

*dedicated to the Health
of the Whole Community*



Mental Health Board
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February 16, 2007

To: Santa Clara County Board of Supervisors

From: Veronica Tincher, Chair
Mental Health Board

Re: Mental Health Board - Impact Statement / Fiscal Year 2008 Proposed Budget Cuts

At the Mental Health Board's February 12, 2007 regularly scheduled meeting, the enclosed statement on the impact of the proposed Mental Health Department budget reduction target for FY2008 was passed unanimously.

As stated in the Impact Statement, the county is responsible to the severely mentally ill who need emergency and 24-hour care regardless of their ability to pay. The only way the Mental Health Department could reduce spending by \$34-million would be to eliminate services to the unsponsored who are not in the acute and 24-hour service population. This reduction will drive many who could benefit from lower cost outpatient services into the more costly 24-hour service pool.

There is also serious concern over Mental Health Services Act (MHSA) regulations. The Act contains a "non-supplantation" clause that is still under review as to whether it applies to county's over-match on state funds. Our county has been the most advanced of any California county in providing a true investment in mental health services through such an over-match. It is still in question as to whether cuts in this over-match are in violation of the non-supplantation clause. The MHSA also requires counties to maintain their level of effort which may be violated by this proposed budget reduction.

VT:k
Enclosure

Impact of Proposed Budget Cuts For FY2008

The Mental Health Board of Santa Clara County is a legally mandated board under the California Welfare and Institutions Code. The board's key duty is to review and evaluate the community's mental health needs and provide advice to the Board of Supervisors.

The laws of this state do not mandate that the county look after the mental well being of its residents until there is a crisis. When a crisis does occur and someone is no longer able to cope, the county does have responsibility. Someone may be brought to a mental facility, get to the facility without assistance, or be brought to the county jail. Regardless of the details, the responsibility at that point rests with the county.

The problem for budgeting and planning in a rational way is not *whether the county should provide services to the un-insured*; the appropriate question is *what mix of mental health services will provide the required care at least cost?*

The cost effective solution, and the humane solution, is to provide mental health care to those who need it before the situation becomes a crisis. Unfortunately, it is these non-critical services that get eliminated when budgets are slashed.

The result of the slashed budget is higher costs later. Patients, who do not receive attention when a little help could make a big difference, become inmates of the jail or patients in a 24-hour care facility. That is a huge cost to society and to the county.

More specifically, the \$34-million budget reduction proposed for the Mental Health Department will result in the discharge of about 7,200 outpatient mental health consumers who do not have Medi-Cal or any other insurance. This will be roughly a reduction of 40% in the number of mental health consumers currently served.

Continuous budget cuts since Fiscal Year 2002 already resulted in loss of services to about 4,000 clients (an 18% reduction of clients). Over the same period there has been a 20% increase in the number of persons suffering from mental illness in the jail population. Currently, 75 persons seeking help are turned away each day when they call the Mental Health Department Call Center. The 24-hour care system is experiencing a shortfall of \$10-million. It is probable that the increase in acute patients and their increased acuity is linked to the delay caused by persons having to wait to access mental health services. The number of unexpected death incidents of mental health consumers increased by 46%. Current estimates show a growing number of homeless in Santa Clara County.

The proposed cut to the Mental Health Department will exacerbate the already serious problems for the mentally ill. Such cuts will also result in unplanned expenditures in other areas of the budget, including the jail and the courts, and will adversely impact the City of San Jose and its police services.

The budget reduction target to mental health is twice as large as those given to other county services, Its magnitude and the rapid implementation required to achieve it will eat away at the foundation of the mental system and adversely impact its ability to deliver services to the remaining clients in the system.

The citizens of Santa Clara County voted for the Mental Health Services Act (MHSA) with the expectation that it would improve the quality and the quantity of services provided by county mental health; MHSA specifically requires counties to maintain the level of effort expended at the time the act passed. Even without that requirement, the proposed budget cuts are too large and too immediate for MHSA funds to have any mitigating effect.

We recognize that the county is facing a severe budget shortfall. However, this reduction in mental health services will have serious repercussions to mental health consumers, to their families, to the quality of life in Santa Clara County, and to future county budgets.