COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Second District

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Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: **June 9, 2026** **19**

TO: Board of Supervisors

SUBJECT

RECEIVE AND APPROVE THE BEHAVIORAL HEALTH SERVICES ACT THREE-YEAR INTEGRATED PLAN FOR FISCAL YEARS 2026-2029; ADOPT RESOLUTION CERTIFYING THE SAN DIEGO COUNTY BOARD OF SUPERVISORS REVIEW AND APPROVAL OF THE INTEGRATED PLAN; AUTHORIZE THE BEHAVIORAL HEALTH SERVICES DIRECTOR'S SUBMISSION OF THE INTEGRATED PLAN TO THE DEPARTMENT OF HEALTH CARE SERVICES (DISTRICTS: ALL)

OVERVIEW

In March 2024, California voters passed Proposition 1, which includes the transition from the Mental Health Services Act (MHSA) to Behavioral Health Services Act (BHSA), and a $6.4 billion Behavioral Health Bond to support Californians living with the most significant mental health and substance use disorder needs. Counties across the state have been leading extensive planning and readiness efforts to prepare for implementation on July 1, 2026.

The transition from MHSA to BHSA is designed to align local systems with the statewide Behavioral Health Transformation initiative, centered on improving accountability, transparency, and clinical outcomes through a more structured funding framework. This realignment prioritizes individuals with the most significant behavioral health needs and expands the scope of care to include standalone substance use disorder treatment and robust housing interventions, specifically addressing persistent disparities among priority populations such as those experiencing homelessness or justice involvement. The transition also broadens the scope of engagement, and shifts Prevention funding to the State Department of Public Health to support more population-based efforts.

BHSA requires all counties to submit a three-year Integrated Plan (Integrated Plan) to serve as a three-year prospective expenditure plan describing how county behavioral health departments will spend all sources of behavioral health funding to meet statewide and local outcome measures, reduce disparities, and address the unmet needs in their community. The development of the Integrated Plan was informed by an extensive Community Planning Process that engaged over 1,500 individuals and 280 organizations to ensure that reinvestment activities reflect the needs of residents with lived experience.

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Today's item requests the San Diego County Board of Supervisors (Board) receive and approve the Integrated Plan (Attachment A) for Fiscal Years 2026-2029. In addition, today's item requests the Board adopt a resolution certifying review and approval of the Integrated Plan, and attesting the County will meet its realignment obligations as required by State law (Attachment B), and authorize the Behavioral Health Services Director, or designee, to evaluate any final revisions to the Integrated Plan requested by Department of Health Care Services and implement non-material revisions as appropriate, to submit the approved Integrated Plan to the Department of Health Care Services and to the Behavioral Health Services Oversight and Accountability Commission

These actions support the County's vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind. This is also in alignment with the goals of BHSA which seek to improve accountability, increase transparency, and create pathways to ensure equitable access to care for people with behavioral health needs.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Receive and approve the Behavioral Health Services Act Three-Year Integrated Plan (Integrated Plan) for Fiscal Years 2026-2029.
2. Adopt a Resolution entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS CERTIFYING THE BEHAVIORAL HEALTH SERVICES ACT INTEGRATED PLAN FOR FISCAL YEARS 2026-2029 to certify that the San Diego County Board of Supervisors has reviewed and approved the Integrated Plan for Fiscal Years 2026-2029 and attest that the County of San Diego will meet its realignment obligations as required by State law.
3. Authorize the Behavioral Health Services Director, or designee, to evaluate any final revisions to the Integrated Plan requested by Department of Health Care Services and implement non-material revisions as appropriate, to submit the approved Integrated Plan to the Department of Health Care Services and to the Behavioral Health Services Oversight and Accountability Commission, and to take any further administrative actions necessary to implement the Integrated Plan.

EQUITY IMPACT STATEMENT
The Behavioral Health Services Act (BHSA) supports the State's vision for a more equitable behavioral health system by prioritizing individuals with the greatest needs and expanding access to substance use disorder services. These efforts are intended to improve access and outcomes particularly among high-need populations, including those experiencing, or at risk of, justice involvement, homelessness, child welfare involvement, or institutionalization. BHSA also establishes a statewide population health approach that aligns expectations across the behavioral health system and emphasizes quality, equity, and data-driven improvement.

