Alameda County Behavioral Health Department

Behavioral Health Services Act (BHSA) Planning Update for Fiscal Year (FY) 2026-2027

All System Provider Webinar

Wednesday, January 14, 2026

Behavioral Health Department
Alameda County Health

Information Webinar Format

- ACBHD Staff will present information on the Behavioral Health Services Act (BHSA) and what this transition means for our system. Thank you for joining us today.
- **This webinar is being recorded**: Audio is now broadcasting. We will email out the slides and will post them on the ACMHSA website under the BHSA tab.
- **Please note:**
  - Questions may be submitted via Zoom's Q&A feature during the webinar.
  - ACBHD staff will answer and summarize as many questions as possible today.
  - Questions will be answered either directly in the Q&A chat or live in the post webinar live Q&A.
  - For additional questions please send them to us at BHSATransition@acgov.org

OVERVIEW

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- Proposition 1: Behavioral Health Services Act (BHSA) Review
- Components & Requirements Update
- Program, Budget, & Fiscal Impacts and Critical Decision Points
- Timeline, Resources, & Next Steps
- Q&A Discussion

Webinar Purpose:

- **To provide a forum to communicate critical updates** regarding the transition from the Mental Health Service Act (MHSA) to the Behavioral Health Services Act (BHSA) in Alameda County effective July 1, 2026.

- **To discuss (Q&A) the departmental path forward**, budget and system updates, related to the MHSA to BHSA transition.

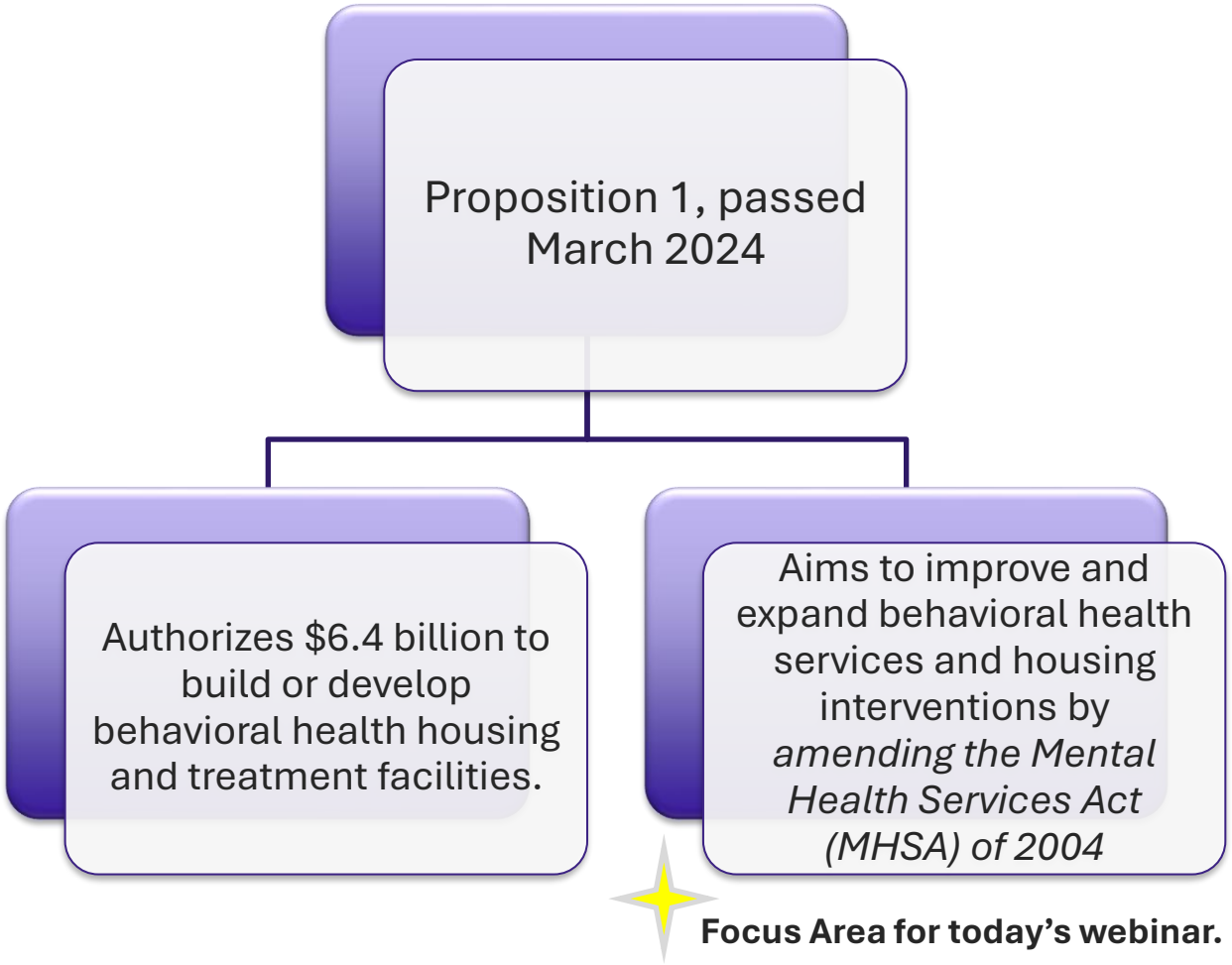
- **To hear from you and allow for an exchange of ideas and feedback** regarding strategies employed by ACBHD to date.

