



DATE: January 15, 2026

Behavioral Health Information Notice No: 26-XXX

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Association of Social Rehabilitation Agencies  
California Consortium of Addiction Programs and Professionals  
California Behavioral Health Association  
California Hospital Association  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators  
County Child Welfare Directors  
Chief Probation Officers  
Short-Term residential Therapeutic Program Providers  
Foster Family Agencies  
Wraparound Providers  
Behavioral Health Providers  
Community Treatment Facilities  
Tribes with an IV-E Agreement

SUBJECT: Medi-Cal Coverage of High Fidelity Wraparound (HFW) for Children and Youth

PURPOSE: To provide guidance regarding coverage of HFW pursuant to the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) mandate and in accordance with Assembly Bill (AB) 161 (Welf. & Inst. Code 16562, subd.

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**California Department of Health Care Services**

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**State of California**

Gavin Newsom, Governor



California Health and Human Services Agency

(h)(1)(A)) and Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT).

REFERENCE: California Welfare and Institutions (W&I) Code § 14184.400, 14184.102 (d) and 14184.402(i) 14184.400; W&I Code Sections 14059.5

## BACKGROUND:

### Overview of BH-CONNECT

The [Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment \(BH-CONNECT\)](#) initiative is designed to increase access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs. BH-CONNECT is comprised of a five-year [Medicaid Section 1115 demonstration](#) and State Plan Amendments (SPAs) to expand coverage of evidence-based practices (EBPs) available under Medi-Cal, as well as complementary guidance and policies to strengthen behavioral health services statewide.<sup>1</sup>

BH-CONNECT updates and clarifies existing Medi-Cal coverage of EBPs focused on children and youth, including HFW, to enable implementation consistent with national standards. This Behavioral Health Information Notice (BHIN) provides the minimum requirements all behavioral health plans (BHPs), inclusive of mental health plans and plans that also provide substance use disorder (SUD) services through an integrated contract,<sup>2</sup> must meet related to scope of coverage, medical necessity criteria, care

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<sup>1</sup> As defined by the [Agency for Healthcare Research and Quality](#), an EBP is a way of providing health care that is guided by a thoughtful integration of the best available scientific knowledge with clinical expertise. This approach allows the practitioner to critically assess research data, clinical guidelines, and other information resources in order to correctly identify the clinical problem, apply the most high-quality intervention, and re-evaluate the outcome for future improvement.

<sup>2</sup> HFW is covered through the Specialty Mental Health (SMHS) delivery system. For purposes of this BHIN, BHP refers to the entity that covers SMHS and is not intended to reference Drug Medi-Cal Organized Delivery System (DMC-ODS) benefits or plans. The Drug Medi-Cal State Plan program is also not included in the definition of BHP.

delivery settings, provider qualifications, and claiming and payment for providing HFW under Medi-Cal.

MEDICAID EPSDT MANDATE:

All BHPs are required to cover HFW under the EPSDT mandate.<sup>3</sup> The EPSDT mandate requires comprehensive screening, diagnostic, treatment, and preventive health care services for individuals under the age of 21 who are enrolled in full-scope Medi-Cal. Under EPSDT, states are required to provide all Medicaid-coverable services necessary to correct or ameliorate a mental illness or condition discovered by a screening service, whether or not such services are covered under [the state's Medicaid State Plan](#).<sup>4</sup> Furthermore, [federal guidance](#) from the Centers for Medicare & Medicaid Services (CMS) makes it clear that mental health services need not be curative or restorative to ameliorate a mental health condition.<sup>5</sup> Services that sustain, support, improve, or make more tolerable a mental health condition are considered to ameliorate the mental health condition and are therefore medically necessary and covered as EPSDT services. Nothing in this BHIN limits or modifies the scope of the EPSDT mandate.

