Prevention and Early Intervention: How up to $2 billion was diverted to programs that did not serve people with serious mental illness or falsely claimed they prevent mental illness.

Case Study: Monterrey attempted to use MHSA PEI funds as intended: to prevent those *with* mental illness from having it become 'severe and disabling'. The Oversight Commission stopped them:

> "To be consistent with this (Prevention) definition, MHSA-funded PEI programs *cannot serve people with a mental health diagnosis*. Several of Monterey County's PEI programs currently target mental health consumers; however, to be consistent with the PEI Guidelines, please clarify that these programs include persons **without a mental health diagnosis.**" Letter available at http://mhsoac.ca.gov/Counties/PEI/docs/PEIplans/PEI_Monterey.pdf (Accessed 6/22/13)

Background:
20% of California MHSA Funds-- $2 billion to date--were earmarked for Prevention and Early Intervention (PEI) Programs.[1] PEI programs are required to operate within the overall intent of Prop 63 which is to give "s*erious mental illness*…priority attention." PEI programs were created to "prevent mental illness from becoming **severe and disabling**", "to reduce the duration of **untreated mental illness,** or reduce certain negative outcomes that "result from **untreated mental illness**". Limited other usage is allowed but they must be connected to 'serious' or 'severe' mental illness.

The Prevention and Early Intervention program was not created to "prevent mental illness" because we do not know how. As Senator Darrel Steinberg eloquently stated when campaigning for Prop 63:

> *"As I've said before, we can't prevent certain mental illnesses, such as schizophrenia and bipolar disorder, but we can prevent them from becoming severe and disabling."* –Darrel Steinberg. 4/13/2004[2]

PEI is designed to help those already with "mental illness" (20% of population)[3] from developing a "serious mental illness" (5-9%).[4] We do know how to do that. For example, if someone has schizophrenia or bipolar disorder, maintaining them in treatment, often medications, can prevent the disorder from becoming 'severe and disabling'. *See Appendix A for a more detailed explanation of allowable uses of PEI funds.*

Problems
- At least $1 billion (50% of the PEI funds) was diverted to people without mental illness through a regulation that requires funds to be spent on people 'prior to' (i.e. 'without') mental illness.
- Approximately $1 billion is being diverted to programs that falsely claim they 'prevent mental illness".
- People with the most serious mental illnesses are being excluded from PEI programs.

Oversight Commission guidance encouraged counties to exclude people with mental illness from PEI funded programs. Counties readily agreed. The Oversight Commissions PEI Guidelines provided to counties state "Prevention Programs are expected to focus on individuals 'prior to' diagnosis"[5] In other words: people without mental illness. This was done in spite of the fact the legislation requires the funds to serve people with mental illness not those without. **This direction accounts for the bulk of the $2 billion that was diverted.**

The Oversight Commission and counties disguised worthy and unworthy social service programs as mental illness prevention programs in order to make them eligible for MHSA funding. The Oversight Commission issued and enforced a regulation that defined seven priority population groups as eligible for PEI funds.[6] Only one group was "Individuals experiencing onset of a serious mental illness". The other priority population groups are not required to be individuals experiencing onset of mental illness. They were being prioritized for services based sexual orientation, employment status of parents, presence of parents, whether or not someone in the family ever died, age, criminal history and substance abuse—even in the absence of a mental illness. None of these so-called 'risk factors' cause

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[1] WIC 5840
[2] Official Weblog of the Campaign for Mental Health, April 13, 2004. Created by Darrel Steinberg to get voters to pass MHSA. Available at http://digital.library.ucla.edu/websites/2004_996_010/darrell/2004/04/index.html Accessed 6/20/13
[3] Substance Abuse and Mental Health Services Agency (SAMHSA) available at http://www.samhsa.gov/newsroom/advisories/1211273220.aspx (Accessed June 14, 2013)
[4] NIMH and Mental Health Services Act Findings
[5] Minutes of September 22, 2011 MHSOAC Commissioners. Available at http://www.mhsoac.ca.gov/meetings/docs/PriorMeetingMinutes/2011/MinutesApproved_Sept2011.pdf Accessed 6/24/13.
[6] CCR Title 9 3905 lists 7 priority populations. However, nothing in the reg requires those priority populations to have a mental illness for which treatment is needed to prevent it from becoming severe and disabling.

schizophrenia, or bipolar or other serious mental illnesses. They are at best, social service concerns.

The Oversight Commission forced counties to prioritize those least likely to have a serious mental illness. The Oversight Commission required 51% of PEI funds go to children and youth between age 0 and 25.[7] Serious mental illnesses like schizophrenia rarely manifest themselves before late teens and early twenties. There is no way to predict who will get it until they symptoms manifest. To the extent the funds are being used in prior to late teens, they are not reaching those most likely to develop serious mental illness.[8]

The Oversight Commission freed PEI programs from the requirement to measure outcomes.[9]

The Oversight Commission freed counties from using the funds as they said they would use them.[10]

The Oversight Commission freed counties from having to use evidence based practices.[11]

The science of prevention and early intervention:
Any program that purports to prevent bipolar disorder or schizophrenia by intervening before it is diagnosed is making a false claim. Bad parents, bad grades, bad marriages, bad jobs, bad housing, bullying, and in most cases, loss of loved ones do not cause serious mental illness although they may exacerbate symptoms in those who already have it.

Serious mental illnesses are likely caused by a combination of genes, gene stressors, neuroanatomical differences and chemical imbalances. There is no test to predict who will develop serious mental illness before symptoms materialize making many so-called early intervention programs ineffective.

Schizophrenia usually manifests itself in late teens and early twenties. The illness occurs in 1% of the general population, 10% who have a parent or sibling with the disorder; and 40-65% of those who have an identical twin with the disorder. Problems in utero may trigger the disorder in those genetically predisposed. Diagnosis is made by eliminating other causes and analyzing the effect of the disorder on the individual.

Bipolar disorder often develops in a person's late teens or early adult years. Children with a parent or sibling who has bipolar disorder are four to six times more likely to develop the illness, compared with children who do not have a family history of bipolar disorder.

Improving employment, grades, marriage satisfaction, etc. does not reduce the incidence of serious mental illness and is not a targeted intervention. Targeted interventions would aim at the offspring of those with mental illness, not those without.

Diverting Funds via Regulations:

Officials issued regulations redefining the purpose PEI Funds so they could be spent on people without mental illness. [12] Some examples:

- 3200.251 redefined the purpose of PEI programs from what voters intended (“preventing mental illness from becoming severe and disabling”) to “prevent serious mental illness” (we don’t know how); “promoting mental health” (making people happier) and “building the resilience of individuals”.
- 3400 (b) illegally separated PEI programs from having the statutory tie to serious mental illness. The first part of the regulation states “Programs and/or services provided with MHSA funds shall: (1) Offer mental health services and/or supports to individuals/clients **with** serious mental illness and/or serious emotional disturbance, and when appropriate their families. But it goes on to state “**The Prevention and Early Intervention component is exempt from this requirement.**” There is nothing in voter intent or legislative language that suggest PEI funds were ‘exempt’ from helping people *with* serious mental illness. This exempted $2 billion in taxpayer Prevention and Early Intervention funds from serving people with mental illness.
- 3200.305 encouraged counties to spend on so-called “Universal Prevention Activities.” That “*target the whole population or a subset of*

[7] http://www.mhsoac.ca.gov/MHSOAC_Publications/docs/FactSheet_PEI_121912.pdf Accessed 6/24/13.
[8] Oversight Commissioners quote a figure that half of mental illness begins before age fourteen. But that is not ‘serious mental illness’. MHSA was passed to “define serious mental illness” not all mental health, as a condition deserving priority attention. Serious mental illness usually first becomes manifest in late teens early twenties. Other issues like bad grades, lack of self-esteem, anti-social behavior do present themselves earlier but are outside the scope of MHSA.
[9] The commissioners were told by their own evaluator that there is “no requirement (for counties) to measure outcomes” This allowed a massive diversion to programs that were politically popular regardless of their utility. Minutes of September 22, 2011 MHSOAC Commissioners. Available at http://www.mhsoac.ca.gov/meetings/docs/PriorMeetingMinutes/2011/MinutesApproved_Sept2011.pdf
[10] During the period of this review, the legislation required counties to submit PEI plans to the Oversight Commission for review. Minutes show that MHSOAC review of counties was “based on what counties said they were going to do, rather than actual on the ground assessment”. http://www.mhsoac.ca.gov/meetings/docs/PriorMeetingMinutes/2011/MinutesApproved_Sept2011.pdf
[11] Voters included a specific *legislative finding that “*By expanding programs that have demonstrated their effectiveness, California can save lives and money.” At a MHSOAC board meeting, MHSOAC Vice-chair Van Horn admitted “there are not a lot of evidence-based practices (being used) in the PEI arena.” He then went on to lower the standards a program has to meet: “PEI Guidelines have requirements that counties must use *some* level of evidence to support the programs that they are proposing. It doesn’t have to be evidence-based practice; it could be a range of evidence.”
[12] Some of these were promulgated, some not, some lapsed. As will be seen in next section, the direction to not use PEI funds for persons with mental illness was continually and forcefully communicated to counties and was defacto policy regardless of which regulations were in effect.

the population that does not have a higher risk for developing the symptoms of mental illness." [13] It takes the most tortured reading of Prop 63 to conclude that voters intended to fund PR campaigns, television shows, newspaper advertising, etc. for people without mental illness.

(See Appendix C for more Regulations that were proposed at various times).

Commissioners kept ineffective programs funded.

1. At an MHSOAC board meeting, "Commissioner Vega pointed out that results from some PEI programs, particularly those involving youth, cannot be known until years later." This claim is frequently used to justify continuing unproven programs. The reason programs for youth don't work to "prevent mental illness from becoming severe and disabling' is (1) they are not targeting those most likely to develop serious mental illness (first degree relatives of people with serious mental illness; (2) they are not targeting people with mental illness; and (3) there is not yet a known way to prevent serious mental illness.
2. At an MHSOAC board meeting a Los Angeles FSP Program Manager admitted the L.A. job training program had only increased employment days 4.2 percent and that was mainly due to government creating jobs versus any private sector jobs being created.[14] The program continues to receive funding.

Commissioners intended to (may have) approved expenditures they knew were not allowable by law. Oversight Commission minutes show that the commissioners funded substance abuse programs specifically not included for funding in the final language of the legislation. "MHSOAC Vice-Chair Van Horn commented that …the reason co-occurring disorders (substance abuse) were not mentioned in the MHSA was because during the Proposition 63 focus groups they were informed that using that language would lead to the defeat of the proposition." He then went on to state, "**It is clear that co-occurring disorders need to be dealt with at the same level.**"[15] In spite of not including this in the legislation, Commissioner Van Horn clearly expressed his intent to fund it.[16]

Oversight Commissioner and counties fail to address waste and diversion of funds. The Associated Press, San Francisco Chronicle[17], as well as our own op-eds[18] and letters to the Oversight Commission have attempted to bring the problems in PEI programs to their attention so they could be remedied. The Oversight Commission has ignored the reports, defended the status quo, and in at least one instance threatened a newspaper that was thinking of reporting on the problems with having their advertising pulled.[19]

County behavioral healthcare directors encourage, lead, and fail to overrule a flawed stakeholder process that diverts funds

Proposition 63 established stakeholder process to advise counties on spending. While county behavioral health commissioner are supposed to consider this input, they allowed participants to prioritize non-evidenced programs; programs that don't serve people with serious mental illness; and caused programs that help the most seriously ill to go without funding. In many if not most counties, the Behavioral Health Directors actually lead the meetings. (See chapter on "Failed Stakeholder Process").

See full Report "MHSA a 10 year $10 billion bait and switch" for specific examples of statewide and county-by-county misspending.

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[13] http://www.preventionearlyintervention.org/go/PromotingWellnessPrevention/UniversalPrevention.aspx

[14] "Commissioner Poat, Mr. Delgado, and Mr. Refowitz agreed that employment is a challenging need to meet in the whole recovery process. The hiring freeze in Orange County and the overall downturn in the economy have made it harder to find employment for FSP graduates."

[15] Minutes of MHSOAC Board Meeting September 22, 2011. Available at http://www.mhsoac.ca.gov/meetings/docs/PriorMeetingMinutes/2011/MinutesApproved_Sept2011.pdf Accessed 6/24/12

[16] From a policy perspective, we agree with Commissioner Van Horn that funding co-occurring substance abuse in people who have serious mental illness or mental illness that needs treatment to prevent it from becoming severe and disabling, makes sense. But the point for this report, is that it is not allowable, he knew it, yet was still trying to achieve it.

[17] http://www.sfgate.com/opinion/article/Prop-63-Mental-Health-Services-Act-not-as-3688777.php

[18] http://mentalillnesspolicy.org/states/california/capitalweeklyopeds.html

[19] This is the only fact we are making in this report that we will not provide additional documentation for. That is because we want to protect the identity of the reporter. After s/he questioned an MHSA official, MHSA PR operation reached out to the publisher and threatened to pull advertising. The reporter was, according to him/her chastised, and the story killed.