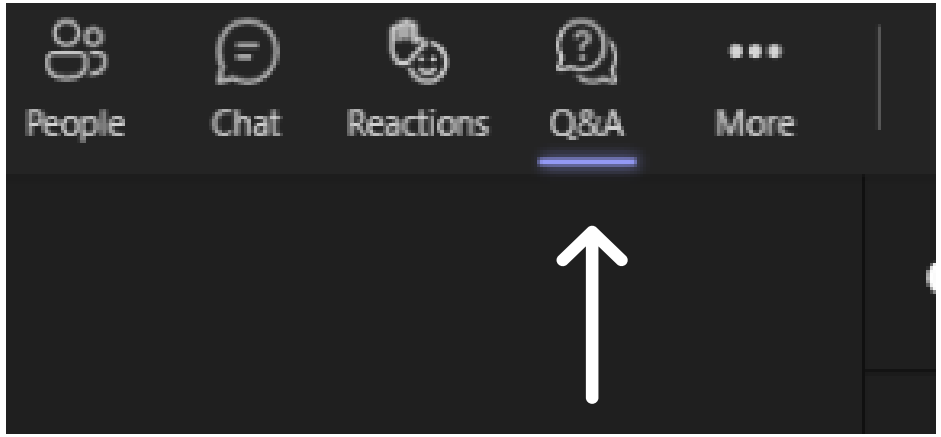
The Fierce Urgency for Community Partnerships

The imperative of strengthening and aligning local community planning, engagement and investment

October 30, 2025

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Submitting Questions



- Please use the Q&A feature located at the top of your screen to submit your questions.
- We will answer select questions through the Q&A function and again live during the Q&A portion at the end.
- Please submit your questions as early as possible to ensure we have time to address them.

Agenda

- **Opening Remarks—The Fierce Urgency for Community Partnerships**, *Michelle Baass, Director of the Department of Health Care Services (DHCS)*
- **The Medi-Cal Transformation Journey and the Three Pillars of Community Centered Transformation**, *Palav Babaria, Chief Quality & Medical Director and Deputy Director of Quality and Population Health Management*
- **Community-Anchored Accountability**, *Palav Babaria, Susan Philip, DHCS Deputy Director of Health Care Delivery System, and Paula Wilhelm, DHCS Deputy Director of Behavioral Health*
- **Community Planning**, *Palav Babaria and Trudy Raymundo, CDPH Office of Policy & Planning*
- **Community Reinvestment**, *Rafael Davtian, DHCS Deputy Director of Health Care Delivery Systems,*
- **Closing Remarks—Future Developments: Waiver Renewal**, *Tyler Sadwith, Chief Deputy Director and State Medicaid Director*

Introduction

The Fierce Urgency for Community Partnerships

The recent enactment of HR1, along with other federal actions, makes sweeping changes to Medi-Cal and the health care safety net. HR1 underscores the need for strong community partnerships to mitigate harm, optimize resources, foster innovative solutions and improve health outcomes.

Impacts of Recent Federal Actions:

Dramatic increase in the number of uninsured. Millions of Californians, as result, will lose access to health care coverage (up to 3.4 million Medi-Cal members) and other social supports.

Weakened health infrastructure (e.g., hospital closures in rural and underserved areas) leading to overcrowded emergency departments and longer wait times.

Growing health disparities, leading to delays in diagnosis and treatment and preventable illness and death.

Potential increase in institutionalization of individuals with behavioral health and housing needs due to recent executive orders.

Potential impacts to the health care and caregiving workforce, as the result of changes to immigration policy.

DHCS Vision and Journey

DHCS Vision:
A more coordinated, person-centered, and equitable health system that works for all Californians

- DHCS is continuing to transform the health care delivery system in the face of these recent federal actions.
- Since 2022, DHCS has implemented a series of broad transformation initiatives across managed care and behavioral health to achieve its vision.
  - See next slide.

The Transformation Journey

2022 | 2023 | 2024 | 2025 | 2026

Transitioning Additional FFS Populations to Managed Care (Starting 2022→)
As of today, most Medi-Cal population (~96%) enrolled in MCPs

New Managed Care Contract (Jan 2024- Dec 2026)

CalAIM Initiatives (Launched 2022; Renewal 2025)

DHCS Comprehensive Quality Strategy (Published 2022; Revised 2025)

Health Equity Roadmap Initiative (2023 →)

BH-CONNECT (Jan 2025- Dec 2029)

Behavioral Health Transformation (2025 →)

Recent Federal Actions (2025 →)

Community Engagement and Transformation

Health care delivery is only one component to improving health. Partnership with other sectors and the community is key to Medi-Cal transformation.

