



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: October 25, 2016

MHSUDS INFORMATION NOTICE NO.: 16-052

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES

SUBJECT: FISCAL YEAR 2016-17 BEHAVIORAL HEALTH SUBACCOUNT ALLOCATIONS

REFERENCE: SENATE BILL (SB) 1020 (CHAPTER 40, STATUTES OF 2012)

SUPERSEDES: MHSUDS Information Notice No.: 16-041

Senate Bill (SB) 1020 (Chapter 40, Statutes of 2012) amended Government Code (GC) Section 30025 to create the Behavioral Health Subaccount within the Support Services Account of the Local Revenue Fund 2011. GC Section 30029.6 requires the State Controller's Office (SCO) to distribute funds in the Behavioral Health Subaccount to counties on a monthly or quarterly basis pursuant to a schedule provided by the Department of Finance (DOF) created in consultation with appropriate State agencies and the California State Association of Counties.

GC Section 30025(f) (16) (B) provides that funds distributed from the Behavioral Health Subaccount can only be used to provide Medi-Cal Specialty Mental Health Services (SMHS), including the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit, and the following Substance Use Disorder programs: Drug Medi-Cal (DMC), Non-DMC, Drug Court Operations and Services, and Perinatal Drug Services and Treatment.

DOF transmitted a schedule to the SCO on September 16, 2016, for the purpose of distributing funds to the counties from the Behavioral Health Subaccount for Fiscal Year (FY) 2016-17.

The updated allocation schedule will be effective with the September 2016 distribution. Please note that the Medi-Cal SMHS program, including the EPSDT benefit, and the DMC program are federal entitlements. Counties are required to provide all SMHS and DMC services to which Medi-Cal beneficiaries are entitled without caps. GC Section 30026.5(k) specifies that Medi-Cal SMHS shall be funded from the Behavioral Health Subaccount, the Behavioral Health Services Growth Special Account, the Mental Health Subaccount (Welfare and Institutions Code (W&I) Section 17600), the Mental Health Account (W&I Section 17600.10), and to the extent permissible under the Mental Health Services Act, the Mental Health Services Fund.

This Information Notice addresses the 2016-17 Behavioral Health Subaccount base allocation, which serves as the starting point for ongoing base allocations. Funds from the 2014-15 and 2015-16 Behavioral Health Services Growth Special Account are still to be allocated. Beginning with the 2017-18 allocation, the base allocations will consist of this 2016-17 base allocation plus the subsequent growth allocations. This will serve as a "rolling base" mechanism for each county's allocation.

The FY 2016-17 allocation schedule was developed in two steps. Step 1 involved calculating a target allocation for each county based upon the 2013-2014 claims data for all realigned specialty mental health claims and DMC programs as well as historical payments for non Medi-Cal substance use disorder programs.¹ Step 2 involved allocating among counties the difference between the amounts of money estimated to be available in the Behavioral Health Subaccount in FY 2016-17 and the amount needed to meet the target allocation calculated in the first step of the process by using proportion of Medi-Cal enrollment as the distribution methodology.

The purpose of this Information Notice is to describe how the target allocation was calculated for each county in Step 1 and how the remaining funds estimated to be available in the Behavioral Health Subaccount were allocated among counties in Step 2.

Step 1 – Calculating Targets

Enclosure 1 displays the data used to develop the target allocation for each county (Column H). The target allocation is based upon three separate components. The first

¹ 2013-2014 claims data was utilized because it is the most recent actual year of complete claims data for realigned specialty mental health and DMC programs.

MHSUDS INFORMATION NOTICE NO.: 16-052

October 25, 2016⁰⁸

Page 3

component factors in the non-federal share of approved claims that each county submitted for EPSDT SMHS in FY 2013-14 (Enclosure 1's Columns B through E, are detailed below). Enclosure 2 details each county's proportional share of the amount estimated for the Mental Health Managed Care allocation in FY 2013-14. Enclosure 3 shows the final component which is the non-federal share of approved claims that each county submitted for DMC services in FY 2013-14 plus the amount that was distributed to each county prior to realignment for Non-DMC substance abuse treatment and Drug Courts.