Proposition 1:
Behavioral Health Services Act (BHSA)

Quick Review

Proposition 1: High Level Summary Review

- Part of the State's **Behavioral Health Transformation** Agenda.
- **Philosophical shift** from prevention, intervention, and treatment across the mental health spectrum to focus on the most severely mentally ill individuals.
- **Inclusion** of eligible programming for those with **substance use** conditions.
- Services and supports primarily focused on **housing**.



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Proposition 1: Service Impacts

Upstream & Across the Spectrum

DOWNSTREAM & More severe

Severe Mental Illness, or those with Mental Illness who are at risk for becoming more SEVERELY mentally ill, including due to Substance Use

Current State & MHSA Services

As of **July 1, 2026**

BHSA System Transformation

Targets individuals with the most **SEVERE** mental illness.

Focuses supports on **HOUSING** Resources, Navigation, & Subsidies

Population-Based → Mild/Moderate → Severe

Housing & Resources for those with **SEVERE** mental illness, substance abuse, & Veterans

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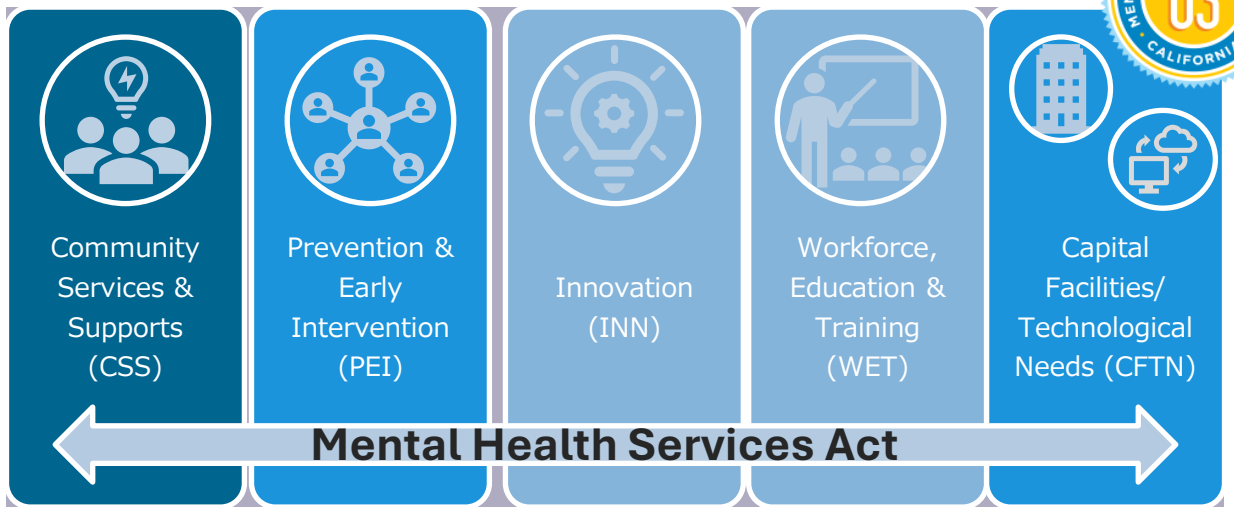
Proposition 1: System Change



