



MHSA Funding Reversion Update

Updated April 2018

Background

The Mental Health Services Act (MHSA) provides funding for mental health services by imposing a 1% tax on personal income over one million dollars. MHSA legislation requires local Counties to revert (return) funds to the State that have not been spent within the required 3-year time frame for the primary MHSA programs. To-date, the California Department of Health Care Services (DHCS) has not developed a process to recover these funds; this has led to Counties holding a total of over \$230 million subject to reversion.

Assembly Bill (AB) 114

Due to the lack of guidance on amounts subject to reversion and a process to revert funds, a one-time legislation (AB 114) was enacted allowing Counties to submit a plan by July 1, 2018 for expending their respective funds that are subject to reversion by June 30, 2020. The legislation provides additional provisions that establish a balanced approach to MHSA reversion for both past and future funds including:

- Notification of funds subject to reversion and appeal instructions were provided to Counties.
- Reallocated funds must be spent in the same component (i.e. Prevention, and Early Intervention, Innovation, etc.) originally allocated to.
- The 3-year reversion time frame for innovation funds will now commence upon approval of the project plans; this will minimize the reversion risk for funds accrued while awaiting approval.
- For funds moving forward, reversion guidelines will be provided (expected May 2018).

San Mateo County Impact & Plan

San Mateo County has close to \$3.8 million subject to reversion in Innovation. Given a local stakeholder prioritization of technology innovations during the MHSA Community Program Planning process, the San Mateo County MHSA Steering Committee discussed participating in a statewide County Behavioral Health Technology Collaborative, which will bring technology-based solutions across the State of California, including:

- Peer chat and online support
- Virtual evidence-based wellness support through an avatar
- Utilizing passive smartphone data for early detection and intervention

A thorough stakeholder input process on these technology innovations will commence in April/May 2018 and a plan proposal will be presented to the Mental Health and Substance Abuse Recovery Commission for a 30-day public comment period before submission to the Board of Supervisors for approval.