Improving Specific Health Outcomes

DHCS has identified ambitious statewide goals with specific outcomes to improve within set timeframes starting now. Community engagement is critical to these goals and outcomes ***by promoting:***

- Deeper Collective Understanding of Upstream Factors
- Addressing Health & Social Needs Across the Care Continuum
- Increased Accountability, Trust, and Transparency

Fostering Transformational Relationships

Beyond improving specific outcomes, community engagement fosters long-lasting partnerships that support a long-term vision for better health and wellbeing for Californians ***by promoting:***

- Community Voice & Agency
- Stronger Social Cohesion
- Sustained Impact
- Greater Community Resilience

Three Pillars of Community-Centered Transformation

Community-Anchored Accountability

Initiatives that lay the foundation for improved accountability, member involvement and transparency

Community Planning

Aligned community planning efforts across public health, managed care, and behavioral health

Community Investment

Efforts to strengthen community investments with community planning

Pillar 1: Community-Anchored Accountability Mechanisms

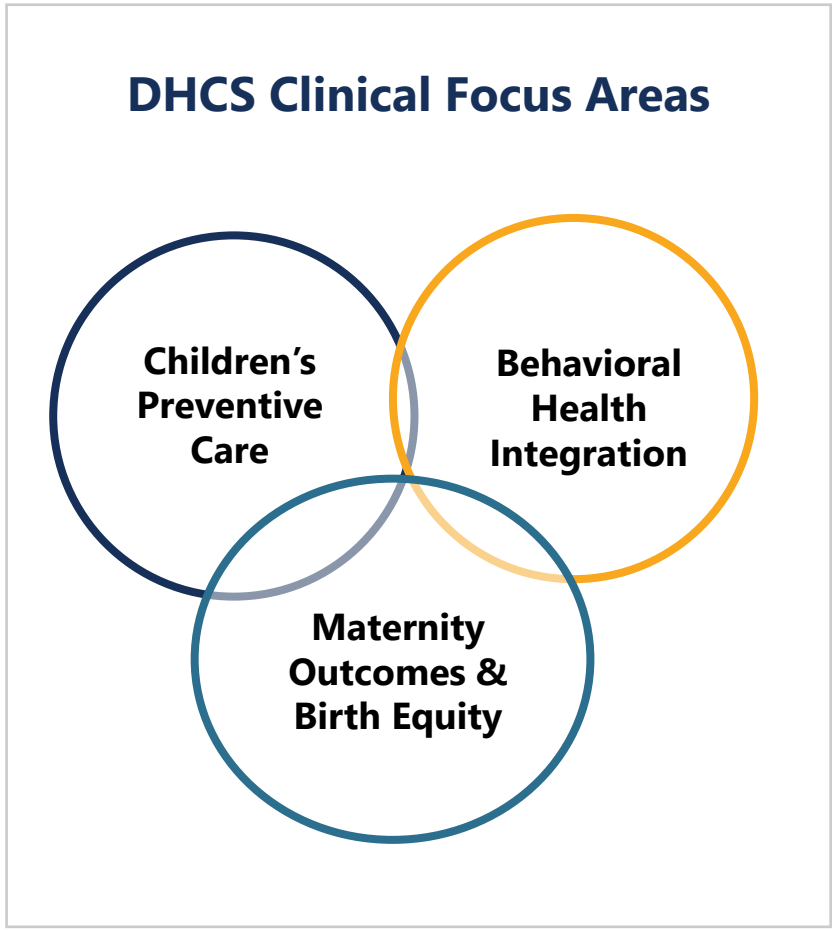
Medi-Cal Community-Anchored Accountability Mechanisms

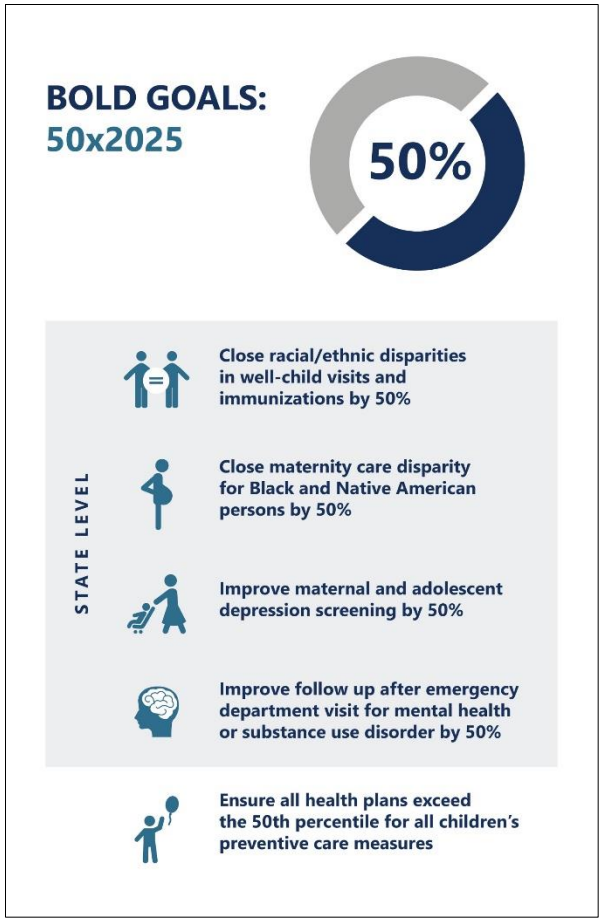
Focus: Medi-Cal Managed Care Plans (MCP) & DHCS

Greater Accountability to Improve Population Health

As part of Medi-Cal transformation, DHCS is holding managed care delivery systems accountable to improving population health.

