Stakeholder Advisory Committee & Behavioral Health Stakeholder Advisory Committee Meeting

Wednesday, May 21, 2025 - 9:30 a.m. to 3 p.m. PDT

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

Hybrid Meeting Tips

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

» Please mute your line when not speaking.

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

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

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

Welcome and Roll Call

Michelle Baass, Director

Welcome and Thank You

- Four New Members:
  - Faith Colburn, The Children's Partnership
  - Adam Dorsey, California Hospital Association
  - Leticia Galyean, Seneca Family of Agencies
  - Carlos Marquez III, County Welfare Directors Association
- Two Departing Members:
  - Brenda Grealish, California Department of Corrections and Rehabilitations
  - Chris Stoner-Mertz, California Alliance of Child and Family Services

Director’s Update

Michelle Baass, Director

May Budget Revision

May Revision Highlights

- The May Revision includes $193.4 billion total funds ($42.8 billion General Fund).
- Managed Care Organization Tax / Proposition 35
  - The May Revision includes $9 billion in 2024-25 and $4.2 billion in 2025-26 to support the Medi-Cal program.
  - Includes $1.6 billion in Prop. 35 across 2025-26 and 2026-27 to support increases in managed care base rates relative to calendar year 2024 for primary care, specialty care, ground emergency medical transportation, and hospital outpatient procedures.
- CalHOPE Warm Line
  - Funding of $5 million in Behavioral Health Services Fund to support the continuation of CalHOPE warm line.
- Adverse Childhood Experiences
  - Funding of $2.9 million total funds included in 2025-26.

May Revision Highlights (Cont'd)

- The May Revision includes General Fund solutions to achieve a balanced budget, including:
  - Enrollment Freeze for Full-Scope (State-Only) Medi-Cal Expansion, Adults 19 and Older (1/26)
  - (State-Only) Medi-Cal Premiums, Adults 19 and Older with Unsatisfactory Immigration Status (UIS) (1/27)
  - Elimination of (State-Only) Prospective Payment System Rates to Federally Qualified Health Centers and Rural Health Clinics for Individuals with UIS (1/26)
  - Elimination of (State-Only) Long-Term Care for Individuals with Unsatisfactory Immigration Status (1/26)
  - Elimination of (State-Only) Dental Benefits, Adults 19 and Older with Unsatisfactory Immigration Status (7/26)
  - Reinstate the Medi-Cal Asset Tests Limit when determining eligibility (1/26)
  - Increase the minimum medical loss ratio for managed care plans commencing (1/26)

May Revision Highlights (Cont'd)

- The Budget also included several General Fund solutions related to Pharmacy benefits such as:
  - Implement rebate aggregator for state rebates for UIS population.
  - Implement utilization management and prior authorization processes.
  - Eliminate the continuing care status for pharmacy benefits.
  - Eliminate GLP-1 coverage for weight loss.
  - Implement step therapy protocols to promote utilization management and control prescription drug costs.

Community Supports: Update on Cost-Effectiveness Analysis

Overview of Community Supports

- Community Supports are services provided by Medi-Cal managed care plans (MCP) to **address Medi-Cal members' health-related social needs, help them live healthier lives, and avoid higher, costlier levels of care.**
- In December 2021, CMS approved California's requests to implement 14 Community Supports.
  - 12 are approved as in **lieu of services (ILOS) under 1915b managed care authority.**
  - 2 are authorized under **Section 1115 demonstration authority.**
- In December 2024, DHCS received 1115 demonstration authority to implement a new Community Support, Transitional Rent, which will go live as an optional benefit starting July 2025 and as a mandatory benefit for certain populations starting in 2026.
- Community Supports are services or settings provided to Medi-Cal members as a **substitute for a covered service or setting under the State Plan,** or when the service can be **expected to reduce or prevent the future need** to utilize the covered service or setting under the State Plan.
- As required by CMS, an independent evaluator, UCLA/RAND, is conducting a rigorous **independent evaluation** of ILOS by 2028 that will examine their cost-effectiveness and other health impacts using comprehensive data. **DHCS' early analysis of cost-effectiveness shows promising findings.**

Cost-Effectiveness of Community Supports

California's initial analysis shows that 12 Community Supports reviewed in this report demonstrably are, or will likely be, cost-effective over time if current trends continue.

Community Supports, or In Lieu of Services (ILOS), Annual Report

- **DHCS evaluated the cost effectiveness of Community Supports** based on data from July 2022 to June 2024. **These early data already show promising results**.
- **9 out of the 12 are already demonstrating cost-effectiveness.**
  - Housing Transition Navigation Services
  - Housing Deposits
  - Respite Care
  - Day Habilitation Programs
  - Nursing Facility Transition/Diversion to Assisted Living Facilities or Residential Care Facilities for the Elderly
  - Community Transition Services/Nursing Facility Transition to a Home
  - Personal Care and Homemaker Services
  - Environmental Accessibility Adaptations
  - Sobering Centers
- **3 of the remaining services show utilization and cost reductions** in Medicaid-covered services, such as emergency room or long-term care, and are **expected to be cost-effective over time:**
  - Housing Tenancy and Sustaining Services
  - Medically Tailored Meals/Medically Supportive Food
  - Asthma Remediation

Early Cost-Effectiveness Results: Select Findings

DHCS' initial review of Community Supports focused on data from July 2022 to June 2024, and **already shows promising results related to cost-effectiveness.**

Community Supports	Net Impact on Applicable Medicaid Costs
Housing Deposits	**-31.6%** across inpatient, outpatient, emergency room, long-term care, and outpatient mental health services costs.
Respite Care	**-61.3%** across inpatient-and long-term care services costs.
Personal Care/Homemaker Services	**-58.4%** across inpatient and long-term care services costs.
Day Habilitation Programs	**-17.1%** across inpatient, outpatient, emergency room, long-term care, and outpatient mental health services costs
Environmental Accessibility Adaptations (Home Modifications)	**-14.5%** across inpatient, emergency room, and long-term care services costs.
Sobering Centers	**-11.7%** across inpatient and emergency room services costs.

CalAIM 1115 and 1915(b) Renewals

Upcoming CalAIM Renewals

- The Department's vision for, and focus on, Community Supports will continue under DHCS's active, approved waivers and managed care contracts through the Centers for Medicare and Medicaid Services.
- To prepare for renewal of these authorities and to advance initiatives aimed at improving Medi-Cal:

DHCS embarked on a **listening tour** beginning in 2024 and continued in 2025 across several counties to learn about stakeholders' experiences with implementing CalAIM, including successes and areas for improvement.

The Department continues to **solicit feedback** from members, MCPs, counties, and providers, and other stakeholders through a range of forums, including stakeholder advisory committees, listening sessions, and advisory groups.

DHCS is developing a **concept paper** that will outline its' vision and goals for the ongoing transformation of the Medi-Cal program and delivery system. The concept paper will be released for public comment later this year.

Proposition 35 Update

Managed Care Organization (MCO) Tax

- The current MCO Tax was authorized by the Legislature in **Assembly Bill (AB) 119** (2023), effective April 1, 2023, through January 1, 2026.
  - Increased taxes were imposed by **Senate Bill (SB) 136** (2024) and **AB 160** (2024) for January 1, 2024, through December 31, 2026.
- Proposition 35 provides permanent state authorization for an MCO tax modeled after AB 119.
  - DHCS is required to seek federal approval.
  - Recently proposed changes to federal regulations would significantly limit the future MCO Tax size and structure.