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Local data indicates persistent disparities in access to behavioral health care. In 2024, the rate of individuals in San Diego County experiencing homelessness who accessed services through a continuum of care was lower than the statewide rate, with lower access among individuals ages 18–24 and 65 and older. Unmet behavioral health needs remain more pronounced among these age groups and among Hispanic individuals, including lower rates of follow-up care after mental health-related emergency department visits and a lower percentage of individuals reporting access to needed care.

The development of the BHSA Three-Year Integrated Plan is rooted in stakeholder engagement to identify community needs, advance equitable access, and continuously monitor and address disparities. Collectively, these efforts support the County of San Diego's commitment to improving equitable access to culturally responsive, trauma-informed behavioral health services.

SUSTAINABILITY IMPACT STATEMENT
Today's proposed action supports the County of San Diego (County) Sustainability Goal #1 to engage the community in meaningful ways and seek stakeholder input to foster inclusive and sustainable communities. County Behavioral Health Services engages the community through the Community Planning Process, advisory boards, and stakeholder engagements to collaborate and encourage the community and stakeholders to partner and participate in decisions that impact their lives and communities.

Additionally, today's item supports the County Sustainability Goal #2 to provide just and equitable access through the regional distribution of services, by allowing chronically unserved and underserved communities and individuals with behavioral health conditions to receive care near where they live. Services are provided at County locations, as well as through community-based providers to ensure care is geographically distributed throughout the region.

FISCAL IMPACT
Funds for this request are included in the Fiscal Year (FY) 2026-28 CAO Recommended Operational Plan in Behavioral Health Services. If approved, this request will result in estimated Behavioral Health Services Act (BHSA) costs and revenue of approximately $329.5 million in FY 2026-27. The funding source is BHSA. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ADVISORY BOARD STATEMENT
On May 7, 2026, the Behavioral Health Advisory Board voted to recommend approval of these recommendations.

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BACKGROUND

In March 2024, voters passed Proposition 1, which includes the transition from the Mental Health Services Act (MHSA) to the Behavioral Health Services Act (BHSA), and a $6.4 billion Behavioral Health Bond to support Californians living with the most significant mental health and substance use disorder needs. Counties across the State have been leading extensive planning and readiness efforts to prepare for implementation on July 1, 2026.

The transition from MHSA to BHSA is designed to align local systems with the statewide Behavioral Health Transformation initiative, centered on improving accountability, transparency, and clinical outcomes through a more structured funding framework. This realignment prioritizes individuals with the most significant needs and expands the scope of care to include standalone substance use disorder treatment and robust housing interventions, specifically addressing persistent disparities among high-need populations such as those experiencing homelessness or justice involvement. The transition also broadens the scope of engagement, and shifts prevention funding to the California Department of Public Health (CDPH) to support more population-based efforts.

In alignment with the focus on increased transparency and accountability, BHSA requires all counties to submit a three-year Integrated Plan (Integrated Plan) to serve as a three-year prospective spending plan. The Integrated Plan describes how county behavioral health departments will spend all sources of behavioral health funding to meet statewide and local outcome measures, reduce disparities, and address the unmet needs in their community. The Integrated Plan enhances previous reporting requirements by requiring counties to report on all behavioral health funding sources, not just BHSA; conduct deeper data gathering and analysis to report on new statewide goals and associated disparities analysis; and increasing collaboration with priority stakeholder groups.

Changes Under BHSA

While BHSA does not change the role of California counties behavioral health plans or establish any new revenue sources, it includes many significant changes.

Increases State Funding Share From 5% to 10%

These funds will be used by State agencies for administration as well as a statewide population prevention program and workforce development. This change results in counties receiving 5% less of the annual funding share compared to that in previous years under MHSA.

Expands Service Population and Outlines New Priority Populations for Service Provision

Previously, MHSA funds could be used only for mental health treatment and the treatment of co-occurring conditions. BHSA expands the service population and allows funds to be used for treatment of those with standalone substance use disorder.

The focus population for BHSA includes people who have significant behavioral health needs who are enrolled in or eligible for Medi-Cal. In addition to expanding the focus population to include people with standalone substance use disorder, BHSA also establishes new priority populations for services. These include eligible children, youth, and adults who are:

- Chronically homeless, experiencing, or at risk of homelessness,
- In, or at risk of being in, the justice system,
- Re-entering the community from prison, jail, or a youth correctional facility,
- At risk of conservatorship or in the child welfare system, or
- At risk of institutionalization.

