



Policy Brief:
**Understanding
California's Recent
Behavioral Health
Reform Efforts**

INTRODUCTION

California is at a tipping point for mental health and substance use disorders, collectively known as behavioral health.

As this plan comes together, a working adult struggling with anxiety will be able to reliably depend on their employer sponsored health insurance to provide the services they need, a parent whose child is beginning to show early signs of a serious mental illness will be connected to early assessment and intensive treatment, and an unhoused neighbor struggling with co-occurring mental health and substance use disorders who has fallen through every crack in the system will have access to housing, treatment, and a path to recovery.

The truth is: We all struggle. At some point in our lives, we will all either have a challenge with mental health or substance use ourselves – or be supporting a parent, child, neighbor, friend, or coworker through their journey with behavioral health.

The weight of this crisis is not carried equally. Communities of color, people involved with the justice system, and those who are LGBTQ+ carry the heaviest burden.

Because these challenges cannot wait, the Newsom Administration has invested a historic \$10 billion in the full spectrum of behavioral health services, because all Californians are entitled to quality, culturally competent behavioral health services when, how, and where they need them.

Together we are developing a thoughtful set of connected programs that provide tools to help anybody, anywhere, anytime with their unique behavioral health challenges.

This behavioral health plan pulls every lever the government has at its disposal, from

setting a bold policy agenda, to creating and implementing new initiatives, to simplifying and streamlining programs, to enforcing laws and regulations. As we continue this journey, some changes will be immediate and visible, and others will require more patience and time.

Behavioral Health Continuum



WORKFORCE AND PHYSICAL INFRASTRUCTURE

Increasing Access by Building Workforce, Infrastructure

Undergirding all of California's behavioral health efforts are investments to build the pipeline of providers and the physical infrastructure needed for these services.

For behavioral health care to be truly accessible, services must be available when Californians need them. Providers must speak our language, look like us and come from our communities.

That's why the Administration is investing



\$1.4 billion to create tens of thousands of new behavioral health professionals – offering tuition assistance and loan forgiveness and funding training programs.

We also need brick-and-mortar spaces for care, to address historic gaps and to meet growing demand for services across the lifespan. So, California has set aside

\$2.2 billion to ensure care can be provided in the least restrictive settings and within the community through a wide range of options.



Prevention and Early Intervention

It's important to recognize that for many Californians, there is still a stigma around mental health and substance use challenges. This is why it is important to both normalize the conversation around behavioral health and emphasize prevention.

In August 2022, the Administration announced a Master Plan for Kids' Mental Health, an integrated multi-year effort uniting historic investments to better serve the state's diverse children, youth, and families. At the core of the Master Plan is a historic, five-year, \$4.7 billion initiative that focuses on promoting mental, emotional, and behavioral health and well-being; prevention and providing services; support and screening; and addressing inequities.

These efforts will increase access to a wide range of mental health services in schools, allowing

schools to reach more students and provide more counseling and mental health supports. Schools are a critical access point for mental health and substance use services, especially for African American, Native American, Pacific Islander, and LGBTQ+ students.

Critically, in response to the exponential increase in overdoses, the state will soon launch a \$40.8 million education and awareness campaign focused on opioids and fentanyl.

California is also investing more than \$80 million to increase overdose reversal medication distribution to first responders, law enforcement, community-based organizations, middle and high schools, and county agencies to reverse overdoses.

To further support the success of these efforts, the state is investing \$100 million in a youth-led campaign to destigmatize the conversation around youth mental health and substance use struggles.



Outpatient Care

For all Californians to be able to access behavioral health care when they need it, the state is holding commercial plans, which cover more than half of all Californians, accountable and reforming Medi-Cal, California's Medicaid program.

On the commercial side, California has some of the strongest behavioral health “parity” requirements in the country, requiring coverage of “medically necessary” services to treat mental health and substance use disorders. The treatment cannot be limited to short-term or acute treatment.

To enforce these laws, the state has dedicated \$22 million over five years to conduct behavioral health-focused investigations of commercial health plans to make sure they are meeting state law – and taking enforcement action against those that are not. Californians are paying health care premiums for behavioral health care; they deserve access to it.

On the public side, Medi-Cal has vastly expanded the use of telehealth, which made behavioral health care far more accessible for some.

And California is in the process of completely reforming Medi-Cal behavioral health delivery through numerous federal waivers, including CalAIM and the proposed California Behavioral Health Community-Based Continuum Demonstration.

There will be a “no wrong door” approach to ensure beneficiaries receive mental health services regardless of where they seek care, even if the beneficiary is ultimately transferred somewhere else due to their level of impairment and mental health needs.

Medi-Cal is also reforming how county behavioral health systems are paid to reward better care and quality of life for Medi-Cal beneficiaries.