The 2022 and 2025 Comprehensive Quality Strategy (CQS) identified three areas of clinical focus and launched the Bold Goals 50 X 2025 initiative to further advance these priorities. These are expected to continue into 2025.





Community-Anchored Accountability Mechanisms

Over the past three years, significant progress has been made towards the Bold Goals and in the clinical focus areas, but the work is not complete.

Partnerships with other sectors and the community have been and will continue to be key to improving population health.

DHCS has established mechanisms to actively collaborate with and be held responsible by community members to improve population health.

» The next slides describe community-anchored accountability mechanisms focused on MCPs and DHCS

- 2024 MCP Contract Provisions
- Forums for community involvement
- Public dashboards and reports

2024 MCP Contract Provisions

- The 2024 MCP contract is the primary vehicle by which DHCS ensures quality, transparency, and accountability and establishes key provisions to strengthen their relationships with the communities they serve.
- The following contract provisions strengthen community-anchored accountability:
  - Memoranda of Understanding (MOU)
  - Community Advisory Committees (CAC)
  - Local Health Jurisdiction Community Health Assessment (CHA)/ Community Health Improvement Plan (CHIP) Alignment
  - Community Reinvestment
- By strengthening relationships with communities, these provisions create new avenues for communities to advocate for transparency and meaningful change.

MCP Contract Provision Deeper Dive: MOUs

1. MOUs
2. CAC
3. LHJ CHA/CHIP Alignment
4. Community Reinvestment

MCPs must build partnerships through MOUs (starting 2024) with third-party entities, including community-based local health departments, county behavioral health departments, and county child welfare departments.

- These MOUs support *whole-person care* for members by:
  - Clarifying respective entities' roles and responsibilities.
  - Facilitating care coordination and access to community-based resources; and
  - Promoting data sharing.
- To date, DHCS developed and published **ten** new MOU templates to facilitate relationships between and among MCPs and their partners.
- Since January 2024, MCPs have submitted over 300 executed MOUs to DHCS. MCPs continue to submit executed MOUs on a rolling basis as they are negotiated and executed.
- For more details, see APL 23-029.

MCP Contract Provision Deeper Dive: CAC

1. MOUs
2. CAC
3. LHJ CHA/CHIP Alignment
4. Community Reinvestment

MCPs must maintain a CAC per the 2024 MCP contract

The CAC must be representative of Medi-Cal members from the communities they serve and:

- Actively engage members in the care they receive through their MCPs.
- Inform the development and implementation of the MCP's Culturally and Linguistically Appropriate Services program.
- Empower members to make recommendations to the MCPs on:
  - Quality of care;
  - Reinvestment plans;
  - Community health assessments; and
  - Other key areas that directly affect members' access and care experience.
- For more details, see APL 25-009.

MCP Contract Provision
Deeper Dive: LHJ CHA/CHIP Alignment

1. MOUs
2. CAC
3. LHJ CHA/CHIP Alignment
4. Community Reinvestment

MCPs must meaningfully participate in LHJ Community Health Assessment (CHA)/Community Health Improvement Plans (CHIP) (starting in 2024)

- Meaningful participation means:
  - Participating on local CHA/CHIP governance structures (at the request of the LHJ);
  - Sharing relevant data; and
  - Contributing funding and/or in-kind staffing.

More details provided later in this presentation (Pillar 2).
See also APL 23-021.

MCP Contract Provision
Deeper Dive: Community Reinvestment

1. MOUs
2. CAC
3. LHJ CHA/CHIP Alignment
4. Community Reinvestment

MCPs must reinvest a minimum percentage of annual net income to the communities they serve (starting 2026)

- MCPs that do not meet specified quality thresholds are required to make additional investments that are focused on:
  - Addressing social drivers of health
  - Supporting DHCS priorities for whole-person care

More details provided later in this presentation (Pillar 3) and APL 25-004.

Community Involvement in DHCS Initiatives

Since 2022, DHCS has launched multiple venues by which it engages with, listens to, and centers member voices in its quality and health equity work. These include, but are not limited to:

- Health Equity Roadmap
- Medi-Cal Member Advisory Group
- Birthing Care Pathway

- Virtual Member Feedback Forums
- Coverage Ambassadors
- Ethnic Media Campaign
- Voices and Vision Council

Increased Public Transparency

Since 2021, DHCS, with key partners, has been steadily improving the amount and timeliness of publicly available data across key Medi-Cal Transformation initiatives to support improved transparency and accountability and enable local implementers to use data for action.

