CalAIM Behavioral Health Workgroup

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

March 26, 2025

Welcome and Webinar Logistics

» Zoom Logistics

- Participants are joining by computer and phone
- Everyone will be automatically muted upon entry
- Use the Q&A to submit questions
- Please use the Chat box for any technical issues related to the webinar

» Closed Captioning

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Housekeeping

- Members of the public will be able to comment at the end of the meeting.
- Workgroup members can participate in the “chat.”
- Workgroup members are encouraged to turn on their camera.
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- Use the “raise hand” feature to make a comment during the discussion period.
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Welcome & Introductions

- **Paula Wilhelm**, Deputy Director, Behavioral Health, DHCS
- **Rachel Biron**, Section Chief, BH-CONNECT Section 1, Medi-Cal Special Projects Branch, Medi-Cal Behavioral Health – Policy Division, DHCS
- **Michael Ulibarri**, Section Chief, BH-CONNECT Section 2, Medi-Cal Special Projects Branch, Medi-Cal Behavioral Health – Policy Division, DHCS
- **Brian Hansen**, Policy Advisor to the Directorate, DHCS

Agenda

2:00 – 2:05: Welcome and Objectives

2:05 – 2:45: BH-CONNECT Post-Award Forum and Program Updates

2:45 – 2:55: Discussion

2:55 – 3:15: BH-CONNECT and BH Transformation Centers of Excellence Update

3:15 – 3:25: Discussion

3:25 – 3:35: Wrap Up & Next Steps

3:35 – 4:00: Public Comment

BH-CONNECT Post-Award Forum and Program Updates

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Today's Agenda

- **Background**
- **Behavioral Health** *(BH-CONNECT Section 1115 Demonstration, State Plan Amendments & Children and Youth Components)*
- **Community Supports** *(BH-CONNECT Section 1115 Demonstration & CalAIM Section 1115 Demonstration Amendment)*
- **Justice-Involved Reentry Initiative** *(CalAIM Section 1115 Demonstration Amendment)*
- **Next Steps**
- **Q&A**

Background

Federal Approvals to Transform Behavioral Health Care in Medi-Cal

In mid-December, the Department of Health Care Services (DHCS) received approval from the Centers for Medicare & Medicaid Services (CMS) for the transformative BH-CONNECT initiative. BH-CONNECT grows out of our understanding of the lived experience of Californians with behavioral health needs and data-driven analysis of available services.

- BH-CONNECT seeks to transform California's behavioral health delivery system by **expanding access to highly effective community-based services, strengthening the behavioral health workforce,** and **ensuring Medi-Cal members receive high quality care**.
  - CMS approved key elements of BH-CONNECT through a new Section 1115 demonstration and a series of new State Plan Amendments (SPAs).
- As part of the BH-CONNECT Section 1115 approval, CMS also approved **Transitional Rent services** to ensure members going through vulnerable periods are stabilized, reducing their risk of returning to institutional care or experiencing homelessness.
- California also received approval to ensure **eligibility for reentry services** conforms with new federal rules and to align the provision of several Community Supports with CMS' updated health-related social needs (HRSN) services framework through updates to the CalAIM Demonstration.

Behavioral Health:
BH-CONNECT Section 1115 Demonstration & SPA Approvals

DHCS

Why BH-CONNECT?

- BH-CONNECT is at the center of an historic, multi-pronged initiative to **transform and improve behavioral health services for California residents living with significant behavioral health needs.**
- Prior to BH-CONNECT approval, California already had **invested nearly $15 billion in state funds** and launched **landmark policy reforms** to improve access and strengthen the continuum of care:
  - The **California Advancing and Innovating Medi-Cal** (CalAIM) includes policy and delivery system changes to transform Medi-Cal behavioral health to a more seamless system.
  - The **Children and Youth Behavioral Health Initiative** (CYBHI) is a historic investment to enhance, expand and redesign the systems that support behavioral health for children and youth.
  - The **Behavioral Health Transformation** (BHT) initiative, which Californians voted to pass in March 2024 as Proposition 1, works to modernize the broader public behavioral health delivery system, improve accountability and transparency, and expand the capacity of behavioral health care facilities.
  - The **Behavioral Health Continuum Infrastructure Program** (BHCIP) and the **Behavioral Health Bridge Housing** (BHBH) Program spur investments in infrastructure and new housing settings.
  - DHCS is strengthening the behavioral health crisis care continuum, including implementing **mobile crisis services** and the **988 Suicide and Crisis Lifeline**.
- **BH-CONNECT is a linchpin for this broader effort,** offering sustainable financing for transformation initiatives through a combination of a Medicaid 1115 demonstration, new SPAs, and updates to state guidance.

Goals of BH-CONNECT

BH-CONNECT aims to:

- **Expand the continuum of community-based services and evidence-based practices (EBPs)** available through Medi-Cal **for children, youth and adults living with mental health and substance use disorders (SUD)**.
- **Strengthen family-based services and supports** for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.
- **Incentivize behavioral health plans (BHPs) to improve access, health outcomes, and invest in delivery system reforms** to better support Medi-Cal members living with significant behavioral health needs.
- **Strengthen the workforce** needed to deliver community-based behavioral health services and EBPs to members living with behavioral health needs.
- **Access federal funds for short-term stays in facility-based care**, but only for BHPs that commit to providing robust community-based services and meeting quality of care standards for such stays.
- **Promote transitions out of facility-based care** and support successful transitions to community-based care settings and community reintegration.
- **Promote improved health outcomes**, community integration, treatment and recovery for individuals who are homeless or at risk of homelessness and experiencing critical transitions.
- **Improve stability** for members going through vulnerable periods (including but not limited to those living with significant behavioral health issues) through transitional rent services, reducing their risk of returning to institutional care or experiencing homelessness.

