Welcome, Introduction of Tribal Leaders, and Review of Agenda

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Health Care Benefits & Eligibility

DHCS

Welcome and Webinar Logistics

Microsoft Teams Tips

- Everyone will be automatically muted upon entry

- Use the Chat box to submit comments or questions

- Please use the Chat box for any technical issues related to the webinar

Feedback Guidance for Participants

- **<u>Chat Box</u>.** Please feel free to utilize the chat box to submit feedback or questions during the meeting.

- **<u>Spoken</u>.**
  - Participants may "raise their hand" for Microsoft Teams facilitator to unmute the participant to share feedback
  - Alternatively, participants who have raised their hand may unmute their own lines, but DHCS asks that you wait for a facilitator to recognize your request to speak
  - DHCS will take comments or questions first from tribal leaders and then all others in the room and on the webinar

- **If you logged on via <u>phone-only</u>.** Press "*6" on your phone to "raise your hand"

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

Yingjia Huang

Deputy Director

DHCS

Agenda

- Purpose of Implementation Plan

- Work and Community Engagement Requirements

- Six-Month Renewals

- Member Use Case: Work Reporting Requirements at Renewal

- Non-Citizen Coverage

Background and Overview

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

DHCS has developed an implementation plan to outline its approach to mitigating the impact on members and minimizing coverage loss to the greatest extent possible. DHCS' implementation plan will be updated accordingly 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	Pauses implementation and enforcement of some provisions in eligibility and enrollment federal rules that were focused on further improving noticing and processing timeframes at application and renewal and streamlining eligibility processes for the Aged and Disabled eligibility groups.	Immediate (7/1/25)
Amended Eligibility for Federally-Funded Medicaid	Changes who counts as a "qualified" immigrant for federally funded full-scope Medi-Cal.	10/1/26
Work 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	Codifies requirement that all states update address information based on information received from other data sources such as the National Change of Address database and returned mail starting in 2027. Effective 2029, the federal government must establish a national database that will identify individuals 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 "MAGI New Adult Group."

Effective Date: January 1, 2027

Impact:
An estimated up to 233K Medi-Cal members will lose coverage by June 2027, 1 million by Jan 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.*

H.R. 1 provides individuals who meet the following criteria do not need to demonstrate compliance with work requirement's qualifying activities and are not subject to six-month renewals

Mandatory Exemptions

- Enrolled in one of the following Medi-Cal eligibility groups:
  - Pregnant or up to 12 months postpartum
  - Foster youth
  - Former foster care youth under age 26
  - Aged, Blind, or Disabled people (including individuals who receive SSI)
  - Children under age 19
- American Indian/Alaska Natives

Mandatory Exemptions

- Parents/guardians/caregivers of a dependent child age 13 and younger
- Parents/guardian/caregivers of a disabled individual
- Veterans with a disability rating of total
- Incarcerated or recently released from a correctional facility within the past 90 days
- Entitled to Medicare Part A or enrolled in Part B
- Meeting TANF (CalWORKs) work requirements or SNAP (CalFresh) work requirements
- Participating in drug/alcohol treatment programs
- Medically frail, per the statute, this includes individuals (1) with a substance-use disorder (SUD); (2) with a disabling mental disorder; (3) with a physical, intellectual or developmental disability that significantly impairs their ability to perform one or more activities of daily living; (4) with a serious or complex medical condition; or (5) who are blind or disabled (as defined in section 1614 of the Social Security Act)).

H.R. 1 provides that individuals who meet one of the following reasons for exemption do not have to demonstrate compliance with work requirement's qualifying activities at application and during their six-month renewal period

Work and Community Engagement Requirements: Optional Temporary Exemptions

DHCS will implement optional short-term hardship exemptions and automatically apply them as applicable to members and applicants to the maximum extent possible. Short term- hardship exemptions include:

- **Emergency declaration:** Living in a county impacted by a federally declared emergency or disaster.

- **Unemployment:** Living in a county or local jurisdiction (not yet defined by CMS) with a high unemployment rate (at or above the lesser of 8% or 150% of the national unemployment rate, which was 4.2% as of July 2025). Enrollees in approximately 22 counties (including Alpine, Colusa, Fresno, Glenn, Imperial, Kern, Kings, Madera, Merced, Sutter, and Tulare counties) could qualify for this exemption (approximately 15.6% of Medicaid expansion enrollees in California).[1]

- **Inpatient Care**: Receiving inpatient hospital care, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric care, or other services of similar acuity (including related outpatient care) determined by the U.S. HHS Secretary.*

- **Travel for Care**: Traveling for an extended period to access medically necessary care for a serious or complex medical condition that is not available in the individual/their dependent(s)' community.*

1. KFF, A Look at the Potential Impact of the High Unemployment Hardship Exemption to Medicaid Work Requirements, 2025
*Exemption only available if specifically requested by the individual.

DHCS Implementation Plan for Work Reporting Requirements

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).

Anticipated Stakeholder Engagement Activities:

Impacted Partners	Topics to Discuss
• Counties • Tribes • Managed care plans (MCPs) • Eligibility systems • Members • Community Partners/ Advocates • Health Care Providers • CoveredCA	**Phase 1: Awareness and Preparation** • Meet with impacted partners to solicit input on ways to implement, and provide effective outreach for new work reporting requirements and implications for: eligibility determinations at application and renewal; notices; training materials; education; and outreach • Provide opportunity for input on process design for verifying applicant/member compliance with/exemptions for work reporting requirements **Phase 2: Support and Action** • Distribute ongoing outreach communication and notices to all impacted partners and members in advance of renewal to promote awareness • Collaborate with impacted partners on guidance, training, updating systems and technical assistance (TA) to counties, CalSAWS, MCPs, and CoveredCA to support implementation

Member Communication and Outreach

DHCS will lead a coordinated communication 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.

- **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 limited, targeted texting strategy to raise awareness about work reporting requirements in early 2026.
  - **DHCS Coverage Ambassadors and Navigators**: DHCS will rely on Coverage Ambassadors and navigators to distribute resources and messaging at the local level.
- **Timeframe for outreach:**
  - Feb – Jul 2026 to develop member awareness (Phase 1)
  - Oct – Jan 2027 to support members taking action to respond to new requirements (Phase 2)

Stakeholder Roles

Providers

- Ensure patients have up-to-date information on program changes
- Assist patients in gathering exemption documentation
- 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

- Conduct outreach and retention efforts
- DHCS is exploring MCP 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 before they apply.

- **At renewal:** Individuals must meet work reporting requirements in at least one of the months 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 consumer 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 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 Supplemental Security Income; 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; 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; 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; living in a county with 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
Verifies that individuals:
- Meet 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;
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

Overview of Six-Month Renewals

Section 71107: Requires that as of January 1, 2027, states must conduct eligibility redeterminations for adult expansion enrollees under the Affordable Care Act (ACA), also called the "MAGI New Adult Group," once every six months instead of once every 12 months per current policy. Tribal members, pregnant and postpartum members, foster care youth and former foster care youth under age 26, disabled or aged members, and children are not subject to this requirement. This population is also subject to work and community engagement. The six-month redetermination process will largely mirror existing annual renewal processes for automated and manual *ex parte* efforts, verification requests, and other existing processes.

Effective Date: January 1, 2027

Impact:
An estimated up to 289K Medi-Cal members may lose coverage by June 2027, and increasing to approximately 400K 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 that 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.

Anticipated Stakeholder Engagement Activities: Six-Month Renewals

Impacted Partners	Topics to Discuss
• Counties • Tribes • MCPs • Eligibility systems • Members • Community Partners/ Advocates • Health Care Providers CoveredCA	**Phase 1: Awareness and Preparation** • Provide education to all impacted partners to promote awareness and understanding of process/timing for more frequent renewals • Solicit input from implementation partners on design for streamlining renewals and conducting *ex parte* to the maximum extent possible **Phase 2: Support and Action** • Collaborate with impacted partners on the development and provision of guidance, training, updating systems, and TA to counties, MCPs, and Covered CA on implementing more frequent renewals

Member Use Case: Work Reporting Requirements at Renewal

Example Member Journey: Work Reporting Requirements at Renewal (1 of 2)

1 Christopher is a Medi-Cal member subject to the new work reporting requirements that go into effect January 2027. His renewal date is July 2027.