Public dashboards include but are not limited to:

- Medi-Cal Transformation Dashboards
- The Managed Care Performance Dashboard
- The Population Health Management Dashboard
- Pediatric Dashboards
- Medi-Cal Enrollment Trends
- Behavioral Health Dashboards
- Managed Care Accountability Sets and Behavioral Health Accountability Sets

Additional dashboards and further details are available on DHCS' Dashboard Initiative Website.

BHSA Community-Anchored Accountability Mechanisms

Focus: MCPs and County Behavioral Health

Greater Accountability Across Delivery Systems to Improve Behavioral Health

BHSA establishes 14 statewide behavioral health goals that both MCPs and county behavioral health are held accountable to:

Goals for Improvement

1. Care Experience
2. Access to Care
3. Engagement in School
4. Engagement in Work
5. Prevention and Treatment of Co-Occurring Physical Health Conditions
6. Quality of Life
7. Social Connection

Goals for Reduction

1. Suicides
2. Overdoses
3. Untreated Behavioral Health Conditions
4. Institutionalization
5. Homelessness
6. Justice-Involvement
7. Removal of Children from Home

These goals were identified alongside community stakeholders.

County Behavioral Health and MCP Accountability

Statewide population behavioral health goals and measures are embedded into **key deliverables** reporting on how county behavioral health and MCPs plan, act, measure progress and allocate resources to better meet community behavioral health needs.

Reporting Requirements	County Behavioral Health*	MCPs**
Must describe impact of statewide population behavioral health goals on:	» Aligning services and funding across the behavioral health continuum » Informing their population behavioral health approach and implementation of targeted interventions	» Addressing Member needs across delivery systems » Coordinating with County Behavioral Health and LHJs on shared priorities » Aligning reinvestment activities
	** Integrated Plan (IP); Annual Update (AU); Behavioral Health Outcomes Accountability and Transparency Report (BHOATR)*	*** Annual Population Health Management (PHM) Strategy Deliverable and Community Reinvestment Plans*

Goals to Action

DHCS is taking a two-phased approach from translating the goals into measures and targeted interventions to improve behavioral health.

PHASE 1

Measures Related to BH Goals: Publicly available measures that:

- Focus on population-level behavioral health measurement
- Inform system planning & resource allocation
- Promote transparency

Targeted Interventions: Identified interventions through collaborative planning with stakeholders.

PHASE 2

Measures Related to BH Goals: Measures calculated by DHCS based on individual-level data that:

- Focus on performance measurement
- Emphasize accountability
- Inform system planning & resource allocation
- Promote transparency

Targeted Interventions: Identify tailored interventions through quality improvement processes to drive stakeholder progress on statewide goals and better meet community needs.

Shifting towards increased accountability

Shared Responsibility & Need for Strong Community Partnerships

Achieving statewide population behavioral health goals requires collaboration across every part of the delivery system and with community stakeholders to provide care across the continuum.

Inclusive of the following community partners:

- LHJs
- Schools
- Child Welfare
- Legal system
- Commercial insurance plans
- Community-Based Organizations
- Housing Partners
- Individuals with lived experience

Pillar 2: Community Planning

Historical Context

County Behavioral Health, LHJs, and MCPs historically have conducted separate and distinct community planning processes.

County Behavioral Health

Mental Health Services Act (MHSA)

Three Year Program and Expenditure Plans

Community Program Planning

LHJ

Community Health Assessment(CHA/ Community Health Improvement Process (CHIP)