Key BH-CONNECT Federal Approvals

Section 1115 Demonstration Approvals

- Workforce Initiative
- Activity Funds
- Access, Reform and Outcomes Incentive Program
- Community Transition In-Reach Services
- Short-term Inpatient Psychiatric Care, including in Institutions for Mental Disease (IMDs)
- Transitional Rent

SPA Approvals

- Assertive Community Treatment (ACT)
- Forensic ACT (FACT)
- Coordinated Specialty Care for First Episode Psychosis (CSC for FEP)
- Clubhouse Services
- Individual Placement and Support (IPS) Model of Supported Employment
- Enhanced Community Health Worker (CHW) Services

** Transitional Rent coverage will be available in the Medi-Cal Managed Care delivery system.*

Other Components of BH-CONNECT

Leveraging Existing Authorities & State-Level Guidance

- Centers of Excellence to support fidelity implementation of EBPs
- Clarification of coverage of evidence-based child and family therapies, including Multisystemic Therapy, Functional Family Therapy, Parent-Child Interaction Therapy, and High Fidelity Wraparound
- Initial joint child welfare/specialty mental health visit
- County Child Welfare Liaison role within MCPs
- Implementation of CMS milestones related to quality of care for patients of inpatient and residential facilities

BH-CONNECT Demonstration

- Inpatient & Residential Treatment
- Prevention & Wellness Services
- Outpatient Services
- Intensive Outpatient Treatment
- Peer and Recovery Services
- Community Services & Supports
- Crisis Services

BH-CONNECT builds upon other investments to strengthen the continuum of behavioral health care in California.

- **Cross-cutting Initiatives**
- **Infrastructure Investments**
  (Behavioral Health Transformation)
- **Workforce Initiatives**
  (BH-CONNECT, Behavioral Health Transformation)
- **Statewide Incentive Programs**
  Behavioral Health Quality Improvement Program; BH-CONNECT; Access, Reform, and Outcomes Incentive Program

BH-CONNECT Demonstration

(A) BH-CONNECT Initiatives
(B) Existing Initiatives

Prevention & Wellness Services	(A) Activity Funds (B) Children and Youth Behavioral Health Initiative; Student Behavioral Health Incentive Program; Dyadic Services; Wellness Coaches
Outpatient Services	(B) Updated Access Criteria; Documentation Redesign; No Wrong Door; Payment Reform; Standardized Screening and Transition Tools; Administrative Integration (B) Justice-Involved Initiative; Contingency Management; DHCS Opioid Response
Intensive Outpatient Treatment	(A) Clarification of Evidence-Based Therapies for Children and Families (A) Assertive Community Treatment (ACT); Forensic ACT; Coordinated Specialty Care for First-Episode Psychosis (B) Community Assistance, Recovery and Empowerment (CARE) Act

BH-CONNECT Demonstration

(A) BH-CONNECT Initiatives
(B) Existing Initiatives

(A) Enhanced Quality of Care in Psychiatric Hospitals and Residential Settings; Predischarge Care Coordination Services; Strategies to Decrease Lengths of Stay in Emergency Departments	**Inpatient & Residential Treatment**
(B) Psychiatric Residential Treatment Facilities; Mobile Crisis Services; CA Bridge Program; CalHOPE; 988 Lifeline	**Crisis Services**
(A) Supported Employment; Clubhouse Services; Transitional Rent; Community Health Worker Services (B) Behavioral Health Bridge Housing (B) Enhanced Care Management; Community Supports; Traditional Healers	**Community Services & Supports**
(A) Peer Support Services	**Peer and Recovery Services**

Behavioral Health:
Section 1115 Demonstration Approvals

DHCS

Workforce Initiative (1/2)

The Workforce Initiative will support the training, recruitment and retention of behavioral health practitioners to provide services across the continuum of care. Recipients of workforce funding will commit to serving Medi-Cal members living with significant behavioral health needs for 2-4 years.

Between 2025 and 2029, in partnership with the Department of Healthcare Access and Information (HCAI), DHCS will invest up to $1.9 billion in five workforce programs:

1. **Medi-Cal Behavioral Health Student Loan Repayment Program**
   - Licensed, prescribing behavioral health practitioners are eligible for up to $240k in loan repayment.
   - Non-prescribing licensed or associate level pre-licensure practitioners are eligible for up to $180k.
   - Non-licensed, non-prescribing practitioners including Counselors, Community Health Workers, Peer Support Specialists and Wellness Coaches are eligible for up to $120k.
2. **Medi-Cal Behavioral Health Scholarship Program**
   - Individuals participating in educational programs to become licensed, prescribing behavioral health practitioners are eligible for up to $240k in scholarship funding.
   - Individuals participating in educational programs to become non-prescribing licensed practitioners are eligible for up to $180k.
   - Individuals participating in educational programs to become non-prescribing, non-licensed practitioners are eligible for up to $120k.

