CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: ~~April 4~~October XX, 2025

Behavioral Health Information Notice No: 25-XXX
Supersedes Behavioral Health Information Notice No: 25-009

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association California Opioid Maintenance Providers
California State Association of Counties Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Coverage of Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Evidence-Based Practices (EBPs)

PURPOSE: To provide guidance regarding coverage of EBPs available under Medi-Cal as part of BH-CONNECT, including Assertive Community Treatment (ACT), Forensic ACT (FACT), Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP), Individual Placement and Support (IPS) Supported Employment, Enhanced Community Health Worker (CHW) Services and Clubhouse Services.

REFERENCE: California Welfare and Institutions Code Division 9, Part 3, Chapter 7, Article 5.51: 14184.400(c)(1), 14181.102(d), and 14184.402(i)

BACKGROUND:
The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) initiative is designed to increase access to and strengthen

the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs. BH-CONNECT is comprised of a new five-year Medicaid Section 1115 demonstration and State Plan Amendments (SPAs) to expand coverage of evidence-based practices (EBPs) available under Medi-Cal, as well as complementary guidance and policies to strengthen behavioral health services statewide.

In December 2024, the Centers for Medicare & Medicaid Services (CMS) approved SPAs 24-0042, 24-0051, and 24-0052, establishing ACT, FACT, CSC, Clubhouse Services, Enhanced CHW Services, and IPS ~~Supported Employment~~ as covered Medi-Cal services effective January 1, 2025. Coverage of these EBPs supports the goal of BH-CONNECT to expand access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs.

POLICY:

Overview of BH-CONNECT EBPs

~~Effective January 1, 2025, county behavioral~~Behavioral health plans (BHPs, inclusive of mental health plans and Drug Medi-Cal Organized Delivery System plans) and Drug Medi-Cal programs have the option to cover one or more of the following BH-CONNECT EBPs within the Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC), and/or Drug Medi-Cal Organized Delivery System (DMC-ODS) delivery systems~~.~~: ACT, FACT, CSC, Clubhouse Services, Enhanced CHW Services, and IPS.

ACT, FACT, CSC and Clubhouse Services can be covered in the SMHS system only. Enhanced CHW Services and IPS ~~Supported Employment~~ can be covered in the SMHS, DMC and DMC-ODS delivery systems.

- **Assertive Community Treatment (ACT).** ACT is a community-based, team-based service to support members living with complex and significant behavioral health needs and a treatment history that may include psychiatric hospitalization and emergency room visits, residential treatment, involvement with the criminal justice system, homelessness, and/or lack of engagement with traditional outpatient services. ACT supports recovery through an assertive, person-centered approach that assists members to cope with the symptoms of their mental health condition and acquire the skills necessary to function and be integrated in the community. ACT is delivered by a multidisciplinary ACT team,

and includes a full range of clinical treatment, psychosocial rehabilitation, care coordination, and community support services designed to support recovery.

- **Forensic ACT (FACT).** FACT builds upon the ACT model to address the complex needs of members living with significant behavioral health needs who are also involved with the criminal justice system. FACT includes the same covered service components as ACT; however, FACT teams complete additional training, include practitioners with lived experience in the criminal justice system, and serve a population of members with high risk or history of criminal justice system involvement.

- **Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP).** CSC is a community-based service designed for members experiencing FEP. By providing timely and integrated support during the critical initial stages of psychosis, CSC reduces the likelihood of psychiatric hospitalization, emergency room visits, residential treatment placements, involvement with the criminal justice system, substance use, and homelessness. CSC is a person-centered, team-based service that helps members cope with the symptoms of their mental health condition and to function and remain integrated in the community. Multidisciplinary CSC teams provide a wide range of individualized supports to members exhibiting initial signs of psychosis.

- **Clubhouse Services.** Clubhouses are intentional, strengths-focused community-based environments rooted in empowerment that support recovery from a mental health condition. Clubhouses provide opportunities for employment, socialization, education, and skill development to improve members' physical and mental health and overall quality of life and wellbeing. Clubhouse Services use a social practice model, in which members voluntarily participate in Clubhouse activities and duties alongside providers trained in the model.

- **Enhanced Community Health Worker (CHW) Services.** Enhanced CHW Services are preventive services to prevent disease, disability, and other health conditions or their progression; to prolong life; and promote physical and behavioral health.[1] As described in SPA 24-0052, Enhanced CHW Services include all of the same components and requirements as CHW preventive

[1] 42 CFR 440.130(c)

services but are tailored to members who meet the access criteria for specialty mental health and/or SUD services.[2]

- ~~**Supported Employment.** The~~ **Individual Placement and Support (IPS) Supported Employment.** The IPS model of Supported Employment is a community-based intervention that supports members living with significant behavioral health needs to find and maintain competitive employment. Participation in IPS ~~Supported Employment~~ supports improved employment outcomes as well as improved self-esteem, independence, sense of belonging, and overall health and well-being.

Additional details about the service components covered under Medi-Cal as part of each bundled EBP are included as Enclosure 1. BHPs and DMC programs that do not opt to provide BH-CONNECT EBPs as a bundled service can bill Medi-Cal for many of these "unbundled" service components, and other covered services, as medically necessary consistent with existing Medi-Cal coverage and billing guidance.