2 In September 2026, Christopher (and all expansion enrollees) will receive a notice from DHCS informing him of forthcoming work reporting requirements.

3 In April 2027, DHCS will attempt to conduct *ex parte* renewal for Christopher based on information he provided at his last application/renewal and available data sources. If DHCS can verify compliance/exemption *ex parte*, Christopher will be automatically renewed for coverage.

Example Member Journey: Work Reporting Requirements at Renewal (2 of 2)

5 If DHCS is unable to verify Christopher *ex parte*:

6 In May 2027, DHCS (via counties) will issue Christopher a manual renewal packet to request documentation from him to verify compliance/exemption.

7 In June/July/August 2027, DHCS will process Christopher's returned renewal form and issue a notice of renewed coverage or a notice of non-compliance based on the information he provides.
  - *If Christopher is approved for renewal,* his notice will include language informing him of the forthcoming 6-month redetermination.
  - *If Christopher's response shows he is not meeting work requirements,* he will receive a notice providing 30 days to comply with work reporting requirements.
  - *If Christopher does not comply within 30 days,* his coverage is terminated. His notice will include options he can pursue if he disagrees with the decision, information on appeal rights.

8 Christopher will receive 6-months of renewed coverage, from July-December 2027, if approved.

Non-Citizen Coverage

Non-Citizen Coverage

Section 71109: Ends the availability of full-scope federal Medicaid and 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 up to 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 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 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.

Restricted Federal Funding for Certain Qualified Non-Citizens

- Lawfully present immigration statuses affected by this change include:
    - Refugee status (T-Visa holders are treated as refugees)
    - Granted asylee status
    - Amerasian immigrants
    - Individuals granted withholding of deportation or removal
    - Conditional entrants granted before April 1980
    - Individuals paroled into the United States for one year or more
    - Battered non-citizens, or the parent or child of a battered non-citizen
    - Victims of human trafficking
    - Individuals granted humanitarian parole, such as certain Afghans who aided U.S. operations in Afghanistan or people fleeing violence in the Ukrainian war
- Lawfully present children under the age of 21 and lawfully present pregnant or postpartum individuals, if otherwise eligible, will continue to receive federally-funded full scope Medi-Cal.

Anticipated Stakeholder Engagement Activities: Immigrant Coverage

Impacted Partners	Topics to Discuss
• Counties • Managed care plans (MCPs) • Eligibility systems • Members • Community Partners/ Advocates • Health Care Providers • CoveredCA	**Phase 1: Awareness and Preparation** • Meet with impacted partners for input on approaches for amended rules on who qualifies for federally-funded Medi-Cal Coverage **Phase 2: Support and Action** • Training and technical assistance (TA) to counties, MCPs, and CoveredCA to support implementation • Education to immigrant populations to improve understanding and awareness of upcoming changes

Questions?

DHCSHR1@dhcs.ca.gov

DHCS

Behavioral Health Updates

- Traditional Health Care Practices
- Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)
- Behavioral Health Services Act (BHSA) and the Behavioral Health Continuum Infrastructure Program (BHCIP)

Updates on Implementation of Traditional Healers & Natural Helpers

DHCS

Timeline

October 16, 2024

CMS approves traditional health care practices through Medi-Cal

March 21, 2025

DHCS releases guidance (BHIN 25-007)

April 2025

TA activities begin; Post-BHIN release webinar

June-July 2025

FAQs published; additional implementation webinars hosted

Fall 2025

DHCS releases updated guidance (BHIN 25-036)

2025-2026

Ongoing technical assistance for IHCPs and DMC-ODS Counties

Published Guidance

- BHIN 25-007 - Initial guidance for implementing the Traditional Health Care Practices (THCP) benefit under DMC-ODS.

- BHIN 25-036 - Supersedes BHIN 25-007; updates and clarifies policies (billing, residential service flexibility, and oversight) for THCP implementation.

Opt-in Package Update

- As of February 18, 2026, DHCS has received **18 opt-in submissions from IHCPs:** 17 have been approved, with 1 still under review.

- The 17 approved IHCPs collectively cover 23 DMC-ODS counties:

- Alameda
- Contra Costa
- El Dorado
- Fresno
- Humboldt
- Kern
- Lake
- Los Angeles

- Mendocino
- Modoc
- Placer
- Sacramento
- San Diego
- San Francisco
- Santa Barbara
- Santa Clara

- Santa Cruz
- Siskiyou
- Sonoma
- Ventura

Opt-in Package Update

- The 17 approved IHCPs are:

  - Indian Health Center of Santa Clara Valley
  - Santa Ynez Tribal Health Clinic
  - American Indian Health & Services
  - Friendship House
  - United Indian Health Services, Inc
  - Southern Indian Health Council
  - Native American Health Center (Oakland)

  - Native American Health Center (SF)
  - K'ima:w Medical Center
  - Pit River Health Service
  - Indian Health Council
  - Shingle Springs Health & Wellness Center
  - New Life Health Authority
  - Sonoma County Indian Health Project
  - Fresno American Indian Health Project

  - Karuk Human Services
  - Bakersfield American Indian Health Project

Technical Assistance (TA) Overview

DHCS continues to coordinate with Technical Assistance (TA) Tribal partners CCUIH, CRIHB, and Kauffman & Associates to facilitate and coordinate TA. TA provided since March 2025 includes:

- **Webinars/presentations:** *Post-BHIN release webinar (April 2025), IHCP Working Session (June 2025), County Webinar (June 2025), CCUIH Billing and Claiming Webinar (September 2025), CBHDA Billing and Claiming Webinar (October 2025) and numerous community presentations.*

- **1:1** TA support for IHCPs navigating opt-in and implementation process.

- **Ongoing support** for IHCPs and counties requesting support via the THCP inbox and TA portal.

Note: TA is available at **no cost** to interested IHCPs and counties. To request assistance, reach out to the THCP inbox at TraditionalHealing@dhcs.ca.gov or use the Technical Assistance portal (operated by Kauffman and Associates).

Current TA Efforts

» DHCS in coordination with TA Partners are currently focused on:

- Maximum effort on IHCP/County Coordination
  - Outreach to DMC-ODS counties and IHCPs to assist with coordination
  - Sample Billing Agreement/MOU in circulation
  - IHCP/County meetings with DHCS as needed
  - 12-month DMC-ODS plan claiming deadline for THCP services
- Continued Opt-In TA
  - Supporting interested IHCPs in Opt-In package development
  - Development of Policies and Procedures

Updated FAQs

- DHCS also published a third round of FAQs in December 2025. FAQs include policy clarifications on topics like:
  - Allowing submissions of draft Policies and Procedures with explanation.
  - Introducing formal definitions of Traditional Healers and Natural Helpers, while confirming that no licensure/certification is required.
  - Clarifying THCP coverage policies for IHCPs that do not contract with county DMC-ODS plans.
  - Describing a step-by-step billing process and required claim elements.
  - Providing specific rates for SFY 2025-26 for Traditional Healers and Natural Helpers.
  - Telehealth coverage under BHIN 23-018 and rules for residential facilities.
  - DHCS and county oversight roles, compliance monitoring and corrective action plans.

Resources

- [Traditional health care practices webpage](#)
  - Includes Frequently Asked Questions
  - Previous presentations
  - Approved IHCPs
  - DMC-ODS County points of contact
  - Other guidance materials and resources

- [BHIN 25-036](#)

- [TraditionalHealing@dhcs.ca.gov](#)
- [Technical Assistance (TA) Portal](#)

BH-CONNECT: An Overview

- BH-CONNECT is a historic, multi-pronged initiative to transform and improve behavioral health services for California residents living with significant behavioral health needs.

- The initiative is comprised of a five-year Medicaid Section 1115 demonstration, State Plan Amendments (SPAs) to expand coverage of evidence-based practices (EBPs) available under Medi-Cal, and complementary guidance and policies to strengthen behavioral health services statewide.