Expands Outreach, Engagement and Collaboration Emphasizing Equity and Access
BHSA places an even greater emphasis on the importance of ongoing community and stakeholder engagement than MHSA. BHSA expands priority populations for Community Planning Process (CPP) engagement to 29 groups, up from 11 under MHSA. The 29 stakeholder groups include individuals with lived experience, community-based and advocacy organizations, providers and partners, and other public agencies. This new requirement ensures that a broader group of stakeholders is consulted in the development of BHSA planning. BHSA requires coordination with Medi-Cal Managed Care Plans (MCPs) and the local health jurisdiction as part of local planning. The BHSA framework also emphasizes engagement with Tribal partners and other cross-sector community stakeholders, such as schools and public safety agencies, to support implementation of Integrated Plan priorities.

Redesigns Prevention and Early Intervention
Under BHSA, population-based prevention becomes the primary responsibility of the State. Going forward, CDPH will lead statewide population prevention activities using a portion of the State's 10% allocation. The responsibility of county behavioral health plans narrows to focus on providing early intervention services that are evidence-based, sustainable, and integrated with intensive treatment services.

New Financial Reporting Requirements
BHSA expands financial reporting requirements, requiring counties to report on all behavioral health funding sources in the Integrated Plan, placing greater emphasis on outcomes and transparency. The Behavioral Health Outcomes Accountability and Transparency Report (BHOATR) introduces a new mechanism for tracking how counties are spending behavioral health funds and administering behavioral health programs. Reporting for the first BHOATR begins in FY 2026-2027, with a draft due to the California Department of Health Care Services (DHCS) on January 30, 2028.

BHSA Service Categories
Similar to MHSA, BHSA provides funding to counties to address a broad continuum of behavioral health service needs, including early intervention, housing, and evidence-based practices to

effectively support the public behavioral health system. BHSA allocations are distributed across three defined funding components, described below. Funding for each component is split into percentage allocations which align with BHSA policy, noted in parentheses.

- *Behavioral Health Services and Supports (45%):* Behavioral Health Services and Supports (BHSS) includes programs to treat and support people with mental health conditions and substance use disorders, including early intervention services, outreach and engagement, workforce supports connected to care teams, and evidence-based practices that strengthen the public behavioral health system. Additionally, a portion of early intervention funding must be focused on programs for people ages 25 and younger.
- *Full-Service Partnership (28%):* Full-Service Partnership (FSP) services are for individuals with serious behavioral health challenges and complex needs. These programs include numerous Evidence-Based Practice (EBP) models and provide a wide range of integrated services including, but not limited to, housing, daily living skills, therapy, case management, and crisis services.
- *Housing (27%):* This category includes a variety of supportive services to help eligible people with serious mental health or substance use disorders achieve housing stability. The overall focus of housing interventions under BHSA is to create pathways to permanent housing. Counties must spend half of Housing funds on the chronically homeless population.

Local System Changes and BHSA Investments

Under MHSA, counties had greater flexibility to fund programs beyond minimum requirements. Under BHSA, allocations are more structured in alignment with the State's behavioral health framework. To align with BHSA mandates and minimum funding requirements, the County of San Diego (County) Behavioral Health Services (BHS) reviewed all services across the behavioral health continuum of care and are making significant changes to the local behavioral health service network. The service review was guided by ensuring better access to care, better health outcomes, and lower costs, as well as:

- *Service mandates* – as the specialty behavioral health plan, BHS is required to provide certain services to Medi-Cal clients and maintain network adequacy within mandated service lines.
- *Financial sustainability* – services that are more financially sustainable, align with the State's behavioral health funding framework, and reduce reliance on General Purpose Revenue.
- *Advancing equity* – programs that serve priority populations, support population health goals, and/or serve an area of high local need.

