

Stakeholder Advisory Committee & Behavioral Health Stakeholder Advisory Committee Meeting

Wednesday, February 25, 2026

9:30 a.m. to 3 p.m. PST

Hybrid Meeting Tips



» Please use either a computer or a phone for audio connection.



» Please mute your line when not speaking.



» Members are encouraged to turn on their cameras during the meeting.



» Registered attendees can make oral comments during the public comment period.



» For questions or comments, please email SACinquiries@dhcs.ca.gov.

Welcome and Roll Call

Director's Update

Governor's 2026-27 Proposed Budget



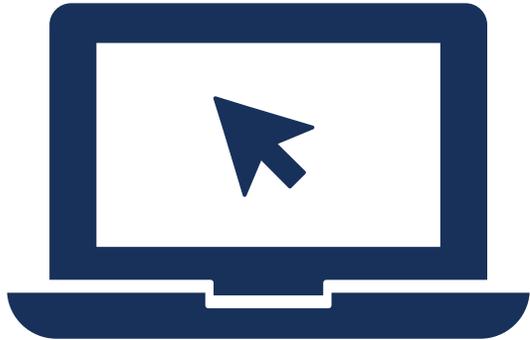
Governor's Proposed Budget

- » The Governor's proposed budget includes \$343.6 billion total funds for all health and human services programs.
- » The Governor's proposed budget includes **\$229.1 billion total funds for DHCS** and **4,745.5 positions**.
 - Of this amount, \$1.3 billion is state operations (DHCS operations), while \$228 billion is local assistance (funding for program costs, partners and administration).
- » The proposed budget continues to support the Department's purpose to provide equitable access to quality health care.

DHCS Major Budget Issues and Proposals

- » Federal H.R. 1 makes significant changes to Medicaid including impacts to enrollment and federal matching funds.
 - Unsatisfactory Immigration Status (UIS) emergency Affordable Care Act (ACA) federal medical assistance percentage (FMAP) adjustment.
 - Results in additional General Fund (GF) cost of \$658 million in 2026-27.
 - Work and Community Engagement Requirement.
 - Results in a cost reduction of \$373.3 million total funds (\$102.4 million GF).
 - ACA Adult Expansion Population Six-Month Redetermination.
 - Results in a cost reduction of \$463.3 million total funds (\$74.1 million GF).
 - Reduced Retroactive Medi-Cal Timeframes.
 - Estimated savings in 2026-27 are \$23 million total funds (\$9.6 million GF).
 - Restrictions on Immigrant Eligibility.
 - Full-scope Medi-Cal cost is projected to be \$786 million GF in budget year.
- » The budget proposes to revise the **Community-Based Mobile Crisis Services** benefit to make the services an optional benefit beginning April 1, 2027.

Additional Information and Resources



- » DHCS Website - [**Governor's Budget Documents 2026-27.**](#)
- » Statewide Budget Website – [**ebudget.ca.gov.**](http://ebudget.ca.gov)
- » Department of Finance Website - [**https://dof.ca.gov/.**](https://dof.ca.gov/)
 - Budget Change Proposals - [**Governor's Budget BCPs.**](#)
 - Trailer Bill Language - [**DHCS Trailer Bill Language.**](#)

Behavioral Health Transformation Update



Integrated Plan Timeline

DRAFT INTEGRATED PLAN DUE

MARCH 31, 2026

Draft FY 2026 – 2029 Integrated Plans due to DHCS with exemptions and transfer requests.

FINAL INTEGRATED PLAN DUE

JUNE 30, 2026

Includes DHCS-required updates and revisions based on public comment feedback.

2025

**EARLY
SPRING
2026**

**SPRING
2026**

**EARLY
SUMMER
2026**

**SUMMER
2026**

STAKEHOLDER ENGAGEMENT

Community engagement for Integrated Plans became effective.

PUBLIC COMMENT

Each county must conduct a minimum 30-day public comment period between March and June 2026.

INTEGRATED PLANS LIVE

JULY 1, 2026
Counties Integrated Plans become effective.

BHSA County Policy Manual Progress

Module 1

- » Integrated Plan Overview
- » BHOATR Overview
- » County Portal
- » BHT Fiscal Policy
- » BHSA Housing Intervention

Received **773** public comments.

Final version released February 2025.

Module 2

- » BHT Fiscal Policy (continued)
- » Behavioral Health Services and Supports
- » Full-Service Partnerships
- » Documentation req. for BHSA Services

Received **669** public comments.

Final version released April 2025.

Module 3

- » Integrated Plan Template
- » Integrated Plan Budget Template
- » County Performance Workbook Access Instructions
- » County Performance Workbook

Received **1,153** public comments.

Final version released June 2025.

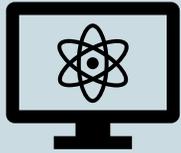
Module 4

- » Oversight & Monitoring
- » Evidence-Based Practices /Community-Defined Evidence Practices
- » Full Service Partnership Policy Guidance

Received **336** public comments.

Final version coming this Spring.

Licensing and Certification Portal



Benefits of the Portal

- » Reduce application processing time.
 - » Provide real-time transparency into application status.
 - » Offer a guided, user-friendly application experience.
- » The Licensing and Certification Portal is a **streamlined-web-based portal** for submitting and processing licensing and certification applications and renewals.
 - » **Launched in November 2025**, it currently supports **renewal applications for Substance Use Disorder (SUD) providers** whose licenses are expiring within 150 days.
 - » Marks the first step in **modernizing and expanding** DHCS' licensing and certification processes.
 - » Over time, DHCS will bring **additional application types** into the portal.
 - Initial applications.
 - Levels of Care applications (LOC) [Level of Care Designation](#).
 - Mental Health Licensing and Certification.
 - » As of January 2026, **136** individuals have accessed the portal.

BHCIP Events



Recent groundbreaking or grand openings:

- » On **December 10, 2025**, San Diego County celebrated the Freedom Ranch Groundbreaking.
- » On **December 12, 2025**, LA County celebrated the High Desert Grand opening.
- » On **January 22, 2026**, LA County celebrated a "No Wrong Door" Groundbreaking.
- » On **January 29, 2026**, Santa Clara County celebrates the Heritage Vila Groundbreaking.
- » On **February 11, 2026**, Alameda County celebrated the Telecare Corporation Groundbreaking.

36 Facilities are open and providing services

Additional Updates

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Additional Updates

» Revised Single Streamlined Application (SSApp)

- In December of 2025, DHCS released a newly revised version of the paper SSApp.
- This revision is the result of a collaborative effort between DHCS and Covered California, incorporating extensive focus group testing, readability assessments, and stakeholder input to improve accessibility and user experience.

» Reminder: Dental - Limited Benefits for Certain Adult Immigrants

- This year, the State Budget mandated DHCS to implement changes that restrict Medi-Cal benefits for certain adult members without satisfactory immigration status. Effective July 1, 2026, coverage will end for adults age 19 and older who fall under this category. This does not apply to those who are pregnant or within one year postpartum.

» Managed Care Organization (MCO) Tax Update

- On February 2, the federal Centers for Medicare & Medicaid Services (CMS) finalized a rule that changes federal requirements for health care-related taxes used to finance Medicaid programs. The rule leaves intact California's MCO Tax through its current authorized term (**December 31, 2026**), after which the same tax structure will no longer be federally approvable. DHCS will work closely with partners and stakeholders on next steps related to the tax and related payment methodologies that are needed to comply with federal requirements. For more details, see the CMS [Final Rule](#) and [Fact Sheet](#).

Questions?



Implementation Plan for New Eligibility and Enrollment Changes Under H.R. 1

Yingjia Huang, Deputy Director, Health Care Benefits & Eligibility

Background and Overview



Background and Overview

H.R. 1 establishes new eligibility and enrollment changes to Medicaid, including requirements that change eligibility criteria and establish new parameters for how to enroll in and maintain coverage.

DHCS released an **Implementation Plan for New Federal Eligibility and Enrollment Changes Under H.R. 1** on January 29, 2026, to outline its approach to mitigating the impact of H.R. 1 on members and minimizing coverage loss. DHCS will update the plan throughout the implementation process.

Today's discussion will focus on how DHCS will implement **(1) new work reporting requirements, (2) six-month renewals, and (3) changes to immigrant coverage** for certain Medi-Cal populations.

