N. BEHAVIORAL HEALTH SERVICES ACT

Effective July 1, 2026

Proposition 1, approved in March 2024, modernizes California's behavioral health system by improving accountability, increasing transparency, and expanding treatment capacity. The Department of Health Care Services (DHCS) is implementing these changes through Behavioral Health Transformation (BHT), building on existing statewide initiatives. SB 326 (BHSA) replaces the 2004 Mental Health Services Act (MHSA) and expands services to include substance use disorder (SUD) treatment, housing interventions, and workforce development, with a focus on individuals with the greatest behavioral health needs. For more information, access the BHSA Policy Manual at: https://policy-manual.mes.dhcs.ca.gov/

BHSA funding may serve children, youth, adults, and older adults who meet BHSA eligibility criteria aligned with Medi-Cal Specialty Mental Health Services (SMHS), and include individuals with Substance Use Disorder. County of San Diego BHS contracts that leverage BHSA funding will also include the specific target population for the contract, inclusive of age range. These contracts may also utilize other funding sources to support the contracted services and include additional requirements.

All BHSA funded programs are categorized into one of the following components and must meet BHSA priorities and DHCS requirements.as outlined by DHCS guidance, including the BHSA Policy Manual and county-specific service needs.

- **Housing Interventions (HI)** – Housing interventions eligible for BHSA funding are broad to help support the range of needs for the target population and help provide stable housing in coordination with care to improve health outcomes. Housing Interventions services for SUD members include shared housing (e.g., recovery housing).

  As defined in W&I Code section 5830, individuals must meet the BHSA eligibility requirements, defined above, and meet the definition of:
  - At-Risk of Homelessness, or
  - Experiencing Homelessness, or
  - Chronically Homeless, with a focus on those in encampments. Of the funding distributed to counties for Housing Interventions 50 percent must be used to support the housing needs of individuals who are chronically homeless, with a focus on those in encampments.

  Pursuant to W&I Code section 5891.5, subdivision (a)(2), the provision of Housing Interventions to individuals with a substance use disorder (SUD) is optional for counties in alignment with the requirements in Section 5963.02(b)(2). However, when Housing Interventions are provided to an individual living with a SUD, all housing intervention requirements in W&I Code section 5830 must be met.

Contracted programs that are expected to support BHS and Managed Care Plan (MCP) coordination must:

- Ensure that HI funding is not used by services that are covered by MCP.
- Support seamless connections from the county to the MCP for coverage of housing services and vice versa.
- Provide whole-person care and integrated housing services for MCP-enrolled members with significant behavioral health needs who meet BHSA eligibility criteria.

- **Behavioral Health Support Services (BHSS)** – Provides an integrated delivery of early intervention services, mental health, and substance use disorder services to all ages and allows for additional components which may include workforce efforts and other critical technology.
- **Full Service Partnership (FSP) –** Programs provide individualized, team-based care to individuals living with significant behavioral health needs through a "whatever it takes" approach. SUD services within this category include Assertive Field-based Initiation for Substance Use Disorder Treatment Services and Individual Placement and Support (IPS).

BHSA funded programs must support BHS in promoting access to care through the efficient use of State and County Resources. For securing managed care and OHC payments, billing and further documentation resources, see:

- BHSA Policy Manual Section 6 BHT Fiscal Policies & Section 9 Appendix for helpful process flows and procedures

To access the BHSA Policy manual and find current information, please visit: https://policy-manual.mes.dhcs.ca.gov/