

Reverted - Reallocated INN funds plan - 2018

Introduction and Overview

On December 28, 2017 Stanislaus County BHRS received Information Notice (IN) 17-059 from California Department of Health Care Services (DHCS) Mental Health & Substance Use Disorders Services (MHSUDS).

The purpose of Information Notice 17-059 was to inform counties of the following:

- The process the Department of Health Care Services (DHCS) will use to determine the amount of unspent Mental Health Services Act (MHSA) funds subject to reversion as of July 1, 2017;
- The appeal process available to a county regarding that determination; and
- The requirement that by July 1, 2018, counties have a plan to expend the reverted funds by July 1, 2020.

Background and Local Impact for IN 17-059:

Assembly Bill (AB) 114 (Chapter 38, Statutes of 2017) became effective July 10, 2017. The bill amended certain Welfare and Institutions Code (WIC) Sections related to the reversion of MHSA funds. AB 114 implemented provisions concerning funds subject to reversion as of July 1, 2017. Funds subject to reversion as of July 1, 2017, were deemed to have been reverted and reallocated to the county of origin for the purposes for which they were originally allocated (WIC Section 5892.1 (a)). Funds that could be subject to reversion as of July 1, 2017, were distributed to counties from Fiscal Year (FY) 2005-06 through FY 2014-15.

In Stanislaus this includes \$1,682,916 of Innovation funds as follows:

Fiscal year affected	Amount of reverted/ reallocated funds
FY 08-09	\$580,518
FY09-10	\$373,565
FY10-11	\$728,833
FY11-12	no funds identified
FY12-13	no funds identified
FY13-14	no funds identified
FY14-15	no funds identified
Total:	\$1,682,916

No Community Services & Supports (CSS) funds or Prevention Early Intervention (PEI) funds are included in this calculation or at risk for reversion.

By July 1, 2018, DHCS is required to prepare a report to the Legislature identifying the amounts of funds subject to reversion by county. Prior to releasing the report, DHCS is required to provide each county with the amount of funds they have determined are subject to reversion and a process for counties to appeal that determination (WIC Section 5892.1 (b)).

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Additionally, by July 1, 2018, counties are required to have a plan to spend those funds by July 1, 2020 (WIC Section 5892.1 (c)). Pursuant to WIC Section 5892.1, subdivision (e), 1 DHCS provided counties with IN 17-059 to implement those requirements. Additionally, IN 17-059 supersedes all other reversion policies contained in past Information Notices developed by the former Department of Mental Health and DHCS.

Information Notice 17-059 specified the following instructions for counties to plan to spend the funds:

- Every county must develop a plan to spend its reallocated funds and post it to the county's website; *(This document constitutes the required Plan To Spend for Stanislaus)*
- The county must submit a link to the plan to DHCS via email at MHSA@dhcs.ca.gov by July 1, 2018;
- Each county's Board of Supervisors (BOS) must adopt a final plan within 90 days of the county posting the plan to the county's website; *(BHRS anticipates this will occur by June 2018)*
- Each county must submit its final Plan to Spend to DHCS and the MHSOAC within 30 days of adoption by the county's BOS; *(Anticipated to occur before June 30, 2018)*
- A county may not spend funds that are deemed reverted and reallocated to the county until the county's BOS has adopted a plan to spend those funds;
- The expenditure plan must account for the total amount of reverted and reallocated funds for all impacted FYs, as indicated in the applicable notice of unspent funds subject to reversion or in the final determination on an appeal;
- The county must include the Plan to Spend in the County's Three-Year Program and Expenditure Plan or Annual Update, or as a separate plan update to the County's Three-Year Program and Expenditure Plan, and comply with WIC Section 5847(a); *(This document meets the requirement as a separate plan update)*
- Reallocated funds must be expended on the component for which they were originally allocated to the county. *(This only affects Innovation fund in Stanislaus County)*

Summary and Recommendation:

- 12/5/11 Department of Mental Health (now DHCS) issued Information Notice 11-15 clarifying how funds subject to reversion should be calculated by counties. Using this calculation, Stanislaus County had no funds subject to reversion.
- 6/23/16 DHCS issued IN 16-026 rescinding IN 11-15, thereby making unspent funds from fiscal years 2008-2009 through 2015-2016 subject to reversion if not spent within three fiscal years from 7/1/16.
- 7/10/17 Assembly Bill (AB) 114 (Chapter 38, Statutes of 2017) became effective and amended Welfare and Institutions Code (W&IC) sections related to the reversion of MHSA funds making funds subject to reversion as of 7/1/17 deemed reverted and reallocated to the county of origin for the purposes for which they were initially allocated, and that such funds be spent by 7/1/20. AB 114 required that each County with unspent funds prepare a plan to expend funds by 7/1/18.

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- 12/28/17 DHCS issued IN 17-059 providing the methodology used to calculate funds subject to reversion as of 7/1/17. IN 17-059 also provides guidance on the appeals process, the plan to spend the funds, and the consequences for failure to spend the funds. Stanislaus County agrees with the States calculations and \$1,682,916 of Innovations funding from fiscal years 2008-2009, 2009-2010, and 2010-2011 are reallocated.

BHRS recommends the following plan to spend reverted/reallocated Innovation funds:

Expenditure item*	Years to be spent	Amount to be spent	From Fiscal Year
Co-Occurring Disorders Full Service Partnership Innovations Project	FY 2018-2019	\$1,682,916	FY08-09 FY09-10 FY10-11
Suicide Prevention Innovations Project	FY 2018-2019 & 2019-2020		
Planning and administration costs for existing & new Innovation Projects	FY 2018-2019 & 2019-2020		
<i>*Total amounts for items are already approved and there is no expansion in this plan to spend</i>			

Future of Innovation funding in Stanislaus:

Following these new instructions from DHCS accomplishes the following steps:

- Reconciles with DHCS the amount of funds that were reverted / reallocated to Stanislaus.
- Brings Stanislaus in compliance with IN 17-059 by developing a plan to spend identified reverted/reallocated funds prior to June 30, 2020.
- Identifies guidelines for future expenditures of Innovation (INN) funds.
- Clarifies funds available for future planning processes utilizing funds from FY 2017-2018 forward. *(Stanislaus' allocation for INN is approximately \$1M per year)*

Local Review Process:

MHSA Plan to Spend Reverted/Reallocated Funds FY17-18 (MHSA Plan to Spend) was discussed with the Representative Stakeholder Steering Committee on March 23, 2018 for clarification and input.

The MHSA Plan to spend was available for 30-day public review and comment April 3, 2018 – May 2, 2018. Notifications of the public review dates and access to copies of the document were made available through the following methods:

- An electronic copy was posted on the County's MHSA website: www.stanislausmhsa.com
- Paper copies of the MHSA Plan to Spend were distributed to Stanislaus County Public Libraries throughout the county where the report was available at resource desks.
- Electronic notification was sent to all BHRS service sites with a link to www.stanislausmhsa.com announcing the posting of this document.

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- Representative Stakeholder Steering Committee, Behavioral Health Board members, as well as other community stakeholders were sent an email informing them of the start of the 30-day review, and how to obtain a copy of the MHSA Plan to Spend.
- Public Notices were posted in nine newspapers throughout Stanislaus County including a newspaper serving the Spanish speaking community. The Public Notice included access to the MHSA Plan to Spend, on-line at www.stanislausmhsa.com and a phone number to request a copy of the document.
- A notice was published in the April issue of the BHRS Cultural Competency Newsletter.

Public Comment:

No comments were received.