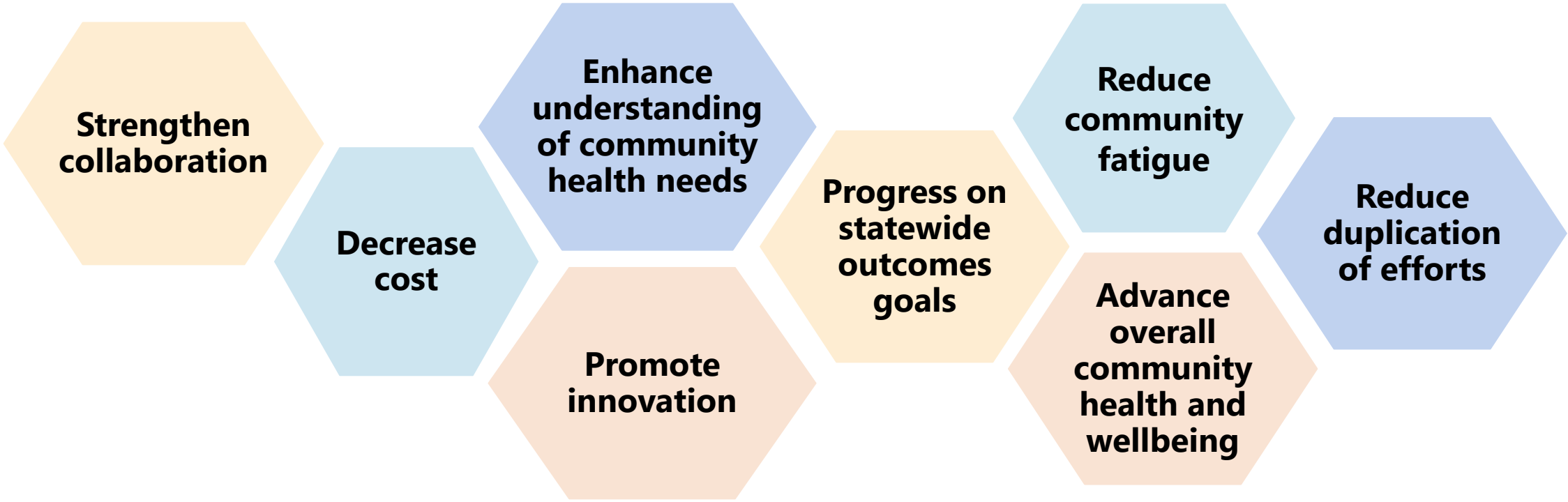
MCP

Population Needs Assessment (PNA)

The Need for Aligned Community Planning

Aligning County Behavioral Health, MCP, and LHJ community planning processes brings together community voices to collectively identify goals and mobilize local action on targeted interventions. This is foundational to achieving statewide behavioral health goals and improving the overall health and wellbeing of California communities.

Aligned community planning provides an opportunity to:



The Cellphone Test

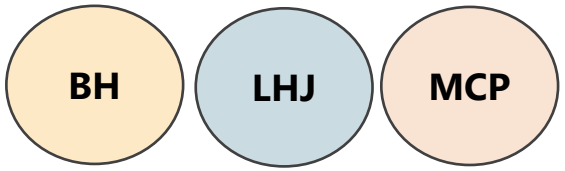
How connected are you with your collaboration partners in other sectors?

A. We text or call each other directly
B. We only communicate through formal meetings or email
C. We are still identifying points of contact
D. Not currently collaborating

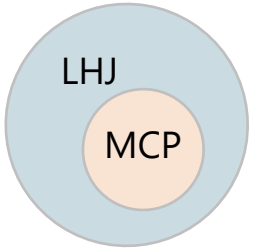
Overview: Policies to Align Community Planning

To support BHT and population health efforts, DHCS and CDPH are implementing a cohesive set of policies to align community planning processes among County Behavioral Health, LHJs and MCPs.
These policies are being implemented over time in three phases.

Historical Context:
Separate & Uncoordinated Processes

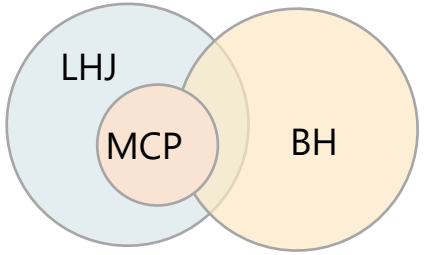


Phase 1:
MCP & LHJ Alignment



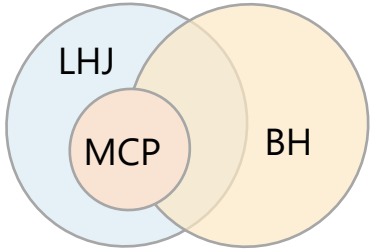
Started Jan 1, 2024

Phase 2:
County Behavioral Health, MCP & LHJ Alignment



Started Jan 1, 2025

Phase 3:
Future Alignment
(Synced Timelines)



Starting 2026

Alignment Over Time

The next slides walk through each of these phases.

LHJs: The Backbone for Aligned Community Planning Processes

CHAs/CHIPs are ideal forums to:

- Drive towards shared goals of improving overall health and wellbeing in the community
- Advance statewide population behavioral health goals
- Support other stakeholder initiatives

- **Community-driven** with focus on the community-at large, and not on any one stakeholder group
- Rely upon **inclusive governance structure and diverse participation** from numerous stakeholders beyond the public health sector
- Use of **robust and methodological stakeholder engagement**
- Use of **comprehensive broad-based data**, including primary and secondary sources
- Focus on **upstream interventions** addressing the root of most health outcomes.

Phase 1: MCP & LHJ Alignment

Background

2024

CDPH MEMO

Alignment of MCP PNA and LHJ CHAs/CHIPs

2023

LAUNCH OF THE PHM PROGRAM

2024

RE-IMAGINED PNA

Previous PNA

- Deliverable to DHCS
- Solely focused on Medi-Cal members

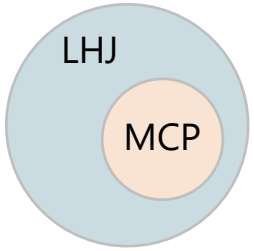
New PNA

- **Key Feature**: Alignment with LHJ CHA CHIP process, which allows for:
  - Expanding focus to upstream factors
  - Strengthening community partnerships
  - Leveraging diverse data sources

Next slide provides more details.

