

May 31, 2024

To: Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

Subject: Notice of Intent to Submit an Amendment to the Pending Section 1115 [Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment \(BH-CONNECT\) Demonstration](#)

The purpose of this letter is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. To be assured consideration prior to submission to CMS, comments must be received no later than 11:59 PM (Pacific Time) on June 30, 2024. Please note that comments will continue to be accepted after June 30, 2024 through 30 days after the official posting is completed. After that time, DHCS may not be able to consider any additional comments prior to the initial submission of this Section 1115 demonstration amendment to CMS. Comments may be sent by email to 1115waiver@dhcs.ca.gov or by mail to the address below:

Contact Information

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

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and Urban Indian Organizations

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Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Sincerely,

Original Signed by

Andrea Zubiato, Chief
Office of Tribal Affairs
Department of Health Care Services
Enclosure



**Department of Health Care Services (DHCS)
Tribal and Designees of Indian Health Programs Notice**

PURPOSE

To provide notice of DHCS' intent to submit an amendment to the pending Section 1115 [Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment \(BH-CONNECT\) demonstration](#) to the federal Centers for Medicare & Medicaid Services (CMS) to further strengthen the continuum of care for Medi-Cal members with significant behavioral health conditions.

BACKGROUND

In October 2023, California submitted the pending BH-CONNECT demonstration application, which seeks to establish a robust continuum of evidence-based community services for people with significant mental health conditions and/or substance use disorders. Through ongoing work with stakeholders and individuals with lived experience in late 2023 and early 2024, California identified additional opportunities to expand the continuum of care for Medi-Cal members with significant behavioral health needs who are experiencing long stays in an institutional setting or need recovery-oriented residential care. These individuals face expansive challenges when leaving institutional settings or experiencing homelessness, incarceration, or other challenging circumstances and may not be able to access BH-CONNECT's robust community-based services until they can reside stably in the community.

To address these gaps, California is now seeking to amend the BH-CONNECT application to address these remaining gaps through county options to provide:

1. **Community transition in-reach services** to support individuals with significant behavioral health conditions who are experiencing long-term stays in institutional settings in returning to the community; and/or
2. **Room and board in qualified residential settings** for up to six months for individuals with significant behavioral health conditions and specified risk factors.

SUMMARY OF PROPOSED CHANGES

Through this proposed BH-CONNECT Amendment, California seeks to further expand the care continuum for Medi-Cal members with the most complex behavioral health issues and risk factors. Specifically, California proposes to provide county behavioral health plans with the option to cover one or both of the following two new services tailored to the unique needs of Medi-Cal members who live with the most complex and significant behavioral health conditions:

1. **Community Transition In-Reach Services.** Counties will have the option to establish community-based, multi-disciplinary care transition teams that provide intensive pre- and post-discharge care planning and transitional care management services to support individuals with significant behavioral health

conditions who are experiencing long-term stays in institutional settings in returning to the community. Medi-Cal members who reside in an opt-in county, have complex behavioral health conditions, and who are experiencing or at risk of experiencing extended lengths of stay (120 days or more) in inpatient, residential, or subacute settings (including IMDs) will qualify for Community Transition In-Reach Services for a period of time prior to discharge and for a transitional period following discharge.

- 2. Room and Board in Qualified Residential Settings.** DHCS is seeking authority to provide Room and Board in Qualified Residential Settings for up to six months for individuals with significant behavioral health conditions and specified risk factors (i.e., experiencing or at risk of homelessness, transitioning out of institutional settings, or transitioning from carceral settings). Qualified Residential Settings will be limited in size to 16 beds or less and must be unlocked and voluntary. The Qualified Residential Settings will provide and/or facilitate access to Medi-Cal covered, voluntary, recovery-oriented services. Qualified Residential Settings must meet statewide standards established by DHCS in consultation with stakeholders and tribal partners.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

DHCS anticipates that tribes and tribal health programs in counties that opt-in to offer Room and Board in Qualified Residential Settings may be able to operate a Qualified Residential Setting. Details on the minimum standards for Qualified Residential Settings will be included in the full BH-CONNECT amendment application, which will be released for state public comment in the coming weeks. DHCS is not proposing changes to tribal health program services, eligibility, or any other related requirement authorized by this demonstration authority or the Medi-Cal State Plan. Counties will remain responsible for reimbursing tribal health programs for Specialty Mental Health Services (SMHS) as described in Behavioral Health Information Notice (BHIN) [22-020](#), for Drug Medi-Cal (DMC-ODS) services as described in BHIN [22-053](#), and for Drug Medi-Cal services as described in BHIN [23-027](#).

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

There is no direct impact to FQHCs since DHCS is not proposing changes to FQHC services, rates, eligibility, or any other related requirement authorized by this demonstration authority or the Medi-Cal State Plan. Counties will remain responsible for reimbursing Urban Indian Organizations (UIOs) enrolled in Medi-Cal as FQHCs as described in BHINs [22-020](#), [22-053](#), and [23-027](#).

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

This proposal will provide access to community transition in-reach services and/or room and board in qualified residential settings for American Indian and Alaska Native individuals who are eligible for these services in counties that elect to offer Community Transition In-Reach Services and/or Room and Board in Qualified Residential Settings. The proposed changes will not change eligibility for Medi-Cal or reduce benefits. However, DHCS anticipates the program will help improve health outcomes for American Indian and Alaska Native Medi-Cal members who meet the eligibility requirements for the new services in participating counties.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. To be assured consideration prior to the initial submission to CMS, comments must be received no later than 11:59 PM (Pacific Time) on June 30, 2024. Please note that comments will continue to be accepted after June 30, 2024 through 30 days after the official posting is completed. After that time, DHCS may not be able to consider any additional comments prior to the initial submission of this Section 1115 demonstration amendment to CMS. Comments may be sent by email to 1115waiver@dhcs.ca.gov or by mail to the address below:

CONTACT INFORMATION

Written comments may be sent to the following address. Please indicate "BH-CONNECT Amendment" in the written message:

Department of Health Care Services
Director's Office
Attn: Tyler Sadwith
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413