Process for Opting to Implement BH-CONNECT EBPs

BHPs and DMC programs may cover some or all of the EBPs described above in any combination, and may opt to cover additional EBPs at any time. To opt in, BHPs and DMC programs must submit a letter of commitment to DHCS:

- Stating their request to cover one or more BH-CONNECT EBPs as Medi-Cal services;
- Specifying which EBP(s) they intend to cover; and
- Specifying the date(s) that coverage will take effect.

The letter of commitment template may be found and submitted at https://www.dhcs.ca.gov/CalAIM/Pages/Opt-in-to-BH-CONNECT.aspx. BHPs and DMC programs must submit additional letters to DHCS to cover additional EBPs at a later

[2] BHPs (inclusive of SMHS and DMC-ODS delivery systems) and DMC programs have the option to cover Enhanced CHW Services through specialty behavioral health delivery systems. BHPs and DMC counties must adhere to all applicable claiming and documentation requirements for specialty behavioral health delivery systems, as described in this BHIN and other relevant DHCS guidance. For more information on the components of Enhanced CHW Services and CHW qualifications, BHPs and DMC programs should review the Medi-Cal provider manual for Community Health Worker Preventive Services. Additional guidance on Enhanced CHW Services is forthcoming.

date. Coverage for each EBP may take effect no sooner than the date the letter of commitment is submitted to DHCS.

BHPs that intend to draw down Federal Financial Participation (FFP) for care provided during short-term stays in Institutions for Mental Diseases (IMDs) must cover a full suite[3] of BH-CONNECT EBPs on a timeline specified by DHCS. Additional information about the FFP IMD Program and associated requirements ~~will be~~are available in ~~forthcoming~~BHIN 25-011 or subsequent guidance.

~~BH-CONNECT~~ EBP Policy Guide and EBP Training, Technical Assistance, Fidelity Monitoring and Data Collection Manual

~~The forthcoming~~DHCS has issued two additional documents to effectuate implementation of EBPs under BH-CONNECT and the Behavioral Health Services Act (BHSA):

- The BH-CONNECT EBP Policy Guide describes best practices for delivering EBPs with fidelity to the evidence-based models; and

- The EBP Training, Technical Assistance, Fidelity Monitoring and Data Collection Manual (EBP Training and Fidelity Manual) establishes requirements for BHPs and DMC Programs when administering EBPs under BH-CONNECT and the BHSA.

The BH-CONNECT EBP Policy Guide provides operational and practice guidelines for the implementation of ACT, FACT, CSC, Clubhouse Services, and IPS ~~Supported Employment. The Policy Guide~~. It includes ~~information~~:

- Information about the evidence-based service criteria for each EBP~~, staffing~~;
- Staffing structure for teams of behavioral health practitioners delivering each EBP~~,~~; and ~~other~~
- Other best practices for delivering each EBP with fidelity to the evidence-based models.

BHPs and DMC programs can use the BH-CONNECT EBP Policy Guide as a key resource for implementation and administration of ACT, FACT, CSC for FEP,

[3] The "full suite" includes ACT, FACT, CSC for FEP, IPS ~~Supported Employment~~, Enhanced CHW Services and Peer Support Services, including the Forensic Specialization.

Clubhouse Services, and IPS ~~Supported Employment.~~ The BH-CONNECT EBP Policy Guide ~~will be~~is posted to the BH-CONNECT webpage.

The EBP Training and Fidelity Manual establishes training, technical assistance, fidelity monitoring and data collection standards for BHPs and DMC Programs and behavioral health practitioners to implement ACT, FACT, CSC and IPS under Medi-Cal and the BHSA.[4] It includes:

- An overview of the role of Centers of Excellence (COEs) established by DHCS to provide training, technical assistance, fidelity monitoring, and data collection;
- Foundational requirements for counties to administer ACT, FACT, CSC and IPS under Medi-Cal and the BHSA; and
- Specific requirements related to implementing ACT, FACT, CSC and IPS, including training for practitioners, fidelity monitoring procedures, technical assistance, and data collection.

BHPs and DMC Programs shall use the EBP Training and Fidelity Manual to ensure EBPs are being delivered to DHCS' fidelity standards. The EBP Training and Fidelity Manual is posted to the BH-CONNECT webpage.

DHCS may ~~periodically~~ update the BH-CONNECT EBP Policy Guide ~~to clarify and~~ and EBP Training and Fidelity Manual to reflect the latest guidelines for each EBP. DHCS will work with ~~Centers of Excellence (~~COEs~~)~~ and other affected stakeholders, as appropriate, on ~~EBP Policy Guide~~ updates ~~and~~. DHCS will notify BHPs and DMC ~~programs whenever and how the BH-CONNECT EBP Policy Guide is substantively updated.~~ counties of any updates.

