



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

MEMORANDUM

DATE: April 22, 2013
TO: All Interested Parties
FROM: Department of Health Care Services
SUBJECT: Behavioral Health Service Plan Update

The 1115 Bridge to Reform Demonstration Waiver Special Terms and Conditions requires the completion of a behavioral health *Service Plan* which will describe, at a high level, California's recommendations for serving the Medi-Cal expansion population as well as demonstrate the State's readiness to meet the mental health and substance use disorder needs of this population.

Last October 2012, the Department submitted to CMS the outline for this required work product that described the component pieces with the intent to submit the actual *Service Plan* on or before April 1st, 2013. However, since the Administration, Legislature, counties and stakeholders are still actively exploring Medi-Cal expansion options, CMS understands that DHCS has been unable to finalize the behavioral health the *Service Plan* and appreciates the need for to extend the due date for this work product.

After discussions with CMS regarding an interim work product for the April 1st due date, CMS agreed to have DHCS submit the draft *Medicaid Alternative Benefit Plan (ABP) Options Analysis* prepared by Mercer with technical assistance from DHCS and funding support from the California HealthCare Foundation (CHCF) and the California Endowment.

The *Options Analysis* was developed for the purpose of providing California decision makers and stakeholders information regarding the Medicaid expansion alternative benefit plan options. In response to input from legislative staff and advocates, Mercer is currently reviewing selected assumptions in the analysis. The final report will be shared in the near future. While not the *Service Plan*, CMS appreciates the Mercer analysis will be an analytical component among many that will help inform the final behavioral health *Service Plan*.

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DHCS is committed to completing the *Service Plan* when we have resolution of Medi-Cal expansion issues currently pending, so that we are fully planning for mental health and substance use disorder service needs of the expansion population. We have communicated to CMS that we plan to submit the *Service Plan* on or before October 1, 2013.

Once decisions have been made, DHCS will incorporate the chosen direction into the behavioral health *Service Plan* which will provide a high-level overview of the selected benefit package, benefit delivery system(s), and projected costs and levels of utilization. DHCS will then require several months to complete a reasonable stakeholder review, incorporate edits and receive final Administration sign off. The proper timing and forums for further stakeholder meetings are under active consideration.

DHCS greatly appreciates the continued flexibility and support of CMS in working with California to successfully plan for meeting the mental health and substance use disorder needs of the expansion population.

Please send any questions or comments to:
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