Tribal and Designee Medi-Cal Advisory Process Webinar on Proposed Changes to the Medi-Cal Program

August 30, 2023

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

Welcome and Webinar Logistics

Dos & Don’ts of WebEx

- Everyone will be automatically muted upon entry
- Use the Q&A or Chat box to submit comments or questions
- Please use the Chat box for any technical issues related to the webinar

Feedback Guidance for Participants

- **Q&A or Chat Box.** Please feel free to utilize either option to submit feedback or questions during the meeting.
- **Spoken.**
  - Participants may "raise their hand" for Webex facilitator to unmute the participant to share feedback
  - Alternatively, participants who have raised their hand may unmute their own lines, but DHCS asks that you wait for a facilitator to recognize your request to speak
  - DHCS will take comments or questions first from tribal leaders and then all others in the room and on the webinar
- **If you logged on via phone-only.** Press "*6" on your phone to "raise your hand"

Purpose

- The Department of Health Care Services (DHCS) is hosting this webinar regarding proposed changes to the Medi-Cal Program. This webinar will provide information and allow for feedback on State Plan Amendments (SPA) and Waiver Renewals/Amendments proposed for submission to Centers for Medicare and Medicaid Services (CMS).
- Background: Executive Orders recognize the unique relationship of Tribes with the federal government and emphasize the importance of States to work with Tribes on matters that may impact Indian health.
- This webinar is one way for DHCS to provide information about the Medi-Cal program and get feedback verbally and in writing.

Agenda

- Welcome and Purpose
- Overview of Waivers
- Waivers/Demonstration Projects Scheduled for Submission to CMS
- Overview of State Plan and State Plan Amendments (SPAs)
- SPAs Scheduled for Submission to CMS by September 30, 2023
- Closing and Feedback

Waiver Overview

What are Medicaid Waivers?

- "Waive" specified provisions of Medicaid Law (Title XIX of the Social Security Act).
- Allow flexibility and encourage innovation in administering the Medicaid program to meet the health care needs of each State's populations.
- Provide medical coverage to individuals and/or services that may not otherwise be eligible or allowed under regular Medicaid rules.
- Approved for specified periods of time and often may be renewed upon expiration.

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 Demonstration & California Advancing & Innovating in Medi-Cal (CalAIM) Transitional Rent Services Amendment

DHCS

Today's Objective

California is seeking a new Section 1115 demonstration to expand access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with serious mental illness and serious emotional disturbance. The State is also seeking an amendment to the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration to provide up to six months of transitional rent services to eligible Medi-Cal members during critical transitions or who meet high-risk criteria.

In today's webinar, we will summarize California's proposals and receive comments from tribal partners.

How to Access Public Comment Materials

- BH-CONNECT Webpage (BH-CONNECT Section 1115 application, public notice, abbreviated public notice)
- CalAIM 1115 Demonstration & 1915(b) Waiver Webpage (CalAIM Section 1115 amendment application, public notice, abbreviated public notice)
- Indian Health Program Webpage (BH-CONNECT and CalAIM Tribal and Designees of Indian Health Programs public notices)

Submitting Public Comments

The Tribal and Designees of Indian Health Programs public comment periods for the BH-CONNECT Section 1115 demonstration application and CalAIM Transitional Rent Services Amendment application are from August 1, 2023 to August 31, 2023. To be considered prior to CMS submission, public comments must be received by 11:59 PM PT on Thursday, August 31, 2023.

Method of Submission	BH-CONNECT Demonstration	CalAIM Transitional Rent Services Amendment
Mail	Department of Health Care Services Director's Office Attn: Jacey Cooper and Tyler Sadwith P.O. Box 997413, MS 0000 Sacramento, California 95899-7413	Department of Health Care Services Director's Office Attn: Jacey Cooper and Susan Philip P.O. Box 997413, MS 0000 Sacramento, California 95899-7413
Email	BH-CONNECT@dhcs.ca.gov	1115Waiver@dhcs.ca.gov

Today's Webinar:

- **Q&A or Chat Box.** All information and questions received through the Q&A box will be recorded as public comments.
- **Spoken.** Participants will have the opportunity to verbally share public comments in the second half of the webinar

BH-CONNECT Initiative & Section 1115 Demonstration

DHCS

Overview of BH-CONNECT

Why BH-CONNECT?

