

N. Behavioral Health Services Act (BHSA)

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/>