Proposition 35: Protect Access to Health Care Act (PAHCA)

- Allocates AB 119 MCO Tax revenue through a dedicated fund structure.
- Continuously appropriates funding to DHCS.
- DHCS developed and published a proposed spending plan for funds allocated for 2025 and 2026.
  - Builds on targeted rate increases implemented in 2024 but differs from prior MCO Tax spending plans due to Proposition 35's unique requirements.
- Each payment mechanism involves tradeoffs:
  - Economic incentives for plans and providers.
  - Timelines for implementation.
  - Need for federal approvals.

2025 & 2026 Allocation Overview

For each of 2025 and 2026, Proposition 35 allocates a fixed amount for Medi-Cal program expenditures in twelve broad domains.

Domain	$ Millions
General Support of Medi-Cal Program	$2,000
Primary Care	$691
Specialty Care	$575
Community and Outpatient Procedures	$245
Abortion and Family Planning Services	$90
Services and Supports for Primary Care	$50
Emergency Room Facilities and Physicians	$355
Designated Public Hospitals	$150
Ground Emergency Medical Transportation	$50
Behavioral Health Facility Throughputs	$300
Graduate Medical Education	$75
Medi-Cal Workforce	$75
TOTAL:	**$4,656**

Spending Plan

- **Targeted Rate Increases.** $356 million for CY 2025 and $374 million for CY 2026 to maintain base rates for primary and general care, maternal care, and non-specialty mental health services billable by primary and specialty care providers and emergency department physicians at no less than 87.5% of Medicare.
- **Managed Care Capitation Base Rate Increases.** $1.6 billion across SFY 2025-26 and 2026-27 to support increases in managed care base rates relative to CY 2024 for primary care, specialty care, ground emergency medical transportation, and hospital outpatient procedures.

Spending Plan (cont'd)

- **Targeted Supplemental Payments.**
  - Professional Services – $93 million for CY 2025 and $812 million for CY 2026 to support the non-federal share of fixed-dollar supplemental payments for primary care, specialty care, and emergency physician services.
  - Community Clinic Services – $50 million for each of CY 2025 and CY 2026 to support the non-federal share of increasing performance-based supplemental payments under the Community Clinic Directed Payment.
  - Ground Emergency Medical Transport (GEMT) Services – $23 million for each of CY 2025 and CY 2026 to support the non-federal share of fixed-dollar supplemental payments for GEMT services.
- **Hospital Directed Payments.** $405 million for each of CY 2025 and CY 2026 to support the non-federal share of a portion of increases in existing special-funded hospital SDPs relative to CY 2024.

Spending Plan (cont'd)

- **Reproductive Health.** $90 million for each of CY 2026 and CY 2026 to the Department of Health Care Access & Information (HCAI) for investments addressing emergent needs in reproductive health including midwifery practitioner loan repayments and scholarships and expansion of education capacity for nurse midwives.
- **Behavioral Health Facility Throughputs.** $300 million for each of CY 2025 and CY 2026, to improve data sharing, consent management, and care coordination, and for flexible housing subsidy pools.
- **Graduate Medical Education (GME).** $75 million for each of SFY 2025-26 and SFY 2026-27 to the University of California to expand GME programs.
- **Medi-Cal Workforce.** $75 million for each of CY 2025 and CY 2026 to HCAI to support workforce initiatives.

PAHCA Stakeholder Advisory Committee (PAHCA-SAC)

- Established under Proposition 35.
- Includes representatives from:
  - Health care providers
  - Managed care plans (MCP)
  - Organized labor
- Committee Purpose
  - Research and analyze approaches and best practices for implementing Proposition 35.
  - Provide advice and written recommendations to DHCS.

PAHCA Stakeholder Advisory Committee (PAHCA-SAC)

- Proposition 35 requires DHCS to:
  - Consult with PAHCA-SAC.
  - Obtain written input from the committee.
- PAHCA-SAC is advisory only.
  - It does not have decision-making authority.
- DHCS retains sole and final authority to:
  - Establish new payment methodologies.
  - Make changes to existing payment structures.

PAHCA-SAC: First and Second Meeting Highlights

- The PAHCA-SAC held its first meeting on April 14, 2025.
  - Linnea Koopmans, CEO of the Local Health Plans of California, was elected chairperson.
  - DHCS presented overviews of the MCO Tax, Proposition 35 requirements, and considerations for different Medi-Cal payment methodologies.
  - DHCS requested written input from committee members by April 25, 2025.
- The second meeting was held on May 19, 2025.
  - DHCS presented, and consulted the committee on, proposals for new and modified payment methodologies under Proposition 35.
  - DHCS requested written input from committee members by May 30, 2025.

Questions?

Building a Stronger Medi-Cal Through Member Engagement

Krissi Khokhobashvili, Deputy Director, Office of Communications

DHCS

Access Final Rule Update: Member and Stakeholder Engagement

CMS Access Final Rule (2024)

All states should hear directly from members and stakeholders.

- Requires formal stakeholder engagement.
- Emphasizes transparency and lived experience.

- **KEY DEADLINES**
  - Medicaid Advisory Committee (MAC) and Beneficiary Advisory Council (BAC) in place by summer 2025.
  - First annual report due in August 2026.

Calls for Two Advisory Groups

Medi-Cal Member Advisory Committee (MMAC)

- Will fulfill the requirement for a BAC.
- Member-only advisory group that will advise DHCS on Medi-Cal services, administration, and policy.
- Designed to be a supportive and trusting environment for members to share input freely and safely.
- Meetings and membership list are not public, unless members choose otherwise.

Medi-Cal Voices and Vision Council (Voices and Vision Council)

- Will fulfill the requirement for a MAC.
- New advisory group that will include Medi-Cal members and other partners.
- Will also advise DHCS on a range of Medi-Cal services, program administration, and policy.
- Membership list and at least two meetings a year must be open to the public.

MMAC

The MMAC is a forum for people with lived experience of the Medi-Cal program. MMAC members must include:

Current and/or former Medi-Cal members

—

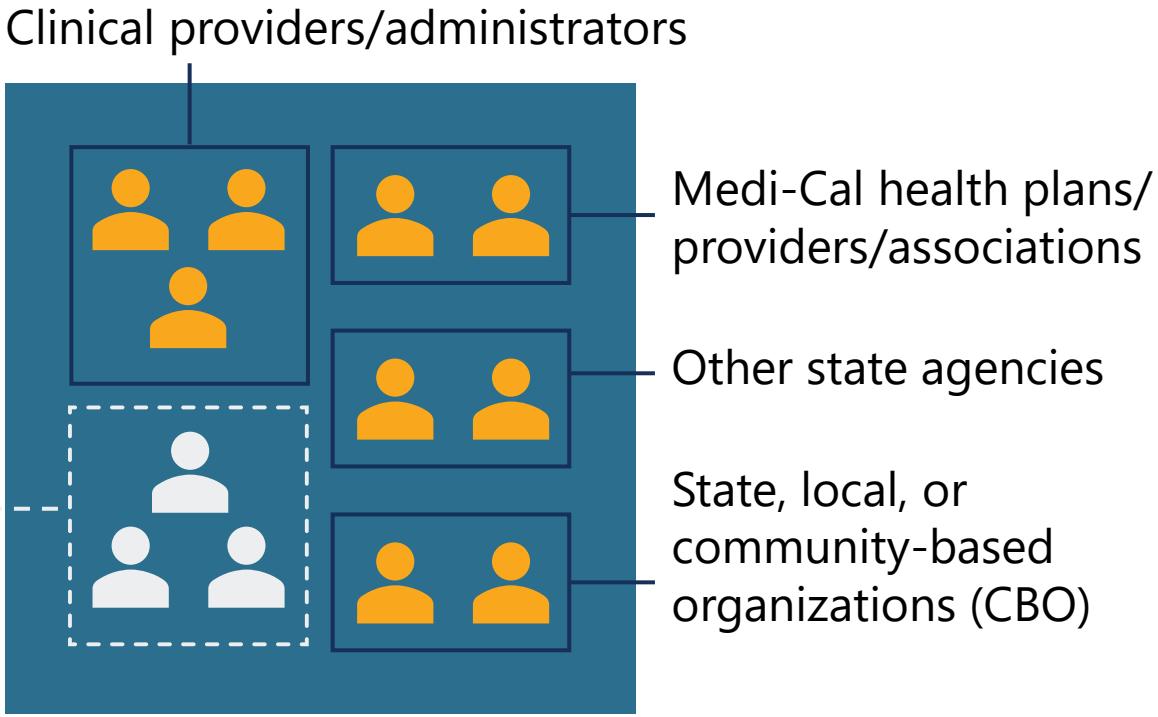
Family members of members

—

Paid or unpaid caregivers of members

Voices and Vision Council

The new advisory committee includes MMAC members and at least one representative from each of these categories:



At least one member of DHCS' executive staff must attend all committee meetings.