Phase 1: MCP and LHJ Alignment

Key Features



Streamlining Two Processes into One

- Rather than completing their own separate community planning and assessment process, MCPs must meaningfully participate in terms of collaboration, data-sharing, stakeholder engagement and resources

NO PNA Deliverable

- Due to DHCS

- Must report to DHCS on CHA/CHIP participation and other PHM updates, including community reinvestment and statewide BH goal progress

Phase 2: County Behavioral Health, MCP and LHJ Alignment
Background

- **MHSA**: Required 3-year **Expenditure Plan** that is solely focused on MHSA dollars
- **BHSA**: Requires 3-year **Integrated Plan** that includes prospective global budget of all county behavioral health funds and services

Community Planning Process (MHSA vs. BHSA)

Compared to MHSA community planning, the BHSA IP community planning process requires:

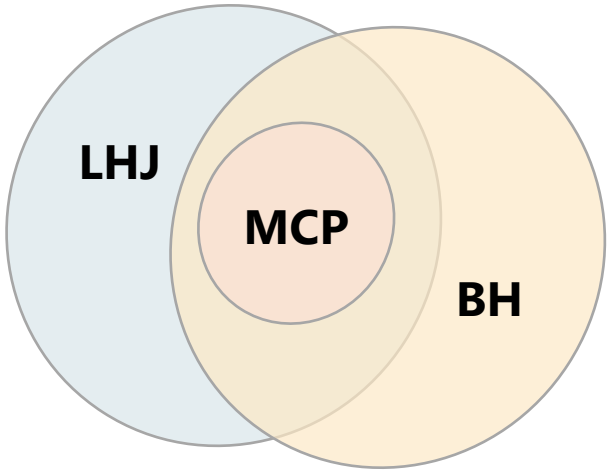
Greater stakeholder engagement including SUD stakeholders (> 20 stakeholders).

Alignment with LHJ CHA/CHIP processes– referred to as the local planning requirement (not required by MHSA). *See next slides for more details.*

Data on statewide measures, including statewide behavioral health goals (MHSA did not require reporting of statewide measures).

Phase 2: County Behavioral Health, MCP and LHJ Alignment

Key Features



- **Shared Stakeholders:** Given the overlap among stakeholders between IP and CHA/CHIP processes, County Behavioral Health must identify stakeholders who participate in both CHA/CHIP and IP processes.
- **Streamlined Engagement**: County Behavioral Health are required to conduct stakeholder activities (e.g., surveys, focus groups, town halls) that many LHJs already conduct and must coordinate wherever possible.
- **Streamlined Data Collection & Analysis:** County Behavioral Health are required to share relevant data to support CHA/CHIP BH priorities and use relevant CHA/CHIP data to inform IP.

Current MCP and County Behavioral Health Responsibilities

Phase 1 and Phase 2 policies establish similar requirements for MCPs and County Behavioral to engage on LHJ CHA/CHIPs.

County Behavioral Health and MCPs must:

Attend key **meetings** and serve on CHA/CHIP **governance** structures, as requested by LHJs. Coordinate **stakeholder engagement** activities to the extent possible.

Share relevant **data** to support CHA/CHIPs. Use relevant data to support their respective strategy and plans (County Behavioral Health: IP; MCP: PHM Strategy Deliverable).

Report on their progress towards statewide population BH goals and their participation in LHJ CHAs/CHIPs as part of DHCS **deliverables.**

Since January 2025, MCPs **must** contribute **funding and/or in-kind staffing** to support CHA/CHIP processes. Counties ***may*** use a portion of local Behavioral Health Service Funding (BHSF) towards IP stakeholder engagement activities that overlap with CHA/CHIPs.

MCP requirements took effect Jan 1, 2024.
County Behavioral Health local planning requirements took effect Jan 1, 2025.

Phase 3: Synced Timelines

Future alignment will be further supported by syncing community planning timelines along with community reinvestment timelines.

JUNE 2026
- 1st County Integrated Plan Due

DEC 2028
- LHJ Community Health Assessment due *(aligned statewide timelines)*

JUNE 2029
- 2nd County Integrated Plan Due
- LHJ Community Health Improvement Plan due *(aligned statewide timelines)*

Q3 2026
- 1st Initial MCP Community Reinvestment Plan due *(Initial plan of the 1st 3-year investment period)*

Q3 2029
- 2nd Initial MCP Community Reinvestment Plan due *(Initial plan of the 2nd , 3 -year investment period)*

Currently, CHA/CHIPs are on different cycles; either being completed every three or five years. In 2028, CHA/CHIP development cycles will become standardized across California and synced with the County Behavioral Health IP submission processes and MCP Community Reinvestment planning.

Coming Soon:
BHSA Local Planning Collaboration Toolkit

- **DHCS will be releasing a toolkit for county behavioral health to support their meeting local planning requirements.**
- The toolkit will include resources, including recommended strategies, checklists, and promising best practices.
- County behavioral health may use the toolkit to:
  - Strengthen understanding of local planning requirements;
  - Evaluate gaps and strengths in current engagement processes;
  - Establish communication protocols with LHJs and ways to contribute to their CHA/CHIP; and
  - Streamline stakeholder engagement and data-sharing around shared priorities.
- Although intended for county behavioral health, it also may be a useful resource for LHJs and MCPs.

