



May 8, 2012

The Honorable Mark Leno  
Chair, Senate Budget and Fiscal Review Committee  
State Capitol, Room 5100  
Sacramento, California 95814

**Re: Realignment of Behavioral Health Programs**

Dear Senator Leno:

Counties are aware that a number of concerns have been raised during the budget subcommittee process about county administration of the health and human services programs that were realigned as part of the 2011 Public Safety Realignment. The California State Association of Counties (CSAC), the County Alcohol and Drug Program Administrators Association of California (CADPAAC), and the California Mental Health Directors Association (CMHDA) are unequivocal in our understanding that Drug Medi-Cal, Medi-Cal Specialty Mental Health, and Early Periodic Diagnosis Screening and Treatment (EPSDT) are federal entitlement programs.

With regard to realignment of the Medi-Cal Specialty Mental Health and EPSDT programs, it is important to note that under contract with the state, California's counties have been managing the Medi-Cal Specialty Mental Health services entitlements for children and adults with serious mental illness for 17 years. As such, they are already responsible for ensuring access and a minimum scope of benefits to beneficiaries, including 24/7 crisis intervention and emergency response, inpatient hospitalization, and rehabilitative services in the community. This commitment is evident by our members' actions, including continuing to meet the above federal Medi-Cal obligations despite significant state budget cuts and the current redirection of more than \$800 million in county Mental Health Services Act funding. Counties remain committed, under this new fiscal realignment, to continuing to provide medically necessary services to the Medi-Cal eligible children and adults in our communities.

Additionally, CSAC, CADPAAC and CMHDA have followed up on many of the specific issues raised in public testimony before the Legislature, with the following results:

- We have not identified any county that currently has documented waiting lists for Drug Medi-Cal. In fact, counties have reported unused treatment slots.
- Overall, California's EPSDT expenditures continue to rise, through both directly provided county services, and through subcontracts with community-based providers. However, counties' contracts with individual community providers may have varied for a number of legitimate reasons. For example, in some cases, counties have adjusted contracts with providers this year to reflect historic utilization patterns. This has meant that counties have increased contracts for some providers and decreased contracts for other providers. Some counties have renegotiated provider contracts mid-year, if circumstances warrant it. Counties serve as the Mental Health Plan for eligible Medi-Cal Specialty Mental Health and EPSDT beneficiaries, and counties maintain the responsibility to cover the federally required full funds expenditure and ensure access to entitlement services, regardless of the status of any specific community provider's contract status or program capacity. Counties will continue working with local providers to efficiently address local services needs and to ensure contract providers understand that they must refer eligible clients to the county, in the event the provider lacks capacity to serve any eligible individual seeking services.
- Additionally, please recall that in the 2011-12 state budget, the Legislature eliminated the mandate on counties to provide special education mental health services for children in school (AB 3632, Statutes of 1984). As a result, some counties' contracts with community providers of children's mental health services have been reduced due to the elimination of the AB 3632 mandate and the return of this responsibility to local schools.

As we learn of issues being raised in public testimony or elsewhere, CSAC, CADPAAC and CMHDA are following up directly with counties. Further, through the CSAC Institute for Excellence in County Government, CSAC will be offering a course on behavioral health to further educate county supervisors and administrators about these programs and the changes taking place as a result of realignment. Counties take our role as providers and administrators of health and human services programs very seriously.

Page Three  
May 8, 2012  
CSAC-CADPAAC-CMHDA  
Realignment of Behavioral Health Programs

Our organizations are happy to meet with the Legislature and Administration at any time to discuss these issues. Counties remain committed to successful implementation of the 2011 Realignment.

Sincerely,



Mike McGowan  
President, CSAC  
Yolo County Supervisor



Dennis Koch  
President, CADPAAC  
Deputy Alcohol and Drug Administrator,  
Fresno County



Karen Baylor, PhD  
President, CMHDA  
Administrator, Behavioral Health  
Department, San Luis Obispo County

cc: Members, Senate Budget and Fiscal Review Committee  
Michelle Baass, Consultant, Senate Budget and Fiscal Review Committee  
Joe Stepinshaw, Consultant, Senate Budget and Fiscal Review Committee  
Diane Van Maren, Consultant, President Pro Tempore Darrell Steinberg  
Kirk Feely, Consultant, Senate Republican Fiscal  
Chantele Denny, Consultant, Senate Republican Fiscal  
Toby Douglas, Director, Department of Health Care Services  
Vanessa Baird, Deputy Director, Behavioral Health, Department of Health Care Services  
Cliff Allenby, Acting Director, Department of Mental Health  
Michael Cunningham, Acting Director, Department of Alcohol and Drug Programs  
Diane Cummins, Special Advisor, Department of Finance  
Lark Park, Legislative Deputy, Office of the Governor