Mental Health Funding and Policy Committee
2011Charter Activities and Status Report
November 2011

Activities:

Financial Reporting

1. Regular financial reporting to Commission – January and May 2011
    - Evaluate state financial forecasts around the January Proposed Budget and May Revise to determine funding trends, opportunities and challenges

    Status: Accomplished for FY 2010/2011, staff will begin preparing for the January 2012 report.

Fiscal Policy Issues

2. Evaluate possible changes to cash flow and reserves policy to bridge years with declining revenue. Collaborate with DMH to develop policies that effectively support management and oversight of the MHSF; sustain capacity and cash flow, i.e. prudent reserve and reversion policies.

    Status: Ongoing, Prudent Reserve and Innovation Reversion were addressed. (Under item 7)

3. Utilizing Phase 2 MHSA evaluation data, evaluate the usage of MHSA funding over time, to include but not be limited to the usage of prudent reserve funds; leveraging funds; and identify how local MHSA funds are being spent. – Summer/Fall 2011

    Status: The MHSOAC is receiving UCLA deliverables and will be able to use the information from these deliverables to achieve the goals above.

4. Participate in a workgroup lead by the Evaluation Committee to develop recommendations on county reporting requirements. – Summer 2011

    Status: The workgroup was postponed due to AB 100, however a revised Revenue and Expenditures Report was created and is at DMH for approval. The final draft of the report contains reporting requirement recommendations from the MHSOAC.

5. Participate in a workgroup lead by the Evaluation Committee on current evaluation efforts. – Summer 2011

    Status: The multiple deliverables will be submitted in late 2011 and 2012, this should continue to be a charter item for 2012.

6. Work with DMH to identify current data being collected on county-level MHSA fiscal audits and onsite program reviews and determine next steps on utilizing this data

Status: DMH no longer provides this function due to AB 100. Possible item for carry over

7. Review and make recommendations concerning:

   A. INN Reversion Policy – Winter 2011

   Status: Commission adopted the Committee's recommendations (as follows), the MHSOAC sent a letter to DMH, and meetings have been held.

   Text of Motion:

   - The MHSOAC strongly supports the proposed revised calculation of Innovation Reversion as presented and urges the California Department of Mental Health to also support it.
   - The MHSOAC directs the Executive Director to urgently communicate to the California Department of Mental Health and to advocate for the implementation of the revised Innovation reversion calculation and report back to the Commission at the November 2011 meeting

   B. PEI Prudent Reserve – Spring 2011

   Status: Commission adopted the Committee's recommendations as follows:

   Text of Motion:

   The MHSOAC adopts the Mental Health Funding and Policy Committee's recommendations regarding oversight of Prudent Reserve as stated below:

   The Commission should:

   - Champion transparency of all Prudent Reserve funding and expenditure decisions made by counties.
   - Champion stakeholder engagement in county decisions to augment and use Prudent Reserve.
   - Assure taxpayers that the revised policy is the most effective policy movi**ng forward.**

   The Funding and Policy Committee should:

   Monitor the local Prudent Reserves and other allowable transfers from CSS by:

   - The level and amount of funds deposited and withdrawn from the local Prudent Reserves by year by county
   - The amounts of CSS funds transferred to Capital Facilities and Technological Needs (CF/TN) and Workforce Education and Training (WET)
   - Provide a report to the Commission in the summer of 2014 capturing the information listed above
   - Provide summary data of how Prudent Reserve is being utilized

C. MHSA State Administration Funding – Spring 2011

Status: Due to AB 100 the percentage reserved for the cost of DMH, MHSOAC, and the California Mental Health Planning Council (CMHPC) to implement their duties under the MHSA was reduced from 5% to 3.5%. In addition, the amount of funds available for this purpose is subject to appropriation each fiscal year in the annual Budget Act.

D. MHSA 2012/13 Component Allocations (formerly known as Planning Estimates) for PEI and INN – Summer 2011

Status: *DMH plans to convene MHSOAC, CMHPC, and CMHDA as required by the MHSA to consult on the allocation formula*. The meeting is tentatively scheduled for December 2011; however the allocations cannot be finalized until the Budget projections are completed. Possible item to carry over.

State and Federal Budget Issues and Laws

8. Monitor and report to the Commission on public mental health system reforms enabled by Federal Health Care Reform (HCR), Medicaid 1115 Waiver and Federal Mental Health Parity Law.
   a) Federal Health Care Reform (HCR): Identify impact on behavioral health and the public mental health system including policy changes and collaboration with partners and stakeholders – Spring/Summer 2011
   b) Medicaid 1115 Waiver: Identify impact on behavioral health and the public mental health system including policy changes and collaboration with partners and stakeholders – Spring/Summer 2011
   c) Federal Mental Health Parity law: Identify how the law will supersede provisions of California's mental health parity law and how it will impact behavioral health, service delivery and the public mental health system including policy changes and collaboration with partners and stakeholders – Spring/Summer 2011
9. Work with Commissioners who are members of the Legislature to convene an informational hearing regarding HCR, Medicaid 1115 Waiver and Mental Health Parity law – February 2011

   Status: Items 8 and 9 were not addressed in 2010-2011. Possible item for carry over