POLICY:

BHPs must cover HFW as an EPSDT service<sup>6</sup> through the Specialty Mental Health Service (SMHS) delivery system, in accordance with this guidance and the accompanying Policy Manual which clarify the evidence-based practices required to cover and claim for HFW.

Effective July 1, 2026, in accordance with AB 161 (Welf. & Inst. Code 16562), which requires DHCS to implement "a case rate or other type of reimbursement" for HFW services,<sup>7</sup> BHPs must claim for specified activities (see Enclosure 1) that all youth must receive as part of HFW using the updated payment model (hereafter, "the monthly HFW rate") described in this BHIN. BHPs must also cover and claim any additional medically necessary SMHS or Drug Medi-Cal (DMC)/Drug Medi-Cal-Organized Delivery System (DMC-ODS) services that are not covered through the monthly rate, and refer a youth to any non-specialty mental health service or Medi-Cal service that a youth needs as part

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<sup>3</sup> 42 C.F.R. Part 441, Subpart B; 42 U.S.C. §§1396a(a)(43) and 1396d(r)

<sup>4</sup> See CMS State Health Official (SHO) Letter #24-005.

<sup>5</sup> [EPSDT – A Guide for States: Coverage in the Medicaid Benefit for Children and Adults](#)

<sup>6</sup> 42 C.F.R. Part 441, Subpart B; 42 U.S.C. §§1396a(a)(43) and 1396d(r)

<sup>7</sup> Welfare & Institutions Code section 16562, subd. (h)(1)(A).

of the model (see “Medi-Cal Claiming,” below). Together, the HFW monthly rate and the individualized array of SMHS and other Medi-Cal services comprise the “Medi-Cal HFW service package” outlined in Figure 1 below.

**Figure 1. Medi-Cal HFW Service Package**

HFW Service Package	
HFW Monthly Rate	Services Billed/Claimed Outside of HFW Monthly Rate for Any Other Service/Support the Youth May Need
» Encompasses activities specified in Enclosure 1	» Any SMHS Service Children/Youth May Need for Which the BHP Must Provide or Arrange » Any Medi-Cal Managed Care Service Children/Youth May Need for Which the BHP Must Refer Consistent with MHP/MCP Memorandum of Understanding (MOU) requirements » Any Medi-Cal services covered in the Fee-for-Service delivery system, for youth not enrolled in Medi-Cal managed care

As described in the [BHSA County Policy Manual](#), counties must include HFW in their Full Service Partnership (FSP) program beginning July 2026.<sup>8</sup>

BHPs shall ensure Medi-Cal members under the age of 21 have access to HFW if determined medically necessary and clinically appropriate.

#### Overview of HFW:

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<sup>8</sup> One element of the HFW service package that is not billable to Medi-Cal is “flexible funds,” which can be used by the HFW team for anything determined necessary. The HFW model requires timely access to flexible funding to support and address the urgent and individualized needs of youth when these needs are not readily met by other resources (i.e., Medi-Cal programs or community-based resources). Counties may use BHSA funding for any service activities not covered through Medi-Cal or through other funding sources ([BHSA County Policy Manual](#); See also [ACL 25-47/BHIN 25-027](#)). Other sources of flexible funding may also be available and utilized alongside, or in lieu of, BHSA funds.

HFW provides a comprehensive, holistic, youth and family-driven<sup>9</sup> way of responding when youth experience significant mental health or behavioral challenges. HFW is delivered in accordance with ten principles of the National Wraparound Initiative (NWI) [HFW model](#) and the [CA Wraparound Standards](#)<sup>10</sup> through four phases. Through these principles, HFW is team-based and family-centered and includes an “anything necessary” approach to care for youth with the most intensive mental health or behavioral challenges. HFW combines a team-based case management and facilitation approach with individualized and community-based mental health services and supports tailored to meet the individualized needs of the youth.