MMAC

Existing MMAC

- 16-18 members representing the diversity and perspectives of Medi-Cal members.
- Private, quarterly meetings establish trust.
- Consistent DHCS executive participation.
- Co-designed agendas that encourage robust feedback and discussion.
- Presentations tailored for understanding by Medi-Cal members.
- DHCS' role is to listen, learn, ask questions, and report back to members when relevant.
- Compensation provided to members for their time.

Transitioning existing MMAC to meet BAC requirements

- Adopt bylaws and committee membership term limits.
- Application-based member selection.
- Meetings must include time for committee members to disclose conflicts of interest.
- Continue to hold private, quarterly meetings.
- Virtual, in-person, or hybrid meeting options-informed by committee members.
- Actions tracked for public disclosure.

MMAC Membership Term Recommendations

- The MMAC is required to have set terms. Initially, DHCS will invite committee members to serve for a set term with three different end dates, so there will always be an overlap of experienced members and new members.
- DHCS is inviting current MMAC members to apply to serve on the new MMAC. They have experience and insight that we hope they can share with new MMAC members as they onboard and serve as informal mentors.

MMAC 2025 Milestones

May-July:

- Invite current MMAC members to submit application.
- Recruit new MMAC members.
- Review applications and select potential applicants for interviews.
- Conduct interviews.
- Select MMAC members.

August-September:

- Welcome new members and conduct MMAC and Medi-Cal 101 onboarding.
- Pre-meeting check-ins with MMAC members.
- Provide updated community norms and a draft of bylaws that members will review and provide feedback.

Fall:

- September MMAC meeting with new members and meeting guidelines in place.
- Present community norms and bylaws.

Voices and Vision Council

Composition

- Comprised of state or local consumer advocacy groups or other CBOs that represent the interests of, or provide services to, Medi-Cal members.
- Clinical providers or administrators who are familiar with the health and social needs of Medi-Cal members, including providers or administrators of primary care, specialty care, and long-term care.
- Participating MCPs or health plan association.
- Other state agencies/departments that serve Medi-Cal members, as ex-officio, non-voting members.
- Must also include a portion of MMAC members. Their representation will increase from a minimum of 10 percent in July 2025 to 25 percent by July 2027.

Voices and Vision Council Decisions Made

- A new quarterly stakeholder meeting will be created to fulfill the MAC requirement of the CMS Access Final Rule.
- The Voices and Vision Council's membership will consist of no more than 20 members total, and a preliminary recruitment and outreach plan is in development.
- Meeting topics will be wide-ranging, and agendas will be co-designed/informed by MMAC committee members.

Topic Examples

Agendas will be informed by MMAC members.

The MMAC and Voices and Vision Council will provide insights to DHCS on topics related to program operations and the needs of Medi-Cal members, including:

Additions and Changes to Covered Services	Coordination of Care	Quality of Services	Cultural Competency, Language Access, and Health Equity
Enrollee and Provider Communications	Access to Services	Eligibility, Enrollment, and Renewal Processes	Other Issues Impacting Health/ Medical Services

Voices and Vision Council 2025 Milestones

May-July:

- Recruit applicants.
- Review applications and select potential applicants for interviews.
- Conduct interviews.
- Select committee members.

August-September:

- Welcome members.
- Provide community norms and a draft of bylaws that members will review and provide feedback.
- Invite MMAC members to serve on new committee.

Fall:

- Onboard new members.
- First meeting with new members and meeting guidelines in place.
- Present community norms and bylaws.

How to Apply for the Voices and Vision Council

Complete the online form, available in June.

Identify your stakeholder category and interests.

DHCS will review applicants and notify selected members.

Questions?

BH-CONNECT Implementation: Updates and Dialogue

Paula Wilhelm, Deputy Director, Behavioral Health
Glenn Tsang, Policy Advisor for Housing and Homelessness

DHCS

Agenda

- Updates: Recently Published Guidance
  - SAC/BH-SAC Discussion
- Children & Youth Evidence-Based Practices
  - SAC/BH-SAC Discussion
- Transitional Rent
  - SAC/BH-SAC Discussion

BH-CONNECT Updates: Published Guidance

BH-CONNECT Components – Federal Approvals

Section 1115 Demonstration Approvals

- Workforce Initiative
- Activity Funds
- Access, Reform, and Outcomes Incentive Program
- Community Transition In-Reach Services
- Short-term Inpatient Psychiatric Care, including in Institutions for Mental Disease (IMD)
- Transitional Rent

State Plan Amendment (SPA) Approvals

- Assertive Community Treatment (ACT)
- Forensic ACT (FACT)
- Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP)
- Clubhouse Services
- Individual Placement and Support (IPS) Model of Supported Employment
- Enhanced Community Health Worker (CHW) Services

** Transitional Rent coverage will be available in the Medi-Cal managed care delivery system.*

Other Components of BH-CONNECT

Leveraging Existing Authorities and State-Level Guidance

- Centers of Excellence to support fidelity implementation of evidence-based practices.
- Clarification of coverage of evidence-based child and family therapies, including Multisystemic Therapy, Functional Family Therapy, and Parent-Child Interaction Therapy.
- Initial joint child welfare/specialty mental health visit.
- County Child Welfare Liaison role within MCPs.
- Implementation of CMS milestones related to quality of care for patients of inpatient and residential facilities.

Access, Reform, and Outcomes Incentive Program

- Behavioral Health Information Notice **(BHIN) 25-006: Provision of BH-CONNECT Access, Reform and Outcomes Incentive Program** was published on March 10, 2025.
- DHCS received letters of commitment from 45 eligible Behavioral Health Plans (BHP), covering 90 percent of California's Medi-Cal population. BHPs will have the opportunity to earn up to $1.9 billion (statewide) in quality incentive payments over the five-year demonstration period, including through a high-performance pool.
- Participating BHPs are eligible to earn incentive payments by demonstrating improved performance on measures across three key areas of focus:
  - **Improved access to behavioral health services** - up to $850 million*
  - **Improved health outcomes and quality of life** - up to $800 million*
  - **Targeted behavioral health delivery system reforms** - up to $250 million*
- Incentive Program Submission 1 is due to DHCS by June 30, 2025. Between April and June, DHCS and the National Committee for Quality Assurance (NCQA) will hold Office Hours and provide support to BHPs on Submission 1 and other submissions related to the NCQA Managed Behavioral Healthcare Organization (MBHO) Standards.

