

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



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DIRECTOR



GAVIN NEWSOM
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DATE: October 26, 2022

ALL PLAN LETTER 22-021

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: PROPOSITION 56 BEHAVIORAL HEALTH INTEGRATION INCENTIVE PROGRAM

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with guidance on the Behavioral Health Integration (BHI) Incentive Program, funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), for achievement of specified milestones and measures tied to BHI.

BACKGROUND:

On November 8, 2016, California voters approved Proposition 56 to increase the excise tax on cigarettes and tobacco products. Under Proposition 56, a portion of the tobacco tax revenue is allocated to the Department of Health Care Services (DHCS) for use as the nonfederal share of health care expenditures in accordance with the annual state budget process.

Assembly Bill 74 (Ting, Chapter 23, Statutes of 2019), section 2, item 4260-103-3305 appropriates Proposition 56 funds for State Fiscal Year (SFY) 2019-20, SFY 2020-21, and SFY 2021-22, including a portion to be used for incentive arrangements in Medi-Cal managed care pursuant to Welfare and Institutions Code (WIC) section 14188.1.¹

Senate Bill 78 (Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2019) added Article 5.8 (commencing with section 14188) to WIC. Section 14188.1(a) requires DHCS to develop a value-based payment (VBP) program through which MCPs may earn incentive payments for achieving milestones and measures through partnerships with qualified Network Providers, aimed at improving BHI in Medi-Cal managed care.² DHCS collaborated with MCPs to roll out a standard, statewide BHI Incentive Program application to address BHI.

¹ California Law is searchable at: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

² WIC section 14188.1.

On November 12, 2019, DHCS made the BHI Incentive Program application instructions available online.³ Eligible Network Providers completed and submitted application(s) to a participating MCP of their choice (per county) to operate one or more BHI Incentive Program project option(s). MCPs reviewed the applications, selected awardees, and submitted their determinations to DHCS.

The project options covered by the BHI Incentive Program include options that can be applied in pediatric, adolescent, and/or adult practices:

- Project option 3.1 - Basic BHI to improve medical and behavioral health integration practices with a primary care, specialty care, or behavioral health Provider's office or clinic.
- Project option 3.2 - Maternal access to mental health and Substance Use Disorder (SUD) screening and treatment to increase prenatal and postpartum access to mental health and SUD screening and treatment.
- Project option 3.3 - Medication management for Members with co-occurring chronic medical and behavioral diagnoses to improve behavioral health prescribing and management of psychotropic, opioid use disorder, and alcohol use disorder medications.
- Project option 3.4 - Diabetes screening and treatment for people with Serious Mental Illnesses (SMI) to improve health indicators for patients with both diabetes and SMI.
- Project option 3.5 - Improving follow-up after hospitalization for mental illness to improve timely follow-up after hospitalization for mental illness.
- Project option 3.6 - Improving follow-up after emergency department (ED) visit for behavioral health diagnosis to improve timely follow-up after ED visit for mental illness and SUD.

The BHI Incentive Program is implemented consistent with federal regulations, and is effective from January 1, 2021 to December 31, 2022.⁴ The program period is split between two distinct Program Years (PYs): PY 1 (January 1 to December 31, 2021) and PY 2 (January 1 to December 31, 2022).

POLICY:

Payment

MCPs may earn a one-time Program Readiness payment for collaborating with selected BHI Incentive Program applicants to report baseline data, build infrastructure, hire staff,

³ DHCS' BHI Incentive Program Application webpage is available at:

https://www.dhcs.ca.gov/provgovpart/Pages/VBP_BHI_IncProApp.aspx.

⁴ See 42 Code of Federal Regulations (CFR) Section 438.6(b)(2). The CFR is searchable at:

<https://www.ecfr.gov/cgi-bin/ECFR?page=browse>.

modify information technology systems, and begin implementing practice redesign components as outlined in their application. To earn this payment, MCPs must submit or provide evidence of memorandums of understanding (MOUs) between the MCP and their respective Network Providers regarding implementation of their project options. DHCS issued initial BHI Incentive Program payments to MCPs in the first quarter of 2021, but these payments will not be considered fully earned, and are therefore subject to recoupment, until executed MOUs are submitted.

