborate with high schools and community colleges to expose students to mental health careers through stipends, internships, work-study or other opportunities.**

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge

of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
San Diego County Board of Supervisors	16-66 through 16-69	9/7/16
County of San Diego Health & Human Services Agency	16-66 through 16-69	9/7/16