BH-CONNECT: Goals

- **Expand the continuum of community-based services and evidence-based practices (EBPs)** available through Medi-Cal for children, youth, and adults living with mental health and substance use disorders (SUD).
- **Access federal funds for short-term stays in facility-based care,** for Behavioral Health Plans (BHPs) that commit to providing robust community-based services and meeting quality of care standards for such stays.
- **Promote transitions out of facility-based care** and support successful transitions to community-based care settings and community reintegration.
- **Strengthen family-based services and supports** for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.

BH-CONNECT Overview

Community-Based Services

- Assertive Community Treatment and Forensic Assertive Community Treatment (ACT/FACT)
- Coordinated Specialty Care for First Episode Psychosis (CSC)
- Individual Placement and Support Model of Supported Employment (IPS)
- Enhanced Community Health Worker Services (ECHW)
- Clubhouse Services
- Transitional Rent Services*
- Community Transition In-Reach Services*

Statewide Supports

- Workforce Initiative*
- Access, Reform and Outcomes Incentive Program*
- Centers of Excellence
- Bed Tracking Service

Supports for Children and Youth

- Clarification of Coverage of Evidence-Based Practices (Multisystemic Therapy, Functional Family Therapy, Parent Child Interaction Therapy)
- Activity Funds*
- Alignment of the CANS Tool
- MCP Child Welfare Liaison

Areas marked with an asterisk (*) were approved by CMS through a Medicaid Section 1115 Demonstration. All other activities are part of the broader BH-CONNECT initiative.

BH-CONNECT 2025 Accomplishments

Key accomplishments from 2025 include:

- **5,200 applications were submitted** for the first cohort of Workforce Initiative loan repayments, for which DHCS/HCAI plan to award up to **$161 million** to as many as **1,900 awardees**.

- **$46.5 million was awarded to 41 counties** for completing Submission 1 of the Access, Reform and Outcomes Incentive Program.

- **48 counties requested to consult with Centers of Excellence (COEs)** about implementing evidence-based practices (EBPs), and **6 counties** have opted in to cover one or more EBPs under Medi-Cal.

- **3 counties' IMD FFP Plans were approved** to begin participating in the IMD Program.

BH-CONNECT Policy Guidance (1/2)

DHCS released policy guidance for many BH-CONNECT initiatives in 2025, with additional guidance slated for release in Q1 2026.

Adult EBPs

- **BHIN 25-009 on Medi-Cal coverage of adult EBPs** including Assertive Community Treatment (ACT), Forensic ACT (FACT), Coordinated Specialty Care for First Episode Psychosis (CSC for FEP), Individual Placement and Support (IPS), and Clubhouse Services, and separate **BHIN 25-028 on Medi-Cal coverage of Enhanced CHW Services.**

- An accompanying **EBP Policy Guide with operational guidance on implementing the adult EBPs.**

- Updates to the BHIN and EBP Policy Guide, as well as a final Training and Fidelity Manual with EBP training, fidelity monitoring, and data collection requirements, will be released in Q1 2026.

IMD Program

- **BHIN 25-011 on requirements for counties to receive FFP** for care provided during short-term stays in IMDs. Updates will be released in Q1 2026.

BH-CONNECT Policy Guidance (2/2)

Children & Youth Initiatives

- **BHIN 25-037 on the Activity Funds initiative.**

- **Joint BHIN 25-035/ACL 25-71 on Phase I policy changes to support aligned use of the Child and Adolescent Needs and Strengths (CANS) tool**. DHCS is now working on Phase II of CANS changes.

- A **concept paper** and draft **BHIN 26-XXX on requirements for providing High Fidelity Wraparound (HFW) under Medi-Cal**. DHCS will also release a HFW Policy Guide. DHCS is also finalizing a BHIN clarifying requirements for other child and youth EBPs, to be released in early 2026.

- **Joint BHIN 25-027/ACL 25-47 describing Family First Prevention Services Act (FFPSA) Part IV Aftercare requirements** and indicating DHCS and CDSS intend to align HFW requirements.

Incentive Program

- **BHIN 25-006 on requirements for participation** in the Access, Reform and Outcomes Incentive Program.

- **Technical Specifications Manual on how measures will be calculated**.

- **Scoring and Benchmarks Manual on how county performance will be evaluated and scored**.

Upcoming Implementation Milestones

DHCS will launch additional BH-CONNECT initiatives in 2026. Key upcoming milestones include, but are not limited to:

Q1 2026 Implementation Milestones:

- Continued implementation of adult EBPs and child and youth EBPs in partnership with Centers of Excellence (COEs)

- Continued rolling opt-in for optional components of BH-CONNECT, including adult EBPs, Community Transition In-Reach Services, and IMD Program

Future 2026 Implementation Milestones:

- Performance calculated and scored on Incentive Program measures that were pay-for-performance in 2025

- Launch of additional Workforce Initiative programs

- Continued design of the Activity Funds Initiative and CANS Alignment

- Finalize High-Fidelity Wraparound (HFW) guidance and begin implementation (July 1, 2026)

Additional Resources

- **BH-CONNECT Webpage**
  - The BH-CONNECT website contains information and resources related to the BH-CONNECT initiative.

- **Opt-in to BH-CONNECT**
  - County BHP Participation – EBPs a list of Behavioral Health Plans (BHPs) who have committed to covering selected EBPs.

  - County BHP Participation - MH IMD FFP Program a list of BHPs that have opted in and have been approved by DHCS to participate in the MH IMD FFP Program.

- **BH-CONNECT Resources Webpage**
  - The BH-CONNECT Resources Page contains items such as public comment opportunities, policy guidance, and other key materials related to the initiative.

- **Contact the BH-CONNECT Team**
  - Questions related to the BH-CONNECT initiative may be sent to BH-CONNECT@dhcs.ca.gov.

Questions?

Behavioral Health Transformation

In March 2024, California voters passed Proposition 1, a two-bill package, to modernize the state's behavioral health care system. It includes a substantial investment in infrastructure and housing for people with behavioral health care needs.

Behavioral Health Services Act

- Reforms behavioral health care funding to provide services to Californians with the most significant behavioral health needs.
- Expands the behavioral health workforce to reflect and connect with California's diverse population.
- Focuses on outcomes, accountability, and equity.

Behavioral Health Bond

- Funds behavioral health treatment beds, supportive housing, and community sites.
- Directs funding for housing to veterans with behavioral health needs.

Behavioral Health Services Act Integrated Plan

The Integrated Plan is a prospective plan and budget for **all county behavioral funded services**.

- **Goal:**
  - Collect local and aggregate information on all planned behavioral health services statewide.
  - Increase transparency and accountability in county reporting and ensure counties are efficiently using federal dollars.
- **Timing:**
  - Counties are required to develop their Integrated Plan every three years.
- **Key Elements:**
  - Planning budget in disaggregated mental health and Substance Use Disorder (SUD) continuum of care frameworks for **all county behavioral health funding sources.**

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.

Behavioral Health Continuum Infrastructure Program

- In 2021, DHCS was authorized to establish the Behavioral Health Continuum Infrastructure Program (BHCIP) for eligible grantees to expand substance use disorder and mental health facilities across California.

  - Between November 2021 and June 2023, DHCS awarded **$1.65 billion** to support mobile crisis services (round 1), county and **tribal planning** (round 2), and expansion of SUD and mental health facilities (rounds 3-5).

- The Infrastructure Bond Act of 2024 provides additional funding for BHCIP grants.

  - An **additional $3.3 billion** was conditionally awarded in May 2025 through the first round of Bond BHCIP funding. **$30 million was set aside exclusively for tribal entities**. To date, 117 conditional awards remain after the final vetting award process (see **details on next slide**).

  - DHCS is reviewing applications for the second round of BHCIP Bond funding, and award announcements are anticipated in late Spring 2026.