Fidelity Assessments & ~~Medi-Cal~~ Fidelity Designation for BH-CONNECT EBPs

When implemented with fidelity to the evidence-based models, BH-CONNECT EBPs have demonstrated robust outcomes among individuals living with significant behavioral health needs. Monitoring fidelity through regular fidelity assessments is a key component of each EBP to ensure members are receiving the EBPs as designed and to identify where improvements can be made. COEs for each EBP will conduct fidelity

[4] More information about BHSA requirements for ACT, FACT, IPS and CSC is in the BHSA Policy Manual.

assessments on a regular cadence.[5] ~~Initial fidelity assessments will be available in 2025.~~, as described in the EBP Training and Fidelity Manual.[6]

BHPs and DMC programs may ~~bill~~claim the bundled Medi-Cal rate for ACT, FACT, CSC, and IPS ~~Supported Employment~~ for up to nine months before teams of practitioners complete ~~an initial~~a baseline fidelity assessment.[7],[8] For the BHP or DMC program to bill Medi-Cal for ACT, FACT, CSC, or IPS ~~Supported Employment~~ on an ongoing basis after the initial period, teams must achieve and maintain ~~a "Medi-Cal~~ Fidelity Designation~~,"~~, defined as meeting a specified fidelity threshold on their fidelity assessment conducted by the COE. ~~Medi-Cal~~There are three levels of Fidelity Designation:

- Baseline Fidelity Designation indicates a team has completed their baseline fidelity assessment;
- Minimum Fidelity Designation indicates a team has completed their first fidelity assessment and meets the minimum fidelity threshold for the EBP; and
- Full Fidelity Designation indicates a team has completed their second fidelity assessment and meets the full fidelity threshold for the EBP.

[5] ~~DHCS anticipates that fidelity assessments will be conducted annually for teams that have not achieved Medi-Cal Fidelity Designation, and every 2-3 years for teams that have achieved Medi-Cal Fidelity Designation. Additional information about the timing of fidelity assessments will be available in forthcoming guidance.~~

[6] DHCS has contracted with COEs to provide training, technical assistance, fidelity monitoring and data collection support for ACT, FACT, CSC and IPS. COE resources are available free of charge to BHPs and DMC programs and behavioral health practitioners that serve the Medi-Cal and uninsured populations. More information about COE support is available on the DHCS COE Resource Hub website.

[7] To ensure continuity of services, DHCS may adjust timelines if the COEs are unable to deliver fidelity assessments on the proposed timelines. If a team does not achieve ~~Medi-Cal~~Baseline Fidelity Designation after its ~~first~~baseline fidelity ~~review~~assessment, DHCS will not recoup any payment for services provided prior to the baseline fidelity assessment (assuming all other relevant requirements were observed during this period (e.g., Medi-Cal claiming rules)).

[8] County-contracted and/or county-operated providers shall submit one claim per month to the BHP or DMC Program on behalf of the multidisciplinary team of practitioners delivering ACT, FACT, CSC and/or IPS ~~Supported Employment.~~. Separate claims shall not be submitted on behalf of the individual practitioners on the ACT, FACT, CSC or IPS ~~Supported Employment~~ team.

BHPs and DMC Programs may claim the bundled Medi-Cal rate on an ongoing basis for teams that have achieved any of the three levels of Fidelity Designation. Specific fidelity thresholds required to achieve each Fidelity Designation level for each EBP are described in the EBP Training and Fidelity Manual. Fidelity Designation will be granted or renewed following each fidelity assessment. BHPs and DMC programs ~~may~~shall not continue to bill the bundled Medi-Cal rate if a ~~team's Medi-Cal~~team loses its Fidelity Designation ~~is not granted or renewed after a fidelity assessment~~.[9]

For BHPs to ~~bill Medi-Cal~~claim for Clubhouse Services, Clubhouses must work with Clubhouse International to achieve Clubhouse International Accreditation if they have not already done so. Accreditation is a researched-based, quality assurance program to ensure Clubhouses are operating effectively and in alignment with the Clubhouse Quality Standards. BHPs may bill Medi-Cal for Clubhouse Services for up to one year before a Clubhouse begins the Accreditation process, and for up to three years while the Clubhouse is actively pursuing Accreditation. BHPs cannot bill Medi-Cal for Clubhouse Services for more than four years total before achieving Accreditation.[10]

~~Additional details about COEs, the fidelity assessment process, fidelity thresholds, and outcomes monitoring requirements that must be met to achieve Medi-Cal Fidelity Designation for each EBP will be available in forthcoming guidance.~~

Claiming and Medi-Cal Payment for BH-CONNECT EBPs

The Short Doyle Medi-Cal claiming system has been updated to include ACT, FACT, CSC, Clubhouse Services, Enhanced CHW Services, and IPS ~~Supported Employment.~~. Procedure codes for each service are in Table 1 below. BHPs and DMC ~~programs shall not submit~~Programs must consult the applicable Short-Doyle Medi-Cal billing manual for detailed claiming requirements for BH-CONNECT EBPs. All claims for ACT, FACT,

[9] ~~To ensure continuity of services for members, DHCS may establish a timeline for teams to respond and make fidelity improvements before their Medi-Cal Designation is not renewed. Additional information about the timing of fidelity assessments will be available in forthcoming guidance.~~ If a team of practitioners does not achieve a specified Fidelity Designation level, the team will enter a probationary period and will maintain its current Fidelity Designation level until their next assessment. The team must complete their next assessment within 12 months. More information about the probationary fidelity period is in the EBP Training and Fidelity Manual.

[10] DHCS has contracted with Clubhouse International as a COE to support BHPs and behavioral health practitioners in achieving Clubhouse International Accreditation. COE resources are available free of charge to BHPs and DMC programs and behavioral health practitioners that serve the Medi-Cal and uninsured populations. More information about support from Clubhouse International is available on the DHCS COE Resource Hub website.

