

Policy At A Glance:

California's Mental Health Services Act Reform

Mental illnesses are among the most common health conditions faced by Californians with nearly 1 in 7 Californians experiencing a mental illness. This brief provides an overview of Governor Gavin Newsom's plan to transform California's mental health system through two key bills: the Behavioral Health Services Act (SB 326) and the Behavioral Health Infrastructure Bond Act (AB 531).

Introduction

Broadly defined, mental health includes aspects of an individual's emotional, psychological, and social well-being, as well as how one thinks, feels, and acts.¹ Mental health is important at every stage of life, from childhood and adolescence through adulthood.² While mental health conditions cannot be overcome through will power, they are treatable through medications, psychological treatments, and peer support groups.³

Currently, one in seven adults in California live with a mental health condition. Furthermore, one in 24 is impacted to the point that their daily functioning is limited. Among children, one in 14 have a mental health condition that limits their ability to function at home and in school. Compared to other states, California has a higher rate of mental illness patients than mental health resources available. In California, the most common mental health conditions are anxiety, depression, and bipolar disorder.⁴

In September 2023, the California State Legislature passed Governor Gavin Newsom's legislative proposition to improve the state's mental health system through the Behavioral Health Services Act (SB 326) and the Behavioral Health Infrastructure Bond Act of 2023 (AB 531). A legislative proposition is a proposal placed on the ballot by the legislature that must be approved by voters at large.⁵ Therefore, in March 2024, California voters will get to decide on the fate of SB 326 and AB 531.⁶

Mental Health Statistics for California⁷

- 161,548** Adults in California are homeless and 1 in 4 live with a serious mental illness.
- 5,566,000** Adults in California have a mental health condition.
- 1,243,000** Adults have a serious mental illness in California.
- 396,000** Californians aged 12-17 have depression.
- 1,562,000** Adults reported not receiving mental health care due to costs in California.

Bringing wholeness to individuals and communities, the Institute for Health Policy and Leadership (IHPL) strives to integrate health policy research and education with leadership development. Our goal is to improve the health of our communities by building on our strong heritage of health promotion and disease prevention.

To learn more, visit us at www.IHPL.llu.edu



LOMA LINDA
UNIVERSITY
HEALTH

California's Mental Health Services System and Status

Over a million Californians receive services each year through California's public mental health system, which includes services organized and provided through county services, Medi-Cal managed care plans, community-based organizations, schools, jails, and other similar public entities.⁸ Recent research has shown that in the past decade, the state saw hospitalizations for mental health emergencies rise by more than 40% among young adults. Furthermore, Californians aged 12-17 experience a major depressive episode at a higher rate than the national average, though less than one-third reported receiving appropriate treatment.⁹

The largest psychiatric institutions within the state and nation are not hospitals, but rather are jails and prisons. Over 30% of California prisoners currently receive treatment for a serious mental disorder, an increase of nearly 150% in the past two decades. With the goal of keeping individuals out of jail, public defenders, prosecutors, judges, and social service providers must work together to connect defendants with the appropriate services and treatments available.⁹

Furthermore, people in psychiatric crisis increasingly are finding themselves in the state's emergency rooms time and time again.⁹ However, there is often a lack of space for these patients in the emergency room. Research has shown that by 2026, California will face an estimated 1.5% increase in the demand for psychiatric beds.¹⁰ Since 1995, California has seen a decrease by 30% of its acute care psychiatric hospital beds for adults. Moreover, the state only has eight juvenile psychiatric beds for every 100,000 minors.⁹

When Californians in psychiatric crisis find themselves in emergency rooms and jails, it is often because they cannot receive the treatment they need in their community. With California lagging behind the rest of the country, 37% of Californian adults with mental health illnesses received treatment in 2019, compared to the national average of almost 43%.⁹

Trouble Accessing Treatment in California

Federal and state mental health parity laws and the Affordable Care Act have greatly expanded private and public insurance coverage for mental health conditions. Research has shown that despite the coverage, access to care remains a challenge for most Californians.¹¹ Nearly two thirds of adults do not receive mental health treatment and only one third of teenagers receive treatment. Furthermore, California lacks an adequate mental health care workforce.^{11,12} A survey conducted by the Healthforce Center at the University of California, San Francisco found that a large share of psychiatrists and psychologists are expected to retire in the next decade, increasing the gap in the availability of behavioral health professionals.^{11,13} Efforts are needed in California to meet future needs for behavioral health professionals.



Proposed Mental Health Package

In an effort to modernize California's behavioral health system and to create more behavioral health housing, Governor Gavin Newsom proposed a 2024 ballot initiative to improve how California treats mental illness, substance abuse, and homelessness.^{14,15} The goal of this legislative package is to: (1) build mental health treatment centers in residential centers within the community to house Californians with mental illness and substance use disorders; (2) to create housing for homeless veterans; and (3) to modernize the Mental Health Services Act to require at least \$1 billion every year for behavioral housing and care.¹⁵

The Behavioral Health Services Act (SB 326)

Passed in both the Senate and the Assembly in its final form in September 2023, the Behavioral Health Services Act (SB 326) amends the Mental Health Services Act (MHSA), which was adopted in 2004 alongside Proposition 63.¹⁶ Proposition 63 enacted an additional 1% tax on income above \$1 million and dedicated the revenue to counties to fund mental health services and programs.^{16,17}