FY 25/26 MHSA Budget: $206.16M

FY 26/27 BHSA Estimated Revenue: $127.5M

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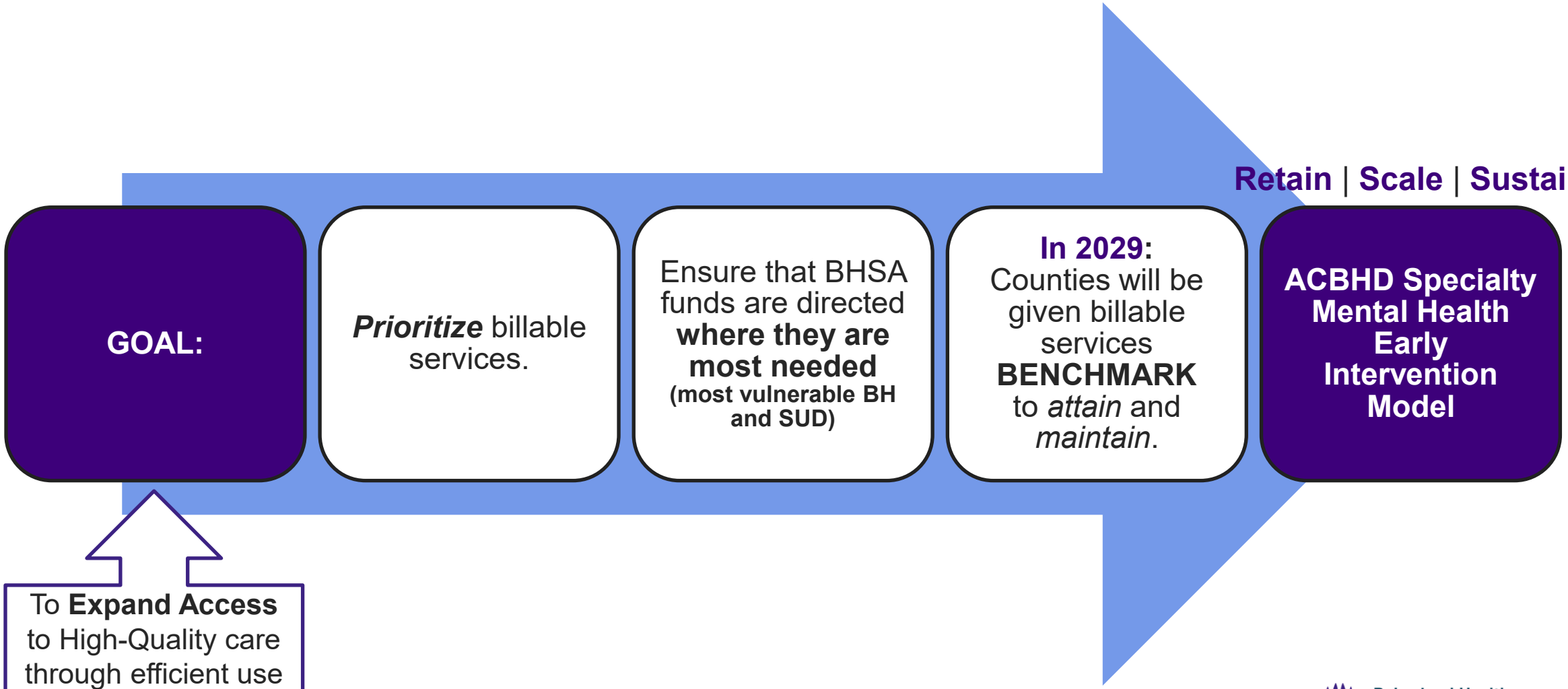
BHSA Prioritization of Medi-Cal Billable Services



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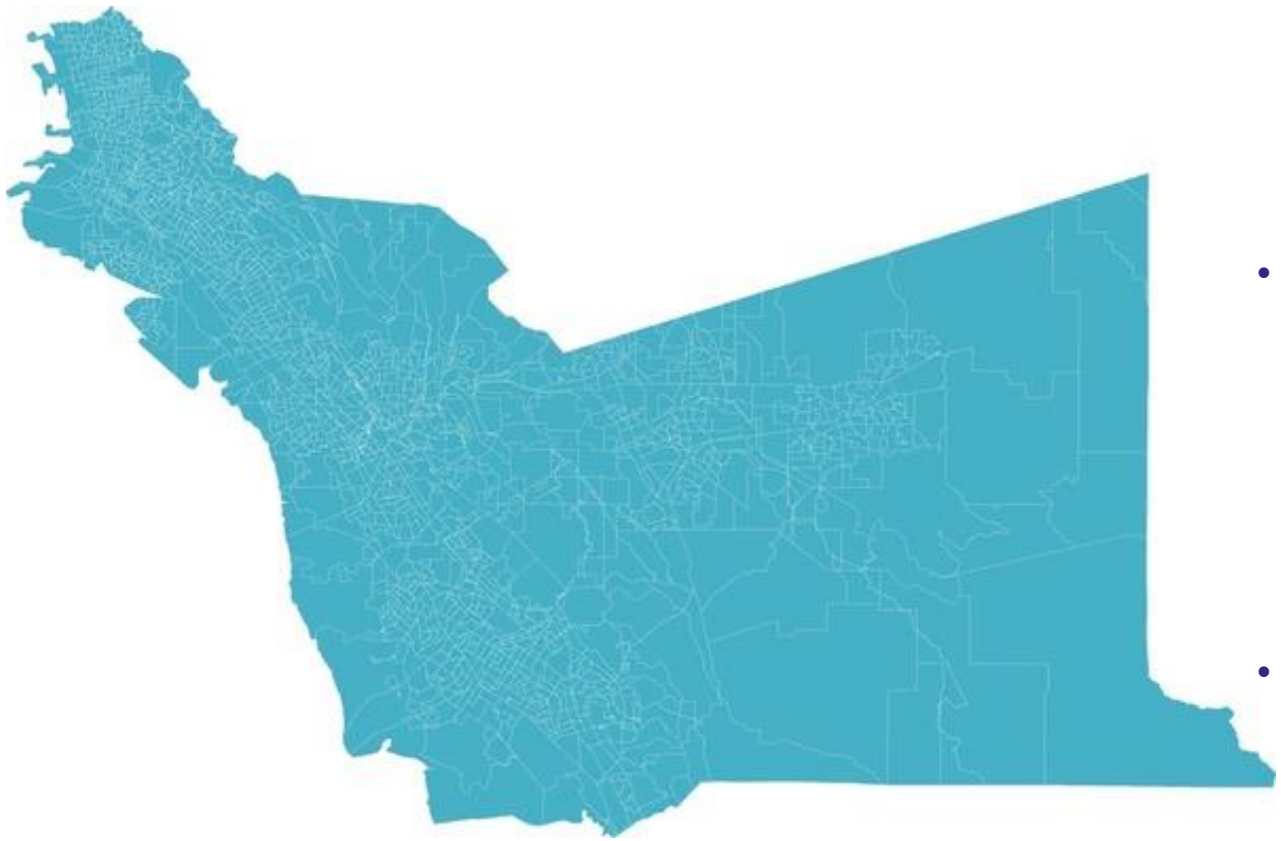
Alameda County Impacts