BHCIP rounds 3-5 have supported:*

Through new BHCIP Bond funding, DHCS anticipates:*

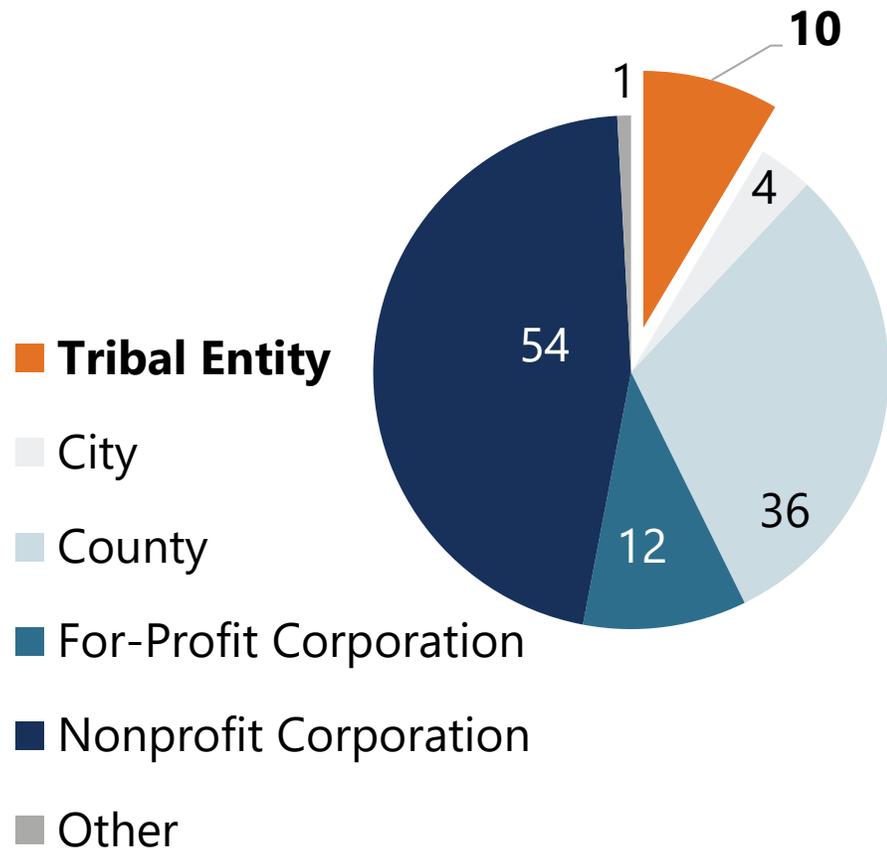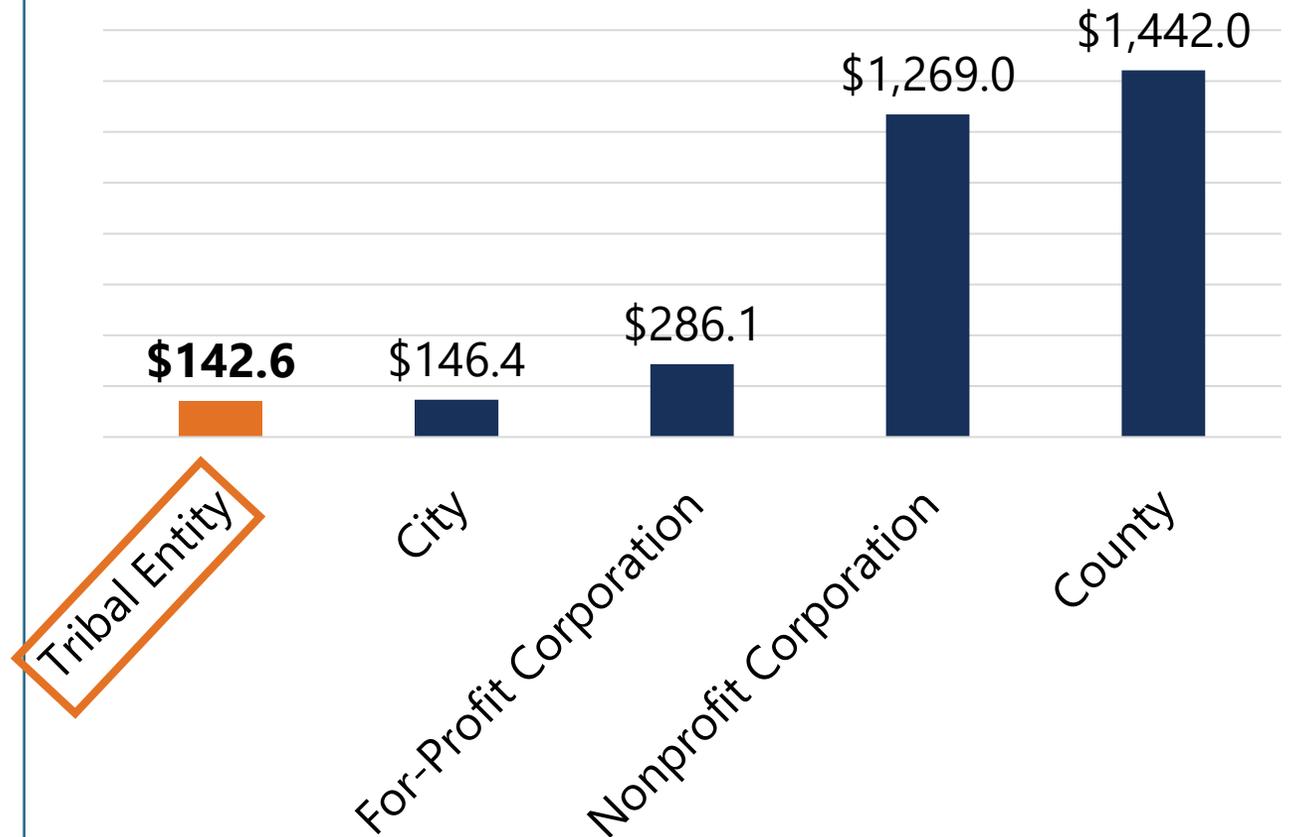| **2,601** New residential and inpatient beds	**281,146** Individuals served in outpatient settings	**6,800** New residential and inpatient beds	**26,700** New outpatient slots

Data is point in time and subject to change.

Bond BHCIP Round 1: Launch Ready Award Data Overview

Projects Awarded by Entity Type

- Tribal Entity: 10
- City: 4
- County: 36
- For-Profit Corporation: 12
- Nonprofit Corporation: 54
- Other: 1

Amount Awarded by Entity Type (in millions)

- Tribal Entity: $142.6
- City: $146.4
- For-Profit Corporation: $286.1
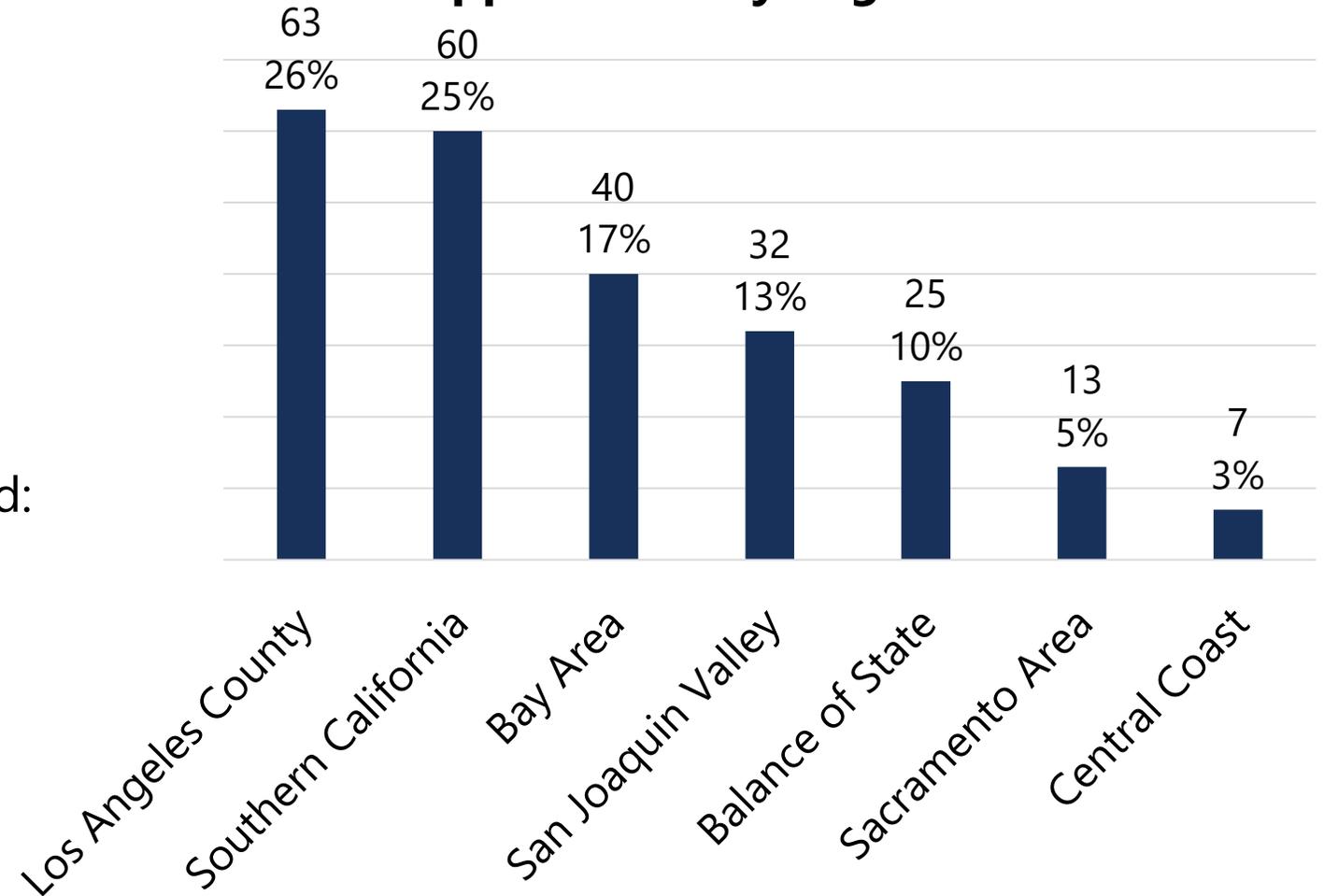- Nonprofit Corporation: $1,269.0
- County: $1,442.0