The Child and Family Team (CFT) is an integral part of HFW. A CFT is a group of people who are involved in supporting the youth and family to achieve their goals through developing and implementing a plan of care. The youth and family<sup>11</sup> are active members of the CFT and serve a key role in identifying other CFT members.<sup>12</sup> All youth receiving HFW shall have a CFT, whether they are child welfare and/or juvenile probation involved or not. When a youth who receives HFW has a pre-existing CFT, the HFW staff become part of the CFT so there is only one team for the youth inclusive of the formal support systems a youth may need, as well as community-based and natural supports. The team works together to integrate required services and supports into a plan of care that aligns with the youth and family's goals and values, using individualized, strength-based planning.<sup>13</sup> Hereafter throughout this BHIN, the term “HFW team” shall be used to describe the requirements associated with the HFW team made up of care practitioners operating within the context of the CFT.

HFW is delivered in community-based settings, and, as necessary, to support continuity of care during transitional periods into and out of inpatient and residential settings.

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<sup>9</sup> For the purposes of this BHIN, “family” is defined as anyone who is providing care and supervision for the youth.

<sup>10</sup> California’s HFW Model is aligned with the NWI HFW model. See [ACL 25-47/BHIN 25-027](#).

<sup>11</sup> A youth’s caregivers may include, but is not limited to, a biological parent, adoptive parent, foster parent, kinship carer, legal guardian, or non-residential caregiver (e.g., a non-custodial parent) who shares caregiving responsibilities for the child.

<sup>12</sup> See [ACL 25-47/BHIN 25-027](#).

<sup>13</sup> As described in [ACL 25-47/BHIN 25-027](#), a plan tailored to each youth and family based on their specific needs and goals. The plan should be strengths-based, needs-driven, culturally relevant to the family and integrate the Child and Adolescent Needs and Strengths tool (CANS).

Additional details about the activities covered under Medi-Cal as part of the HFW monthly rate are included in Enclosure 1. As noted above, the HFW service package also includes an individualized array of SMHS as well as other Medi-Cal services that must be made available consistent with Medi-Cal coverage and care coordination guidance, and may be claimed outside of the monthly rate.

#### MEDI-CAL HFW POLICY MANUAL:

This BHIN provides minimum requirements all BHPs must meet for providing HFW under Medi-Cal. The forthcoming HFW Policy Manual provides required operational and practice standards for the implementation of HFW. The Policy Manual includes information on program requirements, including:

- » How children and youth for whom HFW may be medically necessary and clinically appropriate must be identified using decision support criteria and other clinical guidelines;
- » Staffing structure for the teams delivering HFW;
- » Additional Medi-Cal claiming guidance;
- » Training, technical assistance, outcomes and fidelity monitoring; and
- » Data collection.

The HFW Policy Manual will reflect expectations for service provision in alignment with current evidence and national (and CA Wraparound) standards. DHCS may periodically update the Policy Manual to clarify and reflect the latest guidelines for HFW in alignment with evolving evidence and national practice standards. DHCS will work with the HFW Center of Excellence (see additional information below) and other stakeholders on HFW Policy Manual updates and notify BHPs of any updates. BHPs must adhere to the standards set forth in the HFW Policy Manual in addition to the requirements in this BHIN.

The HFW Policy Manual will be posted to the [BH-CONNECT webpage](#).

#### FIDELITY ASSESSMENTS & FIDELITY DESIGNATION FOR HFW:

When implemented with fidelity to the evidence-based model, HFW has demonstrated robust outcomes among youth living with significant behavioral health needs.

Monitoring fidelity through regular fidelity assessments is a key component of HFW to

ensure members are receiving the service as designed and to identify where improvements can be made.