H.R. 1 Key Medi-Cal Eligibility Changes (1 of 2)

Change	Description	Effective Date
Streamlining Eligibility Final Rules Moratorium	Stops the implementation and enforcement of certain federal eligibility and enrollment rules that were designed to improve notice and processing timelines for applications and renewals, and to simplify eligibility steps for the Aged and Disabled groups.	Immediate (7/1/24)
Amended Eligibility for Federally-Funded Medicaid	Changes who counts as a “qualified” immigrant for federally funded full-scope Medi-Cal.	10/1/26
Work and Community Engagement Reporting Requirements	Requires adult expansion enrollees eligible for federally-funded Medicaid under the Affordable Care Act, also called the “New Adult Group,”* to work, study, or volunteer at least 80 hours per month unless exempt.	1/1/27
Six-Month Renewals	Requires the New Adult Group members to renew Medi-Cal every six months instead of once a year.	1/1/27

H.R. 1 Key Medi-Cal Eligibility Changes (2 of 2)

Change	Description	Effective Date
Reducing Duplicate Enrollment	Starting in 2027, all states must update address information using data from sources like the National Change of Address database and returned mail. By 2029, the federal government will create a national database to identify people who may be enrolled in Medicaid in more than one state.	1/1/27 and 10/1/29
Deceased Member Verification	Requires states to verify eligibility against the federal Death Master File on a quarterly basis, or a successor system, to identify deceased individuals who should no longer be enrolled in coverage.	1/1/27
Retroactive Medi-Cal Timeframes	Reduces retroactive coverage from three months to one month for New Adult Group members and two months for all other Medi-Cal members.	1/1/27
Cost-Sharing for New Adult Group	Requires states to implement copayments for certain New Adult Group members for some services, while keeping essential care—like emergency, prenatal, and mental health visits—free.	10/1/28

DHCS Implementation Guiding Principles

- » **Automate to Protect Coverage.** Maximize the use of data sources to confirm eligibility without burdening members and counties. Reduce paperwork, streamline verifications, and safeguard coverage stability.
- » **Communicate with Clarity and Connection.** Implement an outreach and education campaign that is culturally relevant, linguistically accurate, and written in plain language to build trust and help members, their families, and caregivers understand the changes.
- » **Simplify the Renewal Experience.** Modernize and streamline the Medi-Cal renewal process with clearer, member-friendly forms (first in the New Adult Group, and later for all members) and with six-month renewal steps that are easier to navigate.
- » **Educate and Train Those Who Serve Medi-Cal Members.** Deliver comprehensive training on all H.R. 1 provisions for county eligibility workers. Provide clear policy guidance, practical tools, and ongoing technical assistance so counties, plans, providers, and DHCS Coverage Ambassadors can confidently support members and avoid error on member cases.
- » **Provide Timely and Transparent Communication to Members.** Share information on H.R. 1 changes early on and via multiple channels (mail, text, outbound phone calls, etc.) so members can build awareness, anticipate changes to their coverage, and have ample preparation time to meet new requirements.

Work and Community Engagement Requirements



Overview of Work and Community Engagement Requirements

Section 71119: Requires states to condition Medicaid eligibility on compliance with work rules (called "community engagement requirements") for adults ages 19 through 64. The provision applies to adult expansion enrollees under the Affordable Care Act (ACA), also called the "New Adult Group."

- » **Effective Date:** January 1, 2027.
- » **Impact:** Up to 233,000 Medi-Cal members may lose coverage by June 2027. That number may increase to 1 million by January 2028 and 1.4 million by June 2028. This coverage loss will significantly drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

» *All numbers are estimates and subject to change.*

Overview of Work and Community Engagement Requirements

- » **Requirement:** Individuals must complete one or more qualifying activities:
 - Have monthly income at least 80 times the federal hourly minimum wage (\$580) or employment of 80 hours/month (seasonal work will be averaged over the last six months).
 - Community service of 80 hours/month.
 - Enrolled at least half-time in an educational program.
 - Participation in a work program of 80 hours/month.

- » **Exemptions.** The law outlines mandatory and short-term hardship exemptions. Exemptions must be verified every 6 months.

- » **All County Welfare Director's Letter (ACWDL) [25-30](#): Work and Community Engagement Requirements for New Adult Group.**
 - *Note: This is preliminary DHCS guidance that is subject to change as federal guidance evolves.*

DHCS Actions for Work Requirements Implementation

To implement work reporting requirements, DHCS will:

- » **Revise eligibility policies and procedures**, including the *ex parte* review process at renewal, to incorporate compliance and exemption verification processes.
- » **Establish a streamlined process** that allows affected members to easily report their work activities or exemptions online and through other commonly used modalities.
- » **Issue policy guidance and resources** for counties and update systems to maximize automation.
- » **Launch extensive communication and outreach campaigns** to educate Medi-Cal members and applicants about the new eligibility requirements.

Note: To maintain parity across all New Adult Group populations receiving full-scope Medi-Cal benefits, DHCS plans to implement work reporting requirements for all expansion New Adult Group enrollees receiving full-scope Medi-Cal.

DHCS Stakeholder Engagement Activities for Work Reporting Requirements

DHCS collaborates with a wide range of stakeholders to prepare for and implement work reporting requirements. Through a multi-phased approach, DHCS and stakeholders will ensure that members are properly equipped to respond to work reporting requirements while helping them maintain access to care.

- » **Phase 1: Awareness and Preparation.** DHCS will raise awareness of upcoming changes and prepare members for specific actions they must take to maintain their Medi-Cal coverage ahead of programmatic changes. Stakeholders will leverage DHCS materials for outreach and education efforts (e.g., earned media, social media, and toolkits).
- » **Phase 2: Support and Action.** As the implementation date gets closer, DHCS will shift communication to focus on the specific actions members must take, such as responding to notices or completing renewal packets. Messaging will reinforce this through direct outreach, reminders, and targeted assistance to help members retain coverage (e.g., public notices and toolkits).

Member Communication and Outreach

DHCS will lead a coordinated communications and outreach strategy to ensure stakeholders and members have the information they need as the H.R. 1 provisions take effect.

DHCS' goal is to deliver clear, consistent, and culturally responsive messaging that helps members understand changes, identify actions they may need to take, and find the support available to them so they can keep their coverage.

» **Member communication channels include, but are not limited to:**

- **Toolkits:** Messaging guides, flyers, and FAQs in all 19 Medi-Cal threshold languages and accessible formats to post on the DHCS website and disseminate to stakeholders.
- **Texting:** A targeted texting strategy to raise awareness about work reporting requirements in 2026.
- **DHCS Coverage Ambassadors and Navigators:** Coverage Ambassadors and navigators will distribute resources and messaging at the local level.

» **Timeframe for outreach:**

- Feb – Jul 2026 to develop member awareness (Phase 1).
- Oct 2026 – Jan 2027 to support members taking action to respond to new requirements (Phase 2).

Stakeholder Roles

Providers

- » Ensure members have up-to-date information on program changes.
- » Assist members in gathering exemption documentation.
- » Enhanced Care Management (ECM) providers may conduct outreach and support members in navigating work reporting requirements and increased eligibility renewals.

Community Health Workers and Navigators

- » Support outreach and retention efforts.
- » Assist members with completing paperwork related to work reporting requirements.

Managed Care Plans (MCP)

- » Conduct outreach and retention efforts.
- » DHCS is exploring MCPs' role in supporting verification efforts, pending CMS guidance.

Work Reporting Requirements Verification Process



Work Reporting Requirements: High-Level Process Overview

1

At application/renewal, DHCS will gather exemption or work reporting requirement information.

- » Exemption and work reporting questions will be added to the CalHEERS and BenefitsCal consumer portals.
- » DHCS will create an exemption and work reporting form to use at application and renewal.

2

DHCS will conduct *ex parte* review at renewal to determine if someone is compliant with or exempt from work reporting requirements.

- » DHCS is leveraging current data sources and building bridges to new data sources to support verifying work activities and exemptions.
- » Data received from CalFresh, CalWorks, General Assistance/General Relief, and other income information available in CalSAWS will be incorporated into the *ex parte* process at application and renewal.

3

If DHCS is unable to verify work activities or exemptions *ex parte*, it will manually request documentation. Applicants and members will have 30 days to demonstrate compliance or that they meet an exemption.

Verification Lookback Periods

H.R. 1 mandates that individuals comply with or demonstrate work reporting requirements during specific timeframes depending on whether the individual is applying for or renewing coverage.

- » **At application:** Individuals must meet work reporting requirements **in the month immediately before applying.**
- » **At renewal:** Individuals must meet work reporting requirements in **at least one month since their last renewal.**

Verification Hierarchy for Medicaid Work Reporting Requirements

- » The following slides outline a proposed stepwise process for verifying whether an individual is subject to work reporting requirements or qualifies for an exemption.
- » The steps prioritize data sources that aim to minimize member burden and only request documentation from individuals when necessary.
- » The estimated number of enrollees that can be captured in each verification step is also displayed in the subsequent slides.

Verification Steps

1	Assess if the individual meets an exemption based on being eligible for a non-expansion eligibility category or based on other eligibility information.
2	Assess if the individual meets a hardship exemption that can be verified electronically.
3	Identify individuals who meet exemptions using data sources or cross-system information data sharing.
4	Conduct data verification to identify compliance with qualifying activities based on income and/or hours.
5	Request information from the individual to verify compliance with qualifying activities or an exemption.

Verification Steps (1 of 3)

1 Assess if the individual meets an exemption based on being eligible for a non-expansion eligibility category or based on other eligibility information.

(*Note: All data below reflects August 2025 Medi-Cal enrollment numbers)

Identify Medicaid Expansion Adults/New Adult Group

Individuals aged 19 to 64.

~4,633,636
Individuals

Identify eligibility group exemptions: Exempts individuals identified by aid code based on their eligibility category, including: children under age 19; parents and other caretaker relatives; aged/blind/disabled non-Modified Adjusted Gross Income (MAGI) eligibility; pregnant and postpartum individuals; foster youth and former foster youth under age 26; those receiving SSI; and inmates.

**Already
exempted based
on aid code**

Identify individuals who can be coded as exempt based on their eligibility group plus a

systems modification: Exempts individuals, including parents/guardians/caregivers of dependent child age 13 and younger; and individuals recently released from incarceration within the past 90 days.

~619,711
Individuals

Identify individuals who can be coded as exempt based on information provided on the

application/renewal form: Exempts individuals including AI/AN; and individuals entitled to or enrolled in Medicare Part A or Part B.

~14,385
Individuals

Verification Steps (2 of 3)

2 Assess if the individual meets a hardship exemption that can be verified electronically.

Determine individuals who meet a short-term hardship exemption:

Exempts individuals living in a county impacted by a federally declared emergency or disaster; and individuals living in a county with a high unemployment rate.