Bond BHCIP Round 2: Unmet Needs Application Metrics

Application Overview

- Total Number of Applications: 240
- Total Capacity Requested:
  - Residential Beds: 9,569
  - Outpatient Slots: 12,613
- Total Funding Amount Requested: $5.98 billion
- Average Funding Amount Requested: $24.9 million
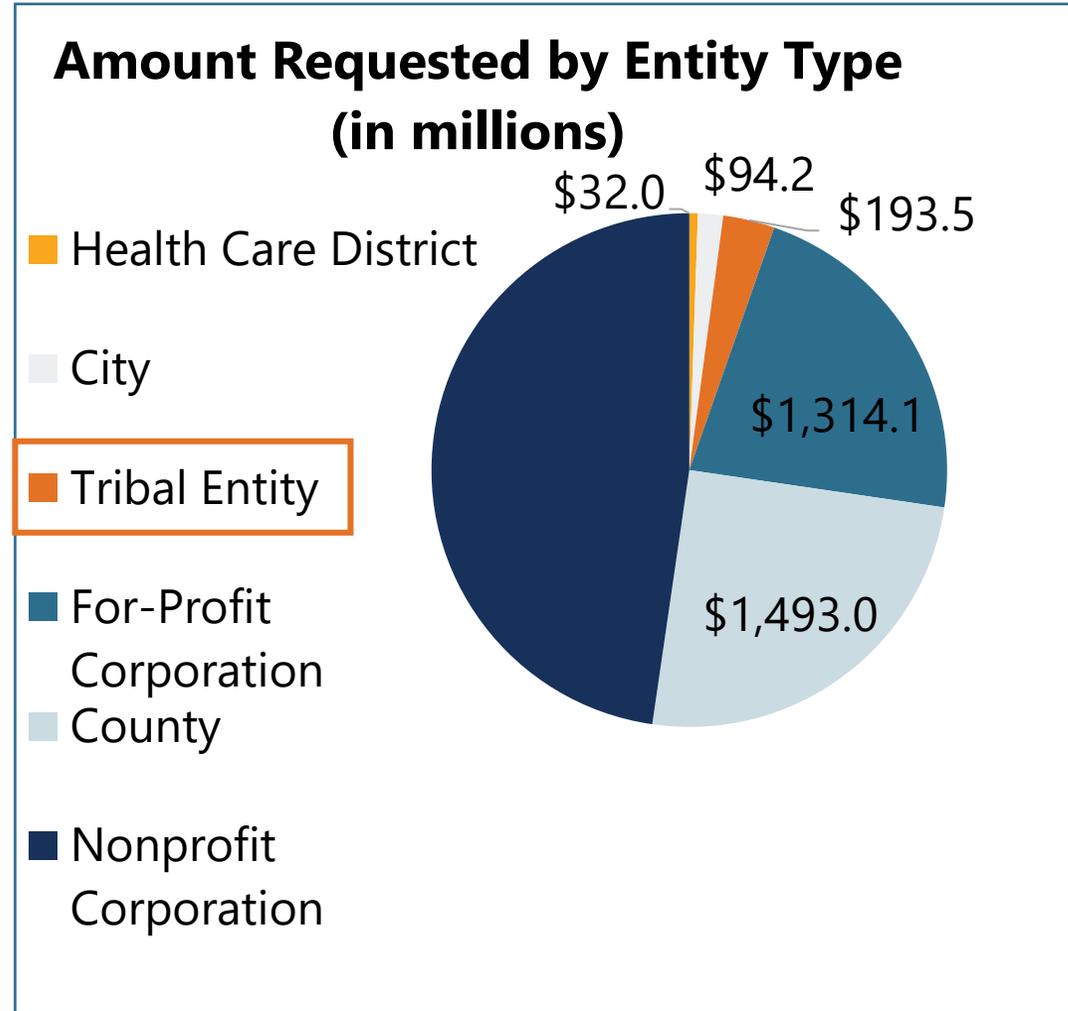- Award announcements anticipated late Spring 2026

Applications by Region

Region	Applications	Percent
Los Angeles County	63	26%
Southern California	60	25%
Bay Area	40	17%
San Joaquin Valley	32	13%
Balance of State	25	10%
Sacramento Area	13	5%
Central Coast	7	3%

Data and graphs are based on 240 applications as of 11/6/25 submitted for Bond BHCIP Round 2. DHCS has not completed validation of application eligibility and/or information submitted by applicants. DHCS application review process remains underway.
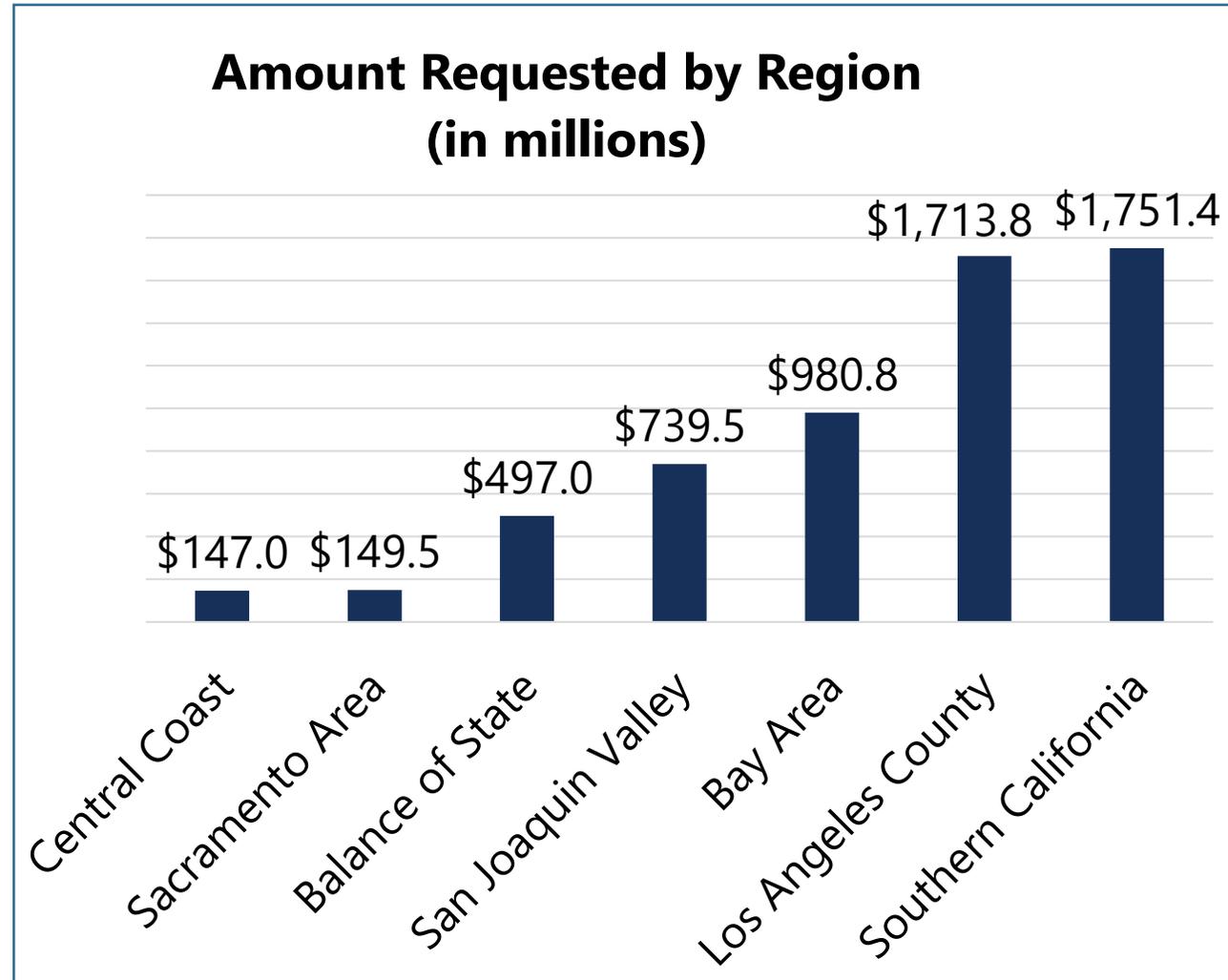
Entity Type	Application #
Health Care District	1
City	6
Tribal Entity	10
For-Profit	61
County	33
Nonprofit	129

