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## New Funds, Enduring Ills

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For two years after Alfredo Ruiz was diagnosed with schizophrenia, his family tried -- and failed -- to find him help.

His mother knocked without success on the doors of shelters and medical clinics throughout the San Fernando Valley. Meanwhile, her son's illness sent him deeper into psychosis and paranoia. Unemployed and homeless, without access to treatment, he began sleeping under a bridge -- a knife under his body, just in case.

Today, Ruiz, 31, is stable and lucid -- and in the vanguard of a novel experiment in healthcare: Proposition 63, California's 1% surtax on incomes above \$1 million that will generate \$1.5 billion this fiscal year for treatment of the mentally ill.

Approved by voters in 2004, Proposition 63 aims to reform the long-troubled mental health system by finding and helping sick people who have historically had little access to care -- youths on the verge of homelessness, the elderly, poor minorities -- and severely ill adults who have fallen through the cracks. Proposition 63's authors hope the initiative will transform California's public mental health system, eventually creating a culture in which illness is no longer a patient's defining characteristic.

Ruiz is an early beneficiary of one of Proposition 63's main efforts, a style of therapy known as "whatever it takes" -- based on the notion that mental illness is rarely an isolated problem but is typically accompanied by physical illness, social isolation, educational deficiencies, poverty and other problems.

Now, instead of care that was patchwork at best, Ruiz is receiving comprehensive help from a team of more than a dozen clinicians.

In the past, if he had been lucky enough to score a spot in a shelter, Ruiz would have been handed an address and a bus token. Instead, his new caseworkers found him a place to live, drove him there -- and stopped to buy him a sleeping bag and toothbrush on the way. No longer overburdened by massive caseloads, they ferry him to appointments to ensure that he receives disability benefits. Not only do his case managers stop in weekly at his shelter to check on him, his psychiatrist visits too, to ensure that his pills are working -- a level of care that would have been a preposterous extravagance not long ago.

"They saved our lives," said Ruiz's mother, Maria Orduño.

But even as some have begun receiving platinum-level services unimaginable before Proposition 63 -- officials hope that 17,000 people statewide will be receiving "whatever it takes" therapy by next summer -- other kinds of care have deteriorated.

Some cash-strapped counties have slashed traditional funding for mental health services, and the state has made

cuts too. In almost every corner of California, which has an estimated 1 million people with serious mental illness or emotional disturbance, core mental health budgets are stagnant at best while demand for services balloons.

Although mental health advocates in the state are thrilled about a guaranteed funding source that isn't subject to budgetary whims, they worry that innovative programs created with the new money are being layered on top of a disintegrating mental health system that Proposition 63 does nothing to correct.

And the new law forbids counties from using Proposition 63 money to backfill -- to pay for programs that existed prior to its passage. That provision was written to protect the new money, to keep counties from making cuts elsewhere that would undermine the promise of the new program. But it has also added to the sense among some healthcare administrators that their hands are tied.

"Proposition 63 was a huge policy mistake," said Jeff Smith, executive director of the Contra Costa Regional Medical Center, which cares for scores of poor, uninsured residents. "It took a good amount of money and dedicated it to new services at the same time that old services have been just ravaged. Instead of solving a problem, it just covered it over -- with a nice, fluffy frosting."

Early signs suggest that many counties -- as well as the state -- are cutting with one hand even as they are providing new, top-of-the line services with the other:

\* Los Angeles County, which runs the nation's largest public mental health system, will receive more than \$125 million in Proposition 63 money this year to fund an array of innovative programs. But at the same time, a \$70-million shortfall in the county's core mental health budget has resulted in long waiting lists at many clinics. Some patients have had their number of visits with therapists cut in half; others no longer receive counseling at all.

\* As part of a budget crisis, Santa Clara County recently ordered its Department of Mental Health to cut \$17 million from its budget -- almost as much as the \$19 million it will receive through Proposition 63 in 2007-08.

\* Fresno County will use its \$8.6 million in Proposition 63 funds to provide exhaustive care to 540 severely ill residents and for rural outreach, among other programs. But the county is simultaneously cutting about \$8 million from the rest of its mental health budget. More than 140 of the county's 636 mental health staff positions have been eliminated, and the county will curtail services for about 650 clients with less severe conditions, such as depression and anxiety.

\* Shasta County will receive \$2.7 million in Proposition 63 money. But the new funding comes as the county has been forced to devote an increasing chunk of its mental health budget to expensive Medi-Cal cases -- leaving about \$2 million less for standard patient care than before Proposition 63 began. The Health and Human Services Agency has laid off six of its nine psychologists. And the county now serves 500 fewer patients than before Proposition 63.