Workforce Initiative (2/2)

3. **Medi-Cal Behavioral Health Recruitment and Retention Program**
   - Eligible "safety net" settings* may receive funding to:
     - Provide recruitment bonuses of up to $20,000 and retention bonuses of up to $4,000 each
     - Provide bonuses of up to $50,000 per individual to support students completing required training in advance of their final year of education
     - Provide up to $1,500 per practitioner to cover licensing or certification fees
     - Support supervision hours of pre-licensure or pre-certificate practitioners (up to $35,000 per year)
     - Cover backfill costs to support behavioral health practitioners receiving training in EBPs (between $250 and $750 per practitioner per day)
4. **Medi-Cal Behavioral Health Community-Based Provider Training Program**
   - Training programs may receive up to $10,000 per individual to train Alcohol or Other Drug Counselors, Community Health Workers and Peer Support Specialists.
5. **Medi-Cal Behavioral Health Residency Training Program**
   - Residency and fellowship programs can receive up to $250,000 per slot per year to expand residencies or fellowships.

** Eligible settings include rural hospitals with 30% Medi-Cal and/or uninsured population and other hospitals and behavioral health settings with a 40% or higher Medi-Cal and/or uninsured population.*

Activity Funds

Activity Funds will cover the costs of activities and items to support the health and wellbeing of children and youth involved in the child welfare system.

- Activity Funds will enable eligible children and youth in the child welfare system to participate in activities that **support and promote inclusion in the community** and promote **improved physical and behavioral health outcomes**.
- To qualify for Activity Funds, a child or youth **must have a behavioral health condition** or be at high risk for a behavioral health condition and be currently or formerly **involved in the child welfare system**.
- Activity Funds may cover the costs of the following types of **activities**:
  - Physical wellness activities and goods that promote a healthy lifestyle (e.g., sports club fees and gym memberships; bicycles, scooters, roller skates and related safety equipment)
  - Strengths-developing activities (e.g., music and art lessons, therapeutic summer camps)

Access, Reform and Outcomes Incentive Program (1/2)

The Access, Reform and Outcomes Incentive Program will incentivize participating BHPs for improving access to behavioral health services and outcomes among Medi-Cal members living with significant behavioral health needs and making targeted behavioral health delivery system reforms.

- Participating BHPs may earn incentive payments over the 5-year demonstration period, with a total of $1.9B available to be earned among all participants.
- BHPs will be eligible to earn incentive payments for improving on measures in three key areas of focus:
  1. **Improved access to behavioral health services (up to $850 million*):** timely access to services, increased utilization of community-based services and evidence-based practices.
  2. **Improved health outcomes and quality of life (up to $800 million*):** improved performance on select behavioral health quality measures**, improved outcomes among members participating in certain services (e.g., ACT, IPS Supported Employment, Clubhouses).
  3. **Targeted behavioral health delivery system reforms (up to $250 million*):** reductions in county-specific quality improvement gaps, improved data sharing, improved crisis services capacity.

**Total incentive dollars available to be earned among participating BHPs over the five-year demonstration period.*
*** Healthcare Effectiveness Data and Information Set (HEDIS) measures in alignment with Medi-Cal Behavioral Health Accountability Set and Medicaid Core Set reporting.*

Access, Reform and Outcomes Incentive Program (2/2)

- To participate, BHPs must meet the following requirements:
  - In 2024, BHPs must have completed a self-directed assessment with the National Committee for Quality Assurance (NCQA) on **NCQA's Managed Behavioral Healthcare Organization (MBHO) standards**. The assessment evaluated performance on managed care, quality improvement, and care coordination capabilities. 45 BHPs completed the assessment.
  - To earn incentive payments related to the implementation of key EBPs, BHPs must **cover and implement** ACT, FACT, CSC for FEP, Clubhouse Services, IPS Supported Employment, Peer Support Services, and/or Enhanced CHW Services.
- DHCS will **assess whether BHPs are meeting performance requirements** and **distribute earned incentives on an annual basis**. The first incentive program submission related to addressing gaps identified in the NCQA MBHO assessment will be due in June 2025.
- Any unearned incentive payments will be placed in a high-performance pool. To earn high-performance payments, BHPs must meet higher standards of access and outcome improvements.

Community Transition In-Reach Services

Community Transition In-Reach Services provide transitional care management services to support individuals living with significant behavioral health needs who are returning to the community after long-term stays in inpatient, subacute, and residential facilities (including IMD settings).

- Participating BHPs will have the option to establish **community-based, multi-disciplinary care transition teams** that provide intensive pre- and post-discharge care planning and transitional care management services, for up to 180 days prior to discharge.
- The Community Transition In-Reach Services will support individuals living with significant behavioral health conditions who are **experiencing or at-risk for long-term stays in institutional settings in returning to the community**.
- Qualifying BHPs (see below) may provide Community Transition In-Reach Services in **inpatient, residential, or subacute settings**, including IMDs.

Qualifying BHPs must meet the following criteria and be approved by DHCS:

- *Submit a plan to DHCS to describe how they will assess availability of mental health and/or SUD services and housing options and ensure an appropriate behavioral health continuum of care;*
- *Track and report data and trends in the number and utilization of beds across inpatient, subacute, and residential facilities; and*
- *Provide ACT, FACT, and Individual Placement and Support model of Supported Employment and Peer Support Services.*

Federal Funding for Care Provided in IMDs

Under the SMI Program, BHPs can receive federal financial participation (FFP) for services provided to adult Medi-Cal members during short-term stays in IMDs.

