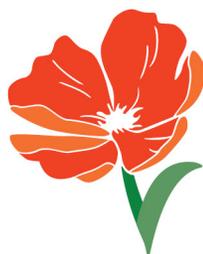


**Systems and Medicaid Committee Recommendation Letter
Re: CalAIM Section 1115 Demonstration Waiver Renewal**



**California
Behavioral Health
Planning Council**

ADVOCACY • EVALUATION • INCLUSION

CHAIRPERSON
Tony Vartan

March 11, 2026

EXECUTIVE OFFICER
Jenny Bayardo

Department of Health Care Services

Director's Office

Attention: Tyler Sadwith

P.O. Box 997413, MS 0000

Sacramento, California 95899-7413

RE: CalAIM Section 1115 Demonstration Waiver Renewal Application

ADDRESS
P.O. Box 997413
Sacramento, CA
95899-7413

Dear Mr. Sadwith,

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(916) 701-8211

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(916) 319-8030

MS 2706

The California Behavioral Health Planning Council (CBHPC) serves as an advisory body to the Legislature and the Administration on behavioral health policies and priorities, as outlined in Welfare and Institutions Code §§ 5771 and 5772. In alignment with its statutory responsibilities under the Behavioral Health Services Act (BHSA) §§ 5604.2 (a), 5610 (a) (1), 5610 (b) (1), and 5664 (a), the Council plays a critical role in reviewing county performance outcome data, advising on reporting requirements, and collaborating with state agencies to improve and standardize behavioral health practices.

The Council's Systems and Medicaid Committee (SMC) has been involved in the stakeholder process to develop the initial CalAIM 1915(b) and 1115 Waivers for 2020-2025. Since then, the committee has engaged county behavioral health departments, provider organizations, individuals with lived experience, and the Department of Health Care Services (DHCS) to evaluate the implementation of CalAIM programs and provide meaningful feedback and best practices to the state. The committee has reviewed the CalAIM Section 1115 Demonstration Waiver Renewal Application released by DHCS on February 10, 2026, and offers support and recommendations for the draft CalAIM 1115 Waiver in this letter.

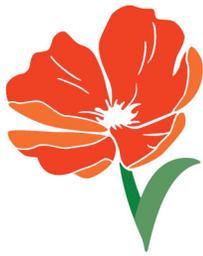


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The Council supports the following behavioral health initiatives proposed in the CalAIM Section 1115 Waiver Application:

- Reentry Services for Justice-Involved Populations: **We strongly recommend the continuation of reentry services.** These services will improve care within an integrated delivery system for justice-involved populations with behavioral health conditions. These services are especially critical for the continuation of services once an incarcerated individual is released into the community, given the historical difficulties for this population to access and retain behavioral health services and prevent recidivism.
- Traditional Healers and Natural Helpers: The Council supports the continuation of this Benefit to support California's large tribal population and other communities that benefit from and utilize these supports. These services reduce long-standing barriers to care and strengthen culturally responsive, person-centered care by expanding access to healing practices that reflect the cultural values, traditions, and lived experiences of the communities served. The Benefit recognizes the importance of cultural identity in the promotion of health equity, wellness, and recovery, which builds trust between these communities and the health care system. Therefore, **we recommend that DHCS maintain flexibility in service provision for individuals with mental health and substance use disorder conditions and allow this service across multiple care delivery systems.**
- Coverage for Out-of-State Former Foster Care Youth: Foster: Medi-Cal coverage for out-of-state former foster youth is an essential equity strategy to ensure young adults maintain access to behavioral health services during a period of significant vulnerability. These individuals often face high rates of depression, anxiety, trauma-related disorders, and substance use during the transition to adulthood without stable familial or community supports, which heightens the need for these services. Medi-Cal coverage may help prevent service gaps that could lead to crisis, homelessness, justice-involvement, and worsening health outcomes. Therefore, **the Council supports and recommends the continuation of coverage of care for out-of-state former**



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foster youth to ensure this vulnerable population has access to the services and supports they need.

