Memorandum

To: The Little Hoover Commission

From: Matthew Gallagher, Program Director (CAYEN)

Re: Public Hearing for May 26, 2016

May 5, 2016

In response to the January 2015 Little Hoover Report, Promises Still to Keep: A Decade of The Mental Health Services Act, the California Youth Empowerment Network (CAYEN) has developed the following recommendations:

Recommendation 1: ***Promote greater full service partnership (FSP) data and require each county to conduct a needs assessment among its constituents.***

Proposition 63 was passed on two primary notions: The first being to continue funding the "whatever it takes" model, and the second was to end California's "fail first" mental health system of care.

The "whatever it takes" model for delivering mental health services is now known as Full Service Partnerships (FSP's) under the Mental Health Services Act. This approach was modeled after both AB 34 and AB 2034 which has thus far proved successful at reducing hospitalizations, incarcerations, and homelessness amongst those who enroll in this model of care.

However, after roughly twelve years the mental health community is still unable to answer the following questions:

1. What are the demographics of people being served in FSP's? (i.e. race, gender, ethnicity, age, language spoken, etc.)
2. Does each county have a FSP for Children, Transition Age Youth (TAY), and Adults?
3. If not, why?
4. If so, how is each FSP different in the service it provides?
   (The law requires each county to have an FSP, but each county can modify the FSP to meet their constituent's needs.)
5. What is the counties capacity for each FSP? (i.e. how many individuals are being serving in the Children, TAY and Adult FSP's?)
6. What efforts are being done in each California County to increase capacity of FSP's?

The Mental Health Services Act has generated roughly 14 Billion dollars, and data seems to illustrate that FSP's work, but the data to prove this effectiveness is fragmented at best. As such, we recommend more comprehensive data that will be able to answer all of the questions listed above.

On the second point, the MHSA was intended to stop or at-least prevent the "fail first" system. Therefore, we would like to see each county conduct a needs assessment for its residents to see if individuals are still falling within the cracks of the public mental health system. The Prevention and Early Intervention of the Act was intended to propel change for underserved as well as unserved communities. Therefore, a needs assessment would seem prudent because it allow for counties to measure their effectiveness at reaching these disparate communities.

Recommendation 2: ***Greater fiscal transparency with all MHSA dollars.***

Mental health advocates, providers, and stakeholders alike, all want to know where the money is going. Most counties are not transparent with MHSA growth revenue and additional resources are not tricking down the providers who offer mental health services. So where is all the money going?

For these reasons, CAYEN agrees with the Little Hoover Recommendation requiring the following:

1. MHSA annual revenue and expenditure reports.
2. Three-year program and expenditure plans and annual updates with a comprehensive list of each program and service a county provides.
3. Other relevant mental health reports, such county cultural competence plans that describe how a county intends to reduce mental health service disparities identified in racial, ethnic, cultural, linguistic and other unserved and underserved populations.

We believe these recommendations would further the intent of the MHSA and allow for greater transparency with all Proposition 63 funds.

Recommendation 3: ***Improve the stakeholder process on all accounts.***

Proposition 63 included specific requirements that county spending plans be developed through a stakeholder process. Counties have complied with the state requirements. Unfortunately that guidance has missed the mark by measuring how many people attended meetings and how many groups the counties reached out to. The counties are not required to do the four things that the stakeholders all want:

1. Put all of the relevant dollars on the table (not just MHSA but all of the other funds that can support the same purposes- mainly realignment and federal funds). Clarifying how much the revenues are going up or down and describe how all of those funds have been spent and are proposed to be spent.
2. Have meaningful discussions welcoming stakeholder views on different priorities for those expenditures- both before AND AFTER the county staff has developed a draft spending plan.
3. Demonstrate that each significant substantive suggested change has been seriously considered by either revising spending priorities to accommodate it or providing a substantive reason why county officials believe other expenditures represent a higher priority.

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4. Have an issues resolution process to bring together key stakeholders when major issues arise to attempt to resolve them and eliminate major areas of conflict if possible to do so within identified priorities.