SB 326 would rename the MHSA to the Behavioral Health Services Act and would expand the Act to include treatment for substance use disorders.^{16,18} Additionally, it would change how county mental health plans are required to spend the revenue from the 1% tax revenue and increase the number of members on the Act's oversight commission.¹⁸

The Behavioral Health Infrastructure Bond Act of 2023 (AB 531)

Passed in both the Senate and the Assembly on September 14, 2023, the Behavioral Health Infrastructure Bond Act of 2023 (AB 531) creates a bond to generate at least \$6.4 billion in one-time funding to build 10,000 new behavioral health beds under a streamlined environmental permitting process.^{19,20} At the forefront, this bill would provide housing for individuals and families who are experiencing homelessness or at risk of homelessness. Additionally, this bill would provide housing for those who are inherently impacted by or at risk for increased medical diseases due to the COVID-19 pandemic or other diseases and are disbursed in accordance with the Multifamily Housing Program.²⁰

Specifically, the \$6.4 billion bond proposed by AB 531 would be allocated as follows:¹⁶

- \$1.05 billion for permanent supportive housing for homeless veterans who have mental health or substance abuse disorders.
- \$922 million to fund permanent supportive housing for people experiencing or are at risk of homelessness and have behavioral health needs.
- \$4.494 billion in grants for behavioral health treatment and housing eligible under the Behavioral Health Continuum Infrastructure Program.

Conclusion

In March 2024, California voters will have the opportunity to vote on this ballot measure to create housing and treatment options for mental health care through SB 326 and AB 531. Combining SB 326 and AB 531 will transform mental healthcare and treatment for all communities, ages, and incomes and increase insurance coverage for treatment of mental health and substance use disorders.²¹ This mental health package will invest 30% of the Mental Health Services tax dollars in housing programs, including rental subsidies. Furthermore, it will invest towards expanding the state's psychiatric and addiction treatment infrastructure and build permanent supportive housing, with half set aside for veterans with mental health diagnoses or substance use disorders.²²

References

1. <https://www.cdc.gov/mentalhealth/learn/index.htm>
2. <https://www.samhsa.gov/mental-health>
3. <https://namica.org/what-is-mental-illness/>
4. <https://alterbehavioralhealth.com/mental-illness/most-common-mental-disorders-in-california/>
5. <http://www.iandrinstitute.org/quick-facts.cfm>
6. <https://californiahealthline.org/news/article/california-homelessness-is-homegrown-university-of-california-research/>
7. <https://www.nami.org/NAMI/media/NAMI-Media/StateFactSheets/CaliforniaStateFactSheet.pdf>
8. <https://www.chcf.org/event/briefing-introduction-californias-public-mental-health-system/>
9. <https://calmatters.org/explainers/breakdown-californias-mental-health-system-explained/>
10. <https://dhs.saccounty.gov/PUB/Documents/Public-Health-Advisory-Board/PHAB-Meeting-Documents/2022/Presentations/Adult%20Psychiatric%20Bed%20Capacity%20Need%20and%20Shortage%20Estimates%20in%20California%202021.pdf>
11. <https://www.chcf.org/blog/many-californians-have-coverage-but-not-care-for-mental-health-conditions/>
12. <https://calmatters.org/health/2022/09/california-shortage-mental-health-workers/>
13. <https://healthforce.ucsf.edu/publications/california-s-current-and-future-behavioral-health-workforce>
14. <https://www.counties.org/csac-bulletin-article/governor-newsom-releases-legislative-proposal-modernize-californias-behavioral>
15. <https://www.gov.ca.gov/2023/03/19/governor-newsom-proposes-modernization-of-californias-behavioral-health-system-and-more-mental-health-housing/>
16. [https://ballotpedia.org/California_Behavioral_Health_Services_Program_and_Bond_Measure_\(March_2024\)](https://ballotpedia.org/California_Behavioral_Health_Services_Program_and_Bond_Measure_(March_2024))
17. [https://ballotpedia.org/California_Proposition_63_Tax_Increase_on_Income_Above_\\$1_Million_for_Mental_Health_Services_Initiative_\(2004\)](https://ballotpedia.org/California_Proposition_63_Tax_Increase_on_Income_Above_$1_Million_for_Mental_Health_Services_Initiative_(2004))
18. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB326
19. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB531
20. <https://www.latimes.com/california/story/2023-09-11/mental-health-gavin-newsom>
21. <https://www.gov.ca.gov/2023/06/20/governor-newsom-legislative-partners-unveil-transformation-of-californias-mental-health-services-act/>



Did you know?

Approximately 82% of people experiencing homelessness said they had a mental health illness or substance use disorder in their lifetime and 66% said they are currently experiencing mental health problems, such as depression, anxiety, or hallucinations.⁶



LOMA LINDA UNIVERSITY
HEALTH

Institute for Health Policy and Leadership

11209 Anderson Street
Loma Linda, CA 92354
Phone: 909-558-7022
Fax: 909-558-5638
www.IHPL.llu.edu

Questions?

Please contact Renée Chuang, MS,
Doctoral Graduate Assistant at the
Institute for Health Policy & Leadership
(RChuang@llu.edu).