The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) initiative builds upon unprecedented investments and policy transformations to establish a robust continuum of community-based behavioral health services and improve access, equity, and quality for Medi-Cal members.

- Like the rest of the nation, **California faces a growing mental health crisis**, which has been exacerbated by COVID-19: as of 2019, nearly 1 in 20 adult Californians were living with serious mental illness (SMI), and 1 in 13 California children were living with serious emotional disturbance (SED).
- California has **invested more than $10 billion and is implementing landmark policy reforms** to strengthen the behavioral health care continuum through initiatives that include:
  - ☑ The **California Advancing and Innovating Medi-Cal** (CalAIM) demonstration to transform and strengthen Medi-Cal, including policy changes to move Medi-Cal behavioral health to a more consistent and seamless system by reducing complexity and increasing flexibility.
  - ☑ The **Children and Youth Behavioral Health Initiative** (CYBHI), a historic investment to enhance, expand and redesign the systems that support behavioral health for children and youth.
  - ☑ Investments in infrastructure and new housing settings through the **Behavioral Health Continuum Infrastructure Program** (BHCIP) and the **Behavioral Health Bridge Housing** (BHBH) Program.
  - ☑ Strengthening the behavioral health crisis care continuum, including implementing **mobile crisis services** and the **988 Suicide and Crisis Lifeline**.

Section 1115 Demonstration Opportunity

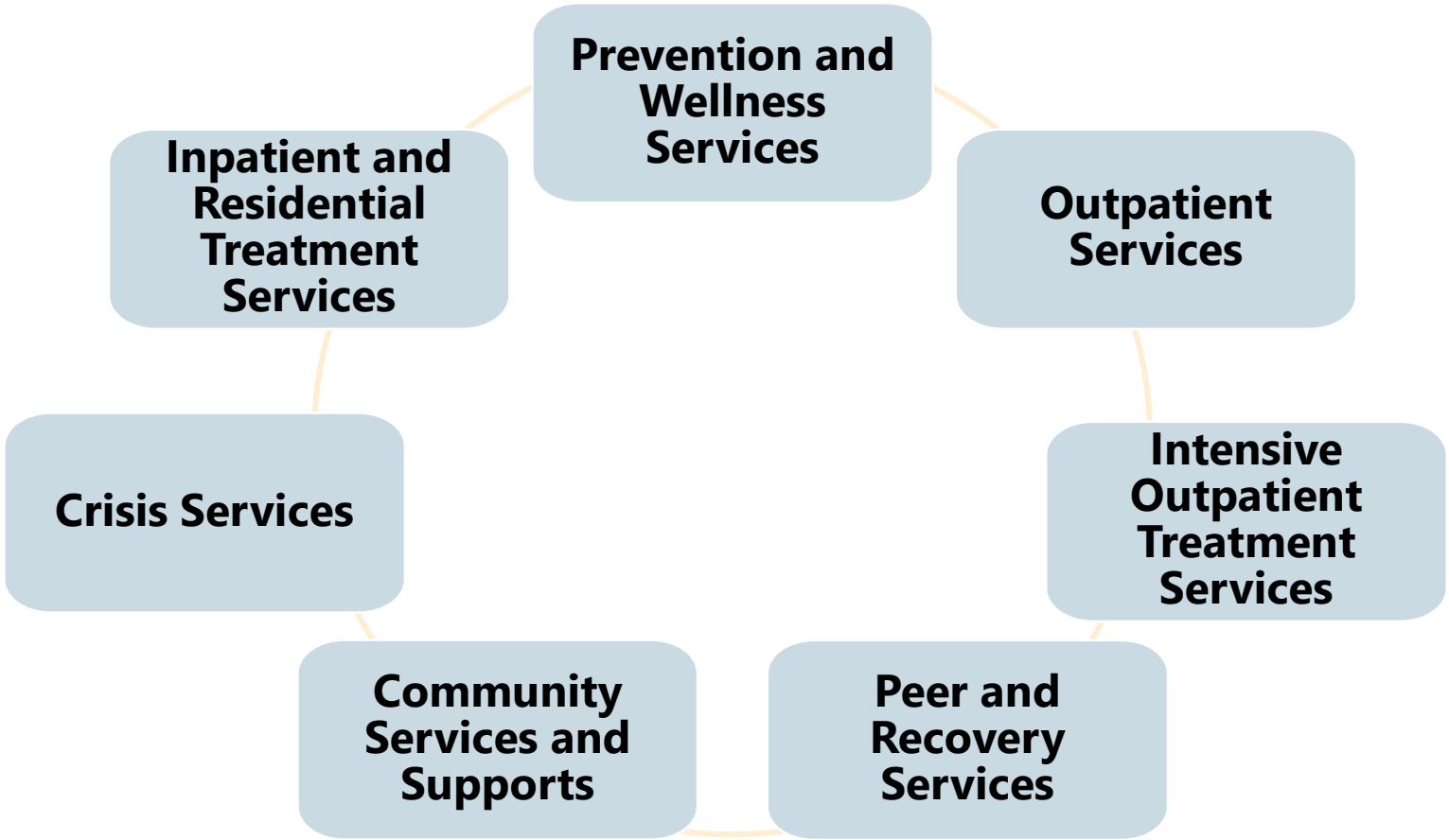
The BH-CONNECT demonstration will strengthen the continuum of community-based behavioral health services, while also taking advantage of CMS' opportunity to receive federal financial participation (FFP) for care provided during short-term stays in Institutions for Mental Diseases (IMDs).