DHCS has contracted with a HFW Center of Excellence (COE), the [Resource Center for Family-Focused Practice](#) (RCFFP) at UC Davis, to provide training, technical assistance, fidelity monitoring and data collection for HFW statewide. BHPs must work with the COE as described in this BHIN and in the Policy Manual to ensure that HFW teams are delivering HFW to fidelity. The HFW COE will conduct fidelity assessments as described in the forthcoming HFW Policy Manual.<sup>14</sup>

BHPs may claim for HFW for up to nine months before teams of practitioners complete a baseline fidelity assessment with the COE. For the BHP to claim for HFW on an ongoing basis after the initial nine-month period, teams must achieve and maintain Fidelity Designation, defined as meeting a specified fidelity threshold on their fidelity assessment conducted by the COE. There are three levels of Fidelity Designation:

- » Baseline Fidelity Designation indicates a team has completed their baseline fidelity assessment;
- » Minimum Fidelity Designation indicates a team has completed their first fidelity assessment and meets the minimum fidelity threshold for HFW; and
- » Full Fidelity Designation indicates a team has completed their second fidelity assessment and meets the full fidelity threshold for HFW.

BHPs may claim Medi-Cal payment on an ongoing basis for teams that have achieved any of the three levels of Fidelity Designation. Specific fidelity thresholds required to achieve each Fidelity Designation level will be described in the HFW Policy Manual. Fidelity Designation will be granted or renewed following each fidelity assessment. BHPs

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<sup>14</sup> COE resources are available free of charge to BHPs and behavioral health practitioners that serve the Medi-Cal and uninsured populations. More information about COE support is available on the [DHCS COE Resource Hub](#) website. DHCS will communicate to stakeholders and may adjust guidance if at any time DHCS is no longer able to make COE resources available free of charge.



shall not continue to claim the monthly HFW rate for any team that loses its Fidelity Designation.<sup>15</sup>

Additional details about the HFW COE, the fidelity assessment process, fidelity thresholds, and outcomes monitoring requirements that must be met to achieve Fidelity Designation will be available in the forthcoming HFW Policy Manual.

USE OF CHILD AND ADOLESCENT NEEDS AND STRENGTHS (CANS) DECISION SUPPORT CRITERIA:

BHPs shall ensure that all youth for whom HFW will be claimed have received an assessment using the CANS. DHCS will implement a uniform decision support tool (hereafter, the "HFW decision support criteria (DSC)"), which shall be applied using the CANS assessment. The DSC is a standardized set of criteria to inform a clinician's individualized determination about whether HFW is medically necessary for the youth. A licensed mental health professional acting within their scope of practice and authorized to direct services under the California State Plan must consider the DSC and confirm that HFW is medically necessary and clinically appropriate.<sup>16,17</sup>

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<sup>15</sup> If a team of practitioners does not achieve a specified Fidelity Designation level, the team will enter a probationary period and will maintain its current Fidelity Designation level until their next assessment. The team must complete their next assessment within 12 months. More information about the probationary fidelity period will be outlined in the forthcoming HFW Policy Manual.

<sup>16</sup> The following licensed mental health professionals are authorized to provide direction and make this determination, so long as they are operating within their appropriate scope of practice: a physician; a licensed or waived psychologist; a licensed, waived or registered social worker; a licensed, waived or registered marriage and family therapist; a licensed, waived or registered professional clinical counselor; a registered nurse (including a certified nurse specialist, or a nurse practitioner); or a licensed occupational therapist.

<sup>17</sup> For individuals under 21 years of age, a service is "medically necessary" or a "medical necessity" if the service meets the standards set forth in [Section 1396d\(r\)\(5\) of Title 42](#) of the United States Code, as incorporated in subdivision (b)(1) of W&I Code section 14059.5. Nothing in this BHIN limits or modifies the scope of the EPSDT mandate. Subdivisions (a) and (i) of W&I Code section 14184.402 provide DHCS with authority to implement, interpret, and make specific the above-described medical necessity criteria for SMHS benefits. For some benefits, DHCS may specify certain criteria for practitioners to consider when determining whether a service is medically necessary for a member and seeking payment or authorization from a BHP.