- **Significant Funding Reduction:** Alameda County projects a substantial net reduction in behavioral health funding once the full implementation of BHSA begins in Fiscal Year 2026 -2027 (FY 2026-2027).

- An approximate decrease of between **$75 - $79 million in MHSA funds** while receiving an estimated allocation of $127 million under the BHSA in FY 2026-2027, a nearly 38% cut from the FY 2025-2026 budget of $206 million.

- **Alameda is not alone** in this level of reductions. Other large counties, including Orange, San Diego and Santa Clara County are all facing similar reductions, if not larger.

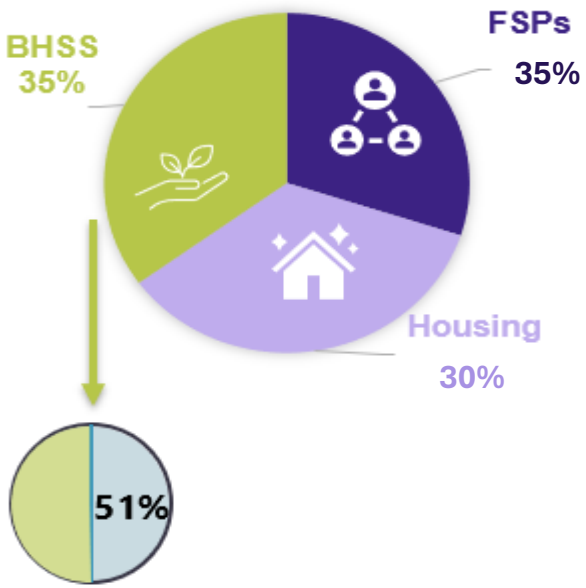
Areas Considered for BHSA Planning (October 8, 2025):

- **Revenue Estimates**
- **Unexpended Funding/ Carryover Estimates**
- **BHSA Components & Required Revenue Allocation %'s**
- **Mandatory Programming**
  - Evidence-Based Programs (EBPs)
  - Mandates (Federal, State, Local, and/or Legal)
- **Alignment with ACBHD System Priorities**
- **Fiscal Accountability**
- **Community Needs/ System Gaps**
  - Language Access
  - Demographic Disparities
  - Peer and Family Programming
  - Network Adequacy

Proposition 1:
Behavioral Health Services Act (BHSA)

Early Intervention – Alameda County Implementation Model

BHSS Component: Early Intervention Requirements



↑ **51%** of Early Intervention funds must be used for **children and youth 25 years of age or younger.**

- **Each county shall establish and administer an early intervention program** that is designed to prevent mental illnesses and substance use disorders from becoming severe and disabling and to reduce disparities in behavioral health.***
- **An Early Intervention program shall include** the following three components:
  1) **Outreach**
  2) **Access and Linkage to Care:**
     - Screening
     - Mental Health Consultation (must be connected to a Client)
     - Cultural Supports
  3) **Mental Health Early Treatment Services and Supports:**
     - Mental Health Treatment/Counseling Services
     - Case Management/Brokerage
     - Crisis Intervention
     - Peer Support
- **Services may include First Episode Psychosis programming and services** that prevent, respond, or treat a behavioral health crisis or activities that decrease the impacts of suicide.