CSC and IPS ~~Supported Employment until DHCS provides additional claiming guidance~~must include both a facility National Provider Identifier (NPI) that indicates the provider organization delivering the EBP and ~~confirms systems updates are in place to claim for these services. BHPs and DMC programs may begin claiming for Enhanced CHW Services on the date coverage is effective.~~a rendering provider NPI that indicates the ACT, FACT or CSC team lead or IPS employment supervisor.[11]

Table 1. BH-CONNECT EBP Claiming Details

Service	Rate Structure	HCPCS Code	CPT Code
ACT	Monthly Bundled Rate	H0040	n/a
FACT	Monthly Bundled Rate	H0039	n/a
CSC	Monthly Bundled Rate	H2040	n/a
IPS ~~Supported Employment~~	Monthly Bundled Rate	H2023	n/a
Clubhouse Services	Daily Bundled Rate	H2031	n/a
Enhanced CHW Services	30-Minute Encounter	~~n/a~~G0019, G0022[12]	98960-98962

To claim for the monthly bundled rate for ACT, FACT, CSC, or IPS ~~Supported Employment rate~~ and/or the daily bundled rate for Clubhouse Services, BHPs and DMC programs shall first opt in to offer the EBP (as described above) and ensure services meet the requirements in Table 2 below. BHPs and DMC programs receive a county-specific bundled rate for services that meet DHCS' requirements. County-specific rates for behavioral health services, including bundled rates for BH-CONNECT EBPs, are posted here. As described above, BHPs and DMC programs that do not opt in to these EBPs can bill Medi-Cal for many of the same "unbundled" service components, and other covered services, as medically necessary consistent with existing Medi-Cal coverage and billing guidance.

There are two county-specific rates for ACT, FACT, CSC for FEP and IPS ~~Supported Employment~~: a full rate, and a partial rate. The rate varies by the number of

[11] All ACT, FACT and CSC teams must have a designated team lead and all IPS teams must have a designated employment supervisor. The team lead/employment supervisor has full clinical, administrative, and supervisory responsibility for the EBP team. Find additional guidance in the BH-CONNECT EBP Policy Guide.
[12] G0019 and G0022 will be implemented in the Short-Doyle Medi-Cal claiming system in October 2025.

~~contacts~~times a team ~~makes with~~delivers a service to a Medi-Cal member or collateral on different days of each month.[13] For ACT, FACT, CSC, and IPS ~~Supported Employment~~, if there are two or more separate ~~contacts~~services on a day, of which at least one is with the member and one is with a collateral, it may be counted as two separate days.

If a team delivers ACT or FACT services to a member ~~receives~~on 12 or more ~~contacts for ACT or FACT~~ days in a month, the BHP may ~~bill~~claim for appropriate, unbundled Medi-Cal-covered outpatient behavioral health services in addition to the monthly bundled rate. Unbundled Medi-Cal-covered outpatient behavioral health services can only be ~~billed~~claimed once the ~~member~~team reaches 12 ~~contacts~~service days in a month. Claims for unbundled Medi-Cal-covered outpatient behavioral health services that are part of ACT or FACT should include the modifier TS for ACT and X1 for FACT.

If a member receives fewer ~~contacts~~services than the minimum required for the partial monthly bundled rate, the BHP or DMC program may ~~bill~~claim for appropriate, unbundled Medi-Cal-covered services. Members that consistently receive fewer ~~contacts~~services than the minimum required for either the full or partial monthly bundled rate may require additional outreach and engagement to ensure they are adequately supported in their recovery. If a member consistently does not require the minimum required ~~contacts~~services for the partial bundled rate, a less intensive level of care may be more appropriate for that member.

Table 2. BH-CONNECT EBP Payment Requirements

Service	Full Rate	Partial Rate
ACT (monthly bundled rate)	• BHP opts to offer ACT as a bundled Medi-Cal service • ACT team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • ACT team ~~makes~~ delivers ACT services on at least six	• BHP opts to offer ACT as a bundled Medi-Cal service • ACT team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • ACT team ~~makes~~ delivers ACT services on at least four

[13] ~~A "contact" is defined as an encounter of at least 15 minutes in duration. A contact may be face-to-face (in-person) or using telehealth.~~

Service	Full Rate	Partial Rate
	~~contacts on six~~ different days that month, of which at least four ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or collateral	~~contacts on four~~ different days that month, of which at least three ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or collateral
FACT (monthly bundled rate)	• BHP opts to offer FACT as a bundled Medi-Cal service • FACT team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • FACT team ~~makes~~ delivers FACT services on at least six ~~contacts on six~~ different days that month, of which at least four ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or a collateral	• BHP opts to offer FACT as a bundled Medi-Cal service • FACT team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • ~~ACT~~FACT team ~~makes~~ delivers FACT services on at least four ~~contacts on four~~ different days that month, of which at least three ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or collateral
CSC (monthly bundled rate)	• BHP opts to offer CSC as a bundled Medi-Cal service • CSC team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment)	• BHP opts to offer CSC as a bundled Medi-Cal service • CSC team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within 9 months of its ~~first~~baseline fidelity assessment)