~373,389
Individuals

3 Identify individuals who meet exemptions using data sources or cross-system information data sharing.

Determine if individuals meet other exemption criteria using new data sources or reports. Verify that individuals:

- » Meet Temporary Assistance for Needy Families (TANF) work requirements;
- » Have a member of a household receiving SNAP or meets a SNAP exemption that is aligned with a Medicaid exemption;
- » Are parents or guardians of a disabled individual;
- » Are veterans with a disability rated as total by Veterans Affairs (VA);
- » Are medically frail; or
- » Are at least half-time enrolled in educational program.

TBD
Individuals

Verification Steps (3 of 3)

4 Conduct data verification to identify compliance with qualifying activities based on income and/or hours.

Verify individuals complying with income/work hours qualifying activities:

Verifies individuals who have an income of at least \$580/month; who have an average monthly income of \$580/month; and who work 80 hours/month.

~672,831
Individuals

~1,842,155 individuals determined exempt or income compliant via an automated source (Steps 1-4)

5 Request information from the consumer to verify compliance with qualifying activities or an exemption.

Individuals unable to verify compliance with qualifying activities or receive an exemption using sources above.

May vary by individual.

~2,791,481

Individuals who could not be determined exempt or income compliant via an automated data source

~1,395,741

assume 50% of 2,791,481 will disenroll due to failure to return verifications/comply

Six-Month Renewals

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Overview of Six-Month Renewals

Section 71107: Starting January 1, 2027, states must check eligibility for adults enrolled through the Affordable Care Act's expansion group (known as the MAGI New Adult Group) every six months instead of once a year. This rule does not apply to Tribal members, pregnant or post-pregnancy individuals, foster care youth and former foster care youth under age 26, people who are aged or disabled, or children. Adults in this group will also be subject to work and community engagement requirements. The six-month review process will follow the same steps as the current annual renewal process, including automated and manual checks, verification requests, and other existing procedures.

- » **Effective Date:** January 1, 2027.
- » **Impact:** An estimated **289,000 Medi-Cal members may lose coverage by June 2026, increasing to approximately 400,000 by 2029-30**, which will significantly drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

All numbers are estimates and subject to change.

Six-Month Renewal Process



- » Six-month renewals will follow the same process as the 12-month renewal, including *ex parte*, renewal timeline, and reminder notices.
- » Only the individuals on the case who are subject to a six-month renewal will be required to complete and return the renewal.
- » DHCS is updating and streamlining the MAGI renewal form to reduce member burden in completing the form.
- » Tribal members and individuals who are pregnant or 12 months postpartum are **not subject to six-month eligibility checks**, even when enrolled through the MAGI New Adult Group.
- » **All County Welfare Director's Letter (ACWDL) [25-31](#): Six-Month Renewals for New Adult Group Requirements**
 - *Note: This is preliminary DHCS guidance that is subject to change as federal guidance evolves.*

Non-Citizen Coverage



Non-Citizen Coverage

Section 71109: Ends the availability of full-scope federal Medicaid and Children's Health Insurance Program (CHIP) funding for most refugees, asylees, victims of human trafficking, certain individuals whose deportation is being withheld or who were granted conditional entry, or individuals who received humanitarian parole, such as certain Afghans who aided U.S. operations in Afghanistan or people fleeing violence in the Ukrainian war.

- » Effective Date: October 1, 2026.
- » **Impact:** An estimated **200,000 Medi-Cal members will no longer qualify for federal full-scope Medicaid**, which will significantly change the medical services these individuals can access. Per the proposed Governor's Budget 2026-27, this group will transition to restricted scope Medi-Cal.

All numbers are estimates and subject to change.

Restricted Federal Funding for Certain Qualified Non-Citizens

- » H.R. 1 narrows eligibility for who counts as a “qualified” immigrant for federally funded Medi-Cal. Under the proposed Governor’s Budget 2026-2027, **only the following immigration statuses will be eligible for federally funded Medi-Cal Coverage:**
 - Lawful Permanent Resident (LPR), who are subject to and have met their five-year bar.
 - Cuban or Haitian Entrants.
 - Migrants legally residing in the United States and its territories under the Compact of Free Association (COFA), who are citizens of Micronesia, the Marshall Islands, or Palau.
- » Per the proposed Governor’s Budget 2026-27, individuals whose immigration status previously qualified them for federal full-scope Medi-Cal will be transitioned to restricted scope (emergency and pregnancy-related services only), effective October 1, 2026.

Questions?

DHCSR1@dhcs.ca.gov



Justice Involved (JI) Reentry Initiative

Autumn Boylan, Deputy Director, Office of Strategic Partnerships

Sheela Abucay, Branch Chief, Justice-Involved Initiative

The JI Reentry Initiative Comprises of Pre-Release and Reentry Components

Pre-Release

- » Pre-Release Medi-Cal Application Processes
- » 90 Days' Services Pre-Release (1115 Waiver)

Reentry and Transition Support

- » ECM
- » Behavioral Health Links
- » Community Supports
- » JI Reentry and Transition Providers

JI Reentry Initiative Impact – Program Highlights

(as of November 1, 2025)

- » **31 state prisons** and **34 county facilities** in **12 counties** went live with pre-release services.
- » **23,000+** new Medi-Cal applications processed for eligible individuals in county jails and youth correctional facilities.
- » **34,956** incarcerated individuals screened and identified as eligible for pre-release services.
- » **159,000+** billable pre-release services and prescriptions delivered and claimed for reimbursement*.

**This does not include services rendered without a submitted claim (i.e., due to claims lag as correctional facility billing systems are established). DHCS expects additional claims to be submitted for services rendered as a part of the Reentry Initiative to date.*

Live Correctional Facilities

October 2024

- » Santa Clara County
- » Yuba County
- » Inyo County

January 2025

- » San Joaquin County

February 2025

- » Department of Corrections and Rehabilitation/
California Correctional Health Care Services (31 state prisons)

April 2025

- » San Francisco County
- » Siskiyou County
- » Sutter County

Live Correctional Facilities

July 2025

- » Monterey County
- » San Mateo County

October/ November 2025

- » Kern County
- » Nevada County
- » San Mateo County
- » San Diego County (Probation only)

January 2026

- » San Luis Obispo County

Member Stories – The Why



» *"While I was incarcerated, I kept hearing about people getting passes for pre-release care management. Eventually, I received one myself. I didn't know what to expect, but I never imagined how much I would learn about myself and my deep-rooted issues. Rebuilding my life after prison would have been so much harder without ECM—and especially without my incredible care manager. She became like family to me. Her compassion and support connected me to resources that helped me achieve my goals. Whenever I needed something and asked, she made sure I got the help. My self-esteem was at an all-time low, but thanks to ECM, I now have confidence and the tools to accomplish anything I set my mind to."*

- **Individual Served by the JI Reentry Initiative**

From Release to Renewal: Building Stability Through Coordinated Care

Comprehensive support from Jim's* JI ECM care manager enabled his smooth transition from incarceration to community life, fostering management of his chronic health conditions, employment readiness, and food security.

Jim was recently released from incarceration and enrolls in ECM while residing in a sober living home.

Jim's care manager works with his MCP to arrange a ride to his doctor's appointment. His care manager also helps him schedule other upcoming appointments.

With the support of his care manager, Jim visits the Social Services office to obtain CalFresh benefits and attends regular SUD treatment.

DAY 1

DAY 3

DAY 17

DAY 18

DAY 30

ONGOING

Jim meets with his care manager, who helps him schedule a doctor's appointment, apply for new IDs, and provides information on his MCP.

Jim receives his buprenorphine-naloxone prescriptions and other mental health medications. He also receives his ID after successfully submitting the forms completed with his care manager.

Jim is in the process of applying to jobs. He provides daily updates to his care manager via phone.

Early Engagement in the 90 Day Pre-Release Period



» *By integrating the 90-day CalAIM pre-release timeline into existing reentry planning efforts, CDCR has closed critical gaps in establishing post-release community connections and handoffs. Even though we start talking to patients about their reentry processes about six months prior to release, to start Medicaid coverage and reentry planning at 90 days and to do a warm hand off where they have a link to services in the community is a real comfort to them. Now, what I see with the population is more of a comfort level, which is super important in health care and substance use—the client knows that they're not going to just fall off of a cliff. I think this is just critical. I think we will see a reduction in recidivism because they will have that continuity of care that's needed and it's also one less stressor that will possibly trigger their criminogenic factors."*

- **CDCR Official**

Strengthening Post-Release Linkages and Support Services



» *“Our JI ECM providers make sure doctor’s appointments are scheduled ahead of time. We also set up a visit to our office during the first week post-release so clients can connect with their case manager and discuss any immediate needs, such as court-ordered classes. We offer resources like anger management, substance abuse counseling, and access to a food pantry. We also check if they need documentation, such as an ID or Social Security Number, or housing assistance. Our goal is to link them to the right resources as quickly as possible after release.”*

- **Care Manager, Stay Focused Ministries**

Reconnecting and Rebuilding: A Journey Towards Independence

Coordinated support helped Daniel* overcome chronic challenges, graduate from parole, restore family ties, and achieve educational and professional milestones after a recent release from incarceration.

Daniel experienced homelessness and repeated incarcerations over several years. Upon his most recent release from incarceration, **he enrolls in ECM.**

Note: Daniel's county is not yet live with pre-release services.

With the support of his LCM, Daniel **secures a full-time job and stable housing, completes his court-ordered classes, and successfully graduates from parole.** His LCM also helps him **enroll in GED classes** with the goal of applying to barber school.

