



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

BUDGET HIGHLIGHTS

The 2012-13 Governor's Budget creates the Department of State Hospitals (DSH), eliminates the Department of Mental Health and reorganizes community mental health programs to other departments. These proposals will:

- Allow the DSH to focus on effective patient treatment and increased worker and patient safety,
- Integrate services to provide an effective continuum of care, consistent with the federal health care reform, and
- Better align programs' mission and functions to improve efficiency and program delivery.

Department of State Hospitals Overall Budget. The total budget proposes \$1.5 billion from all fund sources and 11,273 positions to support 6,439 patients (State Hospitals-\$1.4 billion; Headquarters-\$73 million; Capital Outlay \$91.7M).

State Hospitals. The DSH operates five state hospitals and two psychiatric programs, providing mental health treatment individuals with mental illness. The total operating budget for current and budget year is \$1.4 billion (\$1.3 billion General Fund; \$100 million Reimbursements).

- **State Hospital Savings** - State hospital savings plans based on identification of program efficiencies were implemented in January 2012. The implementation and streamlining of programs will allow the continued administration of adequate patient treatment more efficiently. Current year saving total \$122.6 million (346 positions); budget year savings totals \$193.1 million (620 positions).
- **Population Adjustment** – Current year decrease of 32 patients (\$0). Budget year increase of 119 patients (\$13.7 million).
- **Unfunded Activities and Services** - The evaluation of the DSH operations identified unfunded activities as a result of court ordered compliance and increased cost of goods and services.

Compliance with Civil Rights of Institutionalized Persons Act (CRIPA) resulted in the following overtime and temporary help funding requests for current and budget years.

- **Enhanced Observations - \$30.1 million.** Funding is requested to support required staffing ratios while staff are assigned to one-on-one patient observation.
- **Admission Assessments - \$6.3 million.** Funding requested to offset expanded assessment practices as a result of court orders.
- **CRIPA Enhancement Plan - \$65.4 million.** Funding to address additional Enhancement Plan activities not identified in the original Enhancement Plan.

Increased Cost of Goods and Services

- **Operating Expense and Equipment - \$45.1 million.** Funding for outside medical treatment, pharmaceutical and food.

Caseload Adjustments. Caseload adjustments to comply with court ordered reductions to patient admission waitlists of mentally ill persons adjudicated to a CDCR prison.

- Coleman Waitlist – Current Year \$13.9 million (140 positions); Budget Year \$28.1 million (292 positions).
- Vacaville Psychiatric Program 64-Bed Expansion – Budget Year \$2.5 million (24 positions).

Additional adjustments include program reductions, facility activation and continue efforts to improve staff safety and security.

- Department of Juvenile Justice (DJJ) Closure – Current Year -\$2.7 million (-37.4 positions); Budget Year -\$3.4 million (-50 positions). Discontinuation of mental health services provided by Metropolitan State Hospital for inmates adjudicated to DJJ.
- California Healthcare Facility (CHCF), Stockton – Budget Year \$11.4 million (83 positions). DSH will have responsibility for 475 beds within the California Department of Corrections facility.
- Alarm Systems at Napa, Metropolitan and Patton State Hospitals – Budget Year \$23.2 million (8 positions). Funding for expenditures associated with implementation of the NSH alarm system and activation of alarm systems at MSH and PSH state hospitals.
- Fire Sprinklers at Napa and Metropolitan State Hospitals - Budget Year \$14.1million to fund fire sprinklers for skilled nursing facility building at NSH and MSH.
- Fire Alarm System Replacement at Napa State Hospital – Budget Year \$15.5 million to replace fire alarm systems at NSH.

Non Medi-Cal Programs Transfer. A total of \$119.9 million (58 positions) for non Medi-Cal programs remaining at DSH (not related to the state hospital system) will be transferred across six departments and entities. Receiving departments are:

- Department of Health Care Services (DHCS): \$72.3 million (41 positions) to administer various MHSA programs, provide financial oversight of MHSA and federal funds (Substance Abuse and Mental Health Services Administration; Projects for Assistance in Transition from Homelessness), veterans mental health programs and the mental health components of the California Health Interview Survey. In addition, all remaining local assistance not distributed to other departments as noted below is transferred to Department of Health Care Services.
- Department of Public Health: \$2.3 million (4 positions) are provided for local programs addressing disparities in mental health, as well as promoting culturally competent policies and services.
- Department of Social Services: \$1.1 million (12 positions) for licensing, certification and quality improvement functions.
- California Department of Education: Flexible Proposition 98 funds provided to school districts may be used by districts to fund early mental health services.
- The Office of Statewide Health Planning and Development: \$12.3 million (1 position) to administer the MHSA Workforce Education and Training Program.
- Mental Health Services Oversight and Accountability Commission: \$1.7 million to administer contracts that advance consumer voice and empowerment via mental health

organizations and benefit counties by the training offered by the California Institute for Mental Health.

Full Year Medi-Cal Transfer. Proposes the full-year 2012-13 transfer of all Medi-Cal community mental health functions to DHCS, including \$14.4 million in state operations (GF and Reimbursements) and 118.5 positions.

DSH Headquarters. A total of \$72.9 million (71.8M GF) and 274 headquarters positions are provided in support of the State Hospitals. For 2012-13, the budget requests:

- \$433,000 to increase network capacity.
- Redirection of \$332,000 in HIPAA funds and establishment of 3 positions to ensure security of patient and other data.
- \$1.2 million (2 positions) for representation in administrative hearings pursuant to AB 366 (Incompetent to Stand Trial).
- \$251,000 (2 positions) for DSH representation in personnel actions that will result in \$649,000 in savings.
- Redirection of \$322,000 in contract funds to establish 2 civil service positions for Mentally Disordered Offender evaluation services.
- Redirection of \$3.4 million in contract funds to establish 16 civil service positions for Sexually Violent Predator (SVP) evaluator services.
- \$604,000 augmentation (6 positions) to provide representation in SVP court matters.
- \$375,000 (4 positions) to conduct sufficient job analyses to meet the ongoing testing and hiring needs of the state hospitals.

Other Savings. Other budget year savings include:

Community Treatments Facilities: \$1.5 million (\$750 General Fund; \$750 Federal Financial Participation [FFP])

Caregivers Resource Centers: \$2.9 million General Fund

Fund Shifts/Savings: \$1.2 million General Fund

In the current year, FFP reimbursements are reduced by \$87.4 million to reflect a decrease in forecasted claims and related service costs (Short-Doyle/Medi-Cal \$28.7 million; Early Periodic Screening, Diagnosis and Treatment \$47.1 million; Healthy Families \$11.6 million).