

To: MHAC Affiliates

From: Rusty Selix

Today Governor Brown introduced his proposed 2013-14 State Budget. With the passage of Proposition 30's tax increases, the state budget is projected to be balanced over the next several years - representing the first time this has been true in ten years. The budget forecasts realignment revenue increases of about 6% for the current year and 7% for 2013-14. It estimates that revenues for the tax that supports MHSA programs will be \$1.3 Billion in the current year and \$1.2 Billion in 2013-14. (note that MHSA tax revenues does not mean that the allocations will be that amount as a portion of the allocations reflects revenues from two years earlier- the amounts for county allocations in 2013-14 will likely not be known for several months).

The budget proposes full implementation of the ACA including MediCal expansion through two alternatives - either a statewide approach like current MediCal or a county-by-county program like the current LIHP (Low Income Health Plan) which is what applies to the population of MediCal expansion. In either scenario mental health and alcohol and drug will be carved out and administered through counties. Details and discussion around how each option would work and whether it must be the same statewide or might be one way in some counties and the other way in others will become clearer over the next several weeks. What is clear is that, if the program is to be administered by the state, counties would be forced to transfer back a portion of their 1991 Realignment funds that are used for indigent health.

**This is the shortest budget memo I have ever written. The many consecutive years of major structural changes and financial fears have ended -- at least for now.** There is obviously plenty to do in implementing the many dimensions of health care reform and realignment based on recent state and federal actions but for now there is nothing new being proposed through the state budget.

Nonetheless we think there will be significant proposals that will emerge through legislative discussions as a result of the Newtown, Connecticut shootings. While much focuses on guns there are also going to be several proposals to do more for mental health care. We have articulated some of the things that we think should be discussed and other groups have presented additional ideas. There is a window of opportunity to address gaps in our public and private systems for identifying and treating mental health problems. In coming weeks we will present those that seem to be gaining traction and what we can do to advance them.

For more information visit <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>