**Total incentive dollars available to be earned among participating BHPs over the five-year demonstration period.*

BH-CONNECT Adult Evidence Based Practices

- **BHIN 25-009 Coverage of BH-CONNECT Evidence Based Practices** was published on April 11, 2025.
- Through the BH-CONNECT initiative, CMS approved three new SPAs that expanded coverage for five EBPs: ACT, FACT, CSC for FEP, Clubhouse Services, Enhanced CHW Services, and the IPS Model of Supported Employment.
  - **EBPs available under Specialty Mental Health Services (SMHS) only:** ACT, FACT, CSC for FEP, Clubhouse Services
  - **EBPs available under SMHS, Drug Medi-Cal (DMC), and Drug Medi-Cal Organized Delivery Systems (DMC-ODS):** Enhanced CHW Services, IPS Supported Employment
- **SPA Approval.** ACT, FACT, CSC for FEP, and Clubhouse Services are covered under SPA 24-0042, Enhanced CHW services are covered under SPA 24-0052, and IPS Supported Employment is covered under SPA 24-0051.
- **Available at County Option.** BHPs and/or DMC programs that intend to cover any of these EBPs must submit a letter of commitment to DHCS to formally opt in and can do so as of April 11.

Enhanced CHW Services

DHCS added Enhanced CHW as a Preventive Service via SPA 24-0052.

- DHCS released draft guidance on Enhanced CHW Services in mid-April and is **currently finalizing the guidance for release.**
- Enhanced CHW Services are preventive services to prevent disease, disability, and other health conditions or their progression; prolong life; and promote physical and behavioral health.
- Enhanced CHW Services include all the same components and requirements as CHW preventive services, but are tailored to members who meet the access criteria for SMHS, DMC-ODS, and/or DMC services.
  - Does not change the existing CHW benefit available under Medi-Cal.
  - Effective January 1, 2025.
- BHPs and/or DMC programs that intend to cover Enhanced CHW Services must submit a letter of commitment to DHCS to formally opt in and may do so before DHCS' supplemental CHW guidance is published.

Federal Funding for Care Provided in IMDs

BHIN 25-011 BH-CONNECT Demonstration Option to Receive Federal Financial Participation (FFP) for Specialty Mental Health Services in Institutions for Mental Diseases (IMD) published April 11, 2025.

Full Suite of EBPs for IMD Option

- ACT
- FACT
- CSC
- IPS Supported Employment
- Enhanced CHW Services
- Peer Support Services, including Forensic Specialization

- BHPs may "opt in" on a rolling basis during the five-year demonstration. To participate, BHPs must:
  - Submit and receive DHCS approval of an **IMD FFP Plan**;
  - Cover a **"full suite" of BH-CONNECT EBPs** on a timeline specified by DHCS;
  - Use FFP received for IMD services to **support services and activities that benefit Medi-Cal members living with behavioral health needs**; and
  - **Meet federal and state requirements** to ensure that IMDs are used only when there is a clinical need and that facilities meet quality standards.

** The IMD opportunity is limited to stays that are no longer than 60 days, with a requirement for a statewide average length of stay of 30 days.*

County Survey Results

- In early March 2025, DHCS released a non-binding survey to gauge county interest in participating in optional BH-CONNECT components. **Due to the non-binding nature of the survey, actual participation rates are subject to change.**
- DHCS received 58 county responses:
  - **35 counties, representing 85% of Medi-Cal members,** plan to implement at least one EBP.
  - **15 counties, representing 63% of Medi-Cal members**, plan to opt into the IMD opportunity
    - 26 counties, representing 18% of Medi-Cal members, are undecided/may still consider participating.
    - Counties that take up the IMD opportunity must implement ACT, FACT, CSC for FEP, IPS Supported Employment, Enhanced CHW Services, and Peer Support Specialist Services, including peers with forensic specialization.
  - **13 counties**, representing **51%** of Medi-Cal members, plan to opt in to the Community Transition In-Reach services component.

County Survey Results (Adult EBPs)

- **Coverage of Medi-Cal EBPs:** 35 counties, representing 85% of Medi-Cal members, plan to offer at least one EBP, including 19 counties that are not participating in the Mental Health IMD FFP program.
  - **ACT:** 29 counties (84% of Medi-Cal members) plan to provide, with **20 offering** this service by 2026.
  - **CSC:** 30 counties (84% of Medi-Cal members) plan to provide, with **22 offering** this service by 2026.
  - **IPS:** 26 counties (80% of Medi-Cal members) plan to provide, with **16 offering** this service by 2026.
  - **Enhanced CHW:** 22 counties (74% of Medi-Cal members) plan to provide, with **13 offering** this service by 2026.
  - **Clubhouse Services:** 14 counties (58% of Medi-Cal members) plan to provide, with **7 offering** this service by 2026.

BH-CONNECT Updates: Centers of Excellence

Centers of Excellence (COE)

DHCS established Centers of Excellence (COE) to offer training, technical assistance, and fidelity monitoring to Medi-Cal specialty behavioral health providers and county BHPs implementing EBPs as part of the BH-CONNECT and Behavioral Health Services Act (BHSA) initiatives.

COEs will support the implementation of:

- Assertive Community Treatment & Forensic Assertive Community Treatment (ACT/FACT)
- Coordinated Specialty Care for First Episode Psychosis (CSC for FEP)
- Independent Placement and Support Model of Supported Employment (IPS)
- Clubhouse Services
- Multisystemic Therapy (MST)
- Functional Family Therapy (FFT)
- Parent-Child Interaction Therapy (PCIT)
- High-Fidelity Wraparound (HFW) (forthcoming)

Specific activities conducted by COEs will include:

- Training.
- Technical assistance and coaching/mentoring.
- Fidelity monitoring.
- Outcomes monitoring.
- Other supports to deliver EBPs through a culturally sensitive lens.

Role of COEs

- DHCS is partnering with **Health Management Associates (HMA)** to serve as the **COE Administrative Entity** to provide oversight, infrastructure, and alignment for selected COEs.
- **COE Administrative Entity Functions:**
  - Serve as liaison between DHCS and COEs.
  - Subcontract with COEs to ensure completion of deliverables within timelines submitted to CMS.
  - Manage the funding process from DHCS to COEs.
  - Support COEs on:
    - County readiness/assessment
    - Training and technical assistance
    - Data collection and reporting

Selected COEs

Entity Name	EBP
MST Services	Multi-Systemic Therapy
FFT LLC	Functional Family Therapy
PCIT International	Parent-Child Interaction Therapy
EPI-CAL (UC Davis)	Coordinated Specialty Care for First Episode Psychosis
IPS Employment Center	Independent Placement and Support Model of Supported Employment
UCLA- Public Mental Health Partnership (PMHP)	Assertive Community Treatment/Forensic Assertive Community Treatment
Clubhouse International	Clubhouse Services

Discussion

BH-CONNECT Updates: Children & Youth EBPs

Children & Youth EBPs (1/3)

Children & Youth EBPs

- Functional Family Therapy (FFT)
- Multi-Systemic Therapy (MST)
- Parent-Child Interaction Therapy (PCIT)
- High Fidelity Wraparound (HFW)

Medi-Cal covers a comprehensive set of community-based services for children and youth pursuant to the Early and Periodic Screening, Diagnostic, and Treatment (EPDST) mandate.

- DHCS identified specific EBPs that are known to help improve outcomes for high-risk children and youth with significant behavioral health needs, including those who are involved in the juvenile justice or child welfare system or have experienced homelessness or other major disruptions.
- DHCS will issue guidance clarifying standards for these EBPs, including:
  - Specific service definitions;
  - Provider qualifications;
  - Implementation requirements; and
  - Dedicated billing codes to incentivize provider delivery and monitor utilization and performance. (BHPs may also utilize updated payment rates for PCIT, MST, and HFW.)