- **CMS' 2018 guidance** permits states to use 1115 demonstrations to receive FFP for short-term care* provided to Medicaid members living with SMI/SED in qualifying IMDs, provided states establish a robust continuum of community-based care and enhance oversight of inpatient and residential settings.
- **California was the first state to obtain a similar waiver allowing IMD expenditure authority for substance use disorder (SUD) care provided in IMDs** in exchange for strengthening SUD services under the Drug Medi-Cal Organized Delivery System (DMC-ODS).
- In October 2021, **CMS created new flexibility to secure FFP for longer stays in Short-Term Residential Therapeutic Programs (STRTPs) classified as IMDs** for youth in the child welfare system for up to two years. States must submit a detailed plan with key milestones and timeframes for transitioning children out of STRTPs that are IMDs.
- In November 2022, DHCS **released an external concept paper outlining the proposed** approach to the BH-CONNECT demonstration (formerly the CalBH-CBC demonstration).
- On August 1, 2023, **DHCS released the proposed BH-CONNECT Section 1115 application.**

**The 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.*

Enhancing the Continuum of Care

BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



For more information, please see the Appendix.

Proposed Approach

BH-CONNECT aims to:

- **Expand the continuum of community-based services and evidence-based practices (EBPs)** available through Medi-Cal.
- **Strengthen family-based and supports** for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.
- Connect members living with significant behavioral health needs to **employment, housing, and social services and supports**.
- **Invest in statewide practice transformations** to better enable county behavioral health plans and providers to support Medi-Cal members living with behavioral health conditions.
- **Strengthen the workforce** needed to deliver community-based behavioral health services and EBPs to members living with significant behavioral health needs.
- Reduce the risk of individuals **entering or re-entering the criminal justice system** due to untreated or under-treated mental illness.
- **Incentivize outcome and performance improvements** for children and youth involved in child welfare that receive care from multiple service systems.
- **Reduce use of institutional care** by those individuals most significantly affected by significant behavioral health needs.

Section 1115 Demonstration Request

Key Demonstration Components

DHCS is requesting Section 1115 demonstration authorities for specific features of the BH-CONNECT proposal, as detailed in the following slides. Other features will require a State Plan Amendment or administrative expenditures, and others can be implemented using existing federal Medicaid authorities.