Amount Requested by Entity Type (in millions)

- Health Care District
- City
- Tribal Entity
- For-Profit Corporation County
- Nonprofit Corporation

$32.0
$94.2
$193.5
$1,314.1
$1,493.0

Data and graphs are based on 240 applications as of 11/6/25 submitted for Bond BHCIP Round 2. DHCS has not completed validation of application eligibility and/or information submitted by applicants. DHCS application review process remains underway.

Amount Requested by Region (in millions)

Region	Amount
Central Coast	$147.0
Sacramento Area	$149.5
Balance of State	$497.0
San Joaquin Valley	$739.5
Bay Area	$980.8
Los Angeles County	$1,713.8
Southern California	$1,751.4

Data and graphs are based on 240 applications as of 11/6/25 submitted for Bond BHCIP Round 2. DHCS has not completed validation of application eligibility and/or information submitted by applicants. DHCS application review process remains underway.

BHCIP/Bond BHCIP Data Dashboard

- Link to dashboard: https://infrastructure.buildingcalhhs.com/bhcip-data-dashboards/all-rounds-dashboard/

- Link to BHCIP Video: **BHCIP 2025 Updates and What's Ahead** https://www.youtube.com/watch?v=hMQkx4dXQzc

Behavioral Health Bridge Housing

- Behavioral Health Bridge Housing (BHBH), signed into law in September 2022, is providing over $1 billion to county behavioral health agencies and **Tribal entities** to address the immediate housing and treatment needs of people experiencing homelessness with serious behavioral health conditions.

- Round 1 of BHBH funding is driving approximately:

  - **3,448 new housing beds** created through infrastructure projects.

  - **4,700 beds funded annually** through rental assistance programs, shelter/interim housing, and/or auxiliary funding to assisted living.

- As of June 2025, **over 10,600 people** have received housing through BHBH.

	Total Awards	Eligibility
Round 1	$907M	Behavioral health agencies
Round 2 & 2B	$50M	**Tribal entities Request For Applications**
Round 3	$132.5M	Behavioral health agencies with Round 1 contracts

Additional Resources

BHT Website and Monthly Newsletter

Explore the [Behavioral Health Transformation](#) website to discover additional information and access resources.

Please sign up on the [DHCS list subscribe](#) website to receive monthly Behavioral Health Transformation updates.

Technical Assistance – New!

DHCS has began providing technical assistance, including developing informational materials, that counties can use in developing their Integrated Plan.

Questions and Feedback

Please send any other questions or feedback about Behavioral Health Transformation to BHTInfo@dhcs.ca.gov.

Public Listening Sessions

Attend public listening sessions to provide feedback on Behavioral Health Transformation-related topics.

Registration links for all public listening sessions will be posted on the [Behavioral Health Transformation](#) website, along with their recordings, once available.

LUNCH BREAK

11:30 – 1:00

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**.

- Department of Finance Website - **https://dof.ca.gov/**.
  - o Budget Change Proposals - **Governor's Budget BCPs**.
  - o Trailer Bill Language - **DHCS Trailer Bill Language**.

CalAIM Section 1115 Demonstration Renewal

Tyler Sadwith

State Medicaid Director and Chief Deputy Director

Agenda

- Background

- Overview of CalAIM Section 1115 Demonstration Renewal Request

- Timeline and Tribal Feedback

Today's Objective

DHCS is requesting a five-year renewal of the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration.

Today, we will summarize the CalAIM Section 1115 renewal request and receive feedback from Tribal partners on the proposed approach.

How to Access Public Comment Materials

» **CalAIM Section 1115 Demonstration Webpage**

- Section 1115 demonstration renewal application
- Public notice
- Tribal and Designees of Indian Health Programs notice

» **DHCS Indian Health Program webpage**

» **CalAIM Homepage**

Submitting Tribal Feedback

The Tribal and Designees of Indian Health Programs comment period for the CalAIM 1115 Renewal Application is from February 10 to March 12, 2026. To be considered prior to CMS submission, public 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

» **Email.** Indicate "CalAIM Section 1115 Demonstration Renewal Application" in email's subject line
1115waiver@dhcs.ca.gov

» **Today's Tribal Webinar.**
- **Q&A Box.** All information and questions received through the Q&A box will be recorded as Tribal feedback
  Spoken. Participants will have the opportunity to submit Tribal feedback 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**

- To implement CalAIM, California received authority from the federal government, through a **Section 1115 demonstration**

- Section 1115 demonstrations allow states to **test new ideas in their Medicaid programs** to help people get better care and permit certain flexibilities that otherwise are not allowed under federal law

- DHCS is now seeking to renew the CalAIM Section 1115 demonstration for another five years to **build upon the successes of the CalAIM initiative**

CalAIM 1115 Demonstration Goals

Building on Tribal partner and stakeholder feedback, DHCS has three main goals to expand and strengthen CalAIM, in line with California's vision for Medi-Cal.

» **Updated CalAIM 1115 Demonstration**

Help DHCS, health plans, and providers identify member needs early and act sooner to manage risk. Use whole-person care to improve each member's experience.

Make Medi-Cal more consistent and easier to navigate by reducing complexity, increasing accountability, and improving how programs work.

Improve quality of care and support system changes through value-based programs. Help members receive the right care, at the right time, in the right place, and at the right cost.

Section 1115 Demonstration Request

California is requesting to continue and strengthen existing work to improve Medi-Cal.

Renew Authority

- Justice-Involved Reentry Initiative

- 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 Service (IHS) and Tribal Facilities

- Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan (MCP) and Medicare Advantage (MA) Plan

- Managed Care Authority to Limit Plan Choice in Certain Counties

- Modification of Asset Test for Deemed Supplemental Security Income (SSI) Populations

- Global Payment Program

California is also requesting to implement new initiatives and move some CalAIM services to other Medi-Cal coverage options. California will also sunset certain initiatives that are no longer needed.

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 approval is not needed to continue Enhanced Care Management (ECM) and 12 of the 15 Community Supports. ECM is allowed under federal Medicaid managed care rules that require health plans to coordinate care and support members. The 12 Community Supports are allowed as "In Lieu Of Services" (ILOS), which means they can be provided instead of other covered services under managed care rules.