Pillar 3: Community Reinvestment

Community Reinvestment Overview

Foundational Requirement

MCPs must invest a portion* of their net income in the local communities they serve that is focused on:

- Addressing social determinants of health
- Supporting DHCS priorities for whole-person care

**MCP Reinvestment= Specified percentage of net income based on revenues and performance on quality measures in those communities*

See APL 25-004

2025

- **CY 2025: Start Community Reinvestment planning**

2026

- **Q3 2026: Submit initial Community Reinvestment Plan for three-year investment period**
  - *This begins the recurring Community Reinvestment Plan submission cycle that involves submission of an initial Plan with subsequent Plans submitted in each of the remaining two years*
- **By the end of 2026: Initiate Community Reinvestment activities**

Permissible Community Reinvestment Use Categories

Community Reinvestment funds must be allocated toward **5 defined** categories tailored to the specific needs of their communities.

Cultivating Neighborhoods & Built Environment
(e.g., improving public spaces, investing in housing)

Cultivating a Health Care Workforce
(e.g., programs to expand the pipeline for student training for high-demand healthcare jobs)

Cultivating Well-Being for Priority Populations
(e.g., tailored support for foster children & youth, justice-involved, maternal/child populations, etc.)

Cultivating Improved Health Outcomes
(e.g., initiatives to address immediate and long-term health needs by targeting improvements in upstream root causes of poor health)

Cultivating Local Communities
(e.g., education initiatives, employment & training programs, financial security and wealth creation opportunities)

Guiding Principles for Community Reinvestment Program

Engage with the Community

Ensure investments are informed by communities and members residing therein

Promote Health Outcomes & Equity

Ensure investments focus on upstream factors (e.g., housing instability, food insecurity, poverty) as a way to reduce disparities and/or improve health outcomes

Target Non-Contract Activities

Ensure investments are directed towards activities not covered by Medi-Cal

Deeper Dive: Community Engagement

MCPs and Qualifying Subcontractors have certain required and encouraged responsibilities to ensure that investments are informed by their members and the communities in which they live.

Required

- Engage **with MCP CACs** on investment activities and strategy
- Invest in community needs identified in the **LHJ CHA**
- Submit **attestations from Local Public Health and Behavioral Health Directors**

Encouraged

- Invest in activities identified in **LHJs' CHIPs**
- Address needs identified in the **BHT planning process**
- Solicit input from **other interested community stakeholders** beyond CACs and LHJs

Deeper Dive: Promote Health Outcomes & Health Equity

MCPs and Qualifying Subcontractors have certain required and encouraged responsibilities to ensure that investments are focused on promoting health outcomes and health equity.

Required

- **Address health disparities and/or promote improved health outcomes** through investments primarily focused on upstream causes of poor health (e.g., housing instability, food insecurity)
- **Engage their Chief Health Equity Officer** in the Community Reinvestment planning process

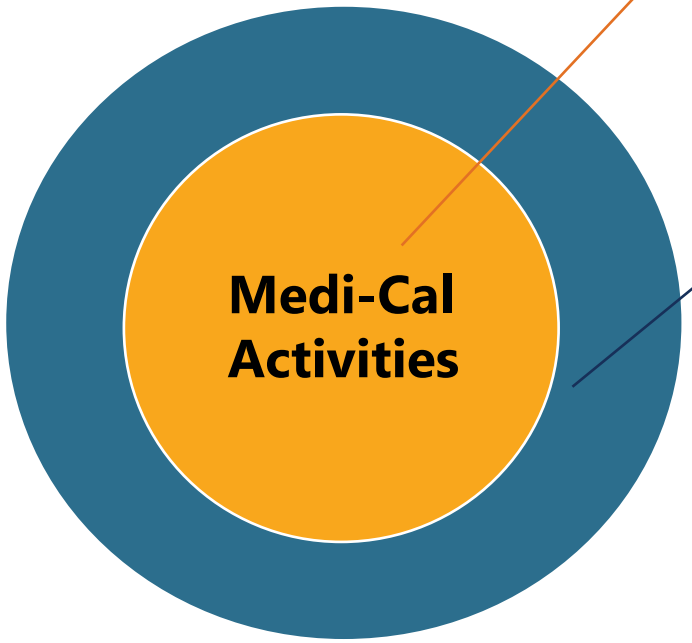
Encouraged

- Consider **whole-person care** approaches and **SDOH principles**
- Invest in **complementary activities**
- Build upon **existing community initiatives and networks** to maximize impact

Deeper Dive: Non-Contract Activities

MCPs and Qualifying Subcontractors must ensure that investments are not allocated towards activities in the MCP contract or services carved out of the MCP contract but covered under Medi-Cal.

Community Reinvestment for the first time offers an opportunity to fund activities that would otherwise have no funding stream from Medi-Cal and its MCPs.