**See SB 326 SEC 50. Section 5840

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Early Intervention – Fiscal Year 2026 - 2027 Updates

- The upcoming BHSA shift will realign prevention services from county to State responsibility.

- **Per the requirements of BHSA**, to retain, scale and sustain early intervention services that are eligible, ACBHD is facilitating an **Opt-In** opportunity for PEI providers that currently provide early intervention program components (as defined by the State) so that they may fully transition to Early Intervention Medi-Cal programs.

- **PEI program models with early intervention components** *and* those which are most consistent with Specialty Mental Health Services SMHS Medi-Cal program models will be the programs that the department will focus on during this initial transition stage.

- **All Early Intervention Programs** will be required to adhere to BHSA requirements.

Components of an Early Intervention Program:

- **Local Alameda County Implementation**:
  - Mental Health ***Treatment*** services
  - Medi-Cal Billing
  - 1:1 Early Intervention (EI) Services experience
  - Minimum required staffing structure
  - Access & Linkage experience

- Community Based Organizations **may elect to "Opt-In" (or Out)**

- **Months of local readiness activities and preparation; ongoing support** and consultation for providers transitioning to Early Intervention.

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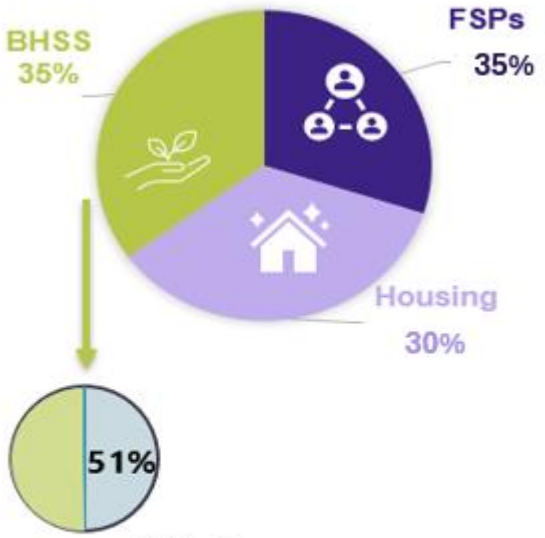
Local Notifications & Transitions (Early Intervention – EI):



↑ **51%** of Early Intervention funds must be used for **children and youth 25 years of age or younger.**

- **Alameda County has identified twenty (20) programs eligible to transition** to Specialty Mental Health Services (SMHS) and to bill Medi-Cal under the BHCS Early Intervention model.
- Technical assistance, operational support and fiscal resources will be provided **to organizations that "Opt-In" to transition to the planned EI Model**.
- **Programs that choose to "Opt-In" are agreeing to *transform* their programs** (which means aligning to the new EI Model) including (but not limited to);
  - Staffing Structure
  - Productivity Rates
  - Providing Services to Medi-Cal eligible populations.
- **Friday, January 16, 2026, is the "Opt-In" deadline**. Eligible Providers have already been notified and must send their final decision to the BHSA Division c/o Tracy Hazelton at Tracy.Hazelton@acgov.org.

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Proposition 1:
Behavioral Health Services Act (BHSA)

Current Landscape: Budget & Service Impacts Update

Factors Impacting BHSA Revenues (October – December)

- BHSA Revenue Updates
- Calculation & Methodology Review & Updates
- Additional BHSA Guidance
- Internal Validation

Proposition 1: Estimated Financial Impacts – (Shared October 8, 2025, Webinar)

Housing Interventions – 30%		Full-Service Partnership FSP – 35%		Behavioral Health Services & Supports BHSS – 35%	
Budget	**Estimated Revenue**	Budget	**Estimated Revenue**	Budget	**Estimated Revenue**
FY 25/26	**FY 26/27**	FY 25/26	**FY 26/27**	FY 25/26	**FY 26/27**
$38,237,080	**$38,237,080**	47,840,357	**$44,609,927**	$120,091,203	**$44,609,927**
Δ→	**$0**		**($3,230,430)**		**($75,481,276)**

*** Unspent Funds at Year-End Reconciliation to be carried over to FY 26/27**
*** Annual Adjustment**
*** DHCS/ Governor's Budget Updates**

Target Area

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Housing Component Allocation Update: Overview

Housing Interventions – 30%	
Budget	**Estimated Revenue**
FY 25/26	**FY 26/27**
$38,237,080	**$38,237,080**
Δ →	**$0**