- To participate, BHPs must:
  - Cover a **"full suite" of BH-CONNECT EBPs**;
  - Use FFP received for IMD services to **support services and activities that benefit Medi-Cal members living with behavioral health needs**; and
  - **Meet federal and state requirements** to ensure that IMDs are used only when there is a clinical need and that facilities meet quality standards.
- BHPs may "opt in" on a rolling basis during the 5-year demonstration.

Full Suite of EBPs for IMD Option

- ACT
- FACT
- CSC for FEP
- IPS Supported Employment
- Enhanced CHW Services
- Peer Support Services, including Forensic Specialization

** The IMD opportunity is limited to stays that are no longer than 60 days, with a requirement for a statewide average length of stay of 30 days.*

Behavioral Health:
SPA Approvals

DHCS

BH-CONNECT EBPs (1/2)

In addition to the Section 1115 demonstration, CMS approved key SPAs to expand coverage of EBPs available under Medi-Cal. EBPs are available at county option. Counties may begin covering these services on a rolling basis over the course of the demonstration period. DHCS is developing a case rate or bundled payment to streamline and standardize reimbursement for these EBPs, where applicable.

EBPs Available Across SMHS/DMC/DMC-ODS	Description
Enhanced CHW Services *Approved 12/13*	**Community Health Worker (CHW) Services** are preventive services delivered by trusted community members to prevent disease, disability and other health conditions or their progression; to prolong life; and promote physical and mental health and efficiency. California currently delivers CHW services throughout the Medi-Cal Managed Care system; the new SPA will ensure CHWs can also be reimbursed in specialty behavioral health delivery systems. CHW services covered by specialty behavioral health delivery systems for individuals that meet access criteria for Drug Medi-Cal (DMC), Drug Medi-Cal Organized Delivery System (DMC-ODS), or Specialty Mental Health Services (SMHS) will be called "Enhanced CHW Services."
IPS Supported Employment* *Approved 12/18*	**The Individual Placement and Support (IPS) model of Supported Employment** supports recovery of individuals living with significant behavioral health needs by helping individuals find and maintain paid competitive jobs through vocational assessment, job-finding assistance and skills training.

Beginning July 2026, counties must offer IPS Supported Employment under BHSA (Proposition 1).

BH-CONNECT EBPs (2/2)

EBPs Available In SMHS Only	Description
ACT* and FACT* *Approved 12/20*	**Assertive Community Treatment (ACT)** is widely considered to be the most effective community-based treatment option for many individuals living with significant mental health needs and the greatest level of functional impairment. ACT provides a person-centered, comprehensive approach to care delivered by a multidisciplinary team. **Forensic Assertive Community Treatment (FACT)** builds upon the evidence-based ACT model by making adaptations and training providers to address the needs of justice-involved individuals.
CSC for FEP* *Approved 12/20*	Like ACT, **Coordinated Specialty Care (CSC)** for **First Episode Psychosis (FEP)** is a team-based, comprehensive community-based treatment option that is tailored for individuals experiencing a first psychotic episode.
Clubhouse Services *Approved 12/20*	**Clubhouses** are rehabilitative programs that offer a physical location for people living with significant behavioral health needs to build relationships, engage in work and education activities, and receive supportive services.

* Beginning July 2026, counties must offer ACT, FACT, and CSC for FEP under BHSA (Proposition 1).

Behavioral Health: Leveraging Existing Authorities & State-Level Guidance to Support Children & Youth

DHCS

Other BH-CONNECT Components to Support Children & Youth

Under existing federal Medicaid authorities as well as other means, DHCS will strengthen family-based services and supports for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.

- Establishment of an **initial joint child welfare/specialty mental health visit** at the entry point into child welfare, to conduct a comprehensive behavioral health assessment and connect the family to appropriate services.
- DHCS began **requiring the Child Welfare Liaison** within managed care plans (MCPs) in 2024. The Child Welfare Liaison is designed to be the point of contact for child welfare departments and to advocate on behalf of members involved in child welfare to ensure the needs of members involved with child welfare and foster care are met.
- Clarification of **coverage requirements for EBPs** for children and youth to support community-based care and avoid unnecessary inpatient and residential treatment, including for Multisystemic Therapy (MST), Functional Family Therapy (FFT), Parent-Child Interaction Therapy (PCIT), and High Fidelity Wraparound (*see following slides*).

BH-CONNECT Children & Youth EBPs (1/2)

DHCS will clarify existing coverage requirements for four EBPs for children, youth, and families pursuant to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit.

