

MENTAL HEALTH AND MILLIONAIRES

A Report on Proposition 63 and Mendocino County Mental Health

June 17, 2008

Summary

The 2007-2008 Grand Jury investigated the use of funding raised through Proposition 63 (Prop. 63) and its enabling legislation, the Mental Health Services Act (MHSA),¹ by Mendocino County Health and Human Services Agency's Mental Health Branch (the branch).

The County budgets about \$19 million a year on mental health clients, but, for several years, almost all of the money has come from State and Federal sources, especially Medi-Cal.² Prop. 63, passed by voters in November 2004, infused more than \$1 million a year into the County's mental health treatment effort, but with strings attached. Most important was that little, or none, of the money could go to existing programs. The MHSA requires new programs with new types of treatment and targeting different clients in many cases. MHSA mandates experimental programs and different treatment models.

However, local mental health officials, and others, have long felt that the County's mental health system has been teetering close to collapse, with many needs unfilled. At the same time, the State's budget problems have cut support for some programs. The net effect is that there is pressure to find ways to use the Prop. 63 money to support the old systems.

The 2007/08 Mental Health Branch Budget states major policy considerations as:

- The Mental Health Branch is to move toward an "Adult System of Care" where the Primary Care Clinics, Mental Health, Alcohol and Other Drug Programs, Public Health Nursing, Probation, and the Social Services Branch are all working together as partners to serve the citizens of the County. Policy considerations require that each initiative taken on by the branch must dovetail with the Health and Human Services Agency (HHS) Strategic Plan.
- Mental Health will define itself as a specialized psychiatric service in partnership with primary care clinics where the general health needs of clients are met. Clients will move freely between these two systems as necessary. Policy consideration requires the branch to consider ramifications of all decisions in this context.
- Adopt at every opportunity principles of the "Recovery Model" so that the Mental Health Branch is in close partnership with family members and consumers of the services available. The community will see the branch as providing a strength based and consumer driven resource that is "clinically strategic." All future efforts are designed with this underlying philosophical approach.

¹ http://www.dmh.cahwnet.gov/Prop_63/MHSA/docs/Mental_Health_Services_Act_Full_Text.pdf

² <http://www.co.mendocino.ca.us/auditor/budget/07-08/>

Under California law, the Mental Health Branch concerns itself with only a subset of mental disorders, what is known as the Axis I of the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM-IV), published by the American Psychiatric Association.³ Axis I is basically confined to schizophrenia, depression, bipolar disorder and anxiety disorder. Autism, dementia, paranoia, various personality disorders, etc. are not a concern of the Mental Health Branch, but may be a concern of the Public Health Branch or the Social Services Branch.

The Mental Health Branch generally serves those who qualify for Medi-Cal. MHSA tries to bypass this limitation, especially for families not poor enough to get Medi-Cal, but who cannot afford expensive private treatment.

Methods

The jury interviewed County officials and members of public groups involved in Prop. 63 efforts and budgeting. It reviewed the law and the budgets, including the separate Prop. 63 budget for the past three years.

Background

Prop. 63 imposes a 1% tax on personal income over \$1 million a year. The money goes to programs specified in the MHSA. Counties receive allocations based on population. Mendocino County receives all the money it is entitled to, and any unspent money carries over to the next year or may be deposited in the "prudent reserve." The MHSA requires a prudent reserve fund in each county to cover unexpected costs or a drop in revenue.

The first year's collection was much larger than expected. There was a scramble to put together programs to use the new funds. Also, the State held back part of the money as a State reserve for leaner years.

The next year (2006), although the law mandated that Prop. 63 funding be allocated, the governor line-item vetoed funds allocated under Assembly Bill 2034, which served the homeless. The result was a scramble to salvage programs and staff. The governor said the Prop. 63 money could be used to fund those programs, and the State officials opened the rainy day reserve for that purpose. Advocates cried "foul," and lawsuits started.