Section 1115 Authorities

Expenditure Authority Requests

- ✓ Workforce Initiative
- ✓ Statewide Incentive Program
- ✓ Cross-Sector Incentive Program
- ✓ Activity Stipends
- ✓ Opt-In Incentive Program
- ✓ Transitional Rent Services
- ✓ FFP for IMDs
- ✓ Designated State Health Programs (DSHPs)

Waiver Authority Requests

- ✓ Statewideness
- ✓ Amount, Duration, and Scope and Comparability

Forthcoming State Plan Amendment

- ✓ ACT
- ✓ Forensic ACT
- ✓ Coordinated Specialty Care for First Episode Psychosis
- ✓ Individual Placement and Support (IPS) Model of Supported Employment
- ✓ Community Health Worker Services
- ✓ Clubhouse Services

Existing Federal Medicaid Authorities

- ✓ Centers of Excellence
- ✓ Clarification of Coverage of Evidence-Based Child and Family Therapies
- ✓ Initial Child Welfare/Specialty Mental Health Assessment
- ✓ Foster Care Liaison Role
- ✓ Requirements for Counties that Opt-In to Receive FFP for IMDs
- ✓ Implementation of Other CMS Milestones

Section 1115 Demonstration Request

Statewide Features

- **Workforce initiative** to invest in a robust, diverse behavioral health workforce to support Medi-Cal members living with significant behavioral health needs.
- **Statewide incentive program** to support behavioral health delivery systems in strengthening quality infrastructure, improving performance on quality measures, and reducing disparities in behavioral health access and outcomes.
- **Cross-sector incentive program** to support children and youth involved in child welfare who are also receiving specialty mental health services.
- **Activity Stipends** to ensure children and youth involved in child welfare have access to community and school-based activities that support health and well-being.

County Option

- **Incentive program for opt-in counties** to support and reward counties in implementing a robust continuum of community-based behavioral health services and EBPs for Medi-Cal members.
- **Transitional Rent Services** for up to six months for eligible high-need members who are experiencing or at risk of homelessness.
- FFP for **care provided during short-term stays in IMDs.**

Statewide Feature: Workforce Initiative

California is facing an acute behavioral health workforce shortage. To build upon work already underway in California, DHCS is requesting expenditure authority for a workforce initiative to support the identification, training, and retention of behavioral health professionals to provide services across the continuum.

The workforce initiative will be used for critical investments in the behavioral health workforce, which may include:

- **Long-term investments**, such as partnerships with colleges and universities to expand allied professional and graduate programs in social work, psychology, and other related programs, and to build upon recent investments to augment the pipeline of Peer Support Specialists, Community Health Workers, SUD counselors, and other practitioners.
- **Short-term investments**, such as hiring and retention bonuses, scholarship and loan repayment programs, certification costs for community health workers and peer support specialists, and other stipends.

DHCS will partner with stakeholders to inform the design of the workforce initiative.

Key Focus Areas

Focus areas for the workforce initiative will be on:

- Ensuring the workforce is equipped to provide culturally- and linguistically-appropriate care
- Engaging individuals with lived experience
- Addressing the shortage of professionals who work with children and youth and the justice-involved population

Statewide Feature: Statewide Incentive Program

DHCS is requesting expenditure authority to make new investments in county Mental Health Plans (MHPs) and DMC-ODS counties to ensure they are equipped to implement BH-CONNECT activities through a statewide incentive program.

The incentive program will invest in counties to strengthen quality infrastructure and reporting on key outcome measures. Specific measurement domains and measures will be developed in partnership with key stakeholders and may include:

- Effective transitions of care
- Cultural and Race, Ethnicity, and Language (REAL) responsiveness
- Follow-up after emergency department (ED) visit for mental illness
- Follow-up after hospitalization for mental illness
- Antidepressant medication management
- Use of first-line psychosocial care for children and adolescents on antipsychotics
- Adherence to antipsychotic medications for individuals with schizophrenia