Columns B, C, and D in Enclosure 1 display the data used to develop the EPSDT SMHS component of the target. Column B displays the non-federal share of approved claims for specialty mental health services provided to children from birth through age 21 in FY 2013-14, excluding services provided to children and youth who transitioned to Medi-Cal from the Healthy Families program and children and youth who received services under the Katie A. settlement agreement. Column C displays the non-federal share of approved claims for SMHS provided in FY 2013-14 to children and youth who transitioned from the Healthy Families program to the Medi-Cal program. Column D displays the Non-Federal share of approved claims for SMHS provided in FY 2013-14 to children and youth under the Katie A. settlement agreement. The total non-federal share of all SMHS provided to all children and youth in FY 2013-14 is reflected in Column E (\$774,934,744).

The target allocation's second component consists of Mental Health Managed Care. This is based on the same amounts the former Department of Mental Health included in its May 2012 Medi-Cal estimate as the Managed Care allocations, which totaled \$196,661,000. These amounts are displayed in Enclosure 2.

Finally, Enclosure 3 details the third component of the target allocation which is the DMC and Non-DMC Substance Use Disorder programs component of the target calculation, and is based upon actual FY 2013-14 submitted DMC claims (with a \$100,000 minimum amount for each county). This includes amounts distributed to counties prior to 2011 Realignment for the Non-DMC substance use disorder programs (\$20,533,000) and Drug Court Operations (\$26,851,000). Enclosure 3 also displays the data used to calculate the Substance Use Disorder program component of the target calculation. Column B displays the amounts of approved non-federal share of claims for DMC services provided in Fiscal Year 2013-14. The claims are based upon the county of responsibility rather than the county of service. Column C is equal to \$100,000 minus Column A for those counties whose non-federal share of claims for DMC services is less than \$100,000. This is intended to ensure that counties receive at least \$100,000 to provide DMC services. Column D displays the amounts distributed to counties prior

to 2011 Realignment for non-DMC programs (\$20,533,000). Column E displays the amounts distributed to counties prior to 2011 Realignment for the Drug Court Operations (\$26,851,000). Column F is equal to the sum of Columns B, C, D, and E and reflects the Substance Use Disorder program component of the target calculation. The amounts in Column F are in turn reflected in Column G of Enclosure 1 and reflect the Substance Use Disorder program component of the target calculation (\$120,634,487).

The final target allocation for each county is displayed in Column H of Enclosure 1. The target allocation is equal to the sum of the EPSDT Specialty Mental Health component, the Managed Care component, and the Substance Use Disorder Program component.

Step 2 – Allocating Funds Remaining in the Behavioral Health Subaccount

Because the funds estimated by the Department of Finance to be deposited into the Behavioral Health Subaccount for Fiscal Year 2016-17 (\$1,268,600,000) are higher than the target allocation calculated in Column H of Enclosure 1 (\$1,092,230,231), Step 2 reflects the allocation schedule for those funds above the target amounts from Enclosure 1. These allocation amounts and percentages are based upon each county's proportional share of total Medi-Cal enrollees.

Enclosure 4 shows that the difference between the target allocations (\$1,092,230,231) and the amount estimated to be deposited into the Behavioral Health Subaccount (\$1,268,600,000) is equal to \$176,369,769. Enclosure 4 displays the data used to allocate this component and determine the Subaccount allocation schedule for FY 2016-17.

In Enclosure 4, Column B displays the target allocation amount for each county from Enclosure 1. Column C displays each county's average Certified Medi-Cal eligibles for the months of December 2014 to November 2015. Column D calculates each county's share of the statewide average Certified Medi-Cal eligibles during the months of December 2014 to November 2015. Column E calculates the product of \$176,359,769 and the share of Certified Medi-Cal eligible (Column D) to determine each county's proportional share of the remaining funds in the Behavioral Health Subaccount after meeting the target allocations. Column F displays each county's share of the total estimated amount available in the Behavioral Health Subaccount in FY 2016-17 and is equal to the sum of Column B and Column E.

Column G displays those counties whose amounts allocated in column F is less than 85 percent of actual FY 2015-16 Behavioral Health Subaccount distributions. Column H is

MHSUDS INFORMATION NOTICE NO.: 16-052

October 25, 2016

Page 5

equal to Column G minus Column F for those counties whose amounts in Column F are less than 85 percent of their actual FY 2015-16 Behavioral Health Subaccount distributions. Column I displays those counties whose amounts allocated in column F is more than 85 percent of actual FY 2015-16 Behavioral Health Subaccount distributions. Column J proportionally allocates the additional funds needed in Column H to ensure each county receives at least 85 percent of their actual FY 2015-16 Behavioral Health Subaccount distributions.