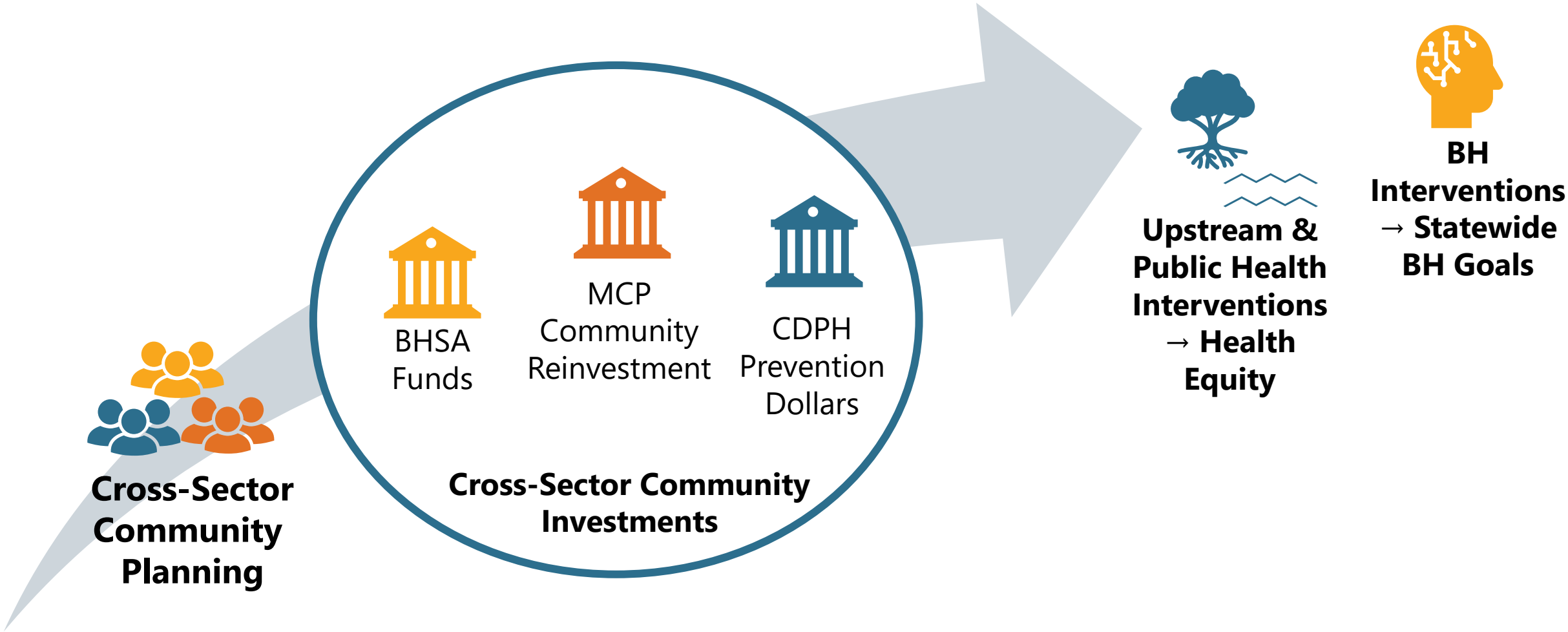


X **Activities covered by Medi-Cal:** Prohibited use of reinvestment funds *(these activities already have funding source)*

✓ **Activities outside of Medi-Cal**: Allowable use of reinvestment funds so long as it falls in one of the permissible use categories.

Moving Towards Further Alignment (1 of 2)

DHCS, working with CDPH, seeks to further align MCP community investment timelines and activities with county behavioral health, and public health community planning to advance health equity and statewide population behavioral health goals.



Moving Towards Further Alignment

Specific community investment initiatives are informed by local planning and support behavioral health and public health interventions and goals:

Community Investment	Behavioral Health Link	Public Health Link
MCP Community Reinvestment	» *Strongly encouraged* to be directed to activities identified in the BHSA Integrated Plan » **Requires** BH Director attestation	» **Must** be informed by CHA » *Strongly encouraged* to be directed to CHIP activities » **Requires** Public Health Director attestation
BHSA Funds	» **Must** demonstrate alignment with statewide BH Goals	» **Must** be informed by CHA and CHIP
CDPH Prevention Dollars	» To be invested in behavioral health strategies aligned with **statewide population BH goals and IP timelines** *(strategies to be implemented 2026-2029)*	

Future Developments: Waiver Renewal

Continuing Medi-Cal's Transformation: Guiding Principles and Goals

DHCS is in the beginning of its waiver renewal process.

Working with our communities and partners is essential to meeting these principles and goals to continue the core commitments of CalAIM.

For more details, see *Continuing the Transformation of Medi-Cal: Concept Paper*

Waiver Renewal Timeline

The below outlines DHCS waiver renewal timeline, including drafting a concept paper and drafting/submitting California's next 1115 and 1915(b) waivers.