DAY 1

DAY 2-90

DAY 91-180

ONGOING

Daniel's LCM helps him **obtain food and hygiene products and schedule doctor's appointments.** By attending the appointments, Daniel **successfully manages his diabetes.**

After more than a decade, **Daniel reconnects with his daughters,** reinforcing both his health and community. He continues to **build his confidence and has started independently scheduling his medical visits.**

Engaging Providers with Lived Experience



» *“As an organization operating in all California prisons and providing reentry services, we’ve set the standard for what it takes to do this work—and do it well. Not only have we succeeded in delivering these services, but we’ve also influenced policy change. Because of the trust we’ve built with prisons and county sheriff’s departments, we now employ individuals with lived experience, including those who have served life sentences. This is a direct result of our commitment to building relationships and creating opportunities for meaningful second chances.”*

- **Vice President of Reentry Services,
Amity Foundation**

Transforming Barriers into Opportunities: A Path to Community Connection

Targeted support from Maria's* JI ECM care manager empowered her successful integration after a long-term incarceration, leading to sustainable employment, financial stability, and active contribution to her community.

After spending 24 incarcerated, **Maria is released from prison and enrolls in ECM.**

DAY 1

DAY 4

Maria's care manager **helps her establish care with a physician and connects her to employment resources** to develop a resume and apply for jobs.

With the help of her care manager, **Maria secures a full-time job, enabling her to buy a new car and move into her own apartment.**

DAY 30

Maria graduates from ECM services but **still volunteers at the ECM provider's food pantry** to give back to the community and support others on their path to stability.

ONGOING

On the Horizon for 2026

- » DHCS is actively supporting the 46 remaining counties and facilities to implement pre-release services statewide.
 - **~90 correctional facilities** (jails and youth correctional facilities).
- » DHCS is providing ongoing technical assistance, operational guidance, and readiness support to ensure all facilities meet the **October 1, 2026, go-live deadline.**
- » DHCS is seeking a renewal of its 1115 Waiver Authority to continue and strengthen the JI Reentry Initiative in the next waiver term.

Readiness Assessment – New Tools

- » Updated [Readiness Assessment Template](#) (PDF) and survey (via Nintex)
 - Conditional Go-Live and Phase Implementation Approvals.
 - Checklist of Go-Live Prerequisites.
 - Checklist of required documentation.
 - [Medi-Cal Preparedness Checklist](#).
 - Medi-Cal Rx Readiness and Resources Checklist.

Year 1: Lessons Learned



Lessons Learned – JI Screening Portal

The JI Screening Portal was initially a challenge for counties to manage.

- » DHCS engaged in human-centered design and extensive interviews with the early adopter counties to improve the JI Screening Portal user experience.
- » A new [**JI Screening Portal User Guide**](#) was published in October 2025.
- » Batch capabilities were introduced in September 2025.
- » An API interface will go live this spring.

Lessons Learned – Unknown Release Dates

Managing unknown release dates continues to be a challenge for county jails and youth correctional facilities.

- » The short-term model gives best practice timelines and flexibility for adult jails and youth correctional facilities.
- » DHCS is evaluating other solutions, including retroactive reimbursement timelines.
 - Correctional facilities have 180 days from the date of service to submit a claim for 100% rate reimbursement.

Lessons Learned – Billing/Claiming

Correctional facilities are not billing for the full complement of pre-release services for eligible members. Clarity is needed about which Medi-Cal services are billable.

- » Service categories billed include:
 - Allied Health (e.g., Care Management Bundles)
 - Anesthesia
 - Injections
 - Medical Supplies/Drugs
 - Medicine
 - Pathology and Clinical Laboratory
 - Podiatry
 - Primary Surgery
 - Psychology Services for Mental Health
 - Radiology

JI Benefit Guide – Coming Soon

- » DHCS is drafting a Benefit Guide for correctional facilities to further clarify eligible Medi-Cal billing codes.
 - CAMMIS Fee-for-Service (Provider Manual)
 - Clinical consultation (evaluation and management codes)
 - Behavioral health consultation
 - Care management bundles
 - Laboratory and radiology
 - Durable medical equipment (as applicable)
 - Community health worker services
- » Short-Doyle
 - Behavioral health link
- » Medi-Cal Rx
 - Medications (Medi-Cal formulary)

Correctional Facility/MCP MOU

The 2024 Medi-Cal managed care contract requires all MCPs to enter into MOUs with counties and third-party entities, including correctional facilities, to contractually ensure the provision of whole-system, person-centered care.

DHCS Goals for Requiring MOUs:

- » Incorporate existing service and program requirements into a single document.
- » Establish minimum requirements around key contract provisions for MOUs (e.g., training, data-sharing).
- » Clarify roles and responsibilities for the coordination of the delivery of care and services for all members, including across MCP carved out services.
- » Establish formal processes for how MCPs and correctional facilities will collaborate and coordinate on programs.
- » Establish data sharing pathways between MCPs and correctional facilities to support care coordination and enable robust monitoring.
- » Provide mechanisms to ensure overall oversight and accountability for MCPs to execute MOUs with correctional facilities.
- » Provide transparency into roles/responsibilities and relationships between MCPs and correctional facilities.

MOU Resources

» **DHCS maintains resources to assist MCPs and correctional facilities with MOU implementation.**

» **[DHCS MOU Webpage.](#)**

- Houses the DHCS-issued APL 23-029, Base MOU Template and Bespoke MOU Templates.
- Houses the MOU FAQs, which provide additional guidance on the APL, Base MOU, and Bespoke MOU Templates; clarifies aspects of MOUs in response to stakeholder feedback; addresses questions on optional provisions, data sharing, enforcement; and more.
- DHCS MOU email address: MCPMOUS@dhcs.ca.gov.

» **[DHCS JI Initiative Webpage.](#)**

- The Policy and Operational Guide for Planning and Implementing the JI Reentry Initiative is available [here](#).

» DHCS JI email address:

CalAIMJusticeAdvisoryGroup@dhcs.ca.gov.

The screenshot shows the top navigation bar of the DHCS website with links for Home, About DHCS, and Translate. The DHCS logo is prominently displayed. The main heading reads "Memoranda of Understandings Between Medi-Cal Managed Care Plans and Third Party Entities". Below the heading is a link to "Return to the Managed Care All Plan Letters Homepage". The introductory text states: "Medi-Cal Managed Care Plans (MCPs) Contract with the Department of Health Care Services (DHCS) to provide high quality, accessible, and cost-effective health care through managed care delivery systems. The MCP Contract requires MCPs to build partnerships with the following Third Party Entities to ensure Member care is coordinated and Members have access to community-based resources in order to support whole-person care:"

Member stories – the why

» *“I felt cared about, like I mattered to someone, and it felt good. It felt like I was worth it. I remember being on drugs and homeless in the streets with no place to go. I knew I wanted a change, but I didn't know how. I'm grateful to my care manager for a lot. I'm able to have a certificate from parenting classes coordinated by my care manager and show the court that I'm bettering myself for my son, for myself, and for society.”*

- Individual Served by the Reentry Initiative

Questions?



BH-CONNECT: Children and Youth Implementation Updates

Paula Wilhelm, Deputy Director, Behavioral Health

Erika Cristo, Assistant Deputy Director, Behavioral Health

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Topics

» Children and Youth Initiatives

- Child Welfare and Behavioral Health Joint Visits
- Activity Funds
- Children and Youth Evidence-Based Practices (EBPs)
- High-Fidelity Wraparound (HFW)
- Child and Adolescent Needs and Strengths (CANS) – Phase II

» Additional Status Updates

BH-CONNECT Children and Youth Initiatives

- » **BH-CONNECT** 1115 Demonstration targets improvements to care for children and youth statewide, including:
 - **Activity Funds** for children/youth involved in child welfare to promote social/emotional well-being.
- » DHCS is also making other statewide changes to strengthen services for children and youth that do not require waiver expenditure authority, including:
 - **Clarification of coverage** of specific EBPs for children and youth (Multisystemic Therapy (MST), Functional Family Therapy (FFT), Parent-Child Interaction Therapy (PCIT), HFW).
 - **Centers of Excellence** to support the implementation of EBPs for children and youth.
 - **Alignment of the CANS tool** to ensure both child welfare and behavioral health providers are using the same tool and policies.

Child Welfare and Behavioral Health Joint Visits



Status Update: Joint Behavioral Health Visit Policy

Policy paused based on stakeholder feedback

» **Original Policy and Intent:**

- SMHS provider accompanies child welfare worker during home visit within 30 days of substantiated abuse/neglect.
- Goal: Timely access to care, including engagement with caregivers, and better system coordination.

» **Why Policy Isn't Moving Forward (as informed by stakeholder comments):**

- Timely access and coordination should be improved by recent policy advancements:
 - [BHIN 26-002 \(supersedes 21-073\)](#): Youth in child welfare system are categorically eligible for medically necessary SMHS.
 - [ACL 24-35](#): Requires child welfare agency to refer to a behavioral health plan within 3 days of case opening.
 - [ACL 25-08](#): Expands child and family team to include youth with voluntary or court-ordered Family Maintenance status.

Activity Funds

The image features two decorative, wavy horizontal lines. The top line is a medium teal color, and the bottom line is a darker navy blue. Both lines have a smooth, undulating path across the width of the page.

Activity Funds Updates - 1 of 2

- » In November 2025, DHCS published [Behavioral Health Information Notice \(BHIN\) 25-037](#) to detail eligibility, allowable uses, provider responsibilities, documentation standards, and compliance requirements.
- » Activity Funds will cover the costs of activities and items to support the health and well-being of children and youth involved in the child welfare system.
- » 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).