EBP	Description
Functional Family Therapy (FFT)	**FFT** is an effective, short-term, family-based, proprietary counseling service which seeks to empower families to solve their own problems through growth and change. FFT is designed for young people (ages 10-18) who are at risk of, or have been referred for, behavioral or emotional problems (e.g., delinquency, substance use).
Multisystemic Therapy (MST)	**MST** is an intensive, evidence-based, family-driven, proprietary treatment model for youth (ages 12 to 17 years old) who are involved in the juvenile justice system or who are at risk of out-of-home placement due to a history of delinquent behavior. This service emphasizes cultural responsiveness and the centering of home and community settings, as well as partnership with law enforcement and the juvenile justice system.
*The **EPSDT** benefit is a requirement for all state Medicaid programs. All children under the age of 21 enrolled in Medicaid are entitled to receive any Medicaid-coverable service in any amount that is medically necessary, regardless of whether the service is covered in the State Plan.*	

BH-CONNECT Children & Youth EBPs (2/2)

EBP	Description
Parent-Child Interaction Therapy (PCIT)	**PCIT** is an evidence-based, short-term treatment designed to foster the well-being of children and families of all cultures by teaching parents strategies that will promote positive behaviors in children and youth (ages 2 to 7) who exhibit challenging behaviors such as defiance and aggression.
High Fidelity Wraparound (HFW)	**HFW** is a team-based and family-centered evidence-based practice that includes an "anything necessary" approach to care for children/youth living with the most intensive mental health or behavioral challenges. HFW is regarded as an alternative to out-of-home placement for children with complex needs, by providing intensive services in the family's home and community.
*The **EPSDT** benefit is a requirement for all state Medicaid programs. All children under the age of 21 enrolled in Medicaid are entitled to receive any Medicaid-coverable service in any amount that is medically necessary, regardless of whether the service is covered in the State Plan.*	

Beginning July 2026, DHCS will implement HFW both as a statewide bundled service under Medi-Cal SMHS and as a county requirement under BHSA (Proposition 1).

Community Supports:
BH-CONNECT Section 1115 Demonstration & CalAIM Section 1115 Demonstration Amendment

DHCS

Transitional Rent

Transitional Rent

MCPs will begin to cover Transitional Rent as a new Community Supports service.

- MCPs will provide **up to 6 months of Transitional Rent** for transitioning populations who meet certain clinical criteria and who are experiencing or at risk of homelessness, reducing their risk of returning to institutional care or experiencing homelessness.
- This benefit will be available for **up to 6 months per household per demonstration period.**

Transitional Rent Eligibility Criteria

Eligible high-need members enrolled in a MCP may be eligible for up to 6 months of Transitional Rent if they meet the following criteria:

1.

MEET CLINICAL RISK FACTORS

- Meet the access criteria for Medi-Cal Specialty Mental Health Services (SMHS), *or*
- Meet the access criteria for Drug Medi-Cal (DMC), *or*
- Meet the access criteria for Drug Medi-Cal Organized Delivery Systems (DMC-ODS) services, *or*
- Have one or more serious chronic physical health conditions, *or*
- Pregnant to 12-months postpartum, *or*
- Have physical, intellectual, *or* developmental disabilities

2.

EXPERIENCING OR AT RISK OF HOMELESSNESS (SOCIAL RISK FACTOR)

- As defined by US Department of Housing and Urban Development's (HUD's) current definition as codified at 24 CFR part 91.5, with certain modifications

3.

MEET CRITERIA FOR SPECIFIED "TRANSITIONING POPULATIONS"

- Transitioning out of an institutional *or* congregate residential setting, *or*
- Transitioning out of a carceral setting, *or*
- Transitioning out of interim setting, *or*
- Transitioning out of recuperative care *or* short-term post-hospitalization housing, *or*
- Transitioning out of foster care, *or*
- Unsheltered homeless, *or*
- Eligible for Full Service Partnership (FSP)

Reminder: Transitional Rent Implementation Timeline

Key Dates	Timeline
April 2025	**Release of the final Transitional Rent guidance, payment model and schedules**
May 16, 2025	**MCPs must submit MOC responses if opting to launch Transitional Rent on July 1, 2025.**
July 1, 2025	**Optional go-live for MCPs on July 1, 2025** ▪ MCPs going live 7/1/25 can choose to go live for: • The BH population of focus that must go live January 1, 2026, ***and/or*** • Additional populations within Transitional Rent-eligible populations – *if choosing this option, MCPs must continue covering this population*
September 1, 2025	**All MCPs must submit MOC responses for the mandatory launch of BH POF on January 1, 2026.**
January 1, 2026	**Phase 1: Mandatory launch for all MCPs to cover Transitional Rent for Behavioral Health (BH) Population of Focus (POF)** *See Appendix for additional information on Populations of Focus* ▪ MCPs may also choose to cover additional populations within the overall Transitional Rent-eligible populations
July 1, 2026	*Behavioral Health Services Act (BHSA) go-live*
January 1, 2027	**Future phase-in of additional POF – TBD**

Bridge from Transitional Rent to BHSA Housing Interventions

DHCS envisions Transitional Rent as a bridge to permanent housing. For members with significant behavioral health needs, the most accessible pathway to permanent housing will likely be via BHSA Housing Interventions.

- County BH Depts will be a critical access point for Transitional Rent for Medi-Cal members with significant behavioral health needs.
- Importantly, County BH will also be required to ensure that BHSA funds are not used for housing interventions covered by an MCP.[1]
- **DHCS expects MCPs and County BH to collaborate to ensure that members who are receiving Transitional Rent, and are also eligible for BHSA housing interventions, are seamlessly transitioned to BHSA Housing Interventions.**

1. BHSA funds "shall not be used for housing interventions covered by a Medi-Cal managed care plan . . ."*Welf. & Inst. Code § 5830(c)(2), added by § 43 of SB 326.*

Transitional Rent and BHSA Housing Interventions

Transitional Rent can also serve as a bridge to long-term housing for members living with significant BH needs, such as through connections to BHSA Housing Interventions.