Estimated BHSA Housing Component Revenue	**Revenue Required to Sustain Programming**
7% Outreach (Outreach is a subset of total Housing Component)	$2,676,596
HOUSING Capacity	**BUDGET**
Current Housing Programming	$20,927,021
$5M Additional Housing Support to AC Health H&H (Flex Pool-Permanent Supportive Housing Units)	$5,000,000
Outreach	$2,450,000
Two (2) Adult Residential Facilities (ARF's)	$2,057,235
Two (2) Peer Respites (Sally's Place & Safe Harbor)	$2,850,743
Two (2) Substance Use Recovery Residences	$234,300
Interim Housing (Shelters)	$1,596,214
Unallocated Capacity for future housing Needs to meet Network Adequacy Requirements	$2,894,972
TOTAL*	**$38,237,080**

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FSP Component Allocation Update: Overview

Full-Service Partnership FSP – 35%	
Budget	**Estimated Revenue**
FY 25/26	**FY 26/27**
47,840,357	**$44,609,927**
Δ→	**$0**

Program Type:

Revenue Required to Sustain Programming (Millions)

Full-Service Partnership (FSP) Programs

TOTAL* **$0**

***NOTE:** The $45.53M equates to 104 programs. Additionally, this total *does not include* program areas identified for reduction or program restructuring for Early Intervention services.

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UPDATE: Financial Impacts as of December 2025

Housing Interventions – 30%		Full-Service Partnership FSP – 35%		Behavioral Health Services & Supports BHSS – 35%	
Budget	**Estimated Revenue**	Budget	**Estimated Revenue**	Budget	**Estimated Revenue**
FY 25/26	**FY 26/27**	FY 25/26	**FY 26/27**	FY 25/26	**FY 26/27**
$38,237,080	**$38,237,080**	47,840,357	**$44,609,927**	$120,091,203	**$44,609,927**
Δ →	**$0**		**$0**	**(TOTAL Reductions = $52,701,351)**	
				Δ → **($22,779,925)**	

IMPORTANT NOTE:** The $52.7M equates to all impacted programs without BHSA funding *or those with reduced funding*. Additionally, this total ***does not include program areas identified for reduction or program restructuring for Early Intervention services.

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Departmental Measures to address the Remaining Shortfall

Behavioral Health Services & Supports BHSS – 35%	
Budget	**Estimated Revenue**
FY 25/26	**FY 26/27**
$120,091,203	**$44,609,927**
	($22,779,925)

↑

Δ

- **ACBHD** - Vacant Funded MHSA Positions
- Unspent MHSA FY 2025-2026 Carryover (1X)
- BHSA Revenue Adjustments in 2026 (Quarter 4)
- BOS Approved Measure W Funds ($4M)

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Types of Programs Impacted by MHSA → BHSA Reductions

- Prevention Services (No longer eligible under BHSA)
- Wellness Centers
- Integrative Care or Services involving Hospitals, Federally Qualified Health Centers, or other Health Care services
- Crisis Services
- Outreach Services
- Treatment Services *including* those impacting individuals with severe mental illness
- Workforce, Education, & Training (including Loan Assumption & Workforce Initiatives)
- Client Support Services, linkage services, including community education, or client/family/ patient services
- Services to Underrepresented communities, including those from linguistically diverse communities
- School Based Services (prevention or consultation)
- Innovative Projects or Pilot Programs specific to Alameda County
- Age-Specific Services (Early Childhood, Child/Youth, Transition Age Youth, Adult, & Older Adult)
- Discretionary Services, Consultation, and/or Anti-Stigma Campaigns

***NOTE: This list is NOT an exhaustive example list. Programs described above have been provided for discussion only.

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Provider Supports & Program Transition Support

- Important to send inquires to BHSATransition@acgov.org
- ACBHD System Leaders and Team Members will be available to triage service impacts and client/patient transitions.
- Contract Terms & Conditions
- Contract & Budgeting Processes

Understanding Notification Letters

- CEO, Executive Director, or other responsible Party listed on the ACBHD Contract.

- Reductions or Program Closures*

EXAMPLE ONLY			
Program Name:	**Current MHSA Budget**	**Current Total Budget***	**FY 26/27 BHSA Funding**
Alameda County Behavioral Health Department – Office of the Director	$100,000	$150,000	$0

*This column has been provided to highlight the total contract amount that will no longer be funded as of July 1, 2026. This amount includes the estimate of other revenue included in this program.