Children & Youth EBPs (2/3)

EBP	Description
Functional Family Therapy (FFT)	**FFT** is an effective, short-term, family-based, proprietary counseling service that seeks to empower families to solve their own problems through growth and change. FFT is designed for young people (ages 10-18) who are at risk of, or have been referred for, behavioral or emotional problems (e.g., delinquency, substance use).
Multisystemic Therapy (MST)	**MST** is an intensive, evidence-based, family-driven, proprietary treatment model for youth (ages 12 to 17 years old) who are involved in the juvenile justice system or who are at risk for out-of-home placement due to a history of delinquent behavior. This service emphasizes cultural responsiveness and the centering of home and community settings, as well as partnership with law enforcement and the juvenile justice system.

The EPSDT benefit is a requirement for all state Medicaid programs. All children under age 21 enrolled in Medicaid are entitled to receive any Medicaid-covered service that are medically necessary, regardless of whether the service is covered in the State Plan.

Children & Youth EBPs (3/3)

EBP	Description
Parent-Child Interactive Therapy (PCIT)	**PCIT** is an evidence-based, short-term treatment designed to foster the well-being of children and families of all cultures by teaching parents strategies that will promote positive behaviors in children and youth (ages 2 to 7) who exhibit challenging behaviors, such as defiance and aggression.
High-Fidelity Wraparound (HFW)	**HFW** is a team-based and family-centered evidence-based practice that includes an "anything necessary" approach to care for children/youth living with the most intensive mental health or behavioral challenges. HFW is regarded as an alternative to out-of-home placement for children with complex needs by providing intensive services in the family's home and community.
The EPSDT benefit is a requirement for all state Medicaid programs. All children under age 21 enrolled in Medicaid are entitled to receive any Medicaid-covered service that are medically necessary, regardless of whether the service is covered in the State Plan.	

Note: Beginning in July 2026, DHCS will implement HFW both as a statewide bundled service under Medi-Cal SMHS and as a county requirement under Behavioral Health Transformation (Proposition 1).

BH-CONNECT Updates: Looking Ahead

Upcoming BH-CONNECT Guidance

Topic	Expected Release for Public Comment
Children and Youth EBP Guidance	May 2025
Activity Funds	May 2025
Community Transition In-Reach Services	May 2025
Initial Joint Child Welfare/Specialty Mental Health Visit	Summer 2025
COE Fidelity Guidance	Summer 2025

Resources

» For more information and resources, please visit our website: DHCS - BH-CONNECT.

» Please contact us with any questions or comments about the BH-CONNECT initiative at BH-CONNECT@dhcs.ca.gov.

Discussion

BH-CONNECT Updates: Transitional Rent

Transitional Rent

- MCPs will have the option to begin providing transitional rent services to eligible Medi-Cal members in July 2025.
  - **By January 1, 2026, via Behavioral Health Transformation funding, DHCS will require all MCPs to offer this service for persons with significant behavioral health needs.**
- MCPs can provide up to six months of rental support for eligible Medi-Cal members transitioning from other settings.
- This support is crucial to reducing the risk of returning to institutional care or homelessness.
- Transitional Rent will serve as a bridge to permanent housing for members who need it.
- **NEW: Community Supports Policy Guide Volume 2 was released on April 30.** This update contains new policies specific to Transitional Rent and the other housing-related Community Supports for members experiencing or at risk of homelessness. The update reflects and is informed by extensive work DHCS has undertaken with stakeholders, including, but not limited to, MCPs, counties, Continuum of Care (CoC), housing providers, and individuals with lived experience.

Who qualifies for Transitional Rent under the BH-CONNECT demonstration?

- Members enrolled in a Medi-Cal MCP may be eligible for transitional rent if they:
  - Meet the access criteria for Medi-Cal SMHS; or meets the access criteria for Drug Medi-Cal or DMC-ODS.
  - **Are homeless or at risk of homelessness; AND**
  - **Meets the transition population criteria of one or more of the following:**
    - Transitioning out of an institutional or congregate residential setting.
    - Transitioning out of a carceral setting.
    - Transitioning out of interim housing.
    - Transitioning out of recuperative care or short-term post-hospitalization housing.
    - Transitioning out of foster care.
    - Unsheltered.
    - Eligible for Full Service Partnership (FSP).

Reminder: Transitional Rent Implementation Timeline

Key Dates	Timeline
April 2025	**Release of the final Transitional Rent guidance, payment model, and schedules.**
May 2025	**Release of payment model and schedules.**
May 16, 2025	**MCPs must submit Model of Care (MOC) responses if opting to launch Transitional Rent on July 1, 2025.**
July 1, 2025	**Optional go-live for MCPs for any Population of Focus (POF) on July 1, 2025**
September 1, 2025	**All MCPs must submit MOC responses for the mandatory launch of Behavioral Health POF on January 1, 2026.**
January 1, 2026	**Phase 1: Mandatory launch for all MCPs to cover Transitional Rent for Behavioral Health POF.** *See Appendix for additional information on Populations of Focus* • MCPs may also choose to cover additional populations within the overall Transitional Rent-eligible populations
July 1, 2026	*BHSA go-live.*
January 1, 2027	**Future phase-in of additional POF – TBD.**

Transitional Rent POF

Under both start dates, MCPs have the option to go live with additional POFs under Transitional Rent, beyond the required BH POF for the January 1, 2026, launch.	
POF 1	**Behavioral Health POF *(mandatory starting 1/1/2026).***
POF 2	Pregnant and postpartum (up to 12 months).
POF 3	Transitioning out of an institutional or congregate residential setting.
POF 4	Transitioning out of a carceral setting.
POF 5	Transitioning out of an interim setting.
POF 6	Transitioning out of recuperative care or short-term post-hospitalization housing.
POF 7	Transitioning out of foster care.
POF 8	Experiencing unsheltered homelessness.

Note: **Individuals who qualify for the BH POF** must meet the access criteria for SMHS, DMC, or DMC-ODS, be experiencing or at risk of homelessness, and be within a specified transitioning population OR unsheltered OR FSP eligible.

Allowable Expenses

DHCS Policy

- DHCS will cover rental assistance and specific fees, necessary to secure and maintain the unit, that are charged as part of the rent payment.

Allowable Expenses

- **Rental assistance for up to six months,** subject to the six-month global cap on Room and Board services.
- **Rent and housing fees that are included in the rent payment.**
  - Storage fees (for storage provided onsite as part of the rental agreement).
  - Amenity fees.
  - Landlord-paid utilities that are part of the rent payment and not duplicative of other health-related social needs (HRSN) utility payments.

Transitional Rent and BHSA Housing Interventions

Transitional Rent can also serve as a bridge to long-term housing for members living with significant behavioral health needs, such as through connections to BHSA Housing Interventions.

Transitional Rent

(Medi-Cal Community Support)

- Delivered via the Medi-Cal managed care delivery system.
- **Launching optionally for MCPs on 7/1/2025.**
- **Mandatory MCP coverage from 1/1/26, starting with Behavioral Health POF,** followed by additional POFs in future phases. See Appendix for additional details on the POFs.
- Includes coverage of **up to six months** of rent for members who are experiencing or at risk of homelessness and meet certain additional eligibility criteria.

BHSA Housing Interventions
(State-Funded Program for Medi-Cal and Non-Medi-Cal Members)

- Delivered via county behavioral health delivery system.
- **Launching 7/1/26.**
- Counties must allocate funding for Housing Interventions, which will place and sustain individuals with significant behavioral health needs in permanent and interim housing settings, including permanent supportive housing.
- Housing Interventions include rental subsidies, operating subsidies, landlord outreach and mitigation funds, participant assistance funds, and capital development funding.