Transitional Rent

(Medi-Cal Community Support)

- Delivered via MCMC Delivery System
- **Launching optionally for MCPs on 7/1/2025**
- **Mandatory MCP coverage from 1/1/26, starting with BH Population of Focus**, followed by additional Populations of Focus in future phases. *See Appendix for additional details on Populations of Focus*
- Includes coverage of **up to six months** of rent for members who are experiencing or at risk of homelessness and meet certain additional eligibility criteria.

BHSA Housing Interventions

(State Funded Program for Medi-Cal and Non - Medi-Cal Members)

- Delivered via County BH Delivery System
- **Launching 7/1/26**
- Counties must allocate funding for *Housing Interventions* which will place and sustain individuals with significant BH needs in permanent and interim housing settings**,** including permanent supportive housing.
- Housing Interventions include rental subsidies, operating subsidies, landlord outreach and mitigation funds, participant assistance funds, and capital development funding.

MCP and County BH Collaboration on Transitional Rent: Value Proposition

**DHCS encourages, and will seek to incentivize and support, MCP contracts with County BH as Transitional Rent Providers; ongoing coordination will be essential even if there is no provider contract in place.*

Value Proposition for MCPs	Value Proposition for County BH
» MCPs can leverage County BH's deep experience engaging with and providing housing services to members experiencing homelessness.	» County BH can maximize the use of Medi-Cal funds available for housing, and thus, more effectively deploy BHSA funds
» MCPs can access County BH's networks of housing providers for service delivery.	» County BH can continue to serve their clients during the period covered by TR, while complying with the requirement that BHSA funds are not used for housing interventions covered by an MCP, as required by the BHSA.[1]
» MCPs can address the transition to month seven for members receiving 6 months of Transitional Rent who are also eligible to receive BHSA Housing Interventions.	

Note: County BH Depts serving as Transitional Rent Providers are among DHCS' priorities for PATH CITED Round 4 funding.

1. Welf. & Inst. Code § 5830(c)(2), added by § 43 of SB 326.

Proposed Policies*

We will now discuss some specific DHCS policy proposals to promote collaboration on housing:

1. **Encourage development of Flexible Housing Subsidy Pools (Flex Pools)**

2. **Streamlined Transitional Rent Authorization Procedures for MCP-contracted County BH Depts****

3. **Special requirements for Transitional Rent placements in interim settings for the Behavioral Health Population of Focus****

   A. Special requirements for MCPs and Counties to collaborate on BHSA "month 7 planning" as part of Rent authorization

   B. Special requirements to ensure that regular in-person visits occur where settings lack onsite support

4. **County "Right of First Refusal" for Transitional Rent****

These materials are pre-decisional and subject to change pending State budget and policy considerations.
****Proposals 2 – 4 are "flex pool agnostic".** *DHCS understands that most regions will not have a flex pool in 2026.*

Resources

DHCS encourages counties to consider establishing Flexible Housing Subsidy Pools ("Flex Pools") or leveraging existing local Flexible Housing Subsidy Pools to administer Housing Interventions.

Resource Materials and Website

Explore the Flexible Housing Subsidy Pools: Technical Assistance Resource to learn more about Flex Pools, their key functions, and the roles and responsibilities of partner organizations.

Visit the DHCS Housing for Health website for additional resources and webinar recordings.

Technical Assistance Academy (*Coming Soon!*)

The Flexible Housing Subsidy Pools Technical Assistance Academy will provide individualized support to entities interested in starting and operationalizing Flex Pools in their own region. More information will be forthcoming and posted to the website.

Questions and Feedback

Please send questions or feedback about Flexible Housing Subsidy Pools to FlexPools@dhcs.ca.gov.

Intended Value of a Flex Pool

- **Efficiently and effectively administer rental subsidies** within a complex, multi-program funding environment
- Creates a **seamless experience** for landlords and participants being served
- **Reduces the burden** of housing navigation, unit identification, and landlord negotiation for housing supportive services providers

Funders

- County Behavioral Health Departments
  - **(Flex Pool)**
- Managed Care Plans
- County/City Governments
  - **(Supportive Service Providers)**

➢ **Housing and Supports for Participants**

Updates to Community Supports with Room and Board Components

Service Frequency & Duration Updates for DHCS' Housing Community Supports with Room and Board Components

In mid-December, DHCS received approval from CMS for the transformative BH-CONNECT initiative and its CalAIM Waiver Amendment.

- The approved BH-Connect and CalAIM Waiver Amendment Standard Terms and Conditions (STCs)[1] stipulate updates to the maximum frequency and duration for **Housing Interventions *with* Room and Board:**
  - **Recuperative Care**
  - **Short-term Post-Hospitalization Housing**
  - **Transitional Rent (beginning on 7/1/2025 and statewide from 1/1/2026)**
- DHCS will provide additional Technical Assistance on how to interpret and implement these new requirements.

1. CalAIM Demonstration STCs - Section 8.7a & BH-CONNECT STCs – Section 10.3b ; 2. BH-CONNECT STCs – Section 10.3a

Justice-Involved Reentry Initiative: CalAIM Section 1115 Demonstration Amendment

DHCS

Coordination of Provision of Pre-Release Services to Children and Youth

California previously received approval for its Section 1115 Reentry Initiative Demonstration to provide pre-release services to youth. The amendment to the Reentry Initiative Demonstration is intended to fully align the Demonstration with the federal Consolidated Appropriations Act's requirements.