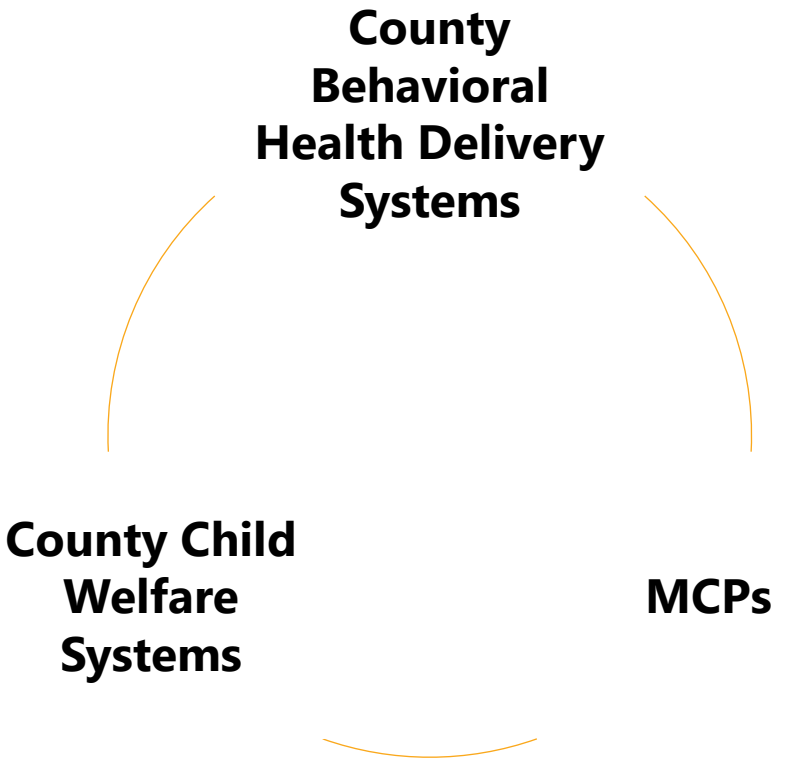
The statewide incentive program is intended to build upon work done as part of CalAIM Behavioral Health Quality Improvement Program (BHQIP) to strengthen counties' quality reporting and monitoring infrastructure.

Statewide Feature: Cross-Sector Incentive Program for Children Involved in Child Welfare

Children involved in child welfare frequently require coordination across multiple systems to meet their needs. DHCS plans to establish a cross-sector incentive program to facilitate innovation and drive outcome improvements through cross-agency collaboration.

The cross-sector incentive program will provide fiscal incentives for three key systems to **work together and share responsibility in improving behavioral health outcomes** among children involved in child welfare.

DHCS has received valuable feedback on potential measures for this incentive program and is working closely with stakeholders on the framework and measure set for the cross-sector incentive program to ensure it is designed in a way to best support children and youth involved in child welfare who are living with behavioral health needs.



Statewide Feature: Activity Stipends

DHCS is requesting expenditure authority to develop a new support for children ages 3 and older involved in child welfare to increase access to extracurricular activities, which can enhance physical health, mental wellness, healthy attachment, and social connections.

Activity Stipends would support activities not otherwise reimbursable in Medi-Cal, such as:

- Movement activities
- Sports
- Leadership activities
- Excursion and nature activities
- Music and art programs
- Other activities to support healthy relationships with peers and supportive adults

DHCS will work with California Department of Social Services, county child welfare agencies, tribal social services and tribal child welfare programs on distribution of Activity Stipends.

Eligibility Criteria

Members may be eligible for Activity Stipends if they are:

- under age 21 and currently involved in the child welfare system in California;
- under age 21 and previously received care through the child welfare system in California or another state within the past 12 months;
- aged out of the child welfare system up to age 26 in California or another state;
- under age 18 and are eligible for and/or in California's Adoption Assistance Program; or
- under age 18 and currently receiving or have received services from California's Family Maintenance program within the past 12 months.

County Option: FFP for Care Provided in IMDs

As part of the BH-CONNECT demonstration, DHCS is requesting FFP for services provided to Medi-Cal members living with significant behavioral health needs during short-term stays in IMDs.