- Recovery Incentives: The Council supports the expansion of evidence-based substance use disorder interventions that improve health outcomes for Medi-Cal members with significant behavioral health conditions. This program will expand coverage and high-quality care to individuals with significant behavioral health needs and supports continuity of care in the behavioral health system. **We support the proposed modification to expand waivers of statewideness and comparability, as well as the expenditure authority to offer this benefit in Drug Medi-Cal (DMC) counties.**

The Council expresses support for the following programs proposed in the CalAIM Section 1115 Waiver Application, after further examination of the details for each program:

- Employment Supports: The Council appreciates efforts to include employment supports in the waiver to support individuals with behavioral health conditions who seek employment as a form of recovery, as well as promote stability and minimize the impact of potentially losing Medi-Cal coverage for members subject to work requirements under H.R.1. **The Council recommends that DHCS provide a crosswalk and guidance on how employment services under the CalAIM Section 1115 Waiver will compare to employment supports under the BH-CONNECT Initiative.**
- BridgeCare Pilots: The Council supports BridgeCare Pilots in concept, as the program aims to provide older adults who are “near dual-eligible” with the services and supports they need to reduce the risk of institutionalization. While this proposal appears to align with CalAIM’s goals of improving access and outcomes for individuals with significant behavioral health needs and hard-to-reach populations, we would like to further examine the program’s details and plan for implementation.
- Drug Medi-Cal Organized Delivery System (DMC-ODS) Institute for Mental Disease (IMD) Waiver requested in the CalAIM 1915(b) waiver: The Council supports this proposed Benefit in concept. We



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would like to review the CalAIM 1915(b) waiver to understand how this Benefit is structured.

The Council has outlined concerns and recommendations for the following programs proposed to be modified, discontinued, or transitioned to another authority:

- County Option to Cover Select Outpatient SUD Services: While the Council supports the additional SUD services to be offered in the Drug Medi-Cal system, we have concerns about the modification that would enable these services as a county opt-in benefit, particularly for mobile crisis services. Mobile crisis services are critical to reducing unnecessary hospital and emergency department visits, which are costly and often inappropriate. Additionally, these services are critical to minimizing law enforcement involvement (LE), as LE may not be properly trained in mental health or substance use response. This can result in traumatizing incidents for marginalized populations. The opt-in nature of mobile crisis services may result in variability in services offered, depending on individual county decisions. There is a need to support mobile crisis services through an integrated service delivery model. **Therefore, the Council strongly recommends that mobile crisis services remain as a statewide benefit.**
- Recuperative Care and Short-Term Post-Hospitalization Housing: The Council notes that these services have historically excluded individuals with behavioral health conditions, some of which intersect with physical recovery. **The Council recommends requiring Memorandums of Understanding (MOUs) and that DHCS provide clear direction on including behavioral health clients in services, as well as on how financing supports beneficiary access to care.**
- The Providing Access and Transforming Health (PATH) Initiative: While we understand that the original intent of PATH was to provide time-limited support to community-based providers to prepare them for Enhanced Care Management (ECM) and Community Supports, discontinuing this initiative could undermine the behavioral health infrastructure and support for justice-involved populations. The loss of this program at this time would significantly affect community-



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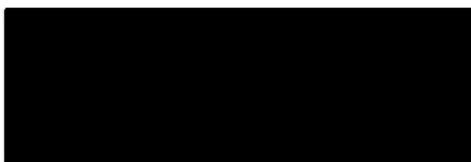
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based organizations and other entities that rely on infrastructure and training support. Therefore, **the Council recommends that DHCS create alternative funding pathways to support infrastructure for the justice-involved population and/or provide guidance and technical assistance to help local entities navigate this change, ensuring that infrastructure and care support this population.**

- Designated State Health Program (DSHP): We understand that the Centers for Medicare and Medicaid (CMS) has indicated it will no longer approve DSHPs, following the conclusion of the PATH initiative. **The Council recommends that DHCS strategize and identify ways to fill the gaps created by the continuation of this program to minimize the potential impact on justice-involved populations living with significant behavioral health conditions.**

The Council appreciates the opportunity to provide feedback on the draft CalAIM Section 1115 Demonstration Waiver Renewal Application, and we look forward to continuing our partnership in shaping policies that promote equity, access, and improved outcomes for individuals served by the public behavioral health system. For questions, please contact Jenny Bayardo, Executive Officer, at Jenny.Bayardo@cbhpc.dhcs or at (916) 750-3778.

Sincerely,



Jenny Bayardo
Executive Officer

Cc: Paula Wilhelm, Deputy Director, Behavioral Health, DHCS
Erika Cristo, Assistant Deputy Director, Behavioral Health, DHCS
Ivan Bhardwaj, Chief, Medi-Cal Behavioral Health Policy Division,
DHCS