

# INNOVATION PROJECT STAFF ANALYSIS: Program Improvements for Valued Outpatient Treatment (PIVOT)

## Santa Clara County

**Total INN Funding Requested:** \$4,100,000

**Duration of INN Project:** Twenty-six (26) months

### Review History

**Public Comment Period:** March 10, 2026 to April 9, 2026

**Behavioral Health Board Hearing:** April 13, 2026

**Board of Supervisors Approval:** Tentatively May 2026

### Project Introduction

The Santa Clara County Behavioral Health Services Department (County/BHSD) is requesting up to \$4,100,000 of Innovation spending authority over a period of twenty-six (26) months to prepare for implementation of Proposition 1, also known as the Behavioral Health Services Act (BHSA), by joining Orange County's Program Improvements for Valued Outpatient Treatment (PIVOT) Innovation project that was originally approved by the Commission in November 2024. Specifically, the County requests to join the following two (2) components: Full-Service Partnership (FSP) Reboot and Developing Capacity for Specialty Mental Health Plan Services (SMHS) with Diverse Communities.

### BHSA Alignment and Sustainability

The PIVOT project was developed to directly and immediately assist counties with preparing for and implementing mandated changes under the BHSA. This includes focusing on comprehensive FSP programs that align with high-quality outpatient services focused on reducing disparities, strengthening access to culturally responsive care, and elevating the role of community defined evidence practices (CDEPs). The project provides transition assistance as the county moves from the MHSA to the BHSA, and once improvements and workflows have been fully implemented, no sustainability expenses will be necessary since the project components will be embedded into the county's existing systems.

### Statutory Requirements

**WIC Section 5830(a)(1)-(4):** The PIVOT project seeks to increase access to mental health services to underserved groups; increase the quality of mental health services, including measured outcomes; promote interagency and community collaboration; and increase

access to mental health services, including, but not limited to, services provided through permanent supportive housing.

**WIC Section 5830(b)(2)(A)-(D):** The PIVOT project meets Innovation criteria by making a change to an existing practice in the field of mental health, including, but not limited to, application to a different population.

## Background

Proposition 1, also known as the Behavioral Health Services Act (BHSA), was passed in March 2024, and made significant changes to the current funding structure of California’s behavioral health system. Previous funding categories included Community Services and Supports (CSS), Prevention and Early Intervention (PEI), Innovation (INN), Workforce Education and Training (WET), and Capital Facilities and Technological Needs (CFTN); however, the BHSA restructures funds into three (3) categories: Full-Service Partnerships (FSPs), Behavioral Health Services and Supports (BHSS), and Housing Interventions. The new mandate also integrates substance use disorder (SUD) services into the behavioral health care system, which previously operated independently.

This transition from MHS to BHSA requires considerable changes to the way Counties administer and manage behavioral health and SUD programs. The removal of PEI funding puts vital services – often provided by community-based organizations (CBOs) assisting unserved and underserved communities – at risk of discontinuation. Furthermore, the BHSA imposes new guidelines on FSPs to ensure quality and fidelity to evidence-based practices (EBPs), which requires Counties to reevaluate current FSP administrative and workflow processes. The Program Improvements for Valued Outpatient Treatment (PIVOT) project proposes approaches and solutions that allow Counties to prepare for the changes and challenges that come with this transition.

## How this Innovative Project Addresses the Problem

The FSP component aims to modernize Santa Clara County’s intensive service system by clarifying the different levels of care, improving referral and transition processes, and strengthening workflows. It also expands integration with SUD services and prepares programs to implement required EBPs, ensuring consistent and coordinated care for individuals with high-acuity behavioral health needs. Contracted staff will work with the county to review policies and procedures to standardize operational processes and improve data and reporting practices. They will also provide training and workforce support to verify fidelity and seamless integration of new FSP requirements.

The SMHS component is designed to build long-term, culturally responsive specialty mental health capacity by strengthening the infrastructure of CBOs that serve diverse and historically underserved populations. Santa Clara County will provide comprehensive technical assistance to help CBOs meet certification and compliance requirements, enhance their

documentation and billing processes, and improve their readiness to participate fully as specialty mental health plan providers. The SMHS component also explores the role of CDEPs and will identify which CDEP elements are translatable to the Medi-Cal system. Through these activities, the PIVOT project will expand the county's specialty mental health network in a way that preserves cultural strengths, reduces disparities, and ensures effective service delivery.