- Section 5121 of the Consolidated Appropriations Act (CAA), 2023 requires California to provide a targeted set of pre- and post-release services—case management, screening, and diagnostic services—to eligible youth who include:
  - Medicaid/CHIP eligible;
  - Under 21 years of age, or between the ages of 18 and 26 if they are former foster care youth; and
  - Held post-disposition at a youth correctional facility or an adult prison or jail.
- DHCS received approval from CMS to fully subsume the CAA requirements into the Section 1115 Reentry Initiative. In addition to the Demonstration's amended terms:
  - DHCS received CMS approval for its Reentry Initiative Implementation Plan/CAA Operational Plan on October 2, 2024.
  - Under this approval, DHCS will roll-out the implementation of both the CAA and Section 1115 Reentry Initiative requirements across all correctional facilities over a two-year period, from October 2024 – October 2026.

Other Flexibilities

In October 2024, CMS approved updates to the Justice-Involved Reentry Initiative Implementation Plan that provides DHCS with additional flexibilities around implementation of pre-release services.

- **Removal of State-Imposed Timeframes.** All timelines will live in DHCS' JI Policy and Operational Guide, which is a living document and will be updated based on implementation best practices and identified challenges.
- **Allowing Time-Bound Conditional Pass.** Correctional facilities must complete and submit a readiness assessment for DHCS review and approval. Recognizing that these facilities may experience challenges with implementing all components of the pre-release benefit package at go-live, CMS is permitting DHCS to provide correctional facilities with a "conditional pass" if they are able to deliver case management, MAT services, and a 30-day supply of medication upon release. Correctional facilities may also phase in populations that receive this minimum set of services completely within 12 months of the facility going live for increasing their capacity to provide this minimum set of services to all eligible individuals. Correctional facilities must receive a "pass" (i.e., meet all minimum requirements) by the 12-month ramp up period.

Next Steps

Implementation Timeline

DHCS will implement the BH-CONNECT demonstration using a phased approach beginning January 2025. BHPs and MCPs may opt in to participate in select initiatives on a rolling basis.

January 2025 (*Demonstration Effective*)

- BHPs opt-in on a rolling basis: IMD opportunity, BH-CONNECT EBPs, Community Transition In-Reach Services
- Launch Access, Reform and Outcomes Incentive Program
- Develop guidance on evidence-based family therapies
- Identify Centers of Excellence to support training and fidelity monitoring

No sooner than July 2025

- Launch Activity Funds
- Launch Workforce Initiative
- Implement initial joint child welfare/behavioral health visit
- MCPs may cover Transitional Rent as an optional benefit

January 2026

- MCPs must cover Transitional Rent as a mandatory benefit for Behavioral Health Population of Focus. Coverage for other eligible populations remain optional
- Implement service to track availability of inpatient and crisis stabilization beds

Evaluation

Consistent with CMS requirements for Section 1115 demonstrations, the BH-CONNECT demonstration will undergo an independent evaluation.

- The evaluation must examine impacts on **access to and quality of care, utilization of services,** and **health outcomes**.
- Components of the demonstration that are tailored to specific populations must include an assessment on whether the programs **improved quality of care outcomes and access to health care for the targeted population while promoting desired administrative and fiscal efficiencies**.
- Research questions and hypotheses will include, but are not limited to:
  - Long-term effects on behavioral health workforce staffing and retention
  - Improvements in access to and utilization of behavioral health care for Medi-Cal members and members' health outcomes
  - Utilization and length of stay in emergency departments, reductions in preventable readmissions to acute care hospitals and residential settings, increases in availability of crisis stabilization services, and improved care coordination
  - Discharges from residential settings into community/outpatient settings, admissions to acute level of care, and members' access to care and improved care coordination

Workgroup Discussion

BH-CONNECT and BHSA Centers of Excellence Update

Behavioral Health Centers of Excellence for Evidence-Based Practice Models

Today's Agenda

- Introductions
- Role of Centers of Excellence (COE) Administrative Entity (AE)
- Selected COEs and Responsibilities
- Roadmap and Milestones

Role of COE Administrative Entity (AE)

COE Administrative Entity

- Infrastructure
  - Build infrastructure and standardize processes, engagement, and collaboration across all COEs to deliver Evidence-Based Practice (EBP) model training and technical assistance (TTA) and fidelity monitoring statewide.
- Alignment
  - Collaborate with DHCS to ensure alignment of COE TTA and fidelity monitoring with state behavioral health policy and broader initiatives.
- Communication
  - Develop a centralized approach for socialization of the COEs and communication with counties/providers, including a COE Resource Hub.
- Oversight
  - Manage COE performance and costs to develop scalable and sustainable short/long-term strategy for statewide TTA, fidelity monitoring, and data collection/reporting.

Role and Responsibilities of Centers of Excellence

COEs will collaborate across DHCS divisions to support counties in meeting requirements for implementing EBPs to fidelity for both BH-CONNECT and BHSA initiatives.