Column L displays each county's final allocation ratio for FY 2016-17. The allocation percentage for each county is equal to each county's estimated proportional share of funding calculated in Column K divided by the estimated amount available in the Behavioral Health Subaccount in FY 2016-17.

Enclosure 4 details the final allocation and percentages that DOF provided to the SCO for the purpose of distributing funds to the counties from the Behavioral Health Subaccount.

For any questions regarding this Information Notice, please contact Moses Ndungu, Chief, Fiscal Policy Section, Fiscal Management and Outcomes Reporting Branch, Mental Health Services Division, at Moses.Ndungu@dhcs.ca.gov.

Sincerely,

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Enclosures

FY 2016-17 Behavioral Health Subaccount Proposed Allocation Schedule
 Non Federal Share Historical Cost + Fee For Service Cost

County	Target	Enrollment	Enrollment Proportion	Funds Above Target Allocated Using Enrollment	FY 2016-17 Allocation (Amount)	85% of FY 2015-16 SCO Amount = HH Amount	Additional Funds Needed to Achieve HH Goal	Countries That Will Fund HH Goal	Proportional Reductions to Achieve HH Goal	FY 2016-17 Updated Allocation (Amount)	FY 2016-17 Updated Allocation (Percentage)
A	B	C	D	E	F	G	H	I	J	K	L
			(C/D)*100	(E/F)*100	(F+E)		(G-F)		(I/J)*100	(K+I) or G	(L/I)*100
Alameda	\$59,623,419	418,910	3.3179668%	\$5,851,890.37	\$65,475,309	\$0	\$0	\$65,475,309	-\$17,952	\$65,457,357	5.1598106%
Alpine	\$217,645	367	0.0029062%	\$5,125.58	\$222,771	\$0	\$0	\$222,771	-\$61	\$222,710	0.0175555%
Amador	\$711,533	7,819	0.0619263%	\$109,219.20	\$820,752	\$828,145	\$7,393	\$0	\$0	\$828,145	0.0652802%
Butte	\$10,629,542	80,230	0.6354619%	\$1,120,762.74	\$11,750,305	\$0	\$0	\$11,750,305	-\$3,222	\$11,747,083	0.9259879%
Calaveras	\$1,062,036	11,618	0.0920214%	\$162,297.99	\$1,224,334	\$0	\$0	\$1,224,334	-\$336	\$1,223,998	0.0964842%
Colusa	\$975,167	8,454	0.0669604%	\$118,097.87	\$1,093,264	\$1,095,520	\$2,256	\$0	\$0	\$1,095,520	0.0863566%
Contra Costa	\$30,518,890	259,190	2.0529100%	\$3,620,712.67	\$34,139,603	\$0	\$0	\$34,139,603	-\$9,361	\$34,130,242	2.6903864%
Del Norte	\$1,257,026	12,319	0.0896499%	\$158,115.34	\$1,415,141	\$0	\$0	\$1,415,141	-\$388	\$1,414,753	0.1115208%
El Dorado	\$2,478,755	36,934	0.2925323%	\$515,938.53	\$2,994,694	\$0	\$0	\$2,994,694	-\$821	\$2,993,872	0.2359981%
Fresno	\$26,728,270	461,472	3.6550762%	\$6,446,449.45	\$33,174,719	\$0	\$0	\$33,174,719	-\$9,096	\$33,165,623	2.6143483%