Leading up to BHSA implementation, BHS discontinued approximately 11% of contracts that were not aligned with the criteria above. While the implementation of BHSA comes with many changes, the majority of previously MHSA-funded programs are continuing under BHSA. As BHS realigns programs with the more structured BHSA funding components and requirements, funds are being used to support evidence-based practice models, early intervention programs, and new housing requirements. Examples of these reinvestments are:

- The Full-Service Partnership category was previously part of the MHSA Community Services and Supports component. Under BHSA, BHS is implementing new evidence-based practice standards but will be continuing programs such as Assertive Community Treatment, Individual Placement and Supported Employment, Clubhouses, and High-Fidelity Wraparound Services.
- BHS is exceeding required funding allocations in BHSS early intervention programs, and early intervention for children, youth, and young adults under age 25.
- A majority of Housing funds are dedicated to continuing housing interventions previously funded via MHSA, including permanent supportive housing, licensed board and cares, and transitional housing. After FY 2026-27, the Housing category will absorb housing services that were previously grant-funded. These include licensed board and care slots, currently funded by the Community Care Expansion Preservation grant and the Behavioral Health Bridge Housing grant. BHS is also expanding housing interventions to support Homekey+, the State-funded program advancing permanent supportive housing for people with behavioral health challenges who are experiencing homelessness, and the Medi-Cal MCP Transitional Rent benefit through contributions to a flexible housing pool.

BHSA Stakeholder Engagement – Community Planning Process

As with MHSA, BHSA requires stakeholder engagement through CPP. As previously noted, BHSA increases the number of stakeholder populations for engagement to 29, including individuals with lived behavioral health experience, providers and system partners, community-based and advocacy organizations, and public agencies. DHCS released initial information about expanded stakeholder engagement expectations in January 2025, with more detailed CPP guidance issued in August 2025. Consistent with this phased release of State guidance, BHS engagement activities evolved throughout 2025 as additional direction became available from the State. Initial engagement activities to support CPP were conducted from April 2025 through December 2025 and included participation from more than 1,500 individuals representing over 280 organizations and stakeholder groups. In addition to these CPP activities, BHS conducts engagement activities year-round through dialogue with the Behavioral Health Advisory Board, professional associations operating in the behavioral health field, community-based organizations, service providers, and other partners to help identify behavioral health priorities.

A 30-day public review and comment period for the draft Integrated Plan began on March 17, 2026, and concluded with final comments heard at the Public Hearing held at the Behavioral Health Advisory Board meeting on May 7, 2026. Additional outreach, education, and engagement activities were conducted during the public comment period to support community awareness of the draft Integrated Plan and opportunities for input. Over 150 public comments on the draft were recorded from community members through the use of emails, voicemails, an online public comment form, community review sessions, and through utilization of Engage San Diego County, the County's digital engagement platform. Feedback gathered through CPP activities, ongoing engagement efforts, and the public comment process was documented, synthesized, and used to inform development of the final Integrated Plan, including proposed funding priorities for specialty

behavioral health programs, identification of community needs, demographic considerations, and alignment with statewide BHSA goals.

If approved, the adoption of this first Integrated Plan marks the County's official shift to BHSA and includes BHSA funding of $329.5 million. The three-year Integrated Plan for Fiscal Years 2026-2029 will be followed by annual updates beginning in FY 2027-2028. Through these shifts in the County's service delivery system, BHSA seeks to improve accountability, increase transparency, expand substance use treatment services and housing interventions, and create pathways to ensure equitable access to care for individuals with behavioral health needs.

Today's action requests the San Diego County Board of Supervisors (Board) approve the Integrated Plan (Attachment A), adopt a resolution certifying the Board has reviewed and approved the Integrated Plan and attesting the County of San Diego (County) will meet its realignment obligations as required by State law (Attachment B), and authorize the Behavioral Health Services Director, or designee, to make any non-material revisions requested by DHCS, submit the approved Integrated Plan to DHCS and to the Behavioral Health Services Oversight and Accountability Commission, and take any further administrative actions necessary to implement the Integrated Plan.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego (County) 2026-2031 Strategic Plan Initiatives of Equity (Health) and Community (Quality of Life). This is accomplished by addressing the social determinants of health by providing accessible behavioral health services and meeting the needs of a diverse population through a fully optimized mental health and social service delivery system. These efforts reduce disparities and strengthen the well-being of all San Diegans.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

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Attachment A: Behavioral Health Services Act (BHSA) Three-Year Integrated Plan: Fiscal Years 2026-2029
Attachment B: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS CERTIFYING THE BEHAVIORAL HEALTH SERVICES ACT INTEGRATED PLAN FOR FISCAL YEARS 2026-2029