- **Early Intervention** – Eligibility Notification

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Budget Update Summary

- Initial Target Component Area for Reduction: BHSS **($75,481,276)**

- **($75,481,276) + Program Savings $45,530,000 (October 2025) + $7,171,351 (November 2025) = ($22,779,925)**

- **ACBHD Departmental Measures to address (Remaining Shortfall):**
  - **ACBHD** - Vacant Funded MHSA Positions
  - Unspent MHSA FY 2025-2026 Carryover – ONE YEAR ONLY
  - BHSA Revenue Adjustments in 2026 (Quarter 4)
  - BOS Approved Measure W Funds ($4M)

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Proposition 1:
Behavioral Health Services Act (BHSA)

Planning: Timeline & Resources

Timeline Requirements, Key Deliverables, & Upcoming Dates

- **Review**:
  - **2023-2025** Webinars, Presentations, Public Hearings, Departmental Forums.
  - **Early Intervention Provider Transition Trainings & Consultation (DATE???)**
  - **September 2025** Provider Memo
  - **October 2025** BHSA Planning Webinar
  - **December 2025** County Review
  - **Dec 2025 – Jan 2026** Notification Letters

- ***Upcoming* Dates**:
  - **January 14, 2026:** All Provider BHSA Planning Webinar
  - **January – February 2026**:
    - County Maintenance of Effort (MOE) Budget Process Begins
  - **February 2026:** SMHS EI Model Meeting to Begin
  - **April – May 2026:** Alameda County to receive validation of MHSA Revenue (FY 2025-2026)
  - **June 2026:** All MHSA Requirements Finalized
  - **July 1, 2026:** Fiscal Year 2026-2027 BHSA Implementation Begins

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Estimated BHSA Integrated Plan Development Timeline

Community Planning Process (CPP): Engaged 24 required local Stakeholder groups &, five diverse viewpoints

January-May 2025

Develop & Finalize Draft: Draft Integrated Plan and conduct internal review.

October-January 2026

Internal ACBHD Review of draft Integrated Plan (IP)

County Administrators Office (CAO) Notification/ Review of Draft IP

January - February 2026

BHSA Public Hearing

April 2026

BOS Approves IP & IP Submitted to DHCS

June 2026

September 2025

Provider Memo distributed re: BHSA Transition

December 2025 - January 2026

ACBHD Providers Notified of BHSA Funding Terminations/ Reductions

March 2026

Begin 30-day **Public Comment**

Submission of Draft IP to DHCS

May 2026

Board of Supervisors (BOS) Health Committee Presentation

Resources:

- Alameda County MHSA/BHSA Website
- Department of Health Care Services (DHCS) Policy Manual
- DHCS Behavioral Health Transformation Website
- CALMHSA Medi-Cal Provider Training
- For additional Questions Email our Department: BHSATransition@acgov.org

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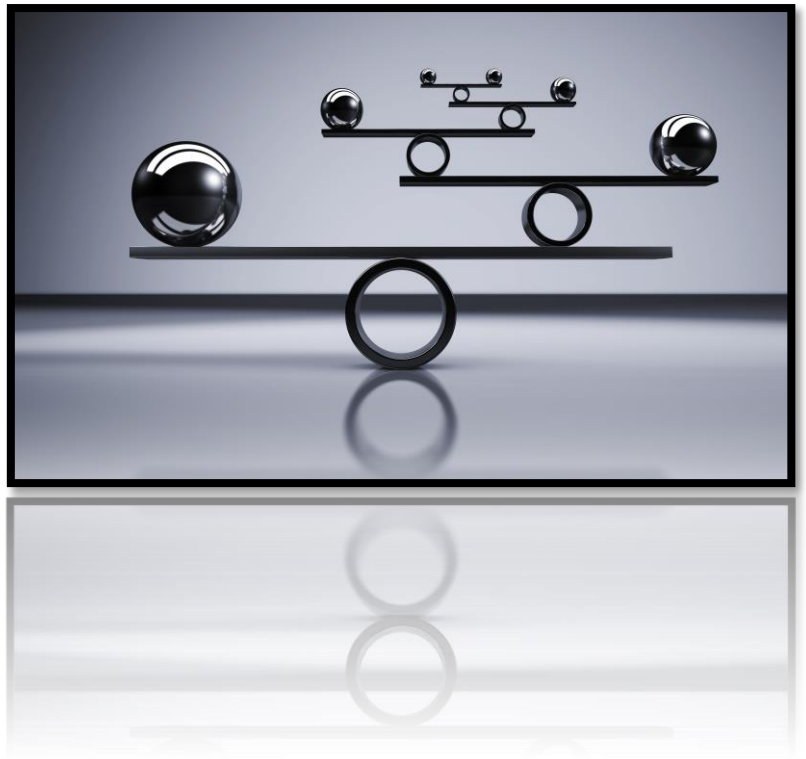
Key Takeaways



- Alameda County's **entire system** will be impacted by these transitions.
- **Providers who are NOT funded by MHSA will be impacted** given the intersectionality of the overall health care and behavioral health system.
- **Partnerships and other collaborative activities are encouraged.**
- If your agency is choosing to participate in the Early Intervention **(EI) Model**, you are ***opting in*** to ***transform*** *your program* to meet Specialty Mental Health requirements.
- **We are committed to communication and transparency** as this transition continues over the next six months and into FY 2026-2027.
- ACBHD **will continue to monitor system impacts** through data analysis, qualitative review, provider input, community feedback, and operational changes.