Activity Funds Updates - 2 of 2

- » **Public Partnerships LLC (PPL)** has been selected as the Fiscal Intermediary (FI) to support County Behavioral Health Plans (BHP) in implementing the Activity Funds program.
 - PPL is responsible for developing an online portal, enrolling and managing providers within the portal, disbursing funds, and reporting.
- » DHCS and PPL are finalizing the portal design to connect eligible members and their licensed mental health providers to appropriate activities and activity providers.
 - Targeted stakeholder engagement is occurring in February 2026 to gather insights and feedback on policy and program design to inform successful implementation. Ad-hoc stakeholder meetings may take place, if needed.
 - Feedback may also be sent to BH-CONNECT@dhcs.ca.gov.
- » DHCS anticipates launching the Activity Funds Initiative portal by **April 1, 2026**.

Children and Youth EBPs



Children and Youth EBPs - Clarification of Coverage

Under BH-CONNECT, DHCS will clarify coverage requirements for the following:

Evidence-Based Practices (EBPs) for Children and Youth	
Functional Family Therapy (FFT)	Parent-Child Interaction Therapy (PCIT)
Multisystemic Therapy (MST)	High Fidelity Wrap-Around (HFW)
<i>Pursuant to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements for all state Medicaid programs, all children under age 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.</i>	

Note: Beginning July 2026, DHCS will implement HFW using a monthly rate under Medi-Cal Specialty Mental Health Services (SMHS) and as a county requirement under the Behavioral Health Services Act (BHSA).

Children and Youth EBPs – Guidance Updates



- » A draft BHIN clarifying coverage of EBPs for children and youth was released for public comment in July 2025 and is planned to be finalized and published in early spring 2026.
- » A draft HFW BHIN was released for public comment, which closed on January 29, 2026. DHCS is reviewing all stakeholder feedback and incorporating necessary revisions prior to final publication.
- » A draft EBP/Community-Defined Evidence Practices (CDEP) Resource Guide was released for public comment in December 2025 through January 16, 2026. It highlights Medi-Cal billing guidance for EBP and CDEPs supported by the Children and Youth Behavioral Health Initiative (CYBHI), Family First Prevention Services Act (FFPSA), and BH-CONNECT initiatives. DHCS is currently reviewing and addressing feedback.

High Fidelity Wraparound

The image features a white background with the text 'High Fidelity Wraparound' centered in a dark blue, sans-serif font. Below the text, there are two decorative, wavy horizontal lines. The top line is a medium teal color, and the bottom line is a darker navy blue. Both lines have a slight curve and overlap each other, creating a layered effect.

Medi-Cal HFW Policy Development Timeline

- » Updated BHSA Policy Manual requiring counties to implement HFW in Full Service Partnership (FSP) programs beginning in July 2026
- » Released Medi-Cal HFW Concept Paper.

1/15: Draft Medi-Cal HFW BHIN released for 2-week public comment.

Release final BHIN.

August 2025

September 2025

January 2026

Q1 2026

Q2 2026

July 2026

Established Medi-Cal HFW Center of Excellence (UC Davis).

- » Refine BHIN based on public comment and stakeholder input;
- » End of Q1: Release Medi-Cal HFW Policy Manual for public comment.

Service requirements, payment and monitoring policies take effect in Medi-Cal and BHSA FSPs 7/1/26.

HFW BHIN Key Policy

- » BHPs shall ensure Medi-Cal members **under age 21** receive HFW if determined **medically necessary and clinically appropriate**.
- » Effective July 1, 2026, in accordance with [Assembly Bill \(AB\) 161](#) (Welfare & Institutions Code 16562), which requires DHCS to implement “a case rate or other type of reimbursement” for HFW services, **BHPs must claim for specified activities using the updated payment model** (“the monthly HFW rate”).
 - HFW teams must also achieve and maintain Medi-Cal Fidelity Designation.
- » As described in the [BHSA County Policy Manual](#), **counties must also include HFW in their FSP program** beginning in July 2026.
 - HFW teams must meet the same fidelity requirements for Medi-Cal and BHSA.

Medi-Cal HFW Policy Development

HFW BHIN

**Released for Public Comment from
January 15-January 29, 2026.**

Describes ***minimum requirements that BHPs*** must meet in implementing Medi-Cal HFW related to:

- » Scope of coverage.
- » Medical necessity and decision support criteria.
- » Care delivery settings.
- » Provider qualifications.
- » Claiming/payment for Medi-Cal HFW.

Note: These requirements may change based on feedback from stakeholders during the comment period.



HFW Policy Manual

**Planned Release for Public Comment:
End of Q1 2026.**

This manual will ***provide guidelines for practice and operations***, as well as requirements for fidelity, outcomes, and training. It will include details on:

- » Identifying eligible children and youth using decision-support tools and clinical guidelines.
- » Team structure for delivering HFW services.
- » Additional Medi-Cal billing guidance (as needed).
- » Training and technical assistance.
- » Monitoring outcomes and fidelity.
- » Data collection requirements.

Medi-Cal HFW Service Package

What's included in the monthly rate?

- » Covers direct and indirect service time for these components:
 - » Targeted Case Management (TCM): CANS updates, Child and Family Team (CFT) meetings, care coordination, team oversight, training, monitoring, care plan documentation, staff travel/administration, care transition support.
 - » Peer Support Services: For caregivers/parents on behalf of youth.
 - » Psychosocial Rehabilitation.
 - » Crisis Intervention.

Indirect Service Staff: Supervisor, Licensed Clinician, Fidelity Coach, Community Developer

Direct Service Staff: Facilitator, Family Specialist, Parent/Caregiver Peer

What's Billed Outside the Monthly Rate?

- » Other Medi-Cal SMHS or Drug Medi-Cal/Drug Medi-Cal Organized Delivery System (DMC/DMC-ODS) services the youth may need (provided or arranged by BHP).
- » Medi-Cal managed care services (per MOU requirements).
- » Fee-for-service Medi-Cal services for youth not in managed care.



Alignment Across Medi-Cal, California Wraparound, & National Wraparound Initiative Standards

DHCS will broadly align Medi-Cal requirements with the California Wraparound Standards, which are based on National Wraparound Initiative (NWI) guidelines and were developed over several years in close collaboration with the Medi-Cal COE (UC Davis).

- » **California Wraparound Standards' definition of HFW principles, phases, and operationalization of core service standards as defined in the Aftercare BHIN/ACL align with NWI.** Select 'organizational supports/systems standards' are Child Welfare specific and will not be mirrored under Medi-Cal guidance.
- » **Staffing:** NWI does not prescribe specific staffing models, but key functions across HFW teams, including the central role that the HFW Facilitator and Child and Family Team (CFT) play, along with a range of formal and informal (natural) supports, including peers.
- » **Fidelity and Outcomes Monitoring:** To inform California Wraparound Standards, UC Davis worked with Wraparound Evaluation Research Team (WERT) to define fidelity indicators and a continuous quality improvement (CQI) pilot using WERT-developed tools, which will inform the Medi-Cal Fidelity Designation and outcomes monitoring approach.

Fidelity Assessments and Fidelity Designation for HFW in Medi-Cal and BHSA

Initial Claiming Period:

- » BHPs may claim for HFW for up to nine months before teams complete a baseline fidelity assessment with the COE.

Ongoing Claiming Requirement:

- » After the initial nine months, teams must achieve and maintain Fidelity Designation, defined as meeting a specified fidelity threshold on assessments conducted by the COE.

Three Levels of Fidelity Designation

- 1. Baseline Fidelity Designation:** Team has completed their baseline fidelity assessment.
- 2. Minimum Fidelity Designation:** Team has completed their first fidelity assessment and meets the minimum fidelity threshold for HFW.
- 3. Full Fidelity Designation:** Team has completed their second fidelity assessment and meets the full fidelity threshold for HFW.

- » DHCS intends to align Medi-Cal HFW Baseline Fidelity Designation with the certification process for FFPSA Aftercare providers (outlined in [All County Letter \(ACL\) 25-47/BHIN 25-027](#)).
- » The same process/requirements for Aftercare certification will serve as the first step in achieving Fidelity Designation under Medi-Cal.

Specific fidelity thresholds for Minimum and Full Fidelity Designation will be described in the HFW Policy Manual.

DHCS Collaboration with the California Department of Social Services (CDSS)

- » DHCS and CDSS are collaborating to support a **unified CA HFW Model** (based on the [California Wraparound Standards](#) and National Wraparound Initiative (NWI) Practice Model) and align HFW standards across several initiatives:
 - FFPSA Part IV Aftercare
 - Medi-Cal HFW
 - BHSA FSP program
 - The Immediate Needs (IN) program
- » The California Wraparound Standards, which incorporate the NWI HFW Practice Model, are evolving and subject to change over time.
 - **There may be clarifications or changes to the California Wraparound Standards as updated Medi-Cal HFW payment and monitoring policies are implemented in July 2026.** The departments will also continue to collaborate if the Foster Care Tiered Rate Structure IN program results in additional updates to the California Wraparound Standards.



Use of Child and Adolescent Needs and Strengths (CANS) Decision Support Criteria

Assessment Requirement:

- » All youth for whom HFW will be claimed must receive CANS assessment.

Uniform Decision Support Tool:

- » DHCS will implement the HFW Decision Support Criteria (DSC), which will use CANS assessment data and is being developed in collaboration with the Praed Foundation.

Purpose of DSC:

- » Research-based process.
- » Supports clinical decision-making.
- » Ensures statewide consistency in access to HFW.