\* In August, Gov. Arnold Schwarzenegger eliminated funding for a successful \$55-million program for the homeless mentally ill -- the program that served as the model for Proposition 63. Advocates say the cut violates the new law, which specifically forbids the state from dropping below the funding commitment it had made to mental health before Proposition 63. Mental health advocates express conflicting feelings about the new law.

"The acknowledgment that mental health care is broader than medication and psychotherapy is brilliant. It's wonderful," said Marta McKenzie, director of the Shasta County Health and Human Services Agency. "But how do you build this new set of programs for a small population when you have this overwhelming set of responsibilities for this larger group of clients?"

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An attempt to fill gaps

Proposition 63 was written amid a growing perception among advocates, lawmakers and the mentally ill themselves

that there were huge gaps in mental health care -- particularly at the community level, which had been stressed to the breaking point by the closure of large, outdated mental hospitals starting in the 1960s. It was a national problem but particularly acute in California.

"Forty years is long enough to wait," said state Sen. Darrell Steinberg (D-Sacramento), a Proposition 63 author. "This is the unspoken issue of our time."

About half the measure's funds are aimed at the style of "wraparound" care being received by Alfredo Ruiz. Addressing all the needs of someone with severe mental illness is expensive: The state estimates the cost at an average of \$15,000 per client per year.

But this type of intensive case management made possible by Proposition 63 can interrupt an even costlier cycle of crises, studies have shown. And partly because it expects consumers to be involved in their own care, it can help severely mentally ill men, women and children function and even thrive.

Across the state, mental health officials say, they are also seeing the benefits of other programs funded by Proposition 63.

In San Luis Obispo County, for example, a new free counseling service for poor Spanish-speaking residents is at capacity. In Monterey County, parents are learning how to help their adopted children recover from trauma and abuse.

And in Tulare County, a severely mentally ill man in his early 20s is in stable housing -- along with his siblings and parents -- after a caseworker found them living in tents. Before Proposition 63, regulations would have forbidden the county from helping the young man's family members, without whom he would falter.

"He invited us to his bedroom, which was two pieces of canvas," said Walt Lunsford, chief operating officer of Turning Point of Central California, which is running Proposition 63 programs in several counties. "Now he's getting mental health treatment. And, not surprisingly, he's getting better."

Los Angeles County is the largest beneficiary of the tax; the county could receive more than \$1 billion in the next five years, and dozens of new programs are underway. Downtown, trained professionals have started accompanying police on 911 calls involving people with mental illness to defuse situations before they become violent. In Van Nuys, a clubhouse will target the social isolation that plagues many people with mental illness. And hundreds of patients will be treated through "whatever it takes" therapy.

The new programs are already showing results. At a recent morning meeting at a county clinic in Granada Hills, a social worker's announcement was met with cheers: "Eric and I went for a walk."

Eric, diagnosed with schizophrenia, had not left his house for nine years. His Proposition 63-funded social worker had worked for nearly three months to lure him out -- time she could never have devoted under her previous caseload. Social workers operating in Proposition 63 programs often average fewer than 15 clients each; under the old system they might have carried 90 at a time. "We've been given a gift," said Wendi Tovey, director of the Granada Hills program.

But some county residents -- those who don't need the kind of intensive treatment offered in the new programs -- are receiving less care today than before California launched its ambitious reform effort.

For 10 years, Vernon Hemingway, 52, relied on free group counseling sessions in his skid row neighborhood to stave off the debilitating bipolar cycles that had cost him a stable, middle-class life. But as part of L.A. County's push to close a budget shortfall, the program was recently pared back severely.

Sessions once run by professionals are now run by patients themselves. Hemingway says the meetings are no longer useful, that they have become dominated by disruptive, unmedicated patients. Several months ago, he quit.

Now he spends most of his time alone, watching TV in a \$339-a-month hotel room.

"I don't put my business out on the street. That was one place you could talk," he said. "It was the one place you felt safe -- physically and mentally. It meant a lot."

Stories like Hemingway's are increasingly common across the state, leading some advocates for the mentally ill to question whether Proposition 63 can transform care in the way its backers envisioned.

"It's the same old song," Hemingway said. "They raise your hopes. And then they let you down."

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Core services suffering

The new law expressly forbids counties from using Proposition 63 money to replace funding for existing programs and requires the state to at least maintain its 2004 level of mental health funding.