Section 1115 Demonstration Request: Continuing Section 1115 CalAIM Initiatives

Justice-Involved Reentry Initiative

Request:

» The state requests to continue to provide a targeted set of Medi-Cal services for justice-involved individuals for up to 90 days prior to their release from a prison, county jail, or youth correctional facility.

» Services include care management, medications for addiction treatment, physical and behavioral health clinical consultation, laboratory and radiology services, and the administration of covered medications.

Tribal Impacts

» **Tribal Health Programs (including IHS-MOA and Tribal FQHCs) and UIOs that participate in Medi-Cal as FQHCs** may be able to provide relevant pre-release services to eligible individuals up to 90 days before release from prison, jail, or a youth correctional facility. After returning to their communities, members who received Reentry Services may also access services at these facilities more frequently.

» **AI/AN Medi-Cal members who are justice-involved** will receive health services before release to support a safer return to the community and reduce serious health risks.

DMC-ODS – Waiver of IMD Exclusion for SUD Services

Request:

» The state requests continued federal reimbursement for Medicaid services provided to individuals receiving SUD services in qualifying institutions known as IMDs.

» DHCS requests this extension to continue its efforts to expand access to necessary treatment for SUD.

Tribal Impacts

» **IHCPs (if operating as IMDs)** will be able to receive federal payment for providing residential SUD treatment to Medi-Cal members.

» **AI/AN Medi-Cal members** with SUD will have better access to evidence-based residential SUD treatment.

County Option to Cover Select Outpatient SUD Services

Request:

» The state requests to continue making peer support services, which are culturally competent services that promote recovery, available to Medi-Cal members receiving care in the Specialty Mental Health Services (SMHS), the Drug Medi-Cal (DMC), or the DMC-ODS delivery systems.

» The state requests 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, partial hospitalization, withdrawal management).

» The state requests authority to allow DMC, DMC-ODS, and SMHS counties to opt-in to provide mobile crisis services to Medi-Cal members receiving care in those delivery systems.

Tribal Impacts

» **Tribal Health Programs (including IHS-MOA and Tribal FQHCs) and UIOs that participate in Medi-Cal as FQHCs** will be able to provide peer support, mobile crisis services, and outpatient SUD services to Medi-Cal members, including AI/AN individuals, if located within counties that opt-in to offer outpatient SUD services.

» **AI/AN Medi-Cal members** will have expanded access to outpatient SUD treatment in the least restrictive setting possible.

Recovery Incentives (Contingency Management)

Request:

» The state requests to continue Recovery Incentives, also referred to as contingency management services, in the DMC-ODS, and to allow DMC counties to opt-in.

» Recovery Incentives are an evidence-based practice to treat stimulant use disorder, which is a specific type of SUD that is defined as the continued use of stimulants (e.g., cocaine, amphetamine, methamphetamine) despite harm to the person using them.

» Recovery Incentives reward eligible participants with stimulant use disorder for meeting treatment goals.

Tribal Impacts

» **Tribal Health Programs (including IHS-MOA and Tribal FQHCs) and UIOs that participate in Medi-Cal as FQHCs** will be able to begin, or continue to, provide Recovery Incentives to Medi-Cal members if located within counties that opt-in to offer Recovery Incentives.

» **AI/AN Medi-Cal members** will be able to access evidence-based Recovery Incentives for stimulant use disorder. This initiative aims to promote longer retention in treatment and reduced drug use, ultimately improving members' health outcomes.

Traditional Healers and Natural Helpers

Request:

» The state requests to continue to provide Traditional Healer and Natural Helper services for Medi-Cal members experiencing SUDs.

» Members who receive coverage from DMC-ODS counties, meet DMC-ODS access criteria, and receive care from participating IHS facilities, Tribal facilities, or Urban Indian Organization (UIO) facilities can receive Traditional Healer and Natural Helper services.

» The state also requests to retain flexibility to cover these services for other conditions beyond SUD and for other delivery systems.

Tribal Impacts

» **Tribal Health Programs (including IHS-MOA and Tribal FQHCs) and UIOs that participate in Medi-Cal as FQHCs** will be able to receive federal payment for providing Traditional Healer and Natural Helper services.

» **AI/AN Medi-Cal members** will receive access to culturally responsive SUD treatment services.

Chiropractic Services from IHS and Tribal Facilities

Request:

» The state seeks continued authority to provide reimbursement for chiropractic services provided by IHS and Tribal providers.

Tribal Impacts

» **Tribal Health Programs** enrolled in Medi-Cal as IHS Memorandum of Agreement (MOA) providers will continue to receive payment for providing chiropractic services to eligible members.

Global Payment Program

Request:

» The state seeks continued authority to support public health care systems that provide health care for uninsured Californians through a statewide funding pool.

Tribal Impacts

» **Public Health Care Systems* that serve uninsured AI/AN individuals** will benefit from GPP through strengthened provider capacity and improved access for Medicaid and low-income populations.

* Public Health Care Systems are designated public hospitals operated by a county, a city and county, University of California, or a special hospital authority (see Attachment C of the [CalAIM special terms and conditions](#) for additional detail).

Initiative	Request	Tribal Impact
Coverage of Out of State Former Foster Care Youth	» Continued and ongoing authority to provide Medi-Cal coverage to former foster care youth for individuals who turned 18 before January 1, 2023 until they turn 26 years old.	» **Tribal Health Programs (including IHS-MOA and Tribal FQHCs) and UIOs that participate in Medi-Cal as FQHCs** can receive payment for serving former foster care youth. » Allows eligible former foster care youth, including **AI/AN individuals**, to enroll in Medi-Cal.
Modification of Asset Test for Deemed SSI Populations	» Renew authority with one change—to reinstate the Medi-Cal asset limit for individuals in select Deemed SSI populations (Pickle Group, Disabled Adult Child group, Disabled Widow/Widower group). » An individual in these groups will be allowed to have up to $130,000 in assets (and $65,000 for each additional household member) and still be eligible for Medi-Cal.	» Allows **AI/AN individuals** with up to $130,000 in assets to qualify for Medi-Cal if they meet other eligibility criteria. **AI/AN asset protections will continue.**

Initiative	Request	Tribal Impact
Align Dually Eligible Enrollees' Medi-Cal MCP and MA Plan	» Request authority to align a dual-eligible member's Medi-Cal plan with their MA plan (if available).	» Improves care coordination for **AI/AN members** who have both Medicare and Medi-Cal.
Managed Care Authority to Limit Plan Choice	» Request to limit choice of MCPs in metro, large metro, and urban counties operating under the County Organized Health System (COHS) and Single Plan models.	» **AI/AN Medi-Cal members** residing in counties that opt to participate in COHS and Single Plan managed care models may have fewer plan options, **but they can still receive care from Indian Health Care Providers.**

Section 1115 Demonstration Request: New Section 1115 CalAIM Initiatives

Employment Supports

Request:

» The state is seeking new authority to provide services that help people find and keep employment to support Medi-Cal members subject to work requirements.

» This initiative aims to address barriers to employment, support sustained workforce participation, and promote economic stability among Medi-Cal members.

Tribal Impacts

» This initiative will not impact **AI/AN Medi-Cal members** since they are exempt from work requirements.

BridgeCare Pilots

Request:

» The state is seeking authority to provide a targeted set of home and community-based services (HCBS) and caregiver supports for Medicare members ages 65 and older with incomes just above Medicaid income limits but who lack resources for adequate care.

» Services may include individualized care planning, care management, personal care, caregiver supports, nutritional services, transportation, and homemaker services, among others.

Tribal Impacts

» **IHCPs (if within a participating region)** will be able to provide BridgeCare services and receive federal payment if they choose to participate in the pilot.

» **AI/AN Medi-Cal members** may be able to receive BridgeCare services, if eligible, which helps them stay in their communities.

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

As part of the CalAIM 1115 renewal, California plans to move coverage of the following services to other Medi-Cal authorities starting January 1, 2027.