MCP and County Behavioral Health Collaboration on Transitional Rent: Value Proposition

DHCS encourages, and will seek to incentivize and support, MCP contracts with county behavioral health as Transitional Rent providers; ongoing coordination will be essential even if there is no provider contract in place.

Value Propositions for MCPs

- MCPs can leverage county behavioral health's deep experience engaging with and providing housing services to members experiencing homelessness.
- MCPs can access county behavioral health's networks of housing providers for service delivery.
- MCPs can address the transition to month seven for members receiving 6 months of Transitional Rent who are also eligible to receive BHSA Housing Interventions.

Value Propositions for County Behavioral Health

- County behavioral health can maximize the use of Medi-Cal funds available for housing, and thus, more effectively deploy BHSA funds.
- County behavioral health can continue to serve their clients during the period covered by Transitional Rent, while complying with the requirement that BHSA funds are not used for housing interventions covered by an MCP, as required by the BHSA.[1]

Note: County behavioral health departments serving as Transitional Rent providers are among DHCS' priorities for Providing Access and Transforming Health (PATH) Capacity and Infrastructure, Transition, Expansion, and Development (PATH CITED) Round 4 funding (closed 5/2).

1. Welfare & Institutions Code § 5830(c)(2), added by § 43 of SB 326.

Resources

» Resource Materials and Website

- Explore the Flexible Housing Subsidy Pools: Technical Assistance Resource to learn more about Flex Pools, their key functions, and the roles and responsibilities of partner organizations.
- Visit the DHCS Housing for Health website for additional resources and webinar recordings.

» Technical Assistance Academy (Coming Soon)

- The Flexible Housing Subsidy Pools Technical Assistance Academy will provide individualized support to entities interested in starting and operationalizing Flex Pools in their own region. More information will be forthcoming and posted to the website.

» Questions and Feedback

- Please send questions or feedback about Flexible Housing Subsidy Pools to FlexPools@dhcs.ca.gov.

Discussion

DHCS

Behavioral Health Transformation Update

Marlies Perez, Chief, Community Services Division
Project Executive, BHT

DHCS

Behavioral Health Transformation (BHT)

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 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 Infrastructure Bond

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

BHT Milestones

2024

- **Bond BHCIP Round 1: Launch Ready** Request for Applications was announced July 17, 2024, and applications were due December 13, 2024.
- Public comment for the draft **Policy Manual Modules 1 & 2** was made available through the BHT webpage, where users provided feedback via our **new user-friendly, online platform**.

2025

- **Finalized Integrated Plan guidance** was released in early 2025.
- Additional modules will be released for **public comment** throughout 2025.
- Bond BHCIP Round 1: Launch Ready awards announcing May 2025.
- **Bond BHCIP Round 2: Unmet Needs** Request for Applications will be announced mid-2025.

2026

- Bond BHCIP Round 2: Unmet Needs award announcements anticipated Spring 2026.
- New **Integrated Plan**, fiscal transparency, and data reporting requirements go-live in July 2026 (for next three-year cycle).

BHSA County Policy Manual

Behavioral Health Services Act County Policy Manual - Overview

- The Behavioral Health Services Act County Policy Manual provides counties and partner organizations with guidance necessary to implement Behavioral Health Transformation.
- Counties, providers, and other behavioral health stakeholders will find information on county planning, reporting, and fiscal requirements in this Policy Manual.
- The Policy Manual has been released in **smaller, more manageable parts, called "modules."** Each module focuses on specific aspects of the overall policy.

Behavioral Health Services Act County Policy Manual - Engagement

- DHCS will continue to have a **Public Comment period** for each module's release, providing the public with an opportunity to submit their feedback and participate in this important policy guidance process.
- The Policy Manual will serve as BHSA authority until regulations are developed.
- Any questions or comments about **the Policy Manual should be directed towards** BHTPolicyFeedback@dhcs.ca.gov.

Policy Manual Progress

Finalized BHSA County Policy Manual Topics

- County Integrated Plan (IP)
- BHOATR
- County Portal
- BHT Fiscal Policies
- BHSA Components & Requirements
  - Housing Interventions
  - BH Services and Supports
  - Full Service Partnership
- Documentation Requirements for BHSA Services

Module 3

- IP Template
- Phase 1 Measures
- County Performance Workbook

Public Comment:
4/7 – 4/25

Module 4 (upcoming)

- Compliance & Monitoring

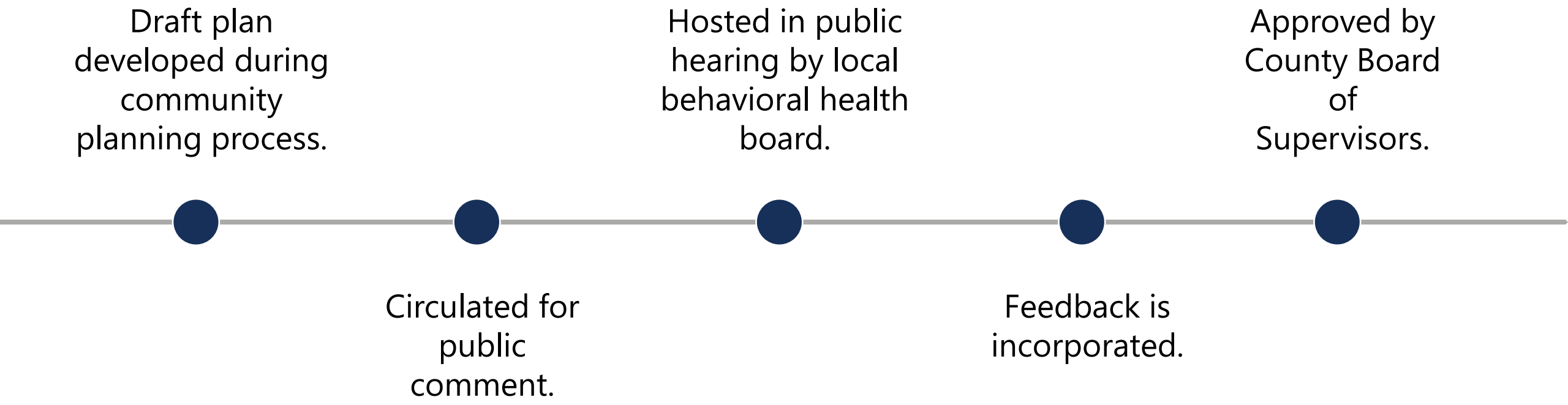
Public Comment:
TBD

The BHSA County Policy Manual is available on our webpage.
Subsequent Modules will be added there once they are finalized.

Community Planning Process

Integrated Plan Local Review Process

The local review process for integrated plans remains in place under BHSA.



Key Changes to Community Planning

Counties already engage in extensive community program planning and engagement with their communities under MHSA.

