

Palomar Health Receives Nearly \$50 Million in Award to Support the Development of Behavioral Health Institute

Funding Through Proposition 1 Will Help Expand Mental Health and Substance Use Disorder Treatment Facilities.

SAN DIEGO, CA, UNITED STATES, May 19, 2025 /EINPresswire.com/ -- The Department of Health Care Services (DHCS) announced that 124 sponsors have been awarded a total of \$3.3 billion in competitive funding awards for projects that support behavioral health infrastructure through DHCS's Proposition 1 Bond Behavioral Health Continuum Infrastructure Program (BHCIP) Round 1: Launch Ready. The Palomar Health Foundation is proud to announce it has been awarded a conditional bond of nearly \$50 million through BHCIP that will help fund the development of Palomar Health's new state-of-the-art facility, the Palomar Health Behavioral Health Institute.



Slated to open in 2027, the 84,700-square-foot Palomar Health Behavioral Health Institute will feature a 120-bed acute psychiatric hospital with hospital-based outpatient treatment and 38 dedicated slots for detoxification and withdrawal management.

Transformational Funding to Expand Behavioral Healthcare Access Across North San Diego County

The Bond BHCIP Round 1 awards offer significant resources for behavioral health infrastructure and an unprecedented opportunity to address historic gaps that effect meaningful, sustainable change to better serve Californians across the behavioral health continuum of care. As part of the state's goal to reduce mental health crises, increase the availability of services and support community-based solutions, these investments are vital in ensuring the long-term sustainability and accessibility of behavioral health services.

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Kristin Gaspar, President & CEO of the Palomar Health Foundation

program is projected to serve nearly 20,000 individuals annually, providing high-quality, life-changing care for the state of California.

"This is the largest grant ever received by Palomar Health — and the single largest Bond BHCIP Round 1 awarded in the entire San Diego region," said Kristin Gaspar, President & CEO of the Palomar Health Foundation. "It marks a transformational milestone for our community, one that will create lasting change for thousands of individuals and families. We are honored to play a leading role in

advancing solutions that address our region's most pressing behavioral health needs."

The Palomar Health Behavioral Health Institute, located just south of Palomar Health Medical Center Escondido, will provide much-needed care and set a new standard in behavioral healthcare for adolescents, adults and geriatric patients. Through this conditional bond awarded by the Department of Healthcare Services, Palomar Health is ensuring that individuals have access to life-changing behavioral healthcare for long-term sustainability and accessibility.

BHCIP and Proposition 1 Signal a New Era in Behavioral Healthcare

California is modernizing the behavioral health delivery system to improve accountability, increase transparency and expand the capacity of behavioral healthcare facilities for Californians. BHCIP supports the creation, renovation and expansion of facilities that serve individuals with mental health and behavioral health needs.

The Bond BHCIP Round 1 awards will help create a comprehensive behavioral health system, ensuring that individuals can access the right care at the right time, whether it be for crisis stabilization, inpatient care or long-term treatment. As part of the state's goal to reduce mental health crises, increase the availability of services and support community-based solutions, these investments are vital in ensuring the long-term sustainability and accessibility of behavioral health services.

BHCIP is part of California's ongoing commitment to expand behavioral health services for all Californians. With the passage of Proposition 1, [even more behavioral health treatment facilities](#) will be funded and built in 2026. Through BHCIP, DHCS awards eligible entities funding to construct, acquire and expand properties and invest in mobile crisis infrastructure to further expand the range of community-based behavioral health treatment options for people with co-occurring mental health treatment needs and substance use disorders. Bond BHCIP funding is estimated to create 6,800 residential treatment beds and 26,700 outpatient treatment slots for behavioral health and will also build on other major behavioral health initiatives in California.

“As California’s largest public healthcare district, we are incredibly honored to receive this generous award from the Department of Health Care Services,” said Diane Hansen, president and CEO of Palomar Health. “It’s a powerful vote of confidence in Palomar Health’s ability to lead this vital work — and a significant step forward in our mission to reimagine healthcare for the communities we serve in Northern San Diego and beyond.”

Palomar Health is thankful to the State of California, the Department of Health Care Services and Governor Gavin Newsom for their bold leadership and continued investment in behavioral health — a commitment that is making a lasting difference for thousands of individuals and families across the region.

For more information on Palomar Health, please visit [PalomarHealth.org](https://www.palomarhealth.org).

Karla Nafarrate
InnoVision Marketing Group
[email us here](#)

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