Subsequent to the program readiness payment, all ongoing PY 1 and PY 2 payments to MCPs will be tied to achieving milestones, as identified in the MCP's BHI Incentive Program Application, related to practice redesign components or defined progress toward project options. To earn these payments, the MCP must report on completion of the milestones identified in the MCP's BHI Incentive Program Application.

Milestone Invoice and Reporting

Effective with the calendar quarter ending March 31, 2021, within 60 days of the end of each calendar quarter, MCPs must submit an invoice and report on the status of the milestones identified in the BHI Program Application to the BHI Incentive Program inbox (DHCS-BHIIPA@dhcs.ca.gov). If no updated information is available, MCPs must submit an attestation to DHCS stating that no updated information is available. If updated information is available, MCPs must submit the updated report in the appropriate file format and include an attestation that the report is complete and accurate.

Milestone invoice and reporting must be submitted in the quarter in which the milestone is completed (e.g., if a milestone is not met in quarter 3, but completed in quarter 4, to receive payment the MCP must invoice the milestone in quarter 4). If a milestone is not met at all, the MCP will not earn the incentive funding associated with that milestone. Any proposed changes to milestones must be submitted to the BHI Incentive Program inbox (DHCS-BHIIPA@dhcs.ca.gov) to be reviewed by the Managed Care Quality and Monitoring Division (MCQMD) and the Capitated Rates Development Division (CRDD).

Performance Measure Reporting

The BHI Incentive Program Application indicated the number of performance measures required to be reported for each project option.⁵ As specified below, MCPs must submit baseline performance measure reports as well as annual performance measure reports demonstrating progress toward project options. All reports must be submitted in a consumable file format (i.e., Excel or Comma Separated Values) to the BHI Incentive

⁵ DHCS' BHI Incentive Program Application webpage is available at:
https://www.dhcs.ca.gov/provgovpart/Pages/VBP_BHI_IncProApp.aspx.

Program inbox (DHCS-BHIIPA@dhcs.ca.gov). DHCS may require additional data as necessary.

Baseline Performance Measure Reporting

Measurement year (MY) 2020 baseline data is required reporting and is due to DHCS by August 27, 2021. MY2019 is optional reporting and is due by August 27, 2021. For data not previously reported on, MCPs will establish MY2021 as the baseline. MY2021 baseline data is due August 27, 2022.

Annual Performance Measure Reporting

A 2021 PY 1 Performance Measure Annual Report is due to DHCS by March 31, 2022. A 2022 PY 2 Performance Measure Annual Report is due to DHCS by March 31, 2023.

If the requirements contained in this APL, including any updates or revisions to this APL, necessitate a change in an MCP's contractually required policies and procedures (P&Ps), the MCP must submit its updated P&Ps to its Managed Care Operations Division (MCPD) contract manager within 90 days of the release of this APL. If an MCP determines that no changes to its P&Ps are necessary, the MCP must submit an email confirmation to its MCPD contract manager within 90 days of the release of this APL, stating that the MCP's P&Ps have been reviewed and no changes are necessary. The email confirmation must include the title of this APL as well as the applicable APL release date in the subject line.

MCPs are responsible for ensuring that their Subcontractors and Network Providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters.⁶ These requirements must be communicated by each MCP to all Subcontractors and Network Providers.

⁶ For more information on Subcontractors and Network Providers, including the definition and applicable requirements, see APL 19-001, and any subsequent APLs on this topic.

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If you have any questions regarding this APL, please contact the MCQMD BHI Incentive Program inbox (DHCS-BHIIPA@dhcs.ca.gov), your MCOD Contract Manager and your CRDD Liaison.

Sincerely,

Original Signed by Dana Durham

Dana Durham, Chief
Managed Care Quality and Monitoring Division