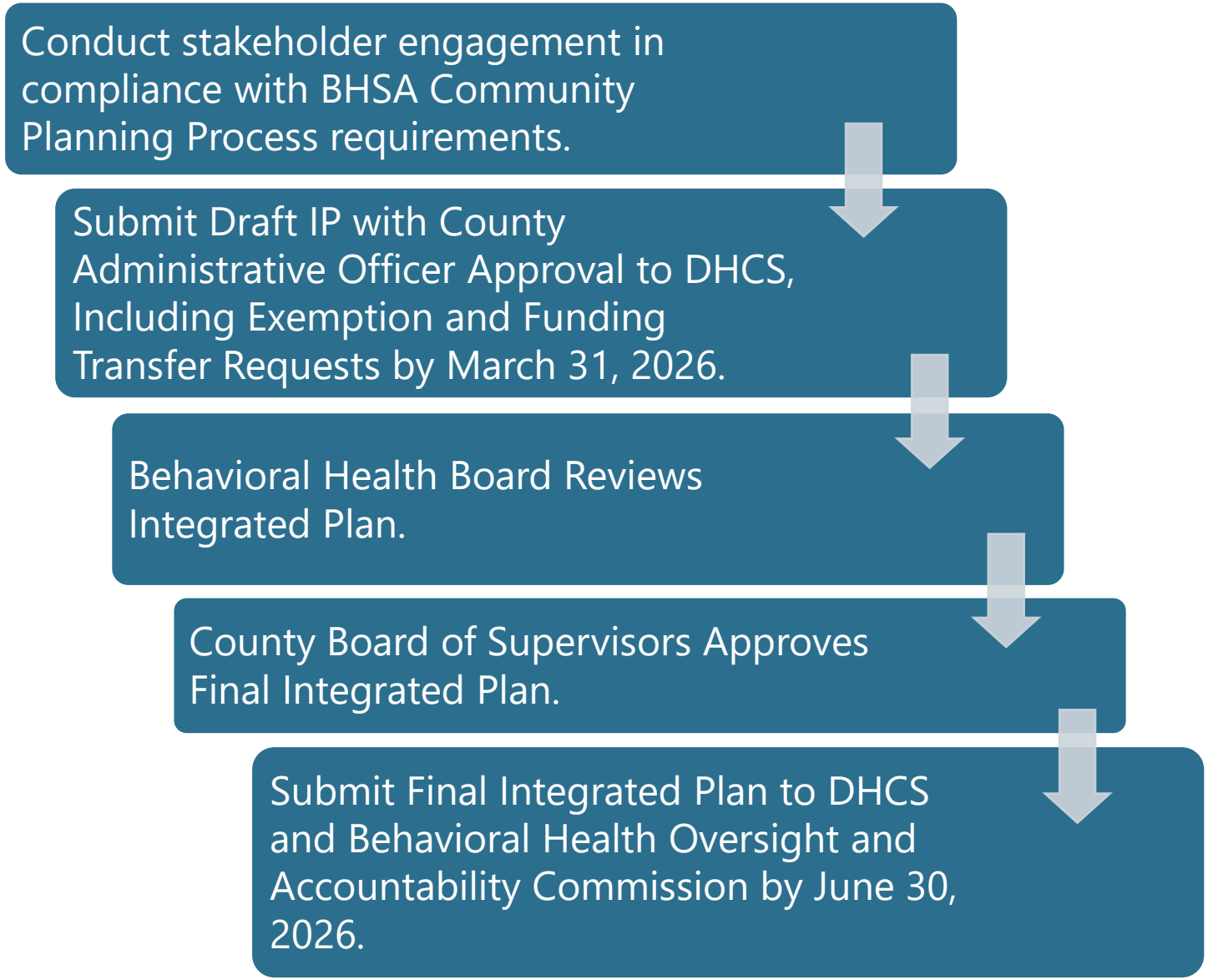
BHSA builds upon the MHSA requirements to meaningfully engage with stakeholders with a few key changes.

Key changes to community planning process:

- Stakeholder list expanded to include Substance Use Disorder.
- Key stakeholder groups updated to include (but are not limited to):
  - Historically marginalized communities.
  - Groups working with underserved racially and ethnically diverse communities.
  - Representatives from LGBTQ+ communities.
  - Victims of domestic violence and sexual abuse.
  - People with lived experience of homelessness.
  - Health Plans, Education, Housing and Social Services.

Integrated Plan Submission Workflow

- The BHSA requires all counties to submit a **three-year Integrated Plan and a budget**, beginning with Fiscal Years (FY) 2026-2029 (July 1, 2026 – June 30, 2029). Welfare and Institutions (W&I) Code §5963.02.
- A template providing **guidance and standards** for completing and submitting the Integrated Plan and is available on the county portal developed by DHCS.



*Recommended sequence. See Policy Manual Chapter 3, Section E.4.2 for details on exemption submission process.

Integrated Plan Revision Requirements

DHCS will review a county's Integrated Plan for completeness **within 45 days of submission.**
The above guidelines are **only needed if DHCS requires counties to revise** their Integrated Plans.

CONTACT

If a county's Integrated Plan is deemed **incomplete, inaccurate, or does not address a question** directly DHCS will contact the county through the county portal.

REVISION

If DHCS requests the county revise their Integrated Plan, **the county will have 15 calendar days** from the revision notice to address the issues.

REVIEW

DHCS will review the revised Integrated Plan and **respond within 15 calendar days**.

NOTIFICATION

All notifications of results or requests to revise to counties by DHCS will be done **through the county portal**.

Integrated Plan Submission Requirements

Draft Integrated Plan

Due March 31, 2026

- All counties are required to submit a draft Integrated Plan, including exemption and transfer requests, by March 31 prior to the fiscal year the Integrated Plan covers.
- The draft must have a letter from the **County Administrative Officer (CAO) approving the draft Integrated Plan**,

Final Integrated Plan

Due June 30, 2026

- Must be provided to the **local Behavioral Health Board.**
- Must receive **approval from the County Board of Supervisors** and **certification from the County Behavioral Health Director** before submission to DHCS.

Counties that fail to submit their Integrated Plan by the March 31 and June 30 deadlines are out of compliance and may be subject to corrective action.

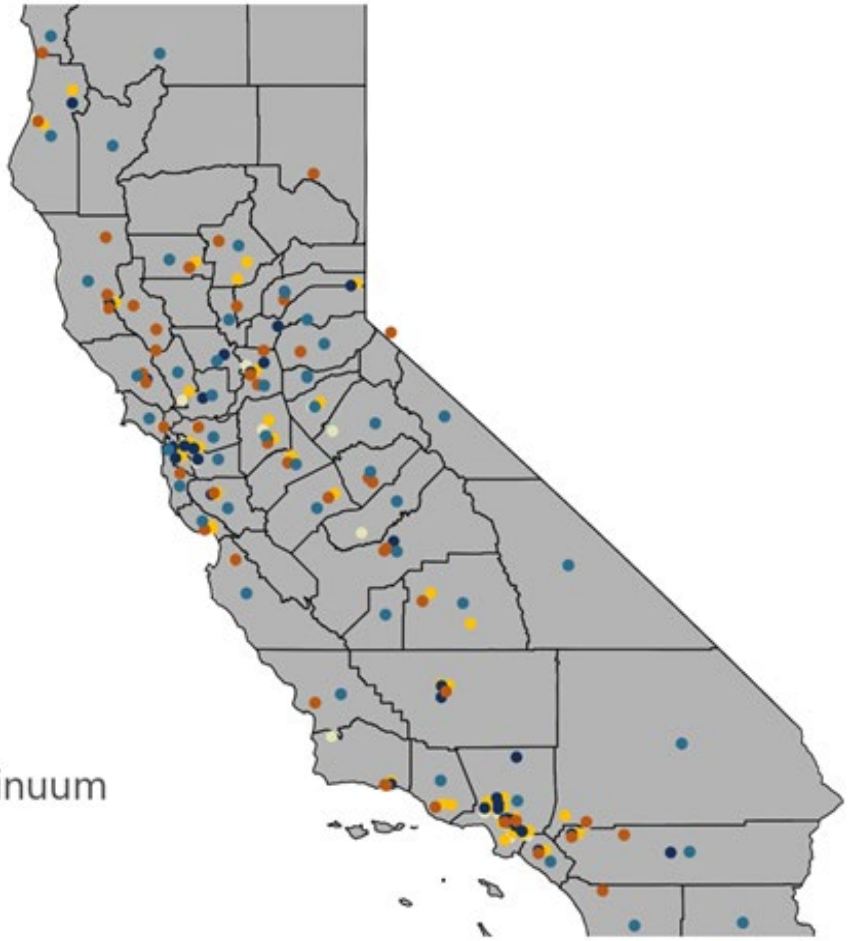
Proposition 1
Bond Behavioral Health Continuum Infrastructure Program (BHCIP)
Round 1: Launch Ready Awards