Service	Full Rate	Partial Rate
	• CSC team ~~makes~~ delivers CSC services on at least four ~~contacts on four~~ different days that month, of which at least three ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or a collateral	• CSC team ~~makes~~ delivers CSC services on at least two ~~contacts on two~~ different days that month, of which at least one ~~contact~~service is face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or collateral
IPS ~~Supported Employment~~ (monthly bundled rate)	• BHP and/or DMC program opts to offer IPS ~~Supported Employment~~ as a bundled Medi-Cal service • IPS ~~Supported Employment~~ team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • IPS ~~Supported Employment~~ team ~~makes~~ delivers IPS services on at least four ~~contacts on four~~ different days that month, of which at least three ~~contacts~~services are face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or a collateral	• BHP and/or DMC program opts to offer IPS ~~Supported Employment~~ as a bundled Medi-Cal service • IPS ~~Supported Employment~~ team has achieved ~~Medi-Cal~~ Fidelity Designation (or is within nine months of its ~~first~~baseline fidelity assessment) • IPS ~~Supported Employment~~ team ~~makes~~ delivers IPS services on at least two ~~contacts on two~~ different days that month, of which at least one ~~contact~~service is face-to-face (in-person) with the member. Other ~~contacts~~services may be face-to-face or using telehealth with either the member or collateral
Clubhouse Services (daily bundled rate)	• BHP opts to offer Clubhouse Services as a bundled Medi-Cal service	n/a

Service	Full Rate	Partial Rate
	• Clubhouse is accredited by Clubhouse International ~~(or~~, is within 12 months of initiating the accreditation process, or is actively pursuing accreditation~~)~~ • Member participates in at least three hours of face-to-face (in-person) Clubhouse Services in a day	

Payment for BH-CONNECT EBPs in Inpatient and Residential Settings

An ACT, FACT or CSC team can be a key support when members require a short-term hospital stay or residential treatment. Teams can help ensure continuity and coordination of services, and support and advocate for members. A BHP may ~~bill~~claim the full or partial bundled rate for ACT, FACT and CSC services when a member is in an inpatient or residential setting for services that meet the requirements in Table 3 below.

The full rate may only be claimed during the month of a member's admission or discharge. If a member is in the residential or inpatient setting for the entirety of the month, only the partial rate may be claimed. Payment is not available for services delivered to members while they reside in inpatient or residential settings that are Institutions for Mental Diseases (IMDs), unless the IMD is participating in the DMC-ODS (SUD) and/or BH-CONNECT (mental health) option to receive FFP for care provided during short-term stays in IMDs, and the stay meets all requirements associated with the IMD FFP option.

Table 3. Payment Requirements for EBPs in Inpatient and Residential Settings

Service	Full Rate	Partial Rate
ACT	• Services meet all requirements for Full Rate in Table 2 above • The member is in the month of admission or discharge from the	• Services meet all requirements for Partial Rate in Table 2 above

Service	Full Rate	Partial Rate
	residential or inpatient setting • At least three of the six required ~~contacts~~services are delivered before admission or after discharge from the inpatient or residential setting	
FACT	• Services meet all requirements for Full Rate in Table 2 above • The member is in the month of admission or discharge from the residential or inpatient setting • At least three of the six required ~~contacts~~services are delivered before admission or after discharge from the inpatient or residential setting	• Services meet all requirements for Partial Rate in Table 2 above
CSC	• Services meet all requirements for Full Rate in Table 2 above • The member is in the month of admission or discharge from the residential or inpatient setting • At least two of the four required	• Services meet all requirements for Partial Rate in Table 2 above

Service	Full Rate	Partial Rate
	~~contacts~~services are delivered before admission or after discharge from the inpatient or residential setting	
IPS ~~Supported Employment~~	• Services meet all requirements for Full Rate in Table 2 above • The member is in the month of admission or discharge from the residential or inpatient setting • All ~~contacts~~services are delivered in a community-based setting[14]	• Services meet all requirements for Partial Rate in Table 2 above • All ~~contacts~~services are delivered in a community-based setting
Clubhouse Services	• Services meet all requirements for Full Rate in Table 2 above • Services are provided on the day of admission or discharge from the residential or inpatient setting	n/a

Prior Authorization

Prior authorization is required prior to ~~billing~~claiming the bundled rate for ACT or FACT. BHPs are responsible for implementing or delegating prior authorization requirements

[14] Pursuant to California's Medicaid State Plan Section 3.1 Attachment 3.1-L, IPS ~~Supported Employment~~ services ~~may~~shall not be delivered in ~~inpatient~~provider-operated or controlled residential settings. Services may be provided to members during their ~~inpatient or residential treatment~~ stay; however, the IPS ~~Supported Employment~~ team must meet with the member in a community-based location that meets all of the HCBS settings requirements set forth in Section 3.1 Attachment 3.1-L .

and communicating those requirements to county-operated and county-contracted provider organizations. While awaiting prior authorization for ACT or FACT, the provider organization must ensure that the member continues to have access to medically necessary components of ACT or FACT that do not require prior authorization.[15]

Prior authorization is not required for CSC, IPS ~~Supported Employment~~, or Clubhouse Services.

~~Other Billing Limitations~~
Claiming for EBPs in the Same Month
ACT, FACT, and CSC are comprehensive outpatient services. A member receiving one of these services should generally not require any additional SMHS outpatient services beyond those delivered by their ACT, FACT, or CSC team; however, other services may be provided if clinically appropriate and the provider has coordinated care to ensure services are complementary and not duplicative. ACT shall not be claimed in the same month as FACT is claimed for a member, and CSC shall not be claimed in the same month as ACT or FACT is claimed for a member.

