

**MENTAL HEALTH SERVICES  
OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)  
Mental Health Funding and Policy Committee  
January 20, 2012  
1300 17<sup>th</sup> Street, Suite 1000  
Sacramento, CA 95814  
3:30 p.m. to 5:00 p.m.**

**Committee Members Present:**

Patricia Ryan  
Rusty Selix

**Staff:**

Aaron Carruthers  
Filomena Yeroshek  
Kevin Hoffman  
Lauren Quintero

**Other Attendees:**

Bettie Reinhart  
Molly Brassil

**Participated via phone**

Andrew Poat, Chair  
Tina Wooten, Vice Chair  
Don Kingdon  
Paul Stansbury  
Gwen Wilson

**Meeting called to order at 3:33 PM**

**Welcome/General Introductions**

Chair Poat welcomed everyone and recognized that the meeting had been scheduled at awkward time and day; however, this would not be the case in the future. Vice Chair Wooten also welcomed everyone to today's meeting. Committee members and others in attendance introduced themselves.

**Tab 1 Adoption of the November 14, 2011 Meeting Minutes**

The November 14, 2011 Meeting Minutes were discussed. Commissioner Poat asked if there were any revisions and none were noted. Paul Stansbury moved and Rusty Selix seconded. Minutes passed unanimously.

**Tab 2 FY 2012/13 Governor's Proposed Budget**

The following are the discussion highlights and assessment of the Governor's Proposed Budget:

MHSOAC staff Kevin Hoffman, provided an update and discussed the 2012/13 budget highlights:

- A budget problem of \$9.2 billion dollars will remain, if corrective actions are not taken.
- It is projected the state would spend \$5.1 billion dollars more than it takes in during 2012/13

- Carryover from previous year was \$4.1 Billion dollars -- the sum of which totals the \$9.2 billion deficit when the current shortfall is added in
- The Governor is proposing \$10.3 billion dollars in cuts, and is asking for the state to build a \$1.1 billion dollar reserve.
- Commissioner Poat asked for the total number of expenditures for this budget
- Rusty Selix responded that he would look on the Department of Finance website for the total. After his research was complete, stated that \$95 billion dollars was the answer
- Kevin then continued to discuss the elimination of the Department of Mental Health and the Department of Alcohol and Drug Programs. The responsibilities will be assumed by several different departments. The MHSOAC will be responsible for Mental Health Service Act Training Technical Assistance and Program Evaluation. Other departments that will be getting pieces include: the Department of Health Care Services, Department of Public Health, Department of Social Services, Education, and Office of Statewide Planning and Development.
- MHSOAC budget is receiving \$1.6 million dollars to fund three stakeholder contracts: the California Network of Mental Health Clients, National Alliance for the Mentally Ill and United Advocates for Children and Families
- Other notable cuts include: \$842 million dollars to Medical; \$946 million to CalWorks; \$163 million to In-home Supportive Services; \$87 million dollars other Health and Human Services Programs; \$1.3 billion dollars in education reductions
- Rusty Selix commented that the budget had no major surprises -- something unique. However, no money is left in the General Fund for community mental health. The budget completes the realignment of mental health and EPSDT. Growth and firewall issues remain to be settled regarding the realignment proposal. Need have strong firewalls to protect mental health dollars -- any growth in MHSA dollars will be protected and go to mental health. School mental health issue remains the same, but funding source has changed to Prop 98 monies (there are carryover concerns).
- Pat Ryan: Discussed the \$98 million of MHSA funds that were diverted pursuant to AB 100 for Educationally Related Mental Health Services, and how unused monies are to be redistributed.
- Rusty Selix: The Governor's Budget also adjusted the revenue forecast for MHSA: 10/11 \$100 million dollars higher; \$150 million dollars higher for 11/12; 12/13 \$300 million dollars. There appears to be significant growth. Good news.

- Pat Ryan commented that a list of realignment issues have been identified that need to be discussed. The 12/13 baseline amount for EPSDT is lower than last year and the methodology to achieve those numbers seems to be flawed – they appear to be based on questionable SGF managed care offsets used previously by the state that do not appropriately reflect county costs for these programs in a realigned environment..
- The firewall issue needs to be further discussed on how to protect mental health dollars; however, counties still want to have flexibility.
- The transfer of WET programs to OSHPD is also questionable -- what happens to the regional collaboratives that haven't been funded yet.
- The proposed transfer of Healthy Families beneficiaries to medi-Cal also raises issues regarding whether the proposed EPSDT baseline for counties included in realignment is sufficient. .
- CMHDA will present to the Commission next week.
- Poat: Growth, firewall and student mental health funding are key issues that will need to be considered and watched.
- Pat informed that "Trailer Bill" legislation will follow to implement issues raised by realignment.
- Andrew Poat: Requested that the "Trailer Bill" issue be flagged and monitored by the Commission.

### **Tab 3 Review of January 2012 Financial Report**

The following are the discussion highlights:

- Kevin thanked Mike Geiss and Lauren Quintero regarding the work that went into developing the 2012 Financial Report. Revenue numbers were received from the Department of Finance and included in the document -- 2012/13 and 2013/14 show significant increases in revenue. The rest of the charts were updated to reflect the removal of plan review. Another significant change occurred in Table 2A -- the amount is zero for state general fund and like Pat noted this is very significant. The general fund issue will be further explored by Kevin. Compare the growth and shrinkage of funds.
- Rusty also noticed that the Federal participation seems to have the same number over multiple years -- this needs to be analyzed because the numbers would either go up or down. The same constant amount is not correct for 11/12, 12/13 and 13/14. Kevin will analyze this discrepancy.
- Budget presentation is being done by others; however, Rusty will be present in case questions arise regarding the budget.

- Chair Poat asked why the two presentations on the Commission Agenda regarding funding were not sequential. Budget first and then Financial Report second. This would make more sense. Also have all the available resources. Aaron explained that he would talk with the Chair concerning Poat's request.

#### **Tab 4 Review of 2012 Draft Committee Charter**

The following are the discussion highlights:

- Rusty Selix asked for more information regarding the funding distribution post AB 100 and the different reporting requirements for the component allocations. The other pieces of funding also should be included: student mental health funding and the federal Medicaid expansion.
- Kevin mentioned that most of what is being discussed is covered under the Financial Reporting Activity. Rusty felt it was captured under the first descriptor sentence.
- Rusty moved approval -- Pat Ryan then seconded. Motion passed unanimously.

#### **General Public Comment**

None

**The meeting was adjourned at 5:00 PM**

Respectfully submitted by

Peter W. Best, Staff Mental Health Specialist