State BHCIP Map R1-5

State Map
BHCIP Awards
Rounds 1-5

256 Awarded Projects

- Round 1: Crisis Care Mobile Units
- Round 2: Planning Grants
- Round 3: Launch Ready
- Round 4: Children and Youth
- Round 5: Crisis and Behavioral Health Continuum



Bond BHCIP Rounds

- Up to **$4.4 billion** in Bond BHCIP funding will be awarded in two funding rounds.
- The first **Bond BHCIP Round 1: Launch Ready** competitively awarding up to **$3.3 billion** to construct, acquire, and rehabilitate real estate assets to expand the continuum of behavioral health treatment and service resources for Californians.
  - Of the total for the first round, $1.5 billion was specifically designated for cities, counties, and Tribal entities, of which $30 million is set aside exclusively for Tribal entities.
  - The remaining $1.8 billion was available to all eligible entities.
  - Bond BHCIP Round 1 funds awarded in **May 2025.**
- **Bond BHCIP Round 2: Unmet Needs** will award up to **$800 million** of competitive grants to expand behavioral health infrastructure. The anticipated releases for the Request for Applications (RFA) is late Spring 2025 and awards announcements in late Spring 2026.

Bond BHCIP
$ 4.4 Billion

Round 1: Launch Ready
Up to $3.3 Billion

$1.5 Billion *for* Counties/Cities/Tribes

$30 Million Tribes only

$1.8 Billion *for* All

Awards announced Spring 2025

Round 2: Unmet Needs
$800+ Million

- *RFA anticipated in late Spring 2025*
- *Award announcements anticipated in late Spring 2026*

Bond BHCIP Round 1: Launch Ready
High-level Snapshot

Facilities:
214

Added Beds:
5,077

New Outpatient Slots:
21,882

- Number of Applications Received: **294**
- Awarded Projects: **124**
- Total Facilities: **214**
- Total Funding Requested: **$8,797,073,405**
- Total Round 1 Funding Awarded: **~$3,300,000**

Round 1 Awardees by Entity Type

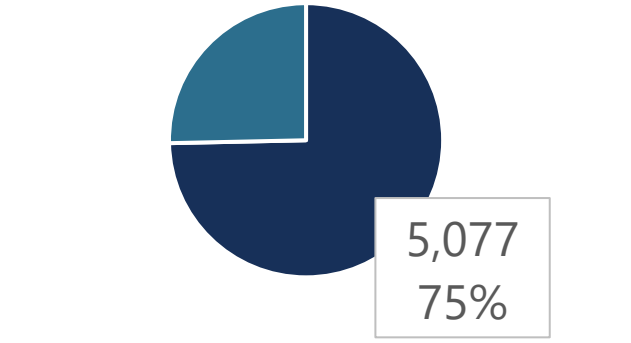
Entity Type	Awarded	% of Projects	Funding	% of Funding
County	37	30%	$1,441,993,003	44%
City	4	3%	$146,351,629	4%
Tribal Entity	10	8%	$142,601,024	4%
Nonprofit Corporation	61	49%	$1,269,026,218	38%
For-profit Corporation	12	10%	$286,085,065	9%
Total	**124**	**100%**	**~$3,300,000,000**	**100%***

*Due to rounding to nearest whole number, percentages do not equal 100%.

Facilities and Bed/Slot Counts

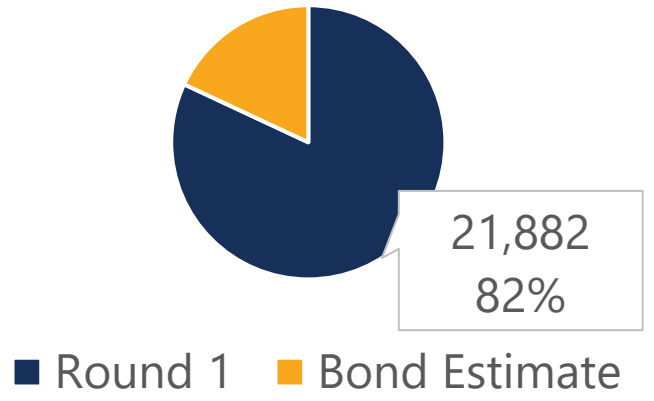
Facility Type	Rounds 3-5 Total Facilities	Rounds 3-5 Total Beds/Slots	Bond Round 1 Total Facilities	Bond Round 1 Total Beds/ Slots	Total BHCIP Facilities	Total BHCIP Beds
19 Residential Facility Types	**96**	**2,581**	**124**	**5,077**	**220**	**7,658**
14 Outpatient Facility Types	**121**	**274,948**	**90**	**21,882**	**211**	**296,830**

Total Bond Bed Goal

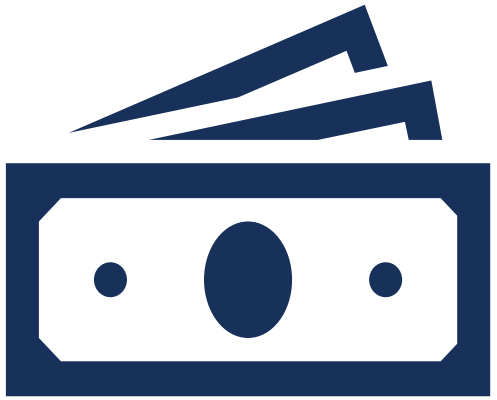


- 75 percent of Bond Bed Goal Achieved
  - 5,077 beds of 6,800
- 82 percent of Bond Slot Goal Achieved
  - 21,882 slots of 26,700

Total Bond Slot Goal



Round 1 Award Highlights



- Bond BHCIP Round 1 funding will be the **first** BHCIP infrastructure awards for the following rural counties:
  - Del Norte
  - Kings
  - Mariposa
  - San Benito
  - Shasta
  - Siskiyou
  - Trinity

Resources and Engagement Opportunities

BHT Website and Monthly Newsletter

Explore the Behavioral Health Transformation website to discover additional information and access resources.

Please sign up on the DHCS website to receive monthly Behavioral Health Transformation updates.

BHT Policy Manual

For more information on the BHT Policy Manual or public comment, please visit this website or watch this Behavioral Health Transformation Policy Manual instructional training video.

Public Listening Sessions

Attend recurring 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.

Questions and Feedback

For any specific public comment-related inquiries, email BHTPolicyFeedback@dhcs.ca.gov For any general Behavioral Health Transformation-related inquiries or feedback, email BHTinfo@dhcs.ca.gov.

Discussion

- How is your organization planning to engage locally in the Community Planning Process?

Questions?

Public Comment

Public Comment Guidelines

- During public comment, we do not answer questions; we simply listen to public comment.
- All public comments are recorded in the meeting summary.
- Public comment will include members of the public here in the room as well as members of the public attending virtually.
- Please state your name and organization.
- Please keep your comments concise and about 1 minute.

Final Comments and Adjourn

Upcoming 2025 Meeting Dates

- July 23, 2025
- October 29, 2025

Thank You!