While Evaluating for HFW:

- » BHPs must ensure youth have access to medically necessary SMHS.

Requirements for Claiming for HFW:

- » Qualified BH professionals must refer to CANS DSC developed by Praed Foundation, and confirm HFW is medically necessary and clinically appropriate.
- » No prior authorization or additional requirements that delay referral or services.

Details will be in the forthcoming HFW Policy Manual.

HFW and Other Case or Care Management Services

Proposed Policy:

- » **HFW and Intensive Care Coordination (ICC), TCM: BHPs shall not claim for HFW concurrently with SMHS TCM or ICC.** As DHCS implements HFW requirements, ICC will remain available as a SMHS for a transitional period ending no sooner than June 30, 2028. Youth who need care coordination/management support, but do not meet clinical criteria for or do not want to receive HFW may receive ICC (until June 30, 2028, or as specified by DHCS) or TCM as medically necessary and clinically appropriate.

Proposed Policy:

- » **HFW and Medi-Cal MCP Services:** Medi-Cal members receiving HFW and enrolled in managed care **may also concurrently receive** ECM or Complex Care Management (CCM). A member may be engaged with a HFW team through their BHP and with an ECM provider through their MCP. HFW teams must coordinate with ECM providers to ensure the services are **complementary and not duplicative.**

Child and Adolescent Needs and Strengths Tool



Aligned Use of the CANS Tool

- » DHCS and CDSS are aligning the use of the CANS tool and policies across the child welfare and SMHS systems. **Policy changes** to align use of the CANS tool will take place across **two phases**.
- » CANS alignment will ensure that county child welfare agencies and BHPs administer the same CANS tool in the same manner, so that:
 - Results are comparable and **outcomes can be tracked** over time.
 - Results can be more **easily shared between care partners**.
 - **Redundancies are avoided** across partners.
 - **Collaboration is promoted** among the CANS between partners.

Aligned Use of the CANS Tool - 1 of 2

- » Phase I: [**BHIN 25-035 / ACL 25-71**](#) was published on **November 4, 2025**, outlining Phase I policy changes and guidance effective as of January 1, 2026:
- All BHPs administering the CANS must be certified through the Praed Foundation's online learning platform.
 - BHPs completing an IP-CANS under the terms of a formal agreement with a placing agency are required to complete training from a CDSS-approved program.
 - Removes the DHCS requirement for providers administering the CANS to have a specific professional licensure or credential if the provider is CANS certified by the Praed Foundation.

Aligned Use of the CANS Tool - 2 of 2

Phase II will focus on further programmatic alignment, necessary automation changes, data collection, training requirements, and the use of the same CANS tool across county child welfare agencies and juvenile probation departments (referred to as placing agencies) and BHPs, including:

- » **BHPs must use the IP-CANS tool instead of the CANS-50 tool.**
 - The IP-CANS includes a trauma module, early childhood module, additional caregiver assessments, and a broader age range (0–21 years) compared to the previous CANS-50 tool.
- » **BHP staff administering IP-CANS must be trained and certified per IP-CANS training protocols.***
 - This includes both current CANS-50 users and newly eligible staff.
 - *Note: BHPs conducting CANS assessment on behalf of child welfare will already meet this training and certification requirement per current guidance.
- » **BHPs must input CANS assessment data into a shared cross-system data collection system.**
 - DHCS is aligning with CDSS and plans to adopt Opeeeka's platform (P-CIS) to support shared data infrastructure for IP-CANS assessments.

BH-CONNECT: Additional Status Updates



Access, Reform, and Outcomes Incentive Program

- » BH-CONNECT includes an Access, Reform, and Outcomes Incentive Program (Incentive Program) to pay participating BHPs for measurable improvements in access to behavioral health services, health outcomes, and quality improvement and population health capabilities.
- » In fall 2025, DHCS issued incentive payments to **42 of 45 counties** eligible to participate in Submission 1 of the Incentive Program.
- » In December 2025, DHCS released **two incentive program manuals**, available on the BH-CONNECT Program Policies and Technical Specifications webpage:
 - **[Technical Specifications Manual](#)**: Provides detailed specifications for calculating performance on BH-CONNECT measures.
 - **[Scoring and Benchmarks Methodology](#)**: Describes the methodology DHCS uses to evaluate BHP performance and determine incentive payments for BH-CONNECT measures.

Workforce Initiative

- » In October 2025, DHCS and the Department of Health Care Access and Information (HCAI) awarded Medi-Cal Behavioral Health Residency/Fellowship Training Program funding to five organizations, totaling \$15,807,400.
- » HCAI selected up to 1,900 awardees for the Medi-Cal Behavioral Health Student Loan Repayment Program (MBH-SLRP) from 5,000+ applications in December. In January 2026, HCAI issued award letters to 1,615 grantees; funding distribution began in December 2025 and continues through February 2026, totaling up to \$134,063,349.
- » HCAI released the first round of the [Scholarship Program](#) applications on February 2, 2026, and will launch the [Community-Based Provider Training Program](#) and the second cycle of the [Fellowship Training Program](#) in March 2026.

Additional Updates

- » **Community Transition In-Reach:** DHCS released [BHIN 25-041](#) on November 25, 2025, which provides BHPs with the guidance to implement Community Transition In-Reach services.
 - To date, no BHPs have opted in.
- » **MH IMD FFP Program:** As of January 2026, three BHPs have been approved to participate in the BH-CONNECT MH IMD FFP Program (Sacramento, San Diego, and Santa Clara). Riverside has submitted an IMD FFP Plan that is under review.
 - A full list of participating BHPs and facilities can be found on the [IMD FFP Program webpage](#).
- » **BH-CONNECT EBPs:** BHPs continue to implement EBPs. A list of “no sooner than” [BHP launch dates](#) is available.

Questions and Discussion



Contact: BH-CONNECT@dhcs.ca.gov

Public Comment

Public Comment Guidelines

- » During the public comment period, we do not answer questions, but simply listen to public comments.
- » All public comments are recorded in the meeting summary.
- » Public comments may be made by members of the public here in the room as well as members of the public attending virtually.
- » Please state your name and organization.
- » Please keep your comments concise and no longer than 1 minute.

CalAIM Section 1115 Waiver Renewal Public Hearing

Tyler Sadwith, State Medicaid Director

Agenda

- » CalAIM Section 1115 Demonstration Renewal
 - Overview of CalAIM
 - Section 1115 Demonstration Request
 - Demonstration Preliminary Evaluation Plan
 - Timeline and Next Steps
- » Discussion
- » Public Comment

Today's Objective

California is requesting a five-year renewal of the CalAIM Section 1115 demonstration. In today's public hearing, we will provide an overview of California's CalAIM Section 1115 renewal requests and receive public comments from stakeholders on the proposed approach.

How to Access Public Comment Materials

» [CalAIM Section 1115 Demonstration Webpage.](#)

- Public Notice.
- Tribal and Designees of Indian Health Programs Public Notice.
- Section 1115 Demonstration Renewal Application.

» [CalAIM Indian Health Program Webpage.](#)

» [CalAIM Webpage.](#)

Submitting Public Comments (1 of 2)

The state public comment period for the CalAIM Section 1115 demonstration renewal application is currently ongoing. To be considered prior to CMS submission, comments must be received by 11:59 pm PT on March 12, 2026.

- » **Mail.** Indicate “CalAIM Section 1115 Demonstration Renewal Application” in the address line:

Department of Health Care Services
Director’s Office
Attention: Tyler Sadwith
P. O. Box 997413, MS 0000
Sacramento, California 95899-7413

- » **E-mail.** Indicate “CalAIM Section 1115 Demonstration Renewal Application” in the email subject line: 1115waiver@dhcs.ca.gov.

Submitting Public Comments (2 of 2)



Today's Public Comment

- » **Chat Box.** All information and questions received through the chat box will be recorded as public comments.
- » **Spoken.** Participants will have the opportunity to submit public comments in the second half of the webinar.

CalAIM Section 1115 Demonstration Renewal

Overview of CalAIM



CalAIM Overview



- » DHCS is transforming Medi-Cal to ensure Californians can get the care they need to live healthier lives.
- » This includes new initiatives and services that go beyond the traditional doctor's office or hospital setting to address social, physical, and mental health needs.
- » CalAIM is a multi-year initiative to build a more coordinated, person-centered, and equitable health system that works for everyone.
- » CalAIM is authorized through a variety of federal Medicaid authorities, including the **CalAIM Section 1115 demonstration, the CalAIM 1915(b) waiver, Medicaid State Plan, and managed care contracts.**
- » In 2021, DHCS received authority for the CalAIM Section 1115 demonstration. DHCS is now seeking to renew the CalAIM Section 1115 demonstration for another five years to **build upon and consolidate the successes of the CalAIM initiative.**

Stakeholder Engagement for CalAIM 1115 Waiver Renewal

DHCS released the [Medi-Cal Transformation Concept Paper](#) in July 2025.

- » Since CalAIM launched in **January 2022**, DHCS has engaged in extensive stakeholder engagement to support design and implementation.
- » The CalAIM Section 1115 demonstration renewal application is informed by a series of in-person listening sessions, Medi-Cal Member Advisory Committee meetings, and other standing forums.
- » Prior to developing the application, DHCS released a **Medi-Cal Transformation Concept Paper for public comment that:**
 - Summarized California's efforts to date to **transform Medi-Cal**.
 - Outlined **DHCS' principles and goals** for Medi-Cal for 2027 and beyond.
 - Described **preliminary plans for advancing the renewal of CalAIM Section 1115 waiver**, which is set to expire on December 31, 2026.
- » **Engaged stakeholders** include Medi-Cal members, community-based organizations (CBO), MCPs, county behavioral health plans (BHP), public health agencies, sheriff's departments, probation agencies, housing service providers, health care providers, and advocates.

