



August 23, 2024

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

Subject: Notice of Proposed Change to the Medi-Cal Program

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. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Director's Office
ATTN: Angeli Lee
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P.O. Box 997413
Sacramento, CA 95899-7413

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

Page 2

August 23, 2024

In addition to this notice, DHCS plans to cover this SPA in the next quarterly Medi-Cal Indian Health webinar. 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 Zubiarte, 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 seek federal approval from the Centers for Medicare and Medicaid Services (CMS) to expand the continuum of community-based services and evidence-based practices available through the Medi-Cal specialty behavioral health delivery systems.

BACKGROUND

As part of the BH-CONNECT initiative, DHCS submitted an application for a new [Medicaid Section 1115 demonstration](#) and is pursuing SPA changes to increase access to and improve availability of mental health services for Medi-Cal members. BH-CONNECT builds on California's commitment to creating a full continuum of care for mental health and substance use disorder (SUD) treatment, with a special focus on the populations most at risk. More information about BH-CONNECT can be found at <https://www.dhcs.ca.gov/CalAIM/Pages/BH-CONNECT.aspx>.

SUMMARY OF PROPOSED CHANGES

This SPA proposes to:

1. Add Assertive Community Treatment (ACT), Coordinated Specialty Care (CSC), and Clubhouse Services as Rehabilitative Mental Health Services.
2. Define Employment and Education Support Services as a service component of ACT, CSC, and Clubhouse Services.
3. Clarify definitions of Medication Support Services, Medication Services, and Psychosocial Rehabilitation.
4. Add Alcohol and Drug Counselors as a provider type under Rehabilitative Mental Health Services and Targeted Case Management and Other Qualified Providers as a provider type under SUD Treatment Services and Expanded SUD Treatment Services.
5. Define bundled reimbursement rate methodologies for ACT, CSC, Clubhouse Services, and Multisystemic Therapy (MST).

County behavioral health programs will have the option to implement ACT, CSC, and Clubhouse Services as Specialty Mental Health Services (SMHS). SMHS are services delivered through County Mental Health Plans (MHPs) to support members living with mental health conditions. To be eligible for SMHS, members must meet the access criteria defined in Behavioral Health Information Notice (BHIN) [21-073](#).

- **ACT** is a community-based, team-based service to help members cope with the symptoms of their mental health condition and develop or restore skills to function in the community.

- **CSC** is a community-based, team-based service to help members cope with the symptoms of their initial psychotic episode(s) and remain integrated in the community.
- **Clubhouse Services** help members develop or restore their self-efficacy, self-care, social skills, and independent living skills.
- **Alcohol or Other Drug Counselors** are counselors either certified or registered by an organization that is recognized by the Department of Health Care Services and accredited with the National Commission for Certifying Agencies (NCCA).
- **Other Qualified Providers** are individuals at least 18 years of age with a high school diploma or equivalent degree plus two years of related paid or non-paid experience (including experience as a service recipient or caregiver of a service recipient), or related secondary education.

The proposed effective date of this SPA is January 1, 2025.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

As described in BHIN [22-020](#), THPs may be reimbursed by county MHPs for providing covered SMHS for eligible members, including ACT, CSC and Clubhouse Services. Provision of ACT, CSC and Clubhouse Services can help ensure community-based care is available for Medi-Cal members with mental health conditions.

The proposed SPA changes will not make Alcohol and Drug Counselors or Other Qualified Providers billable All-Inclusive Rate (AIR) providers. The changes may enable THPs that provide covered SMHS and DMC/DMC-ODS services to expand capacity to serve eligible members seeking treatment for co-occurring mental health conditions and SUDs.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

Pursuant to Welfare and Institutions (W&I) Code section 14132.100 (l) and (m), FQHCs must be contracted with their county to deliver SMHS and DMC-ODS services prior to furnishing any services. Furthermore, FQHC costs for SMHS, DMC, and DMC-ODS services, including ACT, CSC, and Clubhouse Services, must be carved out of the Prospective Payment System (PPS) rate. County MHPs will then be responsible for reimbursing the fee-for-service (FFS) rate to contracted FQHCs for ACT, CSC, and Clubhouse Services. Provision of ACT, CSC and Clubhouse Services can help ensure community-based care is available for Medi-Cal members with mental health conditions.

Similarly, a FQHC provider contracted with the MHP in their county may elect to add an Alcohol and Drug Counselor as a practitioner type under Rehabilitative Mental Health Services, and a FQHC provider contracted to provide DMC or DMC-ODS services may add an Other Qualified Provider as a practitioner type. These services will be reimbursed at FFS rates, as described in BHIN [22-020](#) for SMHS, BHIN [23-027](#) for DMC services, and BHIN [22-053](#) for DMC-ODS services. As noted above, the personnel costs may not be included in the PPS rate. The proposed SPA changes will

not make Alcohol and Drug Counselors or Other Qualified Providers billable PPS practitioners. The changes may enable FQHCs that provide covered SMHS and DMC/DMC-ODS services to expand capacity to serve eligible members seeking treatment for co-occurring mental health conditions and substance use disorders.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

American Indian Medi-Cal members may have increased access to ACT, CSC and Clubhouse Services, which are expected to improve health outcomes for members with mental health conditions. American Indian Medi-Cal members with co-occurring mental health conditions and SUDs may also have additional practitioner options to help address their treatment needs.

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. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

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