Initiative	Request	Tribal Impact
Community-Based Adult Services (CBAS)	» CBAS is an outpatient, facility-based program that provides services and supports for older adults and adults with disabilities to restore or maintain their optimal capacity for self-care and delay/prevent institutionalization. » California intends to cover this benefit under the Medicaid State Plan, which will increase access to this benefit.	» **IHCPs** will continue receiving federal payment if they provide CBAS. » **AI/AN Medi-Cal members** will continue to have access to CBAS if medically necessary.

As part of the CalAIM 1115 renewal, California plans to move coverage of the following services to other Medi-Cal authorities starting January 1, 2027.

Initiative	Request	Tribal Impact
Recuperative Care and Short-Term Post Hospitalization Housing (STPHH)	» Recuperative care is a short-term residential setting where Medi-Cal members can recover from an injury or illness while accessing primary care, behavioral health services, case management, and other supportive social services. » Through short-term post hospitalization housing, eligible Medi-Cal members receive ongoing supports to help them recover after exiting an institution. » DHCS is planning to create a model for recuperative care that incorporates the levels of care offered under both recuperative care and short-term hospitalization housing, and no longer offer short-term post hospitalization housing as a separate Community Support.	» **IHCPs** will continue receiving federal payment for recuperative care services if they provide short term residential care. » **AI/AN Medi-Cal members** will continue to have access to recuperative care services. STPHH will no longer be a separate benefit but will be included under the updated model.

Sunsetting Section 1115 CalAIM Initiatives

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

Initiative	Rationale for Not Renewing
Providing Access & Transforming Health (PATH)	PATH gave funding to help community partners build the ability to deliver Enhanced Care Management (ECM), Community Supports, and pre-release services. These services are now available across the state, and PATH has met its goals, so it does not need to be renewed.
Low-Income Pregnant Women	This initiative provides postpartum benefits to women with incomes between 109-138% of the federal poverty level. These services have been moved to the Medi-Cal State Plan, so they no longer need Section 1115 authority.
Designated State Health Programs (DSHP)	DSHP funding supported the PATH initiative. Since PATH has ended, this funding authority is no longer needed and will not be renewed.

Tribal Impact

These initiatives will be sunset and are not expected to impact **AI/AN Medi-Cal members**.

Preliminary Evaluation Plan

Preliminary Evaluation Plan

As part of the CalAIM 1115 renewal application, California included an early plan to evaluate the CalAIM demonstration and measure whether it meets its goals, as required by federal rules. These evaluation questions will be further developed as California works with CMS to create a detailed evaluation plan.

» **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 & Tribal Feedback

Waiver Renewal Timeline

California plans to submit its full 1115 waiver renewal application by the end of Quarter 2 (Q2) 2026. California is committed to working with Tribal partners and stakeholders throughout the design and implementation of the proposed demonstration.

July 2025: Release concept paper

Q1 2026: Post Draft 1115 Application for Tribal Feedback

Q2 2026: Submit 1115 Application

Q3 2026: CMS Negotiations

Q4 2026: Target 1115 Waiver Approval Date

Dec 2026: Current CalAIM Waivers* Expire

Jan 2027: New Waivers* Launch

DHCS is concurrently pursuing a five-year renewal of the CalAIM Section 1915(b) waiver.

Key Timelines for Tribal Feedback Period

Milestones	Proposed Timeline *(subject to change)*
Conduct 30-day Tribal feedback period	Tuesday, February 10 – Thursday, March 12, 2026
DHCS Tribal and Indian Health Program Representatives Meeting	Monday, February 23, 2026 (2:00 – 3:15pm)
DHCS Tribal and Designees of Indian Health Programs Quarterly Webinar on Proposed Changes to the Medi-Cal Program	Friday, February 27, 2026 (2:00 – 3:00pm)

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

Next Steps

Milestones	Proposed Timeline *(subject to change)*
Conduct 30-day State public comment period	Tuesday, February 10 – Thursday, March 12, 2026
Public Hearing 1	Wednesday, February 25, 2026 (1:55 – 2:55pm)
Public Hearing 2	Tuesday, March 3, 2026 (11:30am – 12:30pm)
Review public comments received during Tribal and public comment periods and finalize application for CMS submission	Spring 2026
Submit CalAIM 1115 Renewal Application	**Late Q2 2026**
Negotiations with CMS	Q3 2026

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

Tribal Feedback

Thank You

Calendar Year 2026 All Inclusive Rate Update

All Inclusive Rate (AIR) Update

- DHCS has updated Medi-Cal reimbursement systems to reflect the Calendar Year 2026 AIR Rate. To ensure accuracy, DHCS will automatically correct any payment differences for services provided between January 1, 2026 and the date the new rate was implemented.

- Medi-Cal Managed Care Plans (MCPs) have been notified of the rate update and relevant All Plan Letter attachments are posted section of DHCS' website now has updated rate information   MCPs are required to ensure that any payments made in 2026 at the 2025 AIR are also adjusted for Tribal health programs.

    - [Attachment 2 of APL 17-020](#) - American Indian Health Programs
    - [Attachment 1 of APL 21-008](#) - Tribal Federally Qualified Health Center Providers

Please note:

- 2026 FQHC PPS GAF is not finalized; Medi-Cal/Medicare crossover rate update pending

- 2025 dual rate methodology remains in effect until GAF values are published

- Any payment discrepancies will be reconciled by DHCS

Request for Application Update

IHP Grant Program Overview

- The IHP grant program focuses on improving the health of American Indians by addressing primary care recruitment and retention in Indian health clinics.

- This RFA provides funding to support the recruitment and retention of primary care providers in Indian health clinics with the goals of:

  1. Eliminating health disparities by ensuring American Indian have access to quality health care.

  2. Supporting the equitable delivery of health care in Indian health clinics by expanding care delivery capacity, focusing on care that is delivered in a culturally appropriate manner, and strengthening Indian health safety net clinic programs.

IHP Grant Program – RFA for New Applicants

- OTA released the RFA for fiscal year 2026-2027 for new grantees only on February 11th. Eligible applicants were those that submitted an approved Letter of Intent.

- OTA hosted an informational webinar for those new applicants on February 18th.

- A maximum amount of $150,000 for each new applicant is available to fund the awards resulting from this RFA. Award amounts will be determined annually via an allocation formula in subsequent years.

- Applications are due March 11th and award notices will be released on March 25th.

- The grant period will be from July 1, 2026 – June 30, 2027. Funding is subject to state annual appropriation.

IHP Grant Program- Existing Grantees

- Existing grantees will be required to submit an Information Update to ensure continued participation in the IHP Grant Program. Fiscal Year 2026-2027 award notices will be issued by May 2026, subject to state annual appropriation.

- The Information Update includes:
  - Annual progress report,
  - Data verification (GPRA Measures) report,
  - Self-attestation data form,
  - Indirect cost rates,
  - Updated Authorization to Bind form

Future Meetings

DHCS Tribal Engagement – Building Strong Partnerships

- DHCS is committed to meaningful collaboration with Tribal communities.
- The Department believes in building trust through transparency and respect that is rooted in partnership and in recognition of Tribal sovereignty
- Collaborate with Tribal leaders and health directors
- In-person engagement fosters trust, transparency, and mutual understanding.
- Strengthening relationships ensures better health outcomes for Tribal populations.

Our Approach – Planning Ahead

- DHCS requests agenda items well in advance to ensure productive discussions.

- Early input allows us to address priorities and allocate time effectively.

- Collaboration starts before the meeting—your voice shapes the conversation because it allows for:
  - Elevated Tribal voices in state health policy
  - Improved access to culturally responsive care
  - Strengthened Tribal-state partnerships

Upcoming August Meeting

- August Tribal Engagement Meeting will be in-person only.

- Location details and logistics will be shared in early Summer

- Your participation is essential—let's continue building strong connections face-to-face.

August Preview: AIAN Experience & Data in Medi-Cal

At the August meeting, DHCS will provide updates on AIAN experience in Medi-Cal including:

- Member experience & utilization: frequency of visits per member; patterns across primary care, specialty, and behavioral health.

- 100% FMAP: focus on amounts claimed—how much is claimed by IHS/MOA and Tribal FQHC providers

- AIAN enrollment: current snapshot and trend highlights.

- Preparation request: please submit data questions and agenda items ahead of time.

Items for Next Meeting/Final Comments

Thank You for Participating In Today's Webinar

DHCS