A member may be engaged with an ACT, FACT, or CSC team through their BHP and with an Enhanced Care Management (ECM) provider through their MCP. ACT, FACT, and CSC teams must coordinate with ECM providers to ensure any case management is complementary, and not duplicative, across the two programs.

In addition, a member may be engaged with an ACT, FACT, or CSC team and with an IPS ~~Supported Employment~~ team if the ACT, FACT, or CSC team cannot deliver all components of the IPS model~~. However, if a county's Vocational Rehabilitation program offers IPS Supported Employment services to members that are also eligible for IPS Supported Employment covered by Medi-Cal, Medi-Cal must serve as the payer of last resort~~.

Other IPS Requirements
CMS approved IPS as a service in California's Alternative Benefit Plan (ABP). In addition to the requirements described above, to claim the bundled rate for IPS BHPs and DMC Programs must ensure Medi-Cal is the payer of last resort for IPS; notify the member of enrollment in the ABP to receive IPS; conduct a person-centered planning

[15] See BHIN 22-016.

process with the member; and ensure IPS is provided in settings that meet all Home and Community-Based Services (HCBS) settings requirements.

If a member is eligible to receive IPS through another program (including, but not limited to, a Vocational Rehabilitation program), Medi-Cal must serve as the payer of last resort. BHPs and DMC programs shall work with the IPS COE to identify if IPS is available through another program and, if so, to coordinate delivery of IPS in compliance with the payer of last resort rule.

In addition, IPS teams must ensure members are notified of their voluntary participation in the ABP to receive IPS.[16]

Documentation Requirements

All ACT, FACT, CSC, IPS ~~Supported Employment~~, and Clubhouse Services teams must abide by all Medi-Cal documentation requirements for SMHS as described in BHIN 23-068. All teams must complete at minimum a daily progress note for each service rendered.

Compliance Monitoring

DHCS will continue to carry out its responsibility to monitor and oversee Medi-Cal behavioral health delivery systems and their operations as required by state and federal law. DHCS will monitor Medi-Cal behavioral health delivery systems for compliance with the requirements outlined above, and deviations from the requirements may require corrective action plans. This oversight will include verifying that services provided to Medi-Cal members are medically necessary, and that documentation complies with the applicable state and federal laws, regulations, the MHP contract, DMC State Plan contract, and the DMC-ODS Interagency Agreement. Recoupment shall be focused on identified overpayments and fraud, waste, and abuse.

BHPs and DMC programs that opt to cover ACT, FACT, CSC, IPS ~~Supported Employment~~, and/or Clubhouse Services in 2025 must update their 2025 member handbooks to notify members of the benefit(s) by either adding the language provided in Enclosure 2 as an insert to the handbook or incorporating the language in Enclosure 2

[16] The ABP includes the same set of covered Medi-Cal benefits and providers as the Medi-Cal State Plan, as well as IPS. Members will be disenrolled from the ABP and return to their previous Medi-Cal State Plan coverage when they are no longer receiving IPS. More information is available in SPA 24-0051.

to the "Additional Information About Your County" section within the handbook.[17] BHPs and DMC programs must send a Notice of Significant Change to each member at least 30 days before the effective date of the handbook.[18] For additional information regarding the Notification of Significant Change delivery method requirements, please reference BHIN 24-034.

Please contact BH-CONNECT@dhcs.ca.gov for questions regarding this BHIN.

Sincerely,

Original signed by

Ivan Bhardwaj, Chief
Medi-Cal Behavioral Health – Policy Division

Enclosures (~~2~~3)

[17] BHPs and DMC programs that opt to cover Enhanced CHW Services must also update their member handbooks to include Enhanced CHW Services. Member handbook language for Enhanced CHW Services will be included in forthcoming guidance.
[18] Title 42, CFR, Part 438.10(g)(4)

Enclosure 1: Medi-Cal Service Components for BH-CONNECT EBPs

Assertive Community Treatment (ACT)[19]

- Assessment
- Crisis Intervention
- Employment and Education Support Services
- Medication Support Services
- Peer Support Services
- Psychosocial Rehabilitation
- Referral and Linkages
- Therapy
- Treatment Planning

Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP)

- Assessment
- Crisis Intervention
- Employment and Education Support Services
- Medication Support Services
- Peer Support Services
- Psychosocial Rehabilitation
- Referral and Linkages
- Therapy
- Treatment Planning

IPS Supported Employment

- Pre-Employment Services
    - Job-related discovery or assessment
    - Person-centered employment planning
    - Job development and placement
    - Job carving

[19] Forensic ACT (FACT) includes all the same covered service components as ACT. FACT is not defined as a discrete service in the Medicaid State Plan, but is covered under the same definition as ACT.

    - Benefits education and planning
- Employment Sustaining Services
    - Career advancement services
    - Negotiation with employers
    - Job analysis
    - Job coaching
    - Benefits education and planning
    - Asset development
    - Follow-along supports

Clubhouse Services

- Employment and Education Support Services
- Medication Support Services
- Psychosocial Rehabilitation
- Referral and Linkages
- Treatment Planning

Enhanced Community Health Worker (CHW) Services

- Health Education to promote the beneficiary's health or address barriers to health care, including providing information or instruction on health topics. The content of health education must be consistent with established or recognized health care standards. Health education may include coaching and goal-setting to improve a beneficiary's health or ability to self-manage health conditions.
- Health Navigation to provide information, training, referrals, or support to assist beneficiaries to access health care, understand the health care system, or engage in their own care and connect to community resources necessary to promote a beneficiary's health, address health care barriers, or address health-related social needs.
- Screening and Assessment to identify the need for services.
- Individual Support or Advocacy to assist a beneficiary in preventing a health condition, injury, or violence.

