



February 23, 2011

**TO:** Honorable Members, Budget Conference Committee

**FROM:** Patricia Ryan, Executive Director;  
Kirsten Barlow, Associate Director, Legislation and Public Policy  
California Mental Health Directors Association

**SUBJECT: Department of Finance Proposal to Streamline State Oversight of the  
Mental Health Services Act**

On behalf of the California Mental Health Directors Association (CMHDA), which represents the directors of public mental health authorities in counties throughout California, I am writing to communicate our thoughts on the recent Department of Finance proposal to streamline state oversight of the Mental Health Services Act (MHSA).

We applaud the Governor's intent to improve efficiency and reduce state-level administrative activities associated with administering the MHSA, thereby directing more MHSA funding to county mental health programs where consumers and family members are served directly. We have described below the specific areas of the Department of Finance proposal where we agree, disagree, or believe clarification is needed. In addition to the Department of Finance proposals, we firmly believe that **all existing DMH administrative policies** related to MHSA implementation (i.e., DMH Information Notices, DMH Letters, and regulations) **must be reviewed and potentially repealed** in order to truly achieve the Administration's stated goals.

**Areas of Agreement:**

- There is an urgent need to streamline and improve program efficiencies and state administrative support. One strategy to achieve this is to better **clarify roles and responsibilities** between the Department of Mental Health (DMH) and the Mental Health Services Oversight and Accountability Commission (OAC). Specifically, we agree that DMH's role could include administering existing statewide MHSA programs (e.g., the housing program, Office of Suicide Prevention) and **contracting with other organizations to assist consumers and family members** to ensure state and county agencies give full consideration to their concerns, and ensuring adequate **research and evaluation** regarding the effectiveness of MHSA services [pursuant to WIC Section 5892(d)].
- **Removing county plan approval authority from DMH and the OAC** is good policy because it reinforces the direction in existing law that requires counties to convene a local planning process in order to prioritize local needs and design MHSA-funded services specific to diverse communities. In addition, the shift of focus to outcome-based accountability is not only more efficient, but more aligned with direction and guidance provided in the MHSA statute.
- We strongly agree with the proposal to **require the State Controller to allocate MHSA funds directly to counties**. We also agree that it is appropriate and necessary for the Administration to work with county representatives to determine an appropriate allocation method.

### Areas of Disagreement:

- We do not believe the OAC's primary role should be declared as "**advisory to county mental health programs,**" but rather, be consistent with current law that already describes a joint state-county decision-making arrangement for training, technical assistance, and regulatory resources to meet the mission and goals of the state's mental health system [pursuant to WIC Section 5845(d)(7)].
- We believe the **OAC should be responsible for evaluation**, rather than DMH. While DMH may play a role in receiving data from counties, it has historically been unable to conduct adequate evaluation of counties' MHSAs programs. The OAC is uniquely positioned to focus its efforts on conducting adequate research and evaluation of MHSAs programs as part of its "oversight" and "accountability" responsibilities under the Act.
- **DMH should continue to be required to contract with counties.** Under current law, DMH is required to implement MHSAs services through the annual performance contract with counties, which is already used for realigned programs [pursuant to WIC Section 5897]. This also allows counties to act jointly to administer programs through a similar contractual relationship. We believe DMH should be utilizing the existing state-county performance contract, rather than a separate MHSAs agreement.

### Areas Where Clarification is Needed:

- In evaluating the various proposals to reduce state-level MHS fund expenditures by \$30.5 million and 143.2 positions, it is important that all remaining state-level MHSAs expenditures be consistent with the purpose of these funds under existing law [pursuant to WIC Section 5892(d)]:
  1. Cover costs for DMH, OAC and the Planning Council to implement their duties outlined in the MHSAs;
  2. Assist consumers and family members to ensure their perspectives are included related to quality, structure of service delivery or access of services; and
  3. Provide sufficient resources to ensure adequate research and evaluation regarding the effectiveness of the services and the achievement of outcomes measures set forth in existing statute for the Children's System of Care and the Adult System of Care (pursuant to WIC Section 5840).
- Does the Administration intend to make any changes to state-level expenditures currently used to support DMH contractors that play a critical role in implementing the three purposes described in the item above? We are particularly concerned about the continuation of funds for consumer and family member organizations, including those that represent ethnic and cultural communities, and the vital training and technical assistance that the California Institute for Mental Health (CiMH) provides.
- The letter indicates that DMH will have a role in monitoring "county compliance." It is unclear what this means, and we would like an opportunity to provide input regarding the role of DMH, versus the role of the OAC, regarding MHSAs outcomes and evaluation. Essentially, we believe it makes more sense to have the OAC performing outcomes and evaluation responsibilities.
- It is not clear what DMH's state administrative role would be with regard to reducing stigma and discrimination. Existing law seems to identify this as a role for the OAC.
- Specific to implementing statewide or regional programs, it might be a benefit to specify this is a role and purpose of CalMHSAs (the recently formed county Joint Powers Authority) [see WIC Section 5897(b)].

Thank you for the opportunity to comment on the Department of Finance proposal. Please do not hesitate to contact Kirsten Barlow at [kbarlow@cmhda.org](mailto:kbarlow@cmhda.org), or Patricia Ryan at [pryan@cmhda.org](mailto:pryan@cmhda.org), or by phone at (916) 556-3477 with any questions you may have.