The DSC are a research-based tool/process intended to support clinical decision-making and statewide consistency in access to HFW for youth in Medi-Cal. While the youth is being evaluated for HFW, BHPs must ensure that members have appropriate access to medically necessary SMHS.<sup>18</sup> DHCS encourages counties to use the DSC to assertively identify and conduct outreach to youth for whom HFW may be valuable.

BHPs shall not require prior authorization for HFW or impose additional requirements that would delay referral or receipt of HFW for services.

More information about the DSC and other clinical considerations for HFW will be in the forthcoming HFW Policy Manual.

**MEDI-CAL CLAIMING:** BHPs will use the Short Doyle Medi-Cal claiming system to claim a monthly payment for specified activities (see Enclosure 1) for HFW for every youth receiving the service using the procedure code in Table 1 below. BHPs receive a county-specific monthly HFW rate for services that meet the requirements in this BHIN and forthcoming HFW Policy Manual. County-specific rates for behavioral health services, including HFW, are posted here: [Medi-Cal Behavioral Health Fee Schedules](#).<sup>19</sup> Additional details about claiming requirements for BH-CONNECT EBPs including HFW are in the applicable Short-Doyle Medi-Cal billing manual.<sup>20</sup>

**Table 1. HFW Monthly Rate Claiming Details**

Service	Rate Structure	CPT/HCPCS Code	Code Description
HFW	Monthly Rate	[XXX- TBD]	[XXX- TBD]

<sup>18</sup> See [BHIN 22-016](#).

<sup>19</sup> BHPs shall claim the established rates for HFW contained in the appropriate fiscal year's fee schedule for SMHS Outpatient rates. The fee schedules contain rates that DHCS reimburses BHPs for SMHS rendered to Medi-Cal members. BHPs negotiate rates with and reimburse individual network providers and are not required to reimburse network providers at the posted rates. Rates are developed using a county-wide average of direct and indirect costs and can be found here: [Medi-Cal Behavioral Health Fee Schedules](#).

<sup>20</sup> DHCS will submit a Medicaid SPA to pay for HFW using a monthly rate structure. The monthly rate for HFW may not be claimed until the SPA is effective, and systems updates are in place. DHCS will notify BHPs when this process is complete.

The HFW rate covers the activities in Enclosure 1 provided by a facilitator, caregiver/parent peer partner, and family specialist. It will also cover HFW team supervision by a supervisor, fidelity coaching by a fidelity coach,<sup>21</sup> clinical supervision from a licensed clinician, and a community developer. Additional information about team structure will be available in the HFW Policy Manual.

Consistent with the evidence-based model,<sup>22</sup> in addition to the components covered in the monthly HFW rate, youth must receive and BHPs must provide or arrange for the provision of any Medi-Cal SMHS, DMC, or DMC-ODS services recommended for the youth's success by the HFW team and confirmed by any clinician who is a behavioral health professional qualified to direct services as required in California's Medi-Cal state plan. Examples of additional Medi-Cal services that many youth may receive as part of HFW, and for which BHPs will claim payment separately from, and in addition to, the HFW monthly rate, include:

- » Intensive Home-Based Services (IHBS) and/or therapies
- » Psychiatry and Medication Support Services
- » Youth Peer Support Services

BHPs must also coordinate with Medi-Cal Managed Care Plans (MCPs) to refer youth to any MCP-covered service (e.g., non-specialty mental health services, Caregiver Respite). Youth that are not enrolled in Medi-Cal managed care may access additional covered services through the Medi-Cal fee-for-service delivery system.

#### ADDITIONAL GUIDANCE ON CLAIMING FOR HFW WITH OTHER SMHS

As described above, BHPs must provide or arrange for the provision of, and may claim the HFW monthly rate in combination with, other medically necessary and clinically appropriate SMHS and DMC/DMC-ODS services, as part of a youth's individualized Medi-Cal HFW service package. Care must be coordinated so that services are complementary and not duplicative of the activities (see Enclosure 1) covered through the HFW monthly rate.