Supplement 3 to Attachment 3.1-A of the California Medicaid State Plan defines each bundled service component as the following:[20]

Assessment: A service activity designed to collect information and evaluate the current status of a beneficiary's mental, emotional, or behavioral health to determine whether Rehabilitative Mental Health Services are medically necessary and to recommend or update a course of treatment for that beneficiary. Assessments shall be conducted and documented in accordance with applicable State and Federal statutes, regulations, and standards.

Crisis Intervention: An unplanned, expedited service, to or on behalf of a beneficiary to address a condition that requires more timely response than a regularly scheduled visit. Crisis intervention is an emergency response service enabling a beneficiary to cope with a crisis, while assisting the beneficiary in regaining their status as a functioning community member. The goal of crisis intervention is to stabilize an immediate crisis within a community or clinical treatment setting.

Employment and Education Support Services: Services that support recovery by assisting members in managing their mental health conditions in vocational or educational settings. Services support members to function in the community and help reduce the risk of psychiatric hospitalization and emergency room visits, residential treatment, involvement with the criminal justice system, substance use, and homelessness.

Employment and Education Support Services include one or more of the following service components:

- Employment Support Services that support a member with managing their mental health condition and addressing challenges as they work to restore, maintain and/or sustain employment.
- Education Support Services that support a member with managing their mental health condition and addressing challenges that occur in educational settings.

Medication Support Services: Services that include prescribing, administering, dispensing and monitoring drug interactions and contraindications of psychiatric medications or biologicals that are necessary to alleviate the suffering and symptoms of behavioral health conditions. This service may also include assessing the

[20] See the BH-CONNECT EBP Policy Guide for definitions of each component of IPS ~~Supported Employment~~.

appropriateness of reducing medication usage when clinically indicated. Medication support services may include prescription, dispensing, monitoring, or administration of medication related to substance use disorder services for members with a co-occurring mental health condition and substance use disorder. Medication support services may include contact with significant support persons or other collaterals if the purpose of their participation is to focus on the treatment of the member.

Medication Support Services includes one or more of the following service components:

- Evaluation of the need for medication
- Evaluation of clinical effectiveness and side effects
- Medication education including instruction in the use, risks and benefits of and alternatives for medication
- Treatment Planning

Peer Support Services: Services that are culturally competent individual and group services that promote recovery, resiliency, engagement, socialization, self-sufficiency, self-advocacy, development of natural supports, and identification of strengths through structured activities such as group and individual coaching to set recovery goals and identify steps to reach the goals. Services aim to prevent relapse, empower beneficiaries through strength-based coaching, support linkages to community resources, and to educate beneficiaries and their families about their conditions and the process of recovery.

Peer support services include one or more of the following service components:

- Educational Skill Building Groups means providing a supportive environment in which beneficiaries and their families learn coping mechanisms and problem-solving skills in order to help the beneficiaries achieve desired outcomes. These groups promote skill building for the beneficiaries in the areas of socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services.
- Engagement means Peer Support Specialist led activities and coaching to encourage and support beneficiaries to participate in behavioral health treatment. Engagement may include supporting beneficiaries in their transitions and supporting beneficiaries in developing their own recovery goals and processes.
- Therapeutic Activity means a structured non-clinical activity provided by a Peer Support Specialist to promote recovery, wellness, self-advocacy, relationship enhancement, development of natural supports, self-awareness and values, and the maintenance of community living skills to support the beneficiary’s treatment to attain and maintain recovery within their communities. These activities may include, but are not limited to, advocacy on behalf of the beneficiary; promotion of

self-advocacy; resource navigation; and collaboration with the beneficiaries and others providing care or support to the beneficiary, family members, or significant support persons.

Psychosocial Rehabilitation: A recovery or resiliency focused service activity which addresses a mental health need. This service activity provides assistance in restoring, improving, and/or preserving a member's functional, social, communication, or daily living skills to enhance self-sufficiency or self-regulation in multiple life domains relevant to the developmental age and needs of the member. Psychosocial rehabilitation includes assisting members to develop coping skills by using a group process to provide peer interaction and feedback in developing problem-solving strategies. In addition, psychosocial rehabilitation includes therapeutic interventions that utilize self-expression such as art, recreation, dance or music as a modality to develop or enhance skills. These therapeutic interventions assist the member in attaining or restoring skills which enhance community functioning including problem solving, organization of thoughts and materials, and verbalization of ideas and feelings. Psychosocial rehabilitation also includes support resources, and/or medication education and/or psychoeducation. Psychoeducation assists members to recognize the symptoms of their mental health condition to prevent, manage or reduce such symptoms.

Referral and Linkages: Services and supports to connect a beneficiary with primary care, specialty medical care, substance use disorder treatment providers, mental health providers, and community-based services and supports. This includes identifying appropriate resources, making appointments, and assisting a beneficiary with a warm handoff to obtain ongoing support.