Glenn	\$1,186,634	11,593	0.0918228%	\$161,947.59	\$1,348,581	\$0	\$0	\$1,348,581	-\$370	\$1,348,212	0.1062755%
Humboldt	\$4,915,167	49,570	0.3926155%	\$692,454.97	\$5,607,622	\$0	\$0	\$5,607,622	-\$1,538	\$5,606,085	0.4419112%
Imperial	\$7,978,230	89,705	0.7105032%	\$1,253,112.82	\$9,231,342	\$0	\$0	\$9,231,342	-\$2,531	\$9,228,811	0.7274800%
Inyo	\$691,773	5,445	0.0431296%	\$76,067.65	\$767,841	\$0	\$0	\$767,841	-\$211	\$767,630	0.0605100%
Kern	\$23,036,666	375,703	2.9757454%	\$5,248,315.25	\$28,284,981	\$0	\$0	\$28,284,981	-\$7,755	\$28,277,226	2.2290104%
Kings	\$1,843,366	54,683	0.4331181%	\$763,885.46	\$2,607,256	\$0	\$0	\$2,607,256	-\$715	\$2,606,541	0.2054659%
Lake	\$2,597,738	29,562	0.2341439%	\$412,958.97	\$3,010,697	\$0	\$0	\$3,010,697	-\$825	\$3,009,871	0.2372593%
Lassen	\$1,095,174	7,482	0.0597643%	\$104,524.34	\$1,199,699	\$1,256,141	\$56,442	\$0	\$0	\$1,256,141	0.0990179%
Los Angeles	\$413,634,765	3,773,056	29.4883793%	\$52,008,586.50	\$465,643,351	\$0	\$0	\$465,643,351	-\$127,672	\$465,515,680	36.6952294%
Madera	\$2,653,689	68,475	0.5423567%	\$956,553.28	\$3,610,242	\$0	\$0	\$3,610,242	-\$990	\$3,609,252	0.2845067%
Marin	\$3,959,763	42,569	0.3371648%	\$594,656.87	\$4,554,420	\$0	\$0	\$4,554,420	-\$1,249	\$4,553,171	0.3589131%
Mariposa	\$860,912	4,695	0.0371847%	\$65,582.51	\$926,494	\$0	\$0	\$926,494	-\$254	\$926,240	0.0730128%
Mendocino	\$5,288,300	39,050	0.3092914%	\$545,496.47	\$5,833,797	\$5,999,950	\$166,154	\$0	\$0	\$5,999,950	0.4729584%
Mered	\$9,117,269	134,328	1.0639393%	\$1,876,467.35	\$10,993,736	\$0	\$0	\$10,993,736	-\$3,074	\$10,990,722	0.8636662%
Modoc	\$682,614	3,089	0.0244631%	\$43,145.44	\$722,760	\$0	\$0	\$722,760	-\$199	\$722,561	0.0571938%
Mono	\$407,628	3,514	0.0278293%	\$49,082.40	\$456,710	\$0	\$0	\$456,710	-\$125	\$456,585	0.0359912%
Monterey	\$11,611,879	168,439	1.3341187%	\$2,352,982.11	\$13,964,861	\$0	\$0	\$13,964,861	-\$3,829	\$13,961,032	1.1005070%
Napa	\$3,258,057	31,072	0.2461011%	\$434,048.00	\$3,692,105	\$0	\$0	\$3,692,105	-\$1,012	\$3,691,093	0.2903570%
Nevada	\$3,580,696	23,763	0.1882117%	\$331,645.50	\$3,912,645	\$0	\$0	\$3,912,645	-\$1,073	\$3,911,572	0.3083377%
Orange	\$35,282,242	856,637	6.7849719%	\$11,966,639.28	\$47,248,881	\$0	\$0	\$47,248,881	-\$12,955	\$47,235,926	3.7734699%
Placer	\$3,283,296	61,339	0.4858309%	\$856,856.84	\$4,140,155	\$0	\$0	\$4,140,155	-\$1,135	\$4,139,019	0.3262667%
Plumas	\$879,071	5,643	0.0446972%	\$78,837.41	\$957,904	\$0	\$0	\$957,904	-\$263	\$957,641	0.0754880%