Updated CalAIM 1115 Demonstration Goals

Building on stakeholder feedback, DHCS proposes three primary goals to expand the reach and impact of CalAIM, aligned with California's broader vision for Medi-Cal.



- » Strengthen the ability of DHCS, plans, and providers to identify and intervene early to manage member risk and need through whole person care approaches that optimize member experience.



- » Continue to move Medi-Cal to a more consistent and seamless system by further reducing complexity, strengthening accountability, and improving program efficiency.



- » Continue to improve quality outcomes and drive delivery system transformation and innovation through value-based initiatives that allow members to receive the right care, at the right time, in the right place, at the right cost.

Section 1115 Demonstration Request



Section 1115 CalAIM Renewal Approach (1 of 2)

California is seeking to continue and strengthen existing efforts to transform Medi-Cal.

Renew Authority

- » Reentry Services for Justice-Involved Populations 90-Days Pre-Release.
- » Drug Medi-Cal Organized Delivery System (DMC-ODS) – Waiver of Institutions for Mental Disease (IMD) Exclusion for Substance Use Disorder (SUD) Services.
- » County Option to Cover Select Outpatient SUD Services.
- » Recovery Incentives (Contingency Management).
- » Traditional Healers and Natural Helpers.
- » Coverage for Out-of-State Former Foster Care Youth.
- » Chiropractic Services from Indian Health Services (IHS) and Tribal Facilities.
- » Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan and Medicare Advantage Plan.
- » Managed Care Authority to Limit Plan Choice in Certain Counties.
- » Modification of Asset Test for Deemed SSI Populations
- » Global Payment Program.

Section 1115 CalAIM Renewal Approach (2 of 2)

California is also requesting to implement new initiatives and transition coverage of select CalAIM initiatives to other Medi-Cal coverage authorities. California will sunset certain authorities.

Request New Authority

- » BridgeCare Pilots.
- » Employment Supports.

Transition Authority

- » Recuperative Care, Short-Term Post-Hospitalization Housing.*
- » Community-Based Adult Services.

Sunset Authority

- » Low-Income Pregnant Women.
- » Providing Access and Transforming Health (PATH) Initiative.
- » Designated State Health Programs.

** Section 1115 authority is not needed to continue ECM and 12 of the 15 Community Supports. ECM is authorized under federal Medicaid managed care regulations regarding care coordination and continuity of care responsibilities of managed care plans. The 12 Community Supports are authorized as In Lieu Of Services (ILOS) under managed care authority.*

Section 1115 Demonstration Request: Continuing Section 1115 CalAIM Initiatives



Reentry Services for Justice-Involved Populations

90-Days Pre-Release

- » **Objective:** Address the significant physical and behavioral health care needs experienced by justice-involved populations by strengthening access to care prior to and after incarceration, and supporting Medi-Cal members in re-entering the community through enhanced coordination and communication across systems.
- » **Request:** Continue to cover **targeted Medi-Cal services for justice-involved individuals for up to 90 days prior to release** from a state prison, county jail, or youth correctional facility.
- » **Covered Services:**
 - Comprehensive reentry care management.
 - Medications for Addiction Treatment (MAT).
 - Physical and behavioral health clinical consultation.
 - Laboratory and radiology.
 - Medications and administration of covered medications.
 - Services provided by Community Health Workers and/or Peer Support Specialists with lived experience.
 - Provision of medically necessary durable medical equipment (DME) and medications in-hand upon release.

DMC-ODS – Waiver of IMD Exclusion for SUD Services



- » **Objective:** Improve access, quality, and coordination of care for SUD services provided in participating counties, including for residential treatment services.
- » **Request:**
 - Renew authority to waive the IMD exclusion* and permit federal reimbursement of short-term residential treatment services provided to eligible individuals with a SUD.

** The IMD exclusion prohibits use of federal Medicaid funds to pay for treatment delivered to individuals ages 21 through 64 residing in qualifying institutions with more than 16 beds.*

County Option to Cover Select Outpatient SUD Services

- » **Objective:** Maintain access and expand access to SUD services across the state to connect more Medi-Cal members to care and further reduce drug-related overdose deaths.
- » **Request:**
 - Continue authority to allow counties to opt-in to provide Peer Support Services, which are culturally competent services that promote recovery, to Medi-Cal members receiving care in the Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC), or DMC-ODS delivery systems*.
 - Request new authority for DMC counties to opt-in to cover Mobile Crisis Services.
 - Request new authority to allow DMC counties to opt in to cover certain outpatient SUD services that are currently limited to the DMC-ODS delivery system:
 - Care Coordination
 - Recovery Services
 - Peer Support Services
 - Partial Hospitalization
 - Withdrawal Management

**Delivery system authorities for SMHS and DMC-ODS are authorized through California's CalAIM 1915(b) waiver.*

Recovery Incentives (Contingency Management)

- » **Objective:** Promote recovery among Medi-Cal members living with stimulant use disorder by promoting longer retention in treatment and reduced drug use to:
 - Improve members' health outcomes.
 - Reduce rates of ED utilization and inpatient stays.
 - Increase community engagement.
- » **Request:** Continue authority for Recovery Incentives, which are an evidence-based practice to reward participants with stimulant use disorder for meeting treatment goals, and expand opt-in option to DMC State Plan Counties.

Traditional Healers and Natural Helpers

- » **Objective:** Improve access to SUD treatment for American Indians and Alaska Natives through Indian Health Care Providers (IHCP), and promote access to culturally appropriate and evidence-based SUD treatment.
- » **Request:**
 - Continue to provide **coverage for culturally responsive SUD treatment** through IHCPs under the DMC-ODS delivery system.
 - Retain authority to cover Traditional Healer and Natural Helper services for other conditions beyond SUD and for other delivery systems.
- » **Covered Services:**
 - **Traditional Healer services**, which may use an array of interventions, including music therapy (such as traditional music and songs, dancing, drumming), spirituality (such as ceremonies, rituals, herbal remedies) and other integrative approaches.
 - **Natural Helper services** may assist with navigational support, psychosocial skill building, self-management, and trauma support to individuals that restore the health of eligible Medi-Cal members.

Global Payment Program (GPP)

- » **Objective:** Increase access to, stabilize, and strengthen providers and provider networks that serve Medicaid and low-income populations, while increasing efficiency and quality of care.
- » **Request:** Continue GPP, which is a pool of funding used to **compensate designated public hospital systems** for services provided to the uninsured **through a value-based methodology**.

Existing GPP Goals:

- » Move away from payments restricted to acute and costly hospital and emergency settings.
- » Encourage preventive care, primary care, chronic disease management, and care coordination.
- » Encourage the use of technology-enabled care.

New GPP Proposed Changes:

- » Add new GPP services that expand the program's focus on prevention, chronic disease management, and behavioral health.
- » Introduce risk to earning GPP funding.
- » Incentivize investment in system transformation efforts.

Other Existing Initiatives Continuing Under CalAIM

Initiative	Description
Coverage for Out-of-State Former Foster Care Youth	Medi-Cal coverage for former foster care youth who are under age 26 and who were in foster care in another state on their 18 th birthday.
Chiropractic Services from IHS and Tribal Facilities	Chiropractic services furnished by Tribal providers to Medi-Cal members.
Modification of Asset Test for Deemed SSI Populations	Medi-Cal eligibility for individuals in select Deemed SSI populations (Pickle Group, Disabled Adult Child group, Disabled Widow/Widower group) by increasing the asset test.
Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan and Medicare Advantage Plan	Aligns a dually eligible beneficiary's Medicaid plan with their Medicare Advantage (MA) Plan choice, to the extent the MA plan has an affiliated Medicaid plan.
Managed Care Authority to Limit Plan Choice in Certain Counties	Enables the state to limit choice of MCPs in metro, large metro, and urban counties operating under the County Organized Health System (COHS) and Single Plan models.

Section 1115 Demonstration Request: New Section 1115 CalAIM Initiatives



Overview of BridgeCare Pilots Initiative (1 of 2)

- » **Objective:** Support older adults to remain in their homes and communities, prevent nursing home admission and impoverishment that leads to Medi-Cal enrollment, improve health outcomes, and reduce avoidable healthcare spending.
- » **Approach:**
 - Provide a targeted set of **home and community-based services (HCBS)** and caregiver supports (e.g., personal care services, home modifications, caregiver respite) for “near duals.”
 - **“Near duals”** are Medicare members age 65 and older with significant health needs, limited income above Medi-Cal limits, and who lack resources for adequate care.
 - Participants will be **required to pay cost-sharing** up to a specified percent of the average monthly cost of services.
 - **Local entities** (counties or regions) opt-in to implement the pilot in their region and support the non-federal share of Medicaid funding.
 - California will request federal approval to **reinvest a portion of Medicare** savings that may result from the BridgeCare Pilots to offset the cost to local entities.

Overview of BridgeCare Pilots Initiative (2 of 2)

BridgeCare Pilots will provide a set of HCBS and caregiver supports to eligible participants in regions where a local entity elects to participate.