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<sup>21</sup> The fidelity coach is a function internal to the HFW provider agency and is separate from the fidelity oversight provided by the COE.

<sup>22</sup> National Wraparound Initiative, [Implementation Guide](#). See also [ACL 25-47/BHIN 25-027](#).

A member receiving HFW may receive the following SMHS, claimed separately from the HFW monthly rate:

- » Any Crisis Service beyond telephonic crisis consultation that is considered part of the HFW team responsibilities<sup>23</sup>
- » SMHS Therapy and IHBS, including but not limited to therapies such as Functional Family Therapy (FFT) or Multisystemic Therapy (MST)
- » Therapeutic Foster Care (TFC)
- » Day Treatment Rehabilitative and Day Treatment Intensive, only when services are not provided during the same hours of the day as the HFW team is working directly with the member.

In the event that a member<sup>24</sup> requires a transition to or from HFW to Assertive Community Treatment (ACT) or Coordinated Specialty Care (CSC) for First Episode Psychosis, BHPs may claim for both services concurrently for up to three months. During this three-month transition period, only the partial rates for ACT and CSC shall be claimed.

BHPs shall not claim for HFW concurrently with SMHS Targeted Case Management (TCM) or Intensive Care Coordination (ICC). As DHCS implements HFW requirements, ICC will remain available as a SMHS for a transitional period ending no sooner than June 30, 2028. During this time, DHCS may consider how evidence-based care coordination services other than HFW may complement HFW and fit within the broader array of Medi-Cal care coordination services. Youth who need care coordination/management support but do not meet clinical criteria for or do not want to receive HFW may receive ICC (until June 30, 2028 or as specified by DHCS) or TCM as medically necessary and clinically appropriate.

#### MEDI-CAL PAYMENT FOR HFW AND MEDI-CAL MANAGED CARE PLAN (MCP) SERVICES:

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<sup>23</sup> Crisis Services may be provided concurrently with HFW, whether directly through the HFW team or by other practitioners of SMHS, at the youth and family's preference. DHCS will provide further detail in the HFW Policy Manual.

<sup>24</sup> In most cases, these members would be transitional age youth (TAY, ages 18-24). While it may be rare for a TAY to need concurrent ACT, CSC, and HFW, concurrent delivery may be appropriate to transition from one to another, as medically necessary and clinically appropriate.

Medi-Cal members receiving HFW and enrolled in managed care may also concurrently receive ECM or Complex Care Management (CCM). A member may be engaged with a HFW team through their BHP and with an Enhanced Care Management (ECM) provider through their MCP. HFW teams must coordinate with ECM providers to ensure the services are complementary and not duplicative.

MEDI-CAL PAYMENT FOR HFW FOR MEMBERS RECEIVING INPATIENT SPECIALITY MENTAL HEALTH SERVICES,<sup>25</sup> OR SERVICES IN PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES (PRTFs) OR SHORT-TERM RESIDENTIAL TREATMENT PROGRAM (STRTPS):

HFW is linked to cost savings through reduced emergency room and inpatient psychiatric visits.<sup>26,27</sup> While HFW is intended to reduce the need for inpatient/residential care, sometimes these stays will be needed. HFW teams provide continuity of care and coordination of services while the youth is admitted to inpatient/residential care. HFW teams must coordinate with inpatient and residential care providers to support discharge planning.

HFW may be provided as an inpatient SMHS or in a PRTF for purposes of care coordination and discharge planning. BHPs may claim the monthly HFW rate during the months in which a youth is admitted and discharged from an inpatient or PRTF setting.

For youth needing care in an STRTP, ongoing coordination by the HFW Facilitator and HFW team may be delivered to individuals throughout the stay and to support the youth's transition home. For youth entering an STRTP with an existing HFW team/provider, continued receipt of HFW from the same team can support continuity of care. Additional detail on the delivery of, and claiming for, HFW when a youth is in an STRTP will be available in the HFW Policy Manual.