But the provisions have not stopped the erosion of the bread-and-butter mental health system -- leaving Proposition 63's architect deeply concerned.

"My worst nightmare," Steinberg said at a recent rally against planned cuts to mental health care, "is to wake up 10 years from now and find out that. . . we didn't increase mental health services."

The measure, Steinberg emphasized, was never intended as a "cure-all for mental health in California. It's intended to begin -- emphasis on begin -- to make up for 40 years of neglect." Still, Steinberg has noted with growing alarm the false perception that "mental health is now being taken care of."

Indeed, across the state, some counties wrestling with budget pressures seem to view the influx of Proposition 63 cash as license to cut elsewhere.

State officials who oversee Proposition 63 have threatened legal action if it can be shown that counties are relying on the new program to cushion the blow of budget cuts in the mental health system.

In the meantime, old services are sometimes being cut before new ones are up and running.

"We are kind of jumping between two precipices," said Santa Clara County Supervisor Liz Kniss. "We are jumping off one because we can't continue to fund what we've funded. And we are waiting to jump to the other side. What I worry about is the canyon in between."

Proposition 63 came along at a time when many county mental health departments were in crisis. In recent years, caseloads -- and the cost of care -- have soared while the patchwork of funds that flow to counties for mental health services has failed to keep pace.

In Fresno County, current cuts are just the latest in a crisis that has eliminated two-thirds of the adult mental health department staff in three years. Giang Nguyen, director of the Department of Behavioral Health, still calls Proposition 63 "a blessing." In the meantime, she acknowledges, the waits at outpatient clinics will be longer and caseloads in non-Proposition 63 programs will climb.

The lament can be heard in county after county.

"We're being strangled," said Glenn County Mental Health Director Maureen Hernandez.

Hernandez called her small county's Proposition 63 infusion -- about \$400,000 for the coming year -- "pitifully small" compared with strains in the overall \$6.6-million budget. Proposition 63 will provide a new drop-in center

and "whatever it takes" services for five to 10 clients. But families who rely on the county's core services face years of belt-tightening.

Said Hernandez: "You don't bring the neighborhood over and feed them when your own children are starving."

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Left out in the middle

Nowhere, perhaps, is the dichotomy as stark as in Los Angeles County, which has a \$1.2-billion mental health budget and serves 200,000 clients each year.

Patients who are stable -- well enough to function in society and, in many cases, work and live on their own -- are thriving in new "wellness centers" funded by the new law. There, they have access to what many clinicians believe is the last piece in making a patient's life whole again: a group of friends, an art class, an outing to a bowling alley.

At the other end of the spectrum, patients who are completely debilitated by illness are receiving what many say is the best public mental health care ever offered in California -- the "whatever it takes" therapy that is helping Alfredo Ruiz.

But it's the thousands of patients in the middle -- who suffer from illnesses that are serious but not disabling, and about half of whom are indigent and uninsured -- who have been left in the lurch.

"We have people coming in and we have to say: 'I'm sorry, you're not sick enough. But when you get really sick, come back and see us,' " said Marvin J. Southard, director of the Los Angeles County Department of Mental Health. "It's ridiculous. But that's the situation we find ourselves in."

Trying to close its \$70-million shortfall, the county curtailed services in its mental health clinics partly by eliminating or transferring to Proposition 63 programs 154 staff positions out of about 3,200.

Meanwhile, some of the new programs have signed up only about a third of the clients they are expected to care for by the end of the year. At the same time, at the old-fashioned outpatient clinics, many new patients are now added to a waiting list and told to return in a week or two -- a very long time, officials acknowledge, for someone with a mental illness.

The Downtown Mental Health Center on skid row treats about 2,500 of the county's most challenging patients.

Within a couple of years, Proposition 63 is expected to offer a one-stop care center there where patients would not only be treated for mental illness but could receive medical and dental care, housing and educational assistance, and other services.

For now, however, the center is in a bind. Ten of its 60 employees, including half of its caseworkers, have been transferred to new Proposition 63 programs amid the budget crunch. Others are likely to follow in their footsteps. The result, said Larry Hurst, acting district chief for the county Department of Mental Health's Skid Row Management Team, is "triage."

"Now we ask: 'Are Individual A's needs more urgent than Individual B's? What would be the risk of delaying services to Individual B? And for how long can we do it?' " Hurst said.

"That's the reality at this time," he said. "It's swallowing that reality that is challenging to our staff. They want to be able to do more. But it's like emptying the Pacific Ocean with a toy pail."