Eligibility	Services	
<ul style="list-style-type: none">» Be age 65 or older.» Be enrolled in traditional Medicare.» Require the level of care that is typically provided in a skilled nursing facility.» Live at home or in the community.» Meet the following financial eligibility criteria:<ul style="list-style-type: none">• Have countable income between 138 and 220% of the federal poverty level (FPL).• Have not met their Medicaid share of cost, or do not have enough medical expenses that would meet their share of cost.• Have countable assets within Medi-Cal asset limits.	<p>Core Services (<i>provided to all participants</i>):</p> <ul style="list-style-type: none">» Assessments.» Individualized care planning.» Care management.» Personal Care Services.» Respite for Caregivers.» CAPABLE program: a home-based program integrating services from an occupational therapist (OT), registered nurse (RN), and a handy worker team.	<p>Discretionary Services (<i>may be available in certain regions if elected by the local entity</i>):</p> <ul style="list-style-type: none">» Homemaker Services.» Adult Day Care.» Assistive Technology.» Communication: Device and Translation/Interpretation.» Community Transition Services.» Consultative Clinical Services.» Nutritional Services.» Social Support.» Transportation.

Overview of Employment Supports

- » **Objective:** Assist individuals in meeting work and community engagement reporting requirements to support continuity of Medi-Cal coverage at application and renewal.
- » **Request:**
 - **Provide pre-employment and employment sustaining services** to address barriers to employment, support sustained workforce participation, and **promote economic stability among Medi-Cal members subject to work requirements who cannot be determined exempt or compliant.**
 - Counties or county-based entities may voluntarily opt-in to make these services available for eligible members and to support the non-federal share for federal Medicaid funding.

» **Pre-Employment Services:**

- Helping individuals find and apply for jobs (e.g., resume workshops, interview coaching).
- Supporting individuals to connect to high school graduation, General Education Programs, vocational training, and college degree programs.
- One-on-one job coach coaching.

» **Employment Sustaining Services:**

- Supporting individuals who have secured a job to maintain their employment (e.g., financial and health literacy support, linking to high quality childcare, transportation assistance).

Section 1115 Demonstration Request:
Transitioning and Sunsetting Section 1115
CaAIM Initiatives



Transitioning Section 1115 CalAIM Initiatives

As part of the CalAIM 1115 renewal, California is seeking to transition coverage of the following services effective January 1, 2027.

Initiative	Description	Updated Approach
Community-Based Adult Services (CBAS)	Services and supports for older adults and adults with disabilities to restore or maintain their optimal capacity for self-care and delay or prevent institutionalization.	<ul style="list-style-type: none">Transition to 1915(i) State Plan authority to strengthen this benefit as an entitlement.
Recuperative Care	Short-term residential setting in which members recover from an injury or illness while obtaining access to primary care, behavioral health services, case management, and other supportive social services.	<ul style="list-style-type: none">Create a recuperative care model that combines the levels of care currently offered under both recuperative care and Short-Term Post Hospitalization Housing (STPHH), and to sunset STPHH as a separate Community Support.Transition federal authority for recuperative care to Medicaid managed care In Lieu of Services (ILOS) authority, consistent with other Community Supports.
STPHH	Provides a safe, stable place for members to recover immediately after hospital discharge, especially for those without a residence.	

Sunsetting Section 1115 CalAIM Initiatives

California will not be renewing the following initiatives under the CalAIM Section 1115 demonstration renewal.

Initiative	Description	Rationale for Not Renewing
Providing Access and Transforming Health (PATH)	Time-limited funds (authorized from 2022-2026) to support the capacity and infrastructure of community partners to successfully participate in the Medi-Cal delivery system and offer ECM, Community Supports, and pre-release services.	DHCS and partners across the state have achieved the goals of the PATH initiative, evidenced by the broad availability of ECM and Community Supports across California and the launch of pre-release services in the state.
Low-Income Pregnant Women	Postpartum benefits for pregnant women with incomes between 109-138% of the FPL, which includes all benefits that would otherwise be covered for women with incomes below 109% of the FPL.	DHCS transitioned the authority for these services from Section 1115 authority to the Medi-Cal State Plan.
Designated State Health Programs (DSHP)	DSHP financing was used to support portions of the PATH program.	DSHP financing is no longer needed as PATH Funding was time-limited; CMS has indicated it will no longer approve DSHPs.

Preliminary Evaluation Plan



Preliminary Evaluation Plan

As part of the CalAIM 1115 renewal application, California included a preliminary plan to evaluate the CalAIM demonstration and measure achievement of the demonstration's goals, per federal regulations. These hypotheses will be further defined as California works with CMS to develop an evaluation design.

- » **Section 1115 Demonstration Evaluation Requirements:**
 - DHCS will contract with independent third parties to conduct evaluations and develop evaluation design plans for CMS review.
 - New hypotheses will be tested and evaluated in the CalAIM 1115 demonstration renewal.
- » **Draft Hypotheses:**
 - Over the course of the CalAIM demonstration renewal period, DHCS anticipates the proposed CalAIM 1115 initiatives will:
 - Improve coverage, continuity, and access to care.
 - Reduce avoidable high-cost utilization.
 - Strengthen coordination and integration across systems and implementation partners.

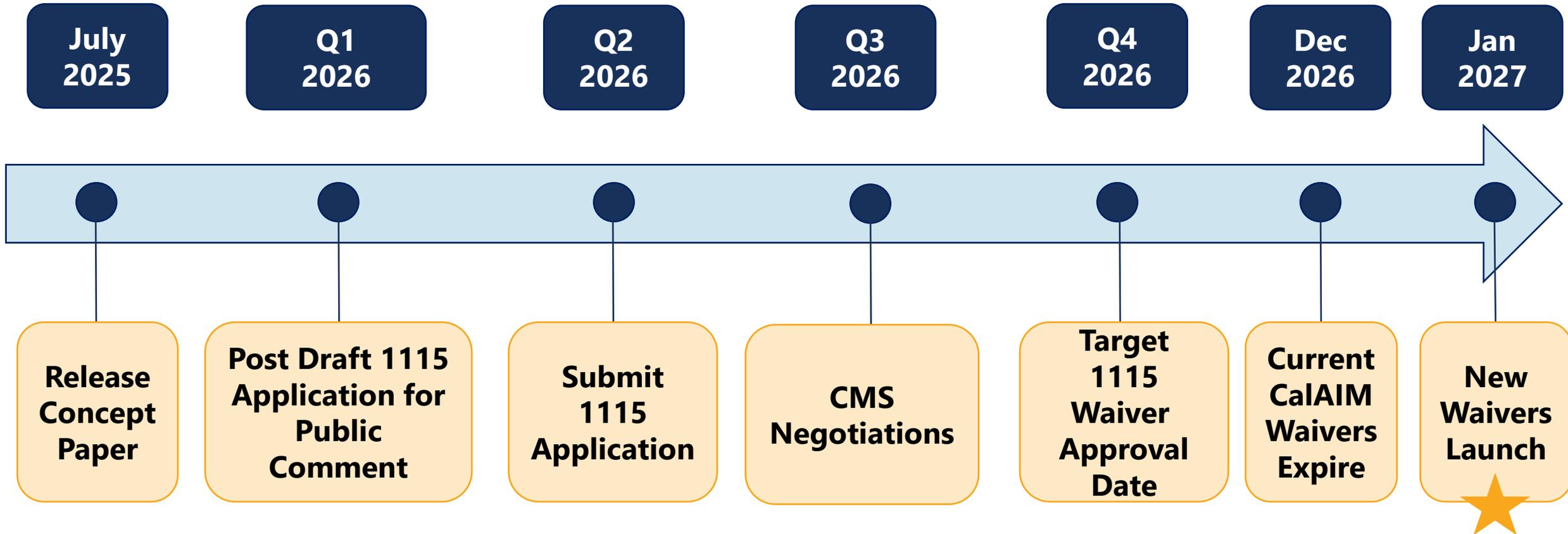
The proposed hypotheses for evaluation in the CalAIM 1115 demonstration renewal are available in Section 6 of the draft application.

Timeline and Next Steps



Waiver Renewal Timeline

California plans to submit its comprehensive application to renew its 1115 waiver by the end of Quarter 2 (Q2) 2026. California is committed to engaging with stakeholders on an ongoing basis throughout the design and implementation of the proposed demonstration.



Timeline and Next Steps

- » **Public Comment Period.** The CalAIM 1115 Renewal Application is available for public comment through March 12, 2026. Please submit all written comments to 1115waiver@dhcs.ca.gov.
- » **Response to Public Comment.** DHCS will consider the issues raised and revise the draft CalAIM 1115 Renewal Application, as appropriate, based on stakeholder feedback in spring 2026.
- » **Submission to CMS.** DHCS intends to submit the final CalAIM 1115 Renewal Application for CMS review in late Q2 2026.
- » **Ongoing Stakeholder Engagement.** DHCS is committed to engaging with stakeholders on an ongoing basis throughout the design and implementation of the CalAIM Renewal.

Find the draft CalAIM 1115 Renewal Application posted on
<https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx>

Public Comment

The image features a white background with the text "Public Comment" centered in a dark blue, sans-serif font. Below the text, there are two decorative, wavy horizontal lines. The top line is a medium teal color, and the bottom line is a darker navy blue. Both lines have a smooth, undulating path across the width of the page.

Public Comments

DHCS will now take comments from stakeholders on the CalAIM Section 1115 Demonstration Renewal Application.

- » **Chat Box.** All information and questions received through the box will be recorded as public comments.
- » **Spoken.** Participants must “raise their hand” for Zoom facilitators to unmute the participant to share their public comment.
 - After selected to share your public comment, please ensure you are “unmuted” on your audio.
- » **Please limit comments to 2 minutes.**

Final Comments and Adjourn

Upcoming 2026 Meeting Date



- » May 20, 2026
- » August 5, 2026
- » October 28, 2026