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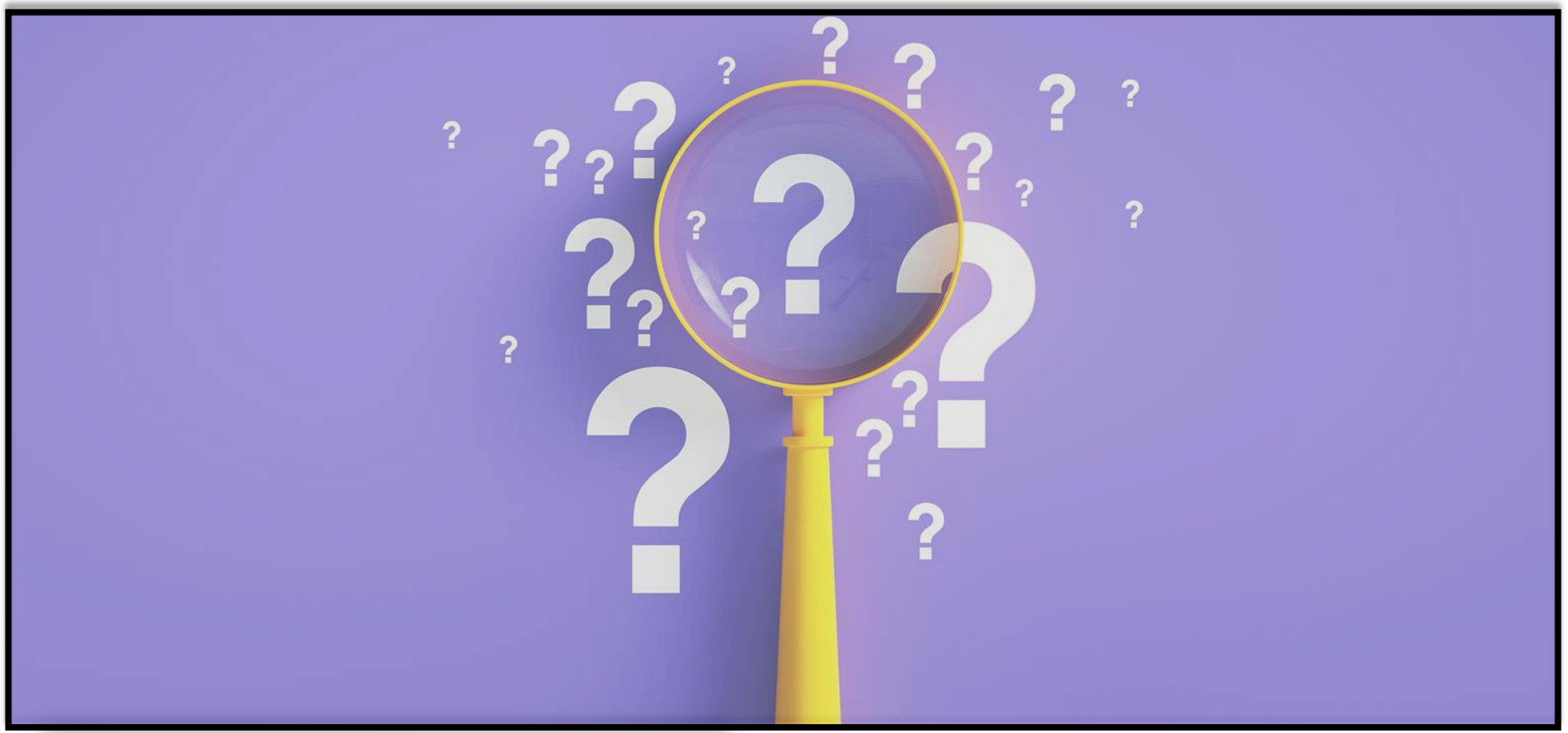
Next Steps over the Next Six Months

- **Resume Revenue Contingency Planning** (Targeted Reductions or Program Analyses)
- **Coordination with State** (Requirement or Estimate Changes)
- **Strategy Alignment & Review with County Leadership**
- **Provider Engagement & Program Level Details**

Question, Comments, & Open Discussion:



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Behavioral Health Services Act (BHSA) Planning Update

System & Provider Update

January 14, 2026

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