Putting these requirements in place can be done through amendments to the already existing state regulations. If that does not happen the legislature needs to make sure these processes become uniformly adopted throughout the state.

In addition, there is no effective way to enforce these policies without state review. Presently the Mental Health Services Oversight and Accountability Commission reviews and approves county innovation proposals. However, the legislature amended the act several years ago to eliminate Commission approval of Prevention and Early Intervention Programs and to eliminate Department of Mental Health (now part of the Department of Health Care Services) approval of community services and supports. The elimination of the types of reviews and approvals that had been occurring was appropriate as state officials were drowning counties in too much detail that took too much local staff time to complete and too much state staff time to review.

But eliminating review has had negative consequences to the entire stakeholder process. We hear this consistently from individuals and groups across the state and representing providers as well as advocates for consumers, family members and racial and ethnic communities.

For these reasons, there is a now a need to reinstate a limited Oversight and Accountability Commission review and approval of county plans. This also needs to apply to statewide projects developed by the California Mental health Services Administration (CalMHSA).

The review should not demand lengthy plans and micromanage details. Instead it should just insist upon receiving enough details for expenditures (both past and proposed) to ensure that they are in compliance with the law and that the three key stakeholder process elements are being properly executed.

Counties have recognized that some programs are better done collectively by a single statewide entity. CalMHSA is a joint powers authority created by the counties to administer such programs. However, when the funds are transferred to CalMHSA the local stakeholder process is no longer relevant. Instead CalMHSA needs to have a similar state level process for interaction with stakeholders. Moreover, the spending plans of CalMHSA and the evaluation of these programs needs oversight from the MHSOAC.

Recommendation 4: ***The Legislature should expand the authority of the Mental Health Services Oversight and Accountability Commission***

The Mental Health Services Oversight and Accountability Commission should be authorized to require reporting and development of a data system that tracks all of the past and proposed expenditures across each component of the act across all counties which should be presented to stakeholders as plan updates are occurring and submitted to the state annually as plans are adopted.

Furthermore, the Commission should continue to be supported in its implementation of the newly adopted PEI regulations as well as their efforts to create a more coherent issue resolution process (IRP). The mental health community needs appropriate processes at the state level to ensure that stakeholders' perspectives are being properly considered by all state agencies as well as individual counties.

We need the Department of Health Care Services (DHCS), the MHSOAC, and each California County to create and implement a standardized IRP that can be published in a manner in which stakeholders, consumers, and advocates can initiate all aspects of the IRP in the easiest way possible.

Recommendation 5: The legislature must hold DHCS accountable and ensure the state agency complies with recommendations set forth in the state auditor's 2013 report.

In the 2013 state auditor's report, the California Department of Health Care Services should use its performance contracts with counties to ensure that they do the following:

1. Specify MHSA program goals in their plans and annual updates and include those same goals in their contracts with program providers.

2. Identify meaningful data to measure the achievement of all their goals, set specific objectives, and require their program providers to capture those data so they can use the data to verify and report the effectiveness of their MHSA programs.

Moreover, the state auditor articulated that the "Department of Health Care Services should develop standardized data collection guidelines or regulations, as appropriate that will address inconsistencies in the data that counties report to the State. In developing these guidelines or regulations, Health Care Services should consult with the Accountability Commission to ensure that data collected reasonably fulfill statewide evaluation purposes. To help ensure county compliance with stakeholder regulations, Health Care Services should provide technical assistance to counties on the MHSA local planning review process and ensure that its guidance to counties is clear and consistent with state regulations."[i]

Given the auditor's recommendations roughly three years ago, where is DHCS at today? We would like DHCS to demonstrate in a clear and effective manner what exactly they have done to come into compliance with the auditor's recommendations. The last Little Hoover Report was very critical of the MHSOAC, and we respectfully ask that they examine the Department of Health Care Services with the same scrutiny this time around.

[i] California State Auditor Report 2012-122: Mental Health Services Act https://www.auditor.ca.gov/pdfs/reports/2012-122.pdf (pg. 59)