Other outpatient benefits available under Medi-Cal will include:

- ✓ Assertive Community Treatment (ACT) and Forensic Assertive Community Treatment (FACT). ACT offers a wide range of medical and social services to people living with serious mental illness. Provided by a multidisciplinary team, the services are provided 24/7 for as long as needed and wherever they are needed. FACT builds on this model and adjusts based on criminal justice issues.
- ✓ Contingency Management, which promotes healthy behaviors through positive reinforcement (such as gift cards) for people living with stimulant use disorder who reduce or eliminate their stimulant use.
- ✓ Medication Assisted Treatment, which is the use of medication along with counseling to treat substance use disorders. This program is being expanded to increase access to treatment and reduce opioid overdose deaths with a special focus on underserved communities, including youth, rural areas and American Indian and Alaska Native tribal communities.



Crisis Care

Sometimes, of course, people have more urgent needs than can be covered by outpatient services, which is why California is building a robust system of crisis care.

During the pandemic, the state created the successful CalHOPE program, a crisis line and online platform to address stress and anxiety. It offers free outreach, individual and group crisis counseling and support. Since its inception, more than 1.3 million Californians have used CalHOPE services.

The state is also investing to build out crisis call center capacity to support the transition to 988, which is an alternative to 911 when people are experiencing a mental health crisis. It's an unprecedented opportunity to improve behavioral health crisis prevention, response, and stabilization. The easy-to-remember, three-digit number is available 24/7, 365 days per year and provides access to crisis counseling, often in several languages and via text or online chat.

In addition, Medi-Cal beneficiaries will be eligible for mobile crisis services, community-based de-escalation and relief for individuals experiencing a behavioral health crisis wherever they are, including at home, work, school, or in the community. The benefit is meant to reduce unnecessary law enforcement involvement and ER visits for people in crisis.



Inpatient Care

There are times when the best setting for someone's care is in a hospital or residential setting, so California is not only building more infrastructure to make sure those beds are available, but also improving that care.

CalAIM and CalBH-CBC will enhance care in psychiatric hospitals and residential settings by ensuring that patients' physical, mental and substance use conditions are treated and that patients are only kept in inpatient care until they can transition to community-based care.

Beneficiaries will also receive support before discharge from inpatient and residential treatment and will be supported during the transition and connected to community-based services and supports, including housing support.

Another form of inpatient care takes place at State Hospitals, which increasingly provide inpatient care for people facing felony charges and found incompetent to stand trial due to a serious mental illness, the majority of whom are also homeless. California is investing more than \$600 million in new resources to ensure these individuals get access to treatment quickly and to create options to safely support community-based care and housing stability and reduce recidivism.



Supportive Care

California is also providing a range of supports to help people with the most extensive needs get the help they need to care for their mental illness and/or substance use disorder. These services include:

- ✓ The CARE Act, a compassionate civil court process that provides care to the most severely ill based on evidence that many people can stabilize, begin healing, and exit homelessness in less restrictive, community-based care that prevents more restrictive conservatorships or incarceration.
- ✓ Behavioral Health Bridge Housing, which will provide \$1.5 billion to create and fund new clinically enhanced housing settings for people experiencing homelessness who have complex behavioral health conditions.
- ✓ Justice-involved initiatives under CalAIM. California is the first state in the nation to offer a targeted set of Medicaid services to youth and adults in state prisons, county jails, and youth correctional facilities for up to 90 days prior to release to assist people leaving incarceration connect to the physical and behavioral health services they need prior to release.
- ✓ Enhanced care management will be available to help Medi-Cal enrollees with the highest needs. It will meet beneficiaries wherever they are – on the street, in a shelter, in their doctor's office, or at home. Beneficiaries will have a single lead care manager who will coordinate care among the physical, behavioral, dental, developmental, and social services delivery systems, making it easier for them to get the right care at the right time.
- ✓ Rent and transitional housing under CalAIM to provide up to six months of rent or temporary housing for beneficiaries who are homeless or at risk of homelessness after receiving treatment in an institutional setting.
- ✓ Community supports including housing deposits, short-term post-hospitalization housing, recuperative care, and sobering centers.
- ✓ Supported employment services to help Medi-Cal beneficiaries find and keep employment so they have income to maintain housing.

CONCLUSION

Over time, this plan will lead California to a behavioral health system that:



Reduces misinformation, stigma and discrimination and increases knowledge, acceptance and support for care;



Reduces the delay from the onset of symptoms to treatment and increases ongoing engagement in care;



Reduces disparities in utilizing services among BIPOC and LGBTQ+ communities and increases access to culturally responsive care;



Reduces the proportion of individuals with mental health and substance use disorders in prisons and jail and increases high-quality community care placements;



Reduces the risk of homelessness and housing insecurity and increases educational and employment opportunities; and



Reduces disappointment and frustration and increases satisfaction and trust in the quality of services received.