Therapy: A service activity that is a therapeutic intervention that focuses primarily on symptom reduction and restoration of functioning as a means to improve coping and adaptation and reduce functional impairments. Therapeutic intervention includes the application of cognitive, affective, verbal or nonverbal, strategies based on the principles of development, wellness, adjustment to impairment, recovery and resiliency to assist a beneficiary in acquiring greater personal, interpersonal and community functioning or to modify feelings, thought processes, conditions, attitudes or behaviors which are emotionally, intellectually, or socially ineffective. These interventions and techniques are specifically implemented in the context of a professional clinical relationship.

Treatment Planning: A service activity to develop or update a beneficiary's course of treatment, documentation of the recommended course of treatment, and monitoring a beneficiary's progress.

Enclosure 2: Enclosure for Member Handbooks

ADDITIONAL SPECIALTY MENTAL HEALTH SERVICES AVAILABLE

Assertive Community Treatment (ACT)

- ACT is a service that helps people with serious mental health needs. People who need ACT have typically been to the hospital, visited the emergency room, stayed in treatment centers and/or had trouble with the law. They might also have been homeless or not able to get help from regular clinics.
- ACT tailors services to each person and their own needs. The goal is to help people feel better and learn how to live in their community. A team of different experts works together to provide all kinds of support and treatment. This team helps people with their mental health, teaches them important life skills, coordinates their care, and offers support in the community. The overall aim is to help each person recover from their behavioral health condition and live a better life within their community.
- Providing ACT is optional for participating counties. Refer to the “Additional Information About Your County” section located at the end of this handbook to find out if your county provides this service.

Forensic Assertive Community Treatment (FACT)

- FACT is a service that helps people with serious mental health needs who have also had trouble with the law. It works just like the ACT program, but with some extra features to help people who are at high risk or have been previously involved with the criminal justice system.
- The FACT team is made up of experts who have special training to understand the needs of people who have had trouble with the law. They provide the same types of support and treatment as ACT, like helping with behavioral health, teaching life skills, coordinating care, and offering community support.

- The goal is to help each person feel better, stay out of trouble, and live a healthier life in their community.
- Providing FACT is optional for participating counties. Refer to the "Additional Information About Your County" section located at the end of this handbook to find out if your county provides this service.

Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP)

- CSC is a service that helps people who are experiencing psychosis for the first time. Psychosis can show up with a lot of different symptoms, including but not limited to seeing or hearing things that other people do not. CSC provides quick and combined support during the early stages of psychosis, which helps prevent hospital stays, emergency room visits, time in treatment centers, trouble with the law, substance use, and homelessness.
- CSC focuses on each person and their own needs. A team of different experts works together to provide all kinds of help. They assist with mental health treatment, teach important life skills, coordinate care, and offer support in the community. The goal is to help people feel better, manage their symptoms, and live well in their community.
- Providing CSC for FEP is optional for participating counties. Refer to the "Additional Information About Your County" section located at the end of this handbook to find out if your county provides this service.

Clubhouse Services

- Clubhouses are special places that help people recover from behavioral health conditions. They focus on people's strengths and create a supportive community.
- In a Clubhouse, people can find jobs, make friends, learn new things, and develop skills to improve their health and well-being. People also work alongside

Clubhouse staff to contribute to shared Clubhouse needs, like making lunch for other Clubhouse members. The goal is to help everyone be members of a community, encourage others to achieve their goals, and improve their overall quality of life.

- Providing Clubhouse Services is optional for participating counties. Refer to the "Additional Information About Your County" section located at the end of this handbook to find out if your county provides this service.

Supported Employment

- The Individual Placement and Support (IPS) model of Supported Employment is a service that helps people with serious behavioral health needs find and keep competitive jobs in their community.
- By participating in IPS Supported Employment, people can get better job outcomes and support their recovery from their behavioral health condition.
- This program also helps improve independence, a sense of belonging, and overall health and well-being.
- Providing Supported Employment is optional for participating counties. Refer to the "Additional Information About Your County" section located at the end of this handbook to find out if your county provides this service.

ADDITIONAL SUBSTANCE USE DISORDER SERVICES AVAILABLE

Supported Employment

- The Individual Placement and Support (IPS) model of Supported Employment is a service that helps people with serious behavioral health needs find and keep competitive jobs in their community.
- By participating in IPS Supported Employment, people can get better job outcomes and support their recovery from their behavioral health condition.
- This program also helps improve independence, a sense of belonging, and overall health and well-being.
- Providing Supported Employment is optional for participating counties. Refer to the “Additional Information About Your County” section located at the end of this handbook to find out if your county provides this service.

Enclosure 3: Consent Language for Voluntary Enrollment in Alternative Benefit Plan (ABP)

To receive Individual Placement and Support (IPS) Supported Employment, eligible Medi-Cal members must participate in the Medi-Cal Alternative Benefit Plan (ABP). IPS teams must ensure members are notified of their voluntary participation in the ABP to receive IPS. IPS providers may use or modify the following consent language for this purpose.

Consent Language: By choosing to participate in Medi-Cal IPS services, I acknowledge that I will be enrolled in the Medi-Cal Alternative Benefit Plan. Enrollment in this plan is fully voluntary. This plan includes the same set of covered Medi-Cal benefits and providers as my current plan, as well as IPS. I may choose to disenroll from the Alternative Benefit Plan and IPS services at any time by notifying my IPS provider. If I choose to disenroll from the Alternative Benefit Plan, I will return to my current Medi-Cal State Plan with no changes to my covered benefits, managed care plan, or providers.