HFW AND JUVENILE JUSTICE SETTINGS:

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<sup>25</sup> Inpatient SMHS includes psychiatric inpatient hospital services, psychiatric inpatient hospital professional services, psychiatric health facility services, and psychiatric inpatient hospital services delivered in a psychiatric health facility.

<sup>26</sup> Suter, J. C., & Bruns, E. J. (2009). [Effectiveness of the wraparound process for children with emotional and behavioral disorders: a meta-analysis](#). Clinical Child and Family Psychology Review, 12(4), 336–351.

<sup>27</sup> Smith, W., Sitas, M., Rao, P., Nicholls, C., McCann, P., Jonikis, T., ... & Waters, F. (2019). [Intensive community treatment and support "Youth Wraparound" service in Western Australia: A case and feasibility study](#). Early Intervention in Psychiatry, 13(1), 151-158.

It is important that youth in juvenile justice settings who received HFW prior to their incarceration continue HFW in the post-release period if needed. It is also important that youth who may meet criteria for HFW are assessed to identify whether HFW is medically necessary and clinically appropriate in the post-release period.<sup>28</sup>

Under the CalAIM Justice Involved Reentry initiative, BHPs and correctional facilities are required to work in partnership to facilitate behavioral health links, which includes professional to professional clinical handoffs. Youth who are identified as needing BHP services will qualify for SMHS and require a behavioral health link.

#### DOCUMENTATION:

Clinical records for youth receiving HFW must adhere to all Medi-Cal documentation requirements for SMHS as described in [BHIN 23-068](#).

#### COMPLIANCE MONITORING:

BHPs are responsible for conducting monitoring of contracted providers for compliance with the terms of the BHP's contract with DHCS, including with policies outlined in this BHIN. DHCS will continue to carry out its responsibility to monitor and oversee BHPs and their operations as required by state and federal law. DHCS will monitor BHPs for compliance with the requirements outlined above, and deviations from the requirements may require corrective action plans. This oversight may include, but is not limited to, verifying that services provided to Medi-Cal members are medically necessary, and that documentation complies with the applicable state and federal laws, regulations, and the MHP contract. Recoupment shall be focused on identified overpayments and fraud, waste, and abuse.

BHPs must also update their 2026 member handbooks to notify members of HFW by either adding Enclosure 2 of this BHIN as an insert to their handbook or incorporating the information in Enclosure 2 to the "Additional Information About Your County" section within their handbook within 90 days from the publication of this BHIN. BHPs must send a Notice of Significant Change to each member at least 30 days before the effective date of the handbook.<sup>29</sup> For additional information regarding the Notification

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<sup>28</sup> Under the CalAIM Justice Involved Reentry initiative, behavioral health links facilitate the initiation or continuation of behavioral health treatment once individuals are released to the community.

<sup>29</sup> Title 42, CFR, Part 438.10(g)(4)

January 2, 2026

of Significant Change delivery method requirements, please reference [BHIN 24-034](#) or any subsequent guidance issued by DHCS.

Please contact [BH-CONNECT@dhcs.ca.gov](mailto:BH-CONNECT@dhcs.ca.gov) for questions regarding this BHIN.

Sincerely,

Original signed by

Ivan Bhardwaj, Chief

Medi-Cal Behavioral Health – Policy Division

Enclosures (2)

DRAFT

## ENCLOSURE 1: MEDI-CAL SERVICE COMPONENTS FOR HFW MONTHLY RATE

The county-based monthly rate for HFW is paid for the following service components as those components are defined in [Supplement 1 to Attachment 3.1-A](#) and [Supplement 3 to Attachment 3.1-A](#) to the [California Medicaid State Plan](#):

**Targeted Case Management:** Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following service components:

- » Comprehensive Assessment and Periodic Reassessment of Individual Needs, to determine the need for any medical, educational, social or other services.
- » Development (and Periodic Revision) of a Specific Care Plan that is based on the information collected through the assessment.
- » Referral and Related Activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including:
  - activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan.
- » Monitoring and Follow-up Activities means activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
  - services are being furnished in accordance with the individual's care plan;
  - services in the care plan are adequate; and
  - changes in the needs or status of the individual are reflected in the care plan. Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers.