- Specific activities conducted by COEs through June 2029 will include:
- TTA to counties and providers (new and existing).
- Designation for Medi-Cal billing (Provisional and Full).
- Fidelity Assessments and Monitoring:
  - BH-CONNECT – Fidelity Assessments within 9 months of 'Opting In.'
  - BHSA – Gaps to Fidelity Assessments for all counties (ACT/FACT, CSC for FEP, IPS) by 12/31/2027.
  - Ongoing Monitoring to Fidelity
- Data collection/reporting.
- Alignment of TTA to support both Medi-Cal members and other individuals who may access BHSA-funded services.

Tentatively Selected COEs for Children and Youth Population

COEs to support TTA and monitoring fidelity of the BH-CONNECT EBP models.

1	Functional Family Therapy (FFT)	**FFT LLC**
2	Multisystemic Therapy (MST)	**MST Services, LLC**
3	Parent-Child Interaction Therapy (PCIT)	**PCIT International**

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Overview of COEs for Children and Youth Population

Centers of Excellence: Children & Youth EBPs
FFT LLC – Primary EBP model's training and dissemination organization that was formed in 1998 for the purpose of leading the systematic replication of FFT into community agencies and to assist in the ongoing scientific inquiry into the family counseling model.
MST Services, LLC – organization responsible for disseminating Multisystemic Therapy (MST) with clinical fidelity. MST Services supports the implementation and ongoing fidelity of MST worldwide through program development, IP licensing, ongoing training, and quality assurance.
PCIT International - fosters the well-being of children and families through the effective delivery of Parent-Child Interaction Therapy (PCIT). PCIT International is the authorized organization for research and training in the empirically-supported PCIT protocol that leads to certification as a therapist to provide PCIT.

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Tentatively Selected COEs for Adult Population

COEs to support TTA and monitoring fidelity of the BH-CONNECT and BHSA EBP models.

1	Assertive Community Treatment and Forensic ACT (ACT/FACT)	**The Public Mental Health Partnership (PMHP) at the UCLA Semel Institute for Neuroscience and Human Behavior**
2	Clubhouse Services	**Clubhouse International**
3	Coordinated Specialty Care for First Episode Psychosis (CSC for FEP)*	**Early Psychosis Intervention California (EPI-CAL)**
4	Individual Placement and Support (IPS)	**The IPS Employment Center at RFMH, Inc.**

DHCS

**CSC for FEP may also include some youth population.*

Overview of COEs for Adult Population

Centers of Excellence: Adult EBPs
Clubhouse International - global mental health nonprofit that expands and enhances recovery opportunities for people living with a mental illness by integrating the proven recovery model into community-based approaches worldwide.
EPI-CAL – a learning healthcare network (LHCN) of California Early Psychosis programs with goal of standardizing practice and support knowledge sharing that increases access to high-quality psychosis care for all Californians.
IPS Employment Center – multidisciplinary team of researchers and trainers that focus on employment for people with serious mental illnesses. This team designed the Individual Placement and Support (IPS) Evidence-Based Practice model to supported employment.
The PMHP at the UCLA Semel Institute for Neuroscience and Human Behavior– delivered core specialized trainings to statewide Full Service Partnership (FSP) teams in combination with multi-session learning collaboratives tailored to meet the needs of each FSP team. This multidisciplinary training team will support the implementation of ACT/FACT teams to fidelity with primary aim of providing excellence in care for vulnerable populations and fostering health equity.

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COE Implementation Timeline

- **Q4 2024:** COEs Identified
- **Q1 2025:** Counties to Complete Survey on Plans to Implement BH-CONNECT EBP Models
- **Q1/Q2 2025:** COEs Develop Required Training and Fidelity Monitoring Materials
- **Q3 2025:** Required Training Modules and Fidelity Monitoring Materials Available to Counties
- **Q3/Q4 2025:** COEs Develop Additional Training Modules and TA Resources as needed
- **Q1 2026:** All TTA and Fidelity Monitoring Resources Available

Counties must implement required EBPs by July 1, 2026, determine "gap" to fidelity for all EBP models required under BHSA by December 31, 2027, and complete a full fidelity review by June 30, 2029.

**If a county opts in to a BH-CONNECT EBP model, they must generally complete a fidelity review within 9 months to continue billing Medi-Cal.*

FY 2-5 (July 2025 – June 2029) Milestones

Ongoing

County engagement and socialization of COEs and EBP model requirements starting in March 2025

Training and technical assistance available starting in Summer 2025
(Note: COEs to assess county readiness and BH-CONNECT opt-in status)

Data collection and reporting underway as counties begin implementing EBP models

Summer 2025

Fidelity assessments available

By December 2027

All counties complete BHSA **gap to fidelity** assessment for ACT/FACT, CSC for FEP, and IPS
(Note: COEs will design opportunities to engage counties in Learning Collaboratives/webinars to better understand gaps and reaching fidelity)

By June 2029

For BHSA, all counties have **demonstrated they meet specified fidelity threshold** for ACT/FACT, CSC for FEP, and IPS

Questions

- Any questions about the EBP models that the COEs will support?
- What communication is needed about role of the COEs and the EBPs they will support?

Workgroup Discussion

Wrap Up

Wrap Up

- If you have additional questions, please email DHCS at BHCalAIM@dhcs.ca.gov with the subject Line “CalAIM BH Workgroup – March 2025.”

Public Comment

Public Comment

- Members of the public may use the raise hand feature to make a comment.
- Comments will be accepted in order of when hands are raised.
- When it is your turn, you will be unmuted by the meeting host.
- Please keep comments to 2 minutes or less.

Appendix