

State of California HEALTH AND HUMAN SERVICES AGENCY



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SECRETARY

DADP/DMH/DHCS Reorganization

The May Revision proposes the elimination of the Department of Alcohol and Drug Programs (DADP) and the Department of Mental Health (DMH) in 2012-13. This will be a two-step process to determine what functions to retain and where these functions should reside.

As a first step, the Administration has proposed that retained state-level Medi-Cal responsibilities and functions will be transferred to the Department of Health Care Services (DHCS) during 2011-12. This will consolidate the DADP and DMH Medi-Cal services under the single state entity with the overall responsibility for Medicaid, thus creating efficiencies for state government, counties and providers, and promoting unified health care program implementation and coordination of services.

The second step of the reorganization includes the elimination of DADP and DMH in 2012-13. Over the summer, the Administration will engage stakeholders, community members, counties, employees, and the Legislature in further planning for this component to determine which of the remaining functions at DADP and DMH should be retained and where those functions should reside. The 2012-13 Governor's Budget will contain a detailed proposal on the transfer of these functions and the elimination of DADP and DMH.

The Administration sees many benefits for consumers, stakeholders, the counties and the State with the first step of consolidating the Medicaid functions within DHCS:

Benefits for Consumers and Stakeholders

- Improves the coordination, development and delivery of policies, programs and services for effectively dealing with co-occurring disorders.
- Improves access—providing a single point of contact and a stronger centralized voice for behavioral health policy and program coordination, development implementation and monitoring as well as problem resolution.
- Places CA in a stronger position to advocate for greater parity of behavioral health with physical health.

Aging

Alcohol and
Drug Programs

Child Support
Services

Community Services
and Development

Developmental
Services

Emergency Medical
Services Authority

Health Care Services

Managed Risk
Medical Insurance Board

Mental Health

Public Health

Rehabilitation

Social Services

Statewide Health
Planning and
Development

- Improves outcomes and provides better quality assurance, accountability and focus on professionalism of caregiver/provider community and the counties that oversee them.
- Strengthens the platform and voice for the Consumer/Family Member networks as this consolidation will provide them a significantly stronger centralized, coordinated platform for input into state and federal decisions regarding behavioral health program and policy coordination, development, implementation and monitoring.
- Supports the movement towards integrating access to “health care homes” offering comprehensive care management for Medi-Cal beneficiaries.
- Improves the ability to coordinate services for Substance Use Disorders and Mental Health with those for other physical conditions, thereby improving patient care for co-occurring conditions or disorders.

Benefits for Counties and State

- Provides a stronger and more focused State interface with the federal government during communications regarding our waiver and state plan amendments to appropriately integrate the rehabilitation, recovery, and resiliency model with existing federal requirements.
- Communicates a clear and consistent culture of accountability from the single state agency (as opposed to having the different cultures of DMH and DADP interpreting and implementing Medi-Cal policy, program development, implementation, monitoring, and sanctions in different ways).
- Supports health care reform and the integration of Substance Use Disorders with primary care and mental health by consolidating these services in DHCS, the department responsible for primary care and overall health care delivery.
- Supports health care reform and the federal government’s effort to encourage integration of mental health and substance abuse care. The new guidelines for the SAMHSA block grant application require states to explain how they will address and integrate co-occurring disorders.
- Provides a coordinated approach to dealing with potential waste, fraud, and abuse of Medi-Cal funds, which will reduce duplication of functions, costs, and confusion.
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- Provides counties with a significantly stronger single point of contact and therefore, a more effective and efficient avenue for their input into state and federal deliberations and decisions regarding behavioral health program and policy coordination, development, implementation, and monitoring.
- Increases administrative and operating efficiencies at the State level.
- Increases the State's ability to address the infrastructure components of health care reform including electronic health records, complex billing and data collection systems.