## Community Planning Process

Santa Clara BHSD developed the PIVOT project using a multi-layered community planning process designed with broad stakeholder input. County leadership began by reviewing internal priorities and identifying two (2) major opportunities: (1) improving and expanding FSP capacity, and (2) expanding culturally responsive SMHS. The county gained extensive input from community members during the FY 2025-2026 MHA planning process, which confirmed the need for an FSP system redesign and culturally responsive capacity-building.

The public comment period for this Innovative project proposal occurred between March 10, 2026 and April 9, 2026. It was presented at a local behavioral health board hearing on April 13, 2026, and is tentatively scheduled to go before the Board of Supervisors in May 2026.

## Learning Objectives and Evaluation

Santa Clara County's PIVOT proposal lists twenty (20) goals and objectives across the FSP and SMHS components, which are identified below.

### FSP-Specific Objectives:

1. Mapping FSP service models.
2. Reviewing policies, procedures, and forms related to eligibility, intake, staffing, and service use.
3. Standardizing practices to improve consistency, efficiency, and revenue generation.
4. Simplifying transitions between levels of care based on individual acuity.
5. Establishing policies and procedures for issuing and receiving referrals to and from Managed Care Plans (MCPs) for housing-related community supports.
6. Developing key performance indicators (KPIs) aligned with BHS and Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT).
7. Creating and delivering training plans to facilitate transitions and ensure compliance with new BHS standards.
8. Reviewing provider contracts to identify necessary adjustments to comply with BHS.
9. Utilizing insights from this project to inform the county's BHS Three-Year Integrated Plan.
10. Assessing current FSP capacity and adjusting as needed to meet targeted goals.

- Ensuring that services are culturally sensitive and tailored to meet the diverse backgrounds of participants.

**SMHS-Specific Learning Questions:**

- What are the minimum requirements for a CBO to become a Medi-Cal/DMC-ODS provider?
- What type and level of technical assistance is needed to support CBOs?
- In what ways does a hub and spoke model effectively support capacity building?
- Does embedding culturally based approaches for specialty mental health care improve penetration rates and client outcomes?
- Which CDEPs are most effective?
- How can CDEPs be utilized to generate revenue?
- Is it fiscally viable for CBOs to expand into SMHS and Medi-Cal, based on the roadmap assessment tool(s) developed by the project, and would milestone incentives help expand the quality and quantity of SMHS and Medi-Cal services in Santa Clara County?
- Will the process of incorporating billing Medi-Cal change a CBO’s service delivery practices (e.g., structure of services, time spent on administration)? To what extent?
- What adjustments do CBOs need to make to their practices to incorporate Medi-Cal billing into their practice?

**Budget**

Santa Clara County is requesting authorization to spend up to \$4,100,000 of MHS Innovation funding for this project over a period of twenty-six (26) months. One hundred percent (100%) of the project will be supported by Innovation funding. The breakdown by fiscal year and expenditure category is as follows:

Category	FY 25-26 (May/Jun)	FY 26-27	FY 27-28	Total
<b>Personnel</b>	\$16,000	\$463,032	\$520,968	\$1,000,000
<b>Operations</b>	\$0	\$0	\$0	\$0
<b>Non-Recurring</b>	\$0	\$0	\$0	\$0
<b>Contracts</b>	\$0	\$1,500,000	\$1,600,000	\$3,100,000
<b>Total</b>	\$16,000	\$1,963,032	\$2,120,968	<b>\$4,100,000</b>

Twenty-four percent (24%) of total projected expenditures are allocated for County BHSD personnel costs. The two components (FSP and SMHS) will each have one (1) limited term full-time equivalent (FTE) Senior Management Analyst. BHSD will perform an audit of current protocols and procedures used throughout FSP systems of care to redesign administrative processes and standardized criteria for individuals transitioning to a different level of care based on clinical need, which will ensure consistency in care delivery. The county will also evaluate SUD intensive services, explore areas to strengthen existing programs, and identify any specialized training needed for FSP program staff.

Seventy-six percent (76%) of the requested Innovation funds are reserved for contractor and consultant costs to create and deliver training plans and ensure compliance with new standards that are culturally sensitive and tailored to meet the diverse backgrounds of participants. These funds will also be used to facilitate CBOs in becoming Medi-Cal billable specialty mental health providers and provide them with technical assistance to meet certification and compliance standards. A data management system will also be developed to better integrate new providers into the county’s electronic health record platforms. Lastly, contractor expenses include a third-party evaluator to analyze the project.

## **Conclusion**

Santa Clara County’s proposed PIVOT Project appears to meet the minimum requirements listed under MHSa Innovation regulations and aligns with the goals of the BHSA; however, any Commission-approved Innovation plans must also receive approval from the county’s local Board of Supervisors before the county can expend Innovation funds.