FY 2016-17 Behavioral Health Subaccount Proposed Allocation Schedule
 Non-Federal Share Historical Cost + Fee For Service Cost

County	Target	Enrollment	Enrollment Proportion	Funds Above Target Allocated Using Enrollment	FY 2016-17 Allocation (Amount)	85% of FY 2015-16 SCO Amount = HH Amount	Additional Funds Needed to Achieve HH Goal	Counties That Will Fund HH Goal	Proportional Reductions to Achieve HH Goal	FY 2016-17 Updated Allocation (Amount)	FY 2016-17 Updated Allocation (Percentage)
A	B	C	D	E	F	G	H	I	J	K	L
Riverside	\$27,603,035	785,043	6.21/9132%	\$10,966,519.15	\$38,569,554	\$0	\$0	\$38,569,554	-\$10,575	\$38,558,979	3.0394907%
Sacramento	\$50,998,279	528,745	4.18/9125%	\$7,386,211.60	\$58,384,491	\$0	\$0	\$58,384,491	-\$16,008	\$58,368,483	4.6010155%
San Benito	\$798,304	17,608	0.1394658%	\$245,975.43	\$1,044,280	\$0	\$0	\$1,044,280	-\$286	\$1,043,993	0.0822949%
San Bernardino	\$40,135,394	833,076	6.5983635%	\$11,637,518.40	\$51,772,913	\$0	\$0	\$51,772,913	-\$14,195	\$51,758,717	4.0799872%
San Diego	\$56,497,359	839,981	6.6530504%	\$11,733,969.63	\$68,231,329	\$0	\$0	\$68,231,329	-\$18,708	\$68,212,621	5.3769999%
San Francisco	\$31,899,180	221,453	1.7540116%	\$3,093,546.28	\$34,992,726	\$0	\$0	\$34,992,726	-\$9,594	\$34,983,132	2.7576172%
San Joaquin	\$17,712,375	286,315	2.2677484%	\$3,999,622.56	\$21,711,998	\$0	\$0	\$21,711,998	-\$5,953	\$21,706,045	1.7110236%
San Luis Obispo	\$8,106,137	59,474	0.4710599%	\$830,807.21	\$8,936,944	\$0	\$0	\$8,936,944	-\$2,450	\$8,934,493	0.7042788%
San Mateo	\$10,939,821	148,914	1.1794661%	\$2,080,221.65	\$13,020,043	\$0	\$0	\$13,020,043	-\$3,570	\$13,016,473	1.0260502%
Santa Barbara	\$8,558,535	132,605	1.0502943%	\$1,852,401.68	\$10,410,937	\$0	\$0	\$10,410,937	-\$2,855	\$10,408,083	0.8204385%
Santa Clara	\$70,906,324	427,546	3.3863680%	\$5,972,579.50	\$76,878,854	\$0	\$0	\$76,878,854	-\$21,079	\$76,857,775	6.0584719%
Santa Cruz	\$9,055,528	75,583	0.5986522%	\$1,055,841.45	\$10,111,369	\$10,221,729	\$110,359	\$0	\$0	\$10,221,729	0.8057487%
Shasta	\$5,538,419	63,876	0.5059298%	\$892,307.18	\$6,430,726	\$0	\$0	\$6,430,726	-\$1,763	\$6,428,963	0.5067762%
Sierra	\$221,386	807	0.0063925%	\$11,274.41	\$232,660	\$0	\$0	\$232,660	-\$64	\$232,597	0.0183349%
Siskiyou	\$1,529,286	16,919	0.1340046%	\$236,343.58	\$1,765,630	\$0	\$0	\$1,765,630	-\$484	\$1,765,146	0.1391412%
Solano	\$12,152,406	116,670	0.9240809%	\$1,629,799.27	\$13,782,205	\$0	\$0	\$13,782,205	-\$3,779	\$13,778,426	1.0861127%
Sonoma	\$7,163,600	121,097	0.9591461%	\$1,691,643.81	\$8,855,244	\$0	\$0	\$8,855,244	-\$2,428	\$8,852,816	0.6978414%
Stanislaus	\$11,808,922	227,356	1.8007702%	\$3,176,014.22	\$14,984,936	\$0	\$0	\$14,984,936	-\$4,109	\$14,980,828	1.1808945%
Sutter/Yuba	\$6,316,452	70,154	0.5556532%	\$980,004.29	\$7,296,456	\$0	\$0	\$7,296,456	-\$2,001	\$7,294,455	0.5750004%
Tehama	\$1,519,484	26,622	0.2108623%	\$371,897.29	\$1,891,381	\$0	\$0	\$1,891,381	-\$519	\$1,890,862	0.1490511%
Trinity	\$725,690	4,882	0.0386678%	\$68,198.26	\$793,888	\$0	\$0	\$793,888	-\$218	\$793,670	0.0625673%
Tulare	\$20,860,995	242,491	1.9206440%	\$3,387,435.35	\$24,248,431	\$0	\$0	\$24,248,431	-\$6,649	\$24,241,782	1.9109083%
Tuolumne	\$947,598	14,175	0.1122754%	\$198,019.89	\$1,145,617	\$0	\$0	\$1,145,617	-\$314	\$1,145,303	0.0902809%
Ventura	\$15,604,100	222,633	1.7633558%	\$3,110,026.60	\$18,714,126	\$0	\$0	\$18,714,126	-\$5,131	\$18,708,995	1.4747780%
Yolo	\$2,584,412	55,756	0.4416175%	\$778,879.72	\$3,363,292	\$0	\$0	\$3,363,292	-\$922	\$3,362,370	0.2650457%
Totals	\$1,092,230,231	12,625,501	100.0000000%	\$176,369,769	\$1,268,600,000		\$342,603	\$1,249,541,119	-\$342,603	\$1,268,600,000	100.0000000%