**Peer Support Services:** Services that are culturally competent individual and group services that promote recovery, resiliency, engagement, socialization, self-sufficiency,



self-advocacy, development of natural supports, and identification of strengths through structured activities such as group and individual coaching to set recovery goals and identify steps to reach the goals. Services aim to prevent relapse, empower beneficiaries through strength-based coaching, support linkages to community resources, and to educate beneficiaries and their families about their conditions and the process of recovery.

Peer support services include one or more of the following service components:

- » Educational Skill Building Groups means providing a supportive environment in which beneficiaries and their families learn coping mechanisms and problem-solving skills in order to help the beneficiaries achieve desired outcomes. These groups promote skill building for the beneficiaries in the areas of socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services.
- » Engagement means Peer Support Specialist led activities and coaching to encourage and support beneficiaries to participate in behavioral health treatment. Engagement may include supporting beneficiaries in their transitions and supporting beneficiaries in developing their own recovery goals and processes.
- » Therapeutic Activity means a structured non-clinical activity provided by a Peer Support Specialist to promote recovery, wellness, self-advocacy, relationship enhancement, development of natural supports, self-awareness and values, and the maintenance of community living skills to support the beneficiary's treatment to attain and maintain recovery within their communities. These activities may include, but are not limited to, advocacy on behalf of the beneficiary; promotion of self-advocacy; resource navigation; and collaboration with the beneficiaries and others providing care or support to the beneficiary, family members, or significant support persons.

**Psychosocial Rehabilitation:** A recovery or resiliency focused service activity which addresses a mental health need. This service activity provides assistance in restoring, improving, and/or preserving a member's functional, social, communication, or daily living skills to enhance self-sufficiency or self-regulation in multiple life domains relevant to the developmental age and needs of the member. Psychosocial rehabilitation includes assisting members to develop coping skills by using a group process to provide peer interaction and feedback in developing problem solving strategies. In addition,

psychosocial rehabilitation includes therapeutic interventions that utilize self-expression such as art, recreation, dance or music as a modality to develop or enhance skills. These therapeutic interventions assist the member in attaining or restoring skills which enhance community functioning including problem solving, organization of thoughts and materials, and verbalization of ideas and feelings. Psychosocial rehabilitation also includes support resources, and/or medication education and/or psychoeducation. Psychoeducation assists members to recognize the symptoms of their mental health condition to prevent, manage or reduce such symptoms.

**Crisis Intervention:** An unplanned, expedited service, to or on behalf of a beneficiary to address a condition that requires more timely response than a regularly scheduled visit. Crisis intervention is an emergency response service enabling a beneficiary to cope with a crisis, while assisting the beneficiary in regaining their status as a functioning community member. The goal of crisis intervention is to stabilize an immediate crisis within a community or clinical treatment setting.

## ENCLOSURE 2: ENCLOSURE FOR MEMBER HANDBOOKS

### Additional Specialty Mental Health Services Available:

#### HIGH FIDELITY WRAPAROUND (HFW):

- » HFW is a service that helps youth with serious behavioral health needs. Youth who need HFW may also be served by foster care, child welfare, or juvenile justice.
- » The goal is to help the youth feel better, stay in school and out of trouble and learn to live in their community. HFW also helps the youth's family and caregivers understand the youth's needs and learn how to support them and tailors services and supports based on the youth's needs.
- » When a youth gets HFW they will have a Child and Family Team (CFT). This team includes people who care about the youth. Together, they make a care plan to help the youth reach their goals.