In the 2006-07 fiscal year, the State delayed Medi-Cal mental health reimbursements for months, forcing the County to borrow money to continue service. The State money eventually came through, but, by then, the County was out more than \$400,000 in interest expense.

Findings

1. In 2005/06 the County Chief Executive Officer began the integration of the

³ See http://en.wikipedia.org/wiki/Diagnostic_and_Statistical_Manual_of_Mental_Disorders.

Public Health Department, Social Services Department and Mental Health Department into a single unit, the Health and Human Services Agency. Each of the former departments now is a branch of the Agency.

2. One reason for combining departments into the agency was that clients of one department often were receiving services from another. A second reason was that it allows sharing of funds and personnel across branches. A third reason is that clients do not have to go to multiple places for services.
3. The Mental Health Branch has a staff of about 125 and a budget of about \$19 million.
4. Most of the Branch budget is for core services—24-hour emergency care, hospitalization, institutional care, and board and care.
5. About half the budget goes to contractors for hospitalization and treatment programs. The rest is for staff, crisis workers, case management, therapeutic services to youth and their families, vocational rehabilitation, housing assistance, wrap-around services to families with children experiencing emotional disturbances, school-based day treatment for targeted students, early intervention for children ages zero-to-five, monitoring of medication, integrated homeless services, and administration.
6. All hospitalizations handled through the Mental Health Branch are at out-of-county facilities, and the cost is included in the branch budget, but may be supplemented beyond Medi-Cal. The only local holding facility, the Psychiatric Health Facility, closed in 2000.
7. The branch serves the Mendocino County Jail and Juvenile Hall.
8. The branch serves about 2,700 individual clients.
9. One growing problem is that many individuals with mental health problems self-medicate. That complicates things for all those, including doctors, law enforcement, family, and mental health workers, who in dealing with a crisis, need to know whether drugs or alcohol are the main problem or are masking mental health symptoms.
10. The Board of Supervisors (BOS) appoints members to the Mental Health Board of citizens to advise the County. The Board comprises three members from each County Supervisorial District: one member represents clients, one clients' families and one the general public. At present, there are numerous vacant positions.
11. Prop. 63, known as the MHSA, was created in 2004, and is a 1% tax on personal income over \$1 million to be used for mental health services, but it contains many conditions and limitations; one being that these funds cannot be used to supplant existing State or County funds, and current County and State mental health funding cannot be reduced based on the availability of Prop. 63 money. The State shall neither reduce mental health funding nor require an increase in the County's share of funding without reimbursement.
12. Prop. 63 funds are distributed to counties based mostly on the size of their population.
13. Prop. 63 has its own budget. It also has its own MHSA Advisory Committee (appointed by the BOS), which includes representatives from each Supervisorial District, stakeholders such as law enforcement, education,

ethnic and cultural groups, and consumer (patients), clients' families and the public.

