



December 8, 2008

Shasta County Board of Supervisors  
1450 Court Street, Suite 308B  
Redding, CA 96001-1680

Dear Ms. Hartman and Shasta County Board of Supervisors:

Thank you for your letter dated October 7, 2008, and received by the Mental Health Services Oversight and Accountability Commission (MHSOAC) on October 21, 2008. In your letter you expressed concerns on behalf of the Shasta County Board of Supervisors regarding the reassignment of Mental Health Services Act (MHSA) funds to fund Statewide Projects. These Statewide Projects include the Mental Health Housing Program administered by the California Housing Financing Agency (CalHFA), and Statewide Projects for Prevention and Early Intervention (PEI) such as Suicide Prevention, the Student Mental Health Initiative, and the Stigma and Discrimination Reduction project. The use of Statewide Projects was designed to give clients, taxpayers, and Counties the option to work together for greater effectiveness and efficiency. Please let me assure you that the issues and concerns that you raised in your October 7, 2008 letter were taken very seriously by the MHSOAC and the Department of Mental Health (DMH), and much research was conducted by both the MHSOAC and DMH in order to provide you with a thorough response.

First, let us take the opportunity to clarify a very important point that you raised in the first sentence of your letter wherein you characterized the assignment of local MHSA funds as "mandatory." As set forth in more detail in *DMH Information Notice No.: 08-25*, addressing the assignment of MHSA funds for PEI Statewide Projects, the reassignment of MHSA funds back to the state is voluntary. (A copy of *DMH Information Notice No.: 08-25* has been attached to this letter for reference.) *DMH Information Notice No.: 08-25* provides instructions to those Counties that "may" want to assign PEI funds for Statewide Projects. The assignment of local MHSA funds is not mandatory. In order for a County, including Shasta County, to reassign MHSA funds back to the state, each County, including Shasta County, must execute a MHSA Agreement that allows the County to reassign a certain amount of MHSA funds back to the State for Statewide Projects. Shasta County voluntarily chose to reassign a portion of its MHSA funds for the Mental Health Housing Program administered by CalHFA, and for the PEI Statewide Projects.

While the MHSOAC and DMH apologize for any misconceptions or confusion that may have surfaced regarding Shasta County's decision to reassign a portion of its MHSOAC funds for Statewide Projects, the MHSOAC can represent to you that the California Mental Health Director's Association (CMHDA), the MHSOAC, the DMH, and the other stakeholders that were involved in the discussions regarding Statewide Projects ultimately supported the reassignment of local MHSOAC funds to fund the Statewide Projects.

The MHSOAC respects your position that you view this reassignment as "usurpation of local control." However, the MHSOAC would counter that the intent of the Statewide Projects is not to usurp local control and that the MHSOAC funds will still be used to implement programs at the local level through the use of Statewide Projects. These Statewide Projects will have an impact at the local level by providing services through a coordinated Statewide Effort consistent with the intent of the MHSOAC itself. It is also worth noting that the Counties have also proposed Statewide Projects and Efforts relating to training and capacity building funds. To the extent that Shasta County believes that these Statewide Projects are not having an impact at the local level, and subject to the provisions of the current MHSOAC Agreement and Statewide Project Assignment Agreement, Shasta County has the right to express these concerns to the CMHDA, the MHSOAC and DMH, and to propose a local plan subject to MHSOAC and DMH approval for the local implementation of those services that are presently, or will be provided through the Statewide Projects.

As you may be aware, the concept of Statewide Projects has been, and will continue to be, developed and implemented with the involvement of County Directors, the CMHDA, the MHSOAC, the DMH, and other stakeholders. Each and every entity, organization, or stakeholder that participated in the discussions regarding the Statewide Projects had an opportunity to express their perspective about the effectiveness of Statewide Projects, and the assignment of MHSOAC funds to fund the Statewide Projects. CMHDA, the MHSOAC, DMH, and the other stakeholders determined that the Statewide Projects provided the most effective method for implementation of certain aspects of the MHSOAC including, but not limited to, the Mental Health Housing Program administered by CalHFA and the Statewide Projects for PEI. This option was designed to give clients, taxpayers, and Counties the option to work together for greater effectiveness and efficiency.

Counties will benefit directly and indirectly from these Statewide Projects through training and technical assistance provided to Counties and their partners. In addition, Counties will receive support for the implementation of local PEI projects, media and social marketing materials in multiple languages, model program sites, enhanced state and local partnerships, coordinated state and local efforts, research and evaluation, and statewide quality improvement activities. In summary, the use of Statewide Projects was viewed by the CMHDA, the MHSOAC, DMH, and other stakeholders as the most effective method to expend MHSOAC funds in order to ensure swift implementation of certain portions of the MHSOAC. That is why there was, and continues to be support for Statewide Projects and Statewide Efforts from the Counties, CMHDA, the MHSOAC, the DMH, and other stakeholders.

Regarding your inquiry concerning the payment of \$6.5 million dollars for services that have been rendered by Shasta County, it appears that this issue might be related to Medi-Cal reimbursement and the MHSOAC recommends that you address this issue with DMH as the MHSOAC does not have responsibility for Medi-Cal reimbursement.

Again, on behalf of the MHSOAC, we thank you for your letter dated October 7, 2008, and thank you for bringing your concerns to our attention. We sincerely hope that this response addresses your concerns regarding the assignment of MHSOAC funds for Statewide Projects and provides you with the clarification that you were seeking. To the extent that it does not, you are more than welcome to contact us to discuss this issue further.

Sincerely,

*original signed by Beverly Whitcomb for*

Sheri Whitt, Executive Director  
Mental Health Services Oversight and Accountability Commission

cc: Stephen W Mayberg, PhD., Director, DMH  
Patricia Ryan, Executive Director, CMHDA

Attachment