

## **N. Mental Health Services Act (MHSA) & Behavioral Health Services Act (BHSA) (effective 07/01/26)**

In November 2004, California voters passed Proposition 63, the Mental Health Services Act (MHSA) which became law on January 1, 2005. The vision of the MHSA is to build a system in which mental health services are more accessible and effective, utilization of out-of-home and institutional care is reduced, and stigma toward those with serious mental illness (SMI) or serious emotional disturbance (SED) is eliminated.

The MHSA was designed to provide funds to counties to expand services, develop innovative programs, and integrate service plans for children, adults and older adults with a serious mental illness. The MHSA provides resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth (TAY), adults, older adults, and families. It also addresses a broad continuum of prevention and early intervention needs, and the necessary infrastructure, technology, and training to effectively support the public mental health system.

The MHSA work plan consists of five components:

1. Community Services and Supports (CSS)
2. Prevention and Early Intervention (PEI)
3. Innovations (INN)
4. Capital Facilities and Technological Needs (CF/TN)
5. Workforce Education and Training (WET)

### **MHSA Full-Service Partnerships**

A number of providers are participating in MHSA Full-Service Partnerships, which provide mental health services to members and link them with a variety of community supports, designed to increase self-sufficiency and stability. Full-Service Partnership (FSP) programs advance goals to reduce institutionalization and incarceration, reduce homelessness, and provide timely access to help by providing intensive wraparound treatment, rehabilitation, and case management. The FSP program philosophy is to do “whatever it takes” to help individuals achieve their goals, including recovery. Services provided may include, but are not limited to, mental health treatment, medical care, and life-skills training. Funds can also be used to fund permanent supportive housing or housing supports.

### **Mental Health Services Act (MHSA) Outcomes**

Under the MHSA in San Diego, new programs are being started while others are expanding. As the MHSA is implemented across the State, new requirements for outcome reporting are anticipated to document how these funds are changing the lives

of mental health clients. Providers receiving MHSA funding will be responsible for complying with any new requirements for additional outcome data. Programs that have entered into Full-Service Partnerships under the MHSA are required to participate in a State data collection program (DCR) which tracks initial assessments, specialized client assessments, ongoing key incident tracking and quarterly assessments. The State has set timeframes for provisions of each type of data. For more information on DCR, please visit [UCSD DCR Training and Resources](#)

### *MHSA Community Services and Support (CSS)*

CSS providers are tasked with gathering program-specific information outlined in their contract and tracking data on the Quarterly Status Report (QSR). Additionally, CSS providers administer applicable treatment outcome data, and responses are recorded by the Contractor's staff within the EHR or as otherwise directed by the County. This database permits client results to be compiled for individual cases and by program.

### *MHSA Prevention and Early Intervention (PEI)*

PEI providers are tasked with gathering specific demographic data and entering a four-question general survey into mHOMS. The mHOMS database is utilized to hold the data and is managed by the County's Data Centers (HSRC and CASRC). Data can be entered directly into the mHOMS database, or the Data Centers will extract from the contractor's database and enter it into mHOMS. Program-specific outcome and process data, as outlined in the contract, is captured in the Quarterly Status Report (QSR). For more information please see the [Outcome Measures Manual](#) or contact [mhoms@ucsd.edu](mailto:mhoms@ucsd.edu).

### *MHSA Innovation*

Innovation providers are tasked with gathering specific demographic data and entering a general question survey into mHOMS. The mHOMS database is utilized for gathering the data and is managed by the County's Data Centers (HSRC and CASRC). Data can be entered directly into the mHOMS database, or the Data Centers will extract data from the contractor's database and enter it into mHOMS. Program-specific data, as outlined in the contract, is captured in the Quarterly Status Reports (QSR).

### *MHSA Workforce Education and Training (WET)*

WET providers are tasked with gathering specific demographic data as specified in their statement of work.

### *MHSA System Transformation*

Under the MHSA, community-based services and treatment options in San Diego County have been improved, expanded, and transformed by:

1. Increasing Client and Family Participation
2. Serving More Members
3. Improving Outcomes for Members
4. Decreasing Stigmatization
5. Minimizing Barriers to Services
6. Increasing Planning and Use of Data
7. Increasing Prevention Programming
8. Including Primary Care in the Continuum of Care
9. Using of Proven, Innovative, Values-Driven and Evidence-Based Programs

With the passing of the Mental Health Services Act the law called for the establishment of the Mental Health Services Oversight and Accountability Commission (MHSOAC). The MHSOAC is responsible for oversight of the MHSA implementation. The MHSOAC holds counties accountable for a number of outcomes. The outcomes include decreases in racial disparities, hospitalizations, incarcerations, out-of-home placements and homelessness while increasing timely access to care. Other outcomes may be required as the State and County evaluate MHSA services. Contractors receiving MHSA funding are responsible for complying with all and any new MHSA requirements.

For current information on MHSA visit: [BHS MHSA](#)

For current MHSOAC information visit: [Mental Health Services Oversight and Accountability Commission](#)

### **Behavioral Health Services Act (BHSA) (Effective 07/01/2026)**

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](#).

BHSA funding may serve children, youth, adults, and older adults who meet BHSA eligibility criteria aligned with Medi-Cal Specialty Mental Health Services (SMHS). 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 retained MHSA-funded programs were transitioned into one of three BHSA components and must meet BHSA priorities and DHCS requirements as outlined by DHCS guidance, including the BHSA Policy Manual and county-specific service needs.

1. **Behavioral Health Support Services (BHSS)** – Provides integrated early intervention, mental health, and SUD services for all ages. Includes:
  - a. Early Intervention: Prevents serious mental illness and SUD, reduces disparities, and focuses on reducing outcomes such as suicide, school failure, incarceration, unemployment, homelessness, family separation, overdose, and prolonged suffering.
  - b. Other Services and Supports (OSS): Includes Children’s, Adult, and Older Adult Systems of Care, Workforce Education and Training (WET), Outreach & Engagement, and CFTN.
2. **Full Service Partnership (FSP)**- Delivers intensive, team-based, “whatever it takes” services for individuals with significant behavioral health needs. Subcomponents include:
  - a. FSP 1: Intensive Case Management for individuals needing moderate to significant support.
  - b. FSP 2: Services for the highest-acuity individuals, including ACT, FACT, and High Fidelity Wraparound.
  - c. Other EBPs: Programs such as IPS and Clubhouses.
  - d. Allowable Costs: Innovative or other DHCS-approved costs.
3. **Housing Interventions (HI)** – Supports a broad range of housing needs, including rental subsidies, operating subsidies, shared recovery housing, family housing, transitional rent (pending federal approval), project-based assistance, and capital projects. As defined in W&I Code section 5830, individuals must meet the BHSA eligibility requirements and meet the [definition](#) of:
  - a. At-Risk of Homelessness, **or**
  - b. Experiencing Homelessness, **or**
  - c. Chronically Homeless, with a focus on those in encampments. Of the funding distributed to counties for Housing Interventions fifty (50) percent must be used to support the housing needs of individuals who are chronically homeless, with a focus on those in encampments.

Contracted programs that are expected to support BHS and Managed Care Plans (MCPs) coordination must ensure that HI funding is not used by services that are covered by MCPs. They must also:

- a. Support seamless connections from the county to the MCPs for coverage of housing services and vice versa.
- b. Provide whole-person care and integrated housing services for MCP-enrolled members with significant behavioral health needs who meet BHSA eligibility criteria.

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/>**