14. The MHSA Committee has various work groups, and meets quarterly with the Mental Health Board. Meetings were previously each month, but lack of attendance was a problem. Work groups create proposals and negotiate with affected parties who may provide input. All meetings are public and require public notice.
15. The State set up three year programs, emphasizing innovation, but because innovation does not guarantee success a program might be discontinued. The first year was to be for planning, training, capital improvements which include technology needs, and some administration; however, the program was not instituted quickly enough. The three year program may be extended.
16. Staff stated there is a lack of communication and guidance on policies and planning from management.
17. Documents show the Mental Health Branch is unresponsive to requests for meetings with providers, who are concerned about their funding. Staff states that upper management is unresponsive to their requests for input and guidelines on programs.
18. The branch issues Requests for Proposals (RFP) for new programs. Prospective contractors respond. In Mendocino County, last year, the existing programs did not require a review for continued funding through Fiscal Year 2007/08. There were no RFPs put out last year for new programs, and as of May 15, 2008 no RFPs had been put out for the coming fiscal year.
19. There is a plan to issue a new RFP for the adult community program soon. The branch expects to fund the existing programs temporarily until the process is complete.
20. Proposed plans must be first approved by the State, then by the MHSA committee. Then, the Mental Health Board and the Mental Health Director compile and approve the components in a public hearing. Lastly, the Board of Supervisors holds a public hearing, and votes on the total plan.
21. Prop. 63 money must stay in the county, so it cannot be used for placements to out-of-county facilities.
22. One goal of the MHSA is the "recovery vision" for mental health consumers. Prevention and early intervention are other goals.
23. There are various models for treatment. For example:
 - The Medical Model—using drugs to allow patients to manage their condition,
 - The Recovery Model—providing services to allow patients to gain self sufficiency with a choice of whether to use drugs, or peer support, assuming that some mental illness, like some physical diseases, may be managed without being fully cured,
 - The Peer-to-Peer Model—letting current or former patients participate in the treatment protocol, based on an assumption such a person knows things a non-patient couldn't know, and that such a person can gain more rapport with a patient.
 - Other models include alternative medicine, food based or mega-vitamin

based.

24. MHSA requires that funded plans be consumer driven and include the Recovery Model, which it refers to as the “Recovery Vision.”
25. In the Medical Model the doctor is in charge of the treatment, the patient has little input, but may refuse or discontinue use of a medication.
26. The Recovery Model emphasizes patient control and participation in decisions.
27. The Peer-to-Peer Model is a subset of the Recovery model; and the peer counselor is or has been a client.
28. The MHSA requires major public and stakeholder participation in designing and setting up programs and awarding contracts.
29. There are two classes at Mendocino-Lake Community College which would train and qualify peers to be therapeutic counselors.
30. There are passionate advocates of the different models. Some advocates support a combination of models.
31. There are also various definitions of the terms. Recovery for some advocates would mean less hospitalization and less need for services. For others, it means full recovery and reintegration into society. Some believe that recovery is impossible. Some say if severely schizophrenic patients recover, they weren’t really schizophrenic at all.
32. For last year the County will receive approximately \$400,000 from the Prop. 63 emergency reserve to replace vetoed money for the homeless, since many of the clients are the same.
33. Prop. 63 funding is by age group. Because it still is being rolled out, not all groups have funded programs yet. Some funding is for children. Other money goes to the transition age group, 16-24 years old, especially youth who move out of foster care at 18. There are adult, elder care and other categories.
34. The largest contract is for an adult program, named “A Healing Cooperative.”⁴ There has been contention between the Health and Human Services Agency and the contractor’s executives about the program. Part of the problem is a poorly worded contract, although the plan was approved by the State. Another problem is the difficulty in measuring results. This Cooperative operates facilities in Ukiah, Willits and Fort Bragg, and provides walk-in centers, group treatment and training. It is strongly peer oriented.
35. Although not required, the Cooperative has created a report to measure progress for individuals, called a “Rubric for Mental Health Recovery.”⁵ Staff members rate clients upon entry to the program and track changes.
36. A Healing Cooperative will probably lose some funding, partly because the State requires that 51% of funds go to a “Full Service Partner,” that is, a client who is assessed with an Axis I disorder. It is unclear how many users of A Healing Cooperative’s services qualify as “Full Service Partners.” Also, the County must put 50% of the MHSA communities services budget into prudent

⁴ <http://www.ahealingcooperative.org/templates/System/default.asp?id=41568>

⁵ <http://www.ahealingcooperative.org/clientimages/41568/rubricforrecovery.pdf>

reserve.