- County MHPs that agree to certain conditions ("opt-in counties") will receive FFP for services provided during short-term stays* in IMDs consistent with CMS' requirements.
- To participate, opt-in counties must:
  - ☑ cover a full array of enhanced community-based services and evidence-based practices;
  - ☑ reinvest dollars generated by the BH-CONNECT demonstration into community-based care; and
  - ☑ meet accountability requirements to ensure that IMDs are used only when there is a clinical need and that IMDs meet quality standards.

Enhanced Community-Based Services

Counties that "opt in" to receive FFP for short-term stays in IMDs must provide:

- ACT
- Forensic ACT
- CSC for FEP
- IPS Supported Employment
- Transitional Rent Services
- Community Health Worker Services

Counties may "opt in" on a rolling basis.

**The 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 Option: FFP for Care Provided in IMDs

County MHPs may "opt-in" to participate in BH-CONNECT on a rolling basis. Each opt-in county must meet key milestones to be eligible for FFP for care provided in IMDs.

Upon IMD Opt-In County Go-Live	Within 1 Year of Go-Live	Within 2 Years of Go-Live	Within 3 Years of Go-Live
• Participate in opt-in county incentive program • Begin training and technical assistance for ACT/FACT ***Begin providing:*** • Peer Support Services, including forensic specialization • Community Health Worker services	• Fully implement ACT ***Begin providing:*** • Transitional Rent Services	• Fully implement FACT ***Begin providing:*** • CSC for FEP	***Begin providing:*** • IPS Supported Employment

Counties that are not participating in the IMD opportunity will have the option to implement Transitional Rent Services, IPS Supported Employment, Community Health Worker Services, ACT/FACT, CSC for FEP, and Clubhouse Services on a rolling basis.

County Option: Opt-In County Incentive Program

DHCS recognizes counties that opt-in to the BH-CONNECT demonstration will need to make significant investments to meet state and federal requirements, including building provider networks for community-based services and ensuring quality of participating IMDs.

The incentive program will support and reward counties in implementing community-based care options. Specific measurement domains and measures will be developed in partnership with key stakeholders and may include:

Start-up and capacity development:

- Receive DHCS approval of BH-CONNECT county implementation plan.

Process and structural milestones:

- Submit baseline reporting on outcome measures related to BH-CONNECT.
- Ensure provider organizations participate in fidelity review for specific EBPs, such as ACT, FACT, CSC for FEP, and IPS Supported Employment.

Performance and outcomes:

- Demonstrate improved outcomes related to BH-CONNECT programs.
- Demonstrate increased utilization rates of community-based services and EBPs available through the BH-CONNECT demonstration.
- Demonstrate improvement on quality-of-life measures.

Most of the opt-in county incentive program resources will be focused on outcomes associated with effective implementation of community-based services and EBPs.

County Option: Transitional Rent Services

Medi-Cal members will be eligible for transitional rent services in participating counties if they:

- Meet the access criteria for SMHS, DMC, and/or DMC-ODS services **and**
- Meet HUD's current definition of homelessness or at-risk of homelessness with two modifications:
  - If exiting an institution, individuals are considered homeless if they were homeless immediately prior to entering that institutional stay, regardless of the length of the institutionalization; **and**
  - The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at-risk of homelessness under the current HUD definition to 30 days.

AND meet <u>one or more</u> of the following criteria:

- are transitioning out of an institutional care or congregate residential setting, including but not limited to an inpatient hospital stay, inpatient or residential SUD treatment or recovery facility, inpatient or residential mental health treatment facility, or nursing facility;
- are transitioning out of a correctional facility;
- are transitioning out of the child welfare system;
- are transitioning out of recuperative care facilities or short-term post-hospitalization housing;
- are transitioning out of transitional housing;
- are transitioning out of a homeless shelter/interim housing;
- meet the criteria of unsheltered homelessness; **or**
- meet eligibility criteria for a Full Service Partnership (FSP) program.

Demonstration Financing & Preliminary Evaluation Plan

Demonstration Financing

DHCS is requesting expenditure authority from CMS totaling ~$6.98 billