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Working Framework – Innovation Partnership Fund (IPF)

Disclaimer

This working draft reflects themes and considerations that have emerged to date from public conversations with the California Commission for Behavioral Health. It is not intended to be complete and rather is intended to prompt discussion and feedback. The Commission, through its Program Advisory Committee, welcomes input from stakeholders and the public to shape the Innovation Partnership Fund's structure, scope, and strategy.

Background and Purpose

The Innovation Partnership Fund, established through Proposition 1, the Behavioral Health Services Act (BHSA), and administered by the California Commission for Behavioral Health, is designed to invest in bold, equity-centered solutions that fundamentally improve how public mental health and substance use disorder (i.e., behavioral health) services are delivered, experienced, and sustained across the state. This investment supports county behavioral health departments in their efforts to provide specified BHSA programs and practices to specific BHSA priority populations across the lifespan (see Attachment 1).

The BHSA focuses on individuals with the highest behavioral health needs, including those who suffer from serious emotional disturbances (SED), serious mental illness (SMI), and/or substance use disorders (SUD) – oftentimes referred to as individuals with complex behavioral health needs (CBHN) – many of whom also suffer from chronic physical health conditions, intellectual/developmental disabilities, etc. Leveraging the Innovation Partnership Fund, innovative projects should lead to improvements in county behavioral health services for individuals with, or who are at risk of developing, CBHNs, encompassing the prevention,[1] diagnosis, and treatment of SED/SMI and/or SUDs, including services that

[1] The Department of Health Care Services (DHCS) clarified, in the BHSA County Policy Manual, that Early Intervention services provided by counties may be provided to individuals lacking a specific diagnosis, as an indicated prevention intervention. The Manual states, "indicated prevention interventions focus on BHSA eligible at-risk individuals who are at risk of and experiencing early signs of mental health or substance use disorder or who have experienced known risk factors for poor behavioral health outcomes, such as trauma, Adverse Childhood Experiences, or involvement with the child welfare or corrections system. This at-risk individual may not yet meet the criteria of a diagnosable mental health or substance use disorder."

achieve and support recovery. While broader behavioral health and wellness is important, this funding is intentionally targeted at those with the greatest needs and highest risk – too often overlooked and underserved. These are the individuals most at risk of experiencing homelessness, hospitalization, incarceration, or premature death due to untreated or undertreated behavioral health conditions.

California's public behavioral health system faces significant challenges: persistent racial and geographic disparities, increasing numbers of youth impacted by unmet behavioral health needs, workforce shortages, fragmented systems, and unsustainable funding models. While recent investments have built momentum, they have yet to deliver the transformative change Californians need. The Innovation Partnership Fund is a unique opportunity to support community-led, real-world innovations – solutions that are ready to be implemented, scaled, and sustained by county behavioral health departments. Accordingly, projects must align with the goals of the BHSA and demonstrate innovation to strengthen BHSA programs and practices, with the goal of optimally serving the BHSA priority populations.

Innovation Partnership Fund Framework

The statutory framework under Proposition 1 is clear and specific about who shall be served by these funds. As outlined in the Welfare and Institutions Code § 5945.1(c), the Innovation Partnership Fund shall promote the development of innovative mental health and substance use disorder programs and practices that are designed for the purpose of "improving BHSA programs and practices funded pursuant to Section 5892.1(a) for the following groups:"

- *"Underserved populations"*
- *"Low-income populations"*
- *"Communities impacted by other behavioral health disparities"*
- *"Other populations, as determined by the Behavioral Health Services Oversight and Accountability Commission"*

Furthermore, these funds must be used to meet the statewide BHSA goals and objectives to reduce identified disparities, as established and defined by the Department of Health Care Services in consultation with the Commission, counties, and stakeholders[2] (Welfare and Institutions Code § 5963.02).

[2] More information regarding the DHCS-established statewide BHSA goals and objectives may be found on their website in the BHSA County Policy Manual.

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Definition of Innovation

For the purposes of funding proposals under the Innovation Partnership Fund, "innovation" is proposed to be defined **as a new or adapted/expanded approach** to solving persistent problems in California's behavioral health system – especially those that relate to equity, access, workforce expansions,[3] service fragmentation, and quality enhancement.

To be considered innovative under this Fund, a project must:

- Advance new culturally competent models, tools, partnerships, or technologies not yet widely implemented in California, this may include adopting or scaling efforts underway in one county but that could be scaled in other counties;
- Introduce or scale practical, community-centered solutions (including community-defined evidence-based practices[4]) that increase access to behavioral health treatment and recovery supports – particularly for historically underserved populations and inclusive of harm reduction approaches;
- Demonstrate a clear break from the status quo,[5] not simply incremental improvements to existing programs or efforts, but a concerted deviation from those efforts; and/or
- Be actionable and ready for real-world implementation, not solely focused on concepts, research, or pilot testing.

Innovation may include ideas from other sectors or geographies, adaptation of promising practices, or bold new models co-created with people with lived experience. At its core, innovation is about transforming how we deliver care – with impact, equity, and dignity.

[3] In consultation with the Department of Health Care Access and Information (HCAI).

[4] **Community Defined Evidence Based Practices**, or CDEPs, which have been evaluated through the California Reducing Disparities Project, and offer culturally anchored interventions that reflect the values, practices, histories, and lived experiences of the communities they serve. The BHSA defines CDEPs as "an alternative or complement to evidence-based practices, that offer culturally anchored interventions that reflect the values, practice, histories, and lived experiences of the communities they serve. These practices come from the community and the organizations that serve them and are found to yield positive results as determined by community consensus over time." (WIC § 5892(k)(6), as operative July 1, 2026)

[5] Status quo in the context of innovation can be considering the prevailing conditions, solutions, or approaches that are in place before a novel idea, product, or process is introduced. It is what is considered "normal" or "the way things are done" – often marked by inertia, routine, or outdated assumptions.

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Cross-Cutting Elements

All proposals must consider the following eight core dimensions:

1. ***Equity:*** Proposals should demonstrate how they will advance racial equity and close gaps in access, experience, and outcomes for communities historically underserved by the behavioral health system—including communities of color, LGBTQ+ individuals, people with disabilities and substance use disorders, rural residents, and others marginalized by systemic barriers.

2. ***Financial Sustainability:*** Proposals should demonstrate a clear, feasible plan for long-term sustainability. This may include alignment with Medi-Cal, commercial health plans, philanthropic investment, public-private partnerships, or local funding streams. The goal is to ensure that effective innovations can be scaled and sustained beyond initial investments.

3. ***Public-Private Partnerships:*** Proposals should demonstrate how they will collaborate across public, private, and community sectors with explicit benefits to the public system clearly articulated. Strong proposals will demonstrate partnerships between government agencies, health systems, technology innovators, philanthropic organizations, community-based providers, and others working together toward shared impact.

4. ***Lived Experience and Community Leadership:*** Proposals should demonstrate how they are designed with people with behavioral health conditions and lived experience. Proposals should demonstrate meaningful engagement of individuals, families, and communities who are most directly impacted – through co-design, shared governance, continuous feedback loops, and leadership roles in implementation. Lived experience must inform every stage of the innovation process to ensure relevance, trust, and impact.

5. ***Alignment with Statewide Behavioral Health Transformation Efforts:*** Proposals should demonstrate how they will build upon – not duplicate – California's broader behavioral health transformation efforts. This includes alignment with Proposition 1, BH-CONNECT, CalAIM, the Drug Medi-Cal Organized Delivery System, and Children and Youth Behavioral Health Initiative (CYBHI), as well as enabling a focus on substance use disorders independently (i.e., without requiring linkage to a SED/SMI). Proposals should complement these initiatives by filling critical gaps, testing bold ideas, accelerating systems change, or reaching populations or geographies that remain underserved. The goal is to ensure coherence and strategic leverage across all levels of the state's behavioral health investments.

6. ***Advance Effective Treatment Models:*** Proposals should demonstrate how they will invest in new or improved ways of delivering care that address the layered challenges individuals with complex behavioral health needs face (e.g., co-occurring SMI/SUD and social service needs). This involves strengthening county behavioral health systems with the infrastructure and partnerships necessary to coordinate care, apply evidence-based and/or community-defined evidence practices, to deliver person-centered, integrated, culturally responsive support.

7. ***Demonstrate Agility and Quality Improvement Integration:*** Proposals should demonstrate agility and a commitment to nimble, quality improvements. This includes building the necessary infrastructure, cultivating a culture of continuous learning, and developing teams that can rapidly iterate, pivot, and operate under a continuous quality improvement philosophy. The goal is to fully leverage available funds while ensuring that lessons are quickly learned and immediately incorporated into ongoing efforts.

8. ***Leverage Emerging Technologies:*** Proposals should demonstrate innovation, including those that leverage new technologies, improve behavioral health service delivery, bridge silos, and enable providers across the mental health and substance use systems to work together in service of whole-person care for the BHSA priority populations.

Next Steps

The California Commission for Behavioral Health and its Program Advisory Committee is committed to a transparent and inclusive process for designing and implementing the Innovation Partnership Fund.

Please engage in our process by participating in the Program Advisory Committee and Commission for Behavioral Health public meetings, and by providing us with your written feedback at Program@bhsoac.ca.gov.

Together, we can ensure this Fund fulfills its promise: to spark real, scalable, and lasting change for the individuals living in California with complex behavioral health needs.

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Attachment 1: BHSA Programs and Practices and Priority Populations

BHSA Programs and Practices (Welfare and Institutions Code § 5892(a))

- Housing intervention programs:
  - For the chronically homeless (focus on those in encampments).
  - For capital development projects, as specified.
- Full Service Partnership programs, as specified.
- For the following behavioral health services & supports:
  - Services for the children's system of care and the adult and older adult system of care (excluding services already covered for unhoused/Full Service Partners).
  - Early intervention programs, as specified.
  - Outreach and engagement.
  - Workforce education and training.
  - Capital facilities and technological needs.
  - Innovative behavioral health pilots and projects.

BHSA Priority Populations (Welfare and Institutions Code 5892(d))

- Children and Youth, as defined, who meet one or more of the following criteria:
  - "Are chronically homeless or experiencing homelessness or at risk of homelessness"
  - "Are in, or at risk of being in, the juvenile justice system"
  - "Are reentering the community from a youth correctional facility"
  - "Are in the child welfare system pursuant to W&I Code sections 300, 601, or 602"
  - "Are at risk of institutionalization"
- Adults and Older Adults, as defined, who meet one or more of the following criteria:
  - "Are chronically homeless or experiencing homelessness or at risk of homelessness"
  - "Are in, or at risk of being in, the justice system"
  - "Are reentering the community from state prison or county jail"
  - "Are at risk of conservatorship"
  - "Are at risk of institutionalization"