



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 22-552

Board Meeting Date: 7/12/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Louise F. Rogers, Chief, San Mateo County Health
Scott Gilman, Director, Behavioral Health, and Recovery Services
Subject: San Mateo County Mental Health Services Act Annual Update FY 2022-23

RECOMMENDATION:

Adopt a resolution authorizing the approval and submission of the San Mateo County Mental Health Services Act Annual Update FY 2022-23 to the State Mental Health Services Oversight and Accountability Commission and the Department of Health Care Services.

BACKGROUND:

In 2004, California voters passed Proposition 63, known as the Mental Health Services Act (MHSA), which made additional state funds available to expand and transform behavioral health services. Since 2006, MHSA resources and expenditures have been approved by the Board as part of the larger County Health budget. State legislation requires that the MHSA Annual Updates be approved by the County's Board of Supervisors. The Behavioral Health Commission (BHC) (formerly known as the Mental Health and Substance Abuse Recovery Commission) held a public hearing and voted to close a 30-day public comment on April 6, 2022 and is recommending approval of the MHSA Annual Update FY 2022-23 by this Board.

On August 4, 2020, this Board approved the MHSA Three-Year Program and Expenditure Plan FY 2020-23 and Annual Update FY 2020-21. The subsequent Annual Update for FY 2021-22 was approved by this Board on September 14, 2021.

DISCUSSION:

The MHSA Annual Update is intended to describe any changes to the programs and expenditures plans as was submitted in the respective MHSA Three-Year Plan.

The previous MHSA Annual Update included several strategies to increase services targeting unmet need due to unanticipated revenue increases. The increases are due to the COVID-19 pandemic. Examples of these efforts include a \$6.9 million One-Time Spend Plan, \$10 million allocation to the development of supportive housing units across multiple affordable housing developments under the Department of Housing, and an over-revenue budget.

For this current MHSA Annual Update FY 2022-33, the plan includes further increases to the ongoing budget to maintain the over-revenue strategy. Increases must be aligned with MHSA Three-Year Plan priorities and will therefore be allocated to support Full-Service Partnerships (FSP). FSP programs are evidence-based and incorporate a “whatever it takes” approach to supporting adults living with serious mental illness and children and youth living with serious emotional disturbance in achieving their individual recovery goals and needs. An FSP Workgroup is made up of clients, family members, adult and children and youth FSP providers and stakeholders. The Workgroup is convened between September and November 2021 to provide input on FSP service requirements and outcomes that would support continuous improvement planning and a new FSP cost modeling conducted by independent consultants, Third Sector, as part of a statewide multi-county FSP partnership. Behavioral Health and Recovery Services (BHRS) is utilizing this input to prepare for a competitive procurement process for FSP services this upcoming fiscal year. In addition, FSP services will be increased by a total of \$2.8 million overall. The FSP Workgroup Recommendations document can be found in Appendix 4 of this MHSA Annual Update.

In summary, the following strategies are being proposed for FY 2022-23 to align MHSA expenditures with the increased projected revenue.

1. Provide 3% Cost of Living Adjustments to Community Based Organization (CBO) partners.
2. Continue executing One-Time Spend Plans targeting CBOs for pandemic behavioral health surge response and staff recruitment and retention.
3. Increase the ongoing budget by \$1.23 million to about \$4.3 million over-revenue budget.

The FY 2022-23 MHSA proposed budget can be found on Appendix 5 of this MHSA Annual Update.

The resolution has been reviewed and approved by County Attorney as to form.

A client is considered "maintained at the current or lower level of care" if, during the fiscal year, they did not have a new admission to a higher level of care or had one or more new admissions to a program with the same or lower level of care. It is anticipated that 85% of FSP clients shall be maintained at a current or lower level of care.

PERFORMANCE MEASURE:

| Measure | FY 2021-22 Estimated | FY 2022-23 Projected |
|--|-----------------------------|-----------------------------|
| Percentage of FSP clients maintained at a current or lower level of care | 88% 394 of 446 clients* | 85% 378 of 445 clients* |

*Based on data through 5/16/2022

FISCAL IMPACT:

BHRS anticipates a total of \$49.98 million in MHSA funding for the Fiscal Year ending 2021-22. Furthermore, BHRS anticipates an MHSA revenue for FY 2022-23 of \$50.01 million. Funds that are not yet allocated through our internal planning process or Request for Proposals to the community are held in a Trust Account. This account is also used to manage the fluctuations in funding that occur from year to year, as well as to support maintenance of effort and cost increases for current programs. There is no Net County Cost associated with this plan.