37. Most programs funded under Prop. 63 are grant contracts, with a fixed term, perhaps three years. It's not certain what will happen when grants end. One reason for grants is that many programs are experiments, and the state wants to be able to stop those that don't work.
38. Programs are evidence based. That is, there must be some way to measure what is working, and whether it is worth the cost in money or personnel. The County and community have authority and obligation to maintain what is working or redesign to address unmet needs.
39. Prop. 63 requires that the County maintain the 2004 level of mental health care funding for the regular services (plus a factor for inflation). However, there is no accommodation for the increase in population or for increase in the number of clients generated by outreach.
40. To date, the County has received all the money it is entitled to under Proposition 63. Any unspent money rolls over to the next year.

Recommendations

The Grand Jury recommends that:

1. the Board of Supervisors and the Mental Health Board make a concerted effort to recruit members to fill vacant positions on the Mental Health Board; (Finding 10)
2. the MHSA advisory committee make a concerted effort to recruit applicants for vacant positions; (Findings 13 and 14)
3. the Mental Health Branch provide more visibility on MHSA programs and proposed programs; (Findings 13-17 and 19)
4. Mental Health Branch issue RFPs for Prop. 63 funds in a timely manner; (Findings 18-20 and 34-36)
5. Mental Health Branch extend current contracts one more year, through Fiscal Year 2008/09; (Findings 18-20 and 34-36)
6. the Mental Health Branch, the Mental Health Board and the Mental Health Services Act committee, begin work on the Fiscal Year 2009/10 programs. (Findings 18-20)

Comments

Some forms of treatment cost more than others in the short term. However, if they are effective in the long term, they will save money over the long haul. Only experimenting with treatment protocols will demonstrate this. But, a change in protocols may threaten some jobs or types of work.

The branch's regular budget largely depends on "billable minutes" to Medi-Cal and others. If clinical staff can bill for 70% of their time, the reimbursement will support the entire branch budget. If Prop. 63 treatment modes work, there is a threat to the branch's funding.

The public wants to help the mentally ill. But it doesn't want to see them. Any Recovery Model assumes the mentally ill will be among us. That's part of the treatment.

Funds available for treating those with mental disorders have always been insufficient, and the mental health workers are underpaid relative to the technical skills required of them. People enter this field in spite of these obstacles because the deposit they make into their emotional bank is great.

Required Responses

Mendocino County Director of Mental Health Branch (All Findings; All Recommendations)

Director of Mendocino County Health and Human Services Agency (All Findings; All Recommendations)

Mendocino County Board of Supervisors (Findings 10, 11, 13, 14; Recommendations 1, 2)

Requested Responses

Local representative of National Association for Mental Illness (All Findings; All Recommendations)

A Healing Cooperative (Findings 34-36; Recommendations 4-6)

The Grand Jury Report Process

The role of the Mendocino County Civil Grand Jury is to oversee and shed light on local and County government. Jurors conduct oversight inquiries and investigate matters of public interest. Any individual can file a complaint with the Grand Jury using forms available online at www.co.mendocino.ca.us/grandjury.

A Grand Jury inquiry begins when a topic is approved by a minimum of 12 of the 19 seated Jurors. A committee then undertakes extensive research and drafts the report.

Findings are verified against documents and interview notes and are reviewed for accuracy with key individuals in the agency of interest. The draft is then reviewed by an internal Edit committee and must receive approval by the Full Panel. It is then sent to County Counsel and to the Presiding Judge for final review before public release.

Members of the 2007/2008 Grand Jury

Bob Coppock
Brad Hunter
Kathy Johnson
Nancy Kleiber
Lois Lockart
Chas Moser
George Pacheco
Lillian Pacini
Carolyn Pavlovic
Barbara Reed
Wendy Roberts
James Schweig
Dennis Scoles
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Partial Year

Thomas Clay, Al Pierce, Brent Rusert, Pamela Shilling, Thelma Thompson



The cover photo for this report was taken at Point Cabrillo Light Station Historic Park by Donald F. Roberts. This report was produced with the generous assistance of Tony and Maureen Eppstein. Information on Point Cabrillo State Historic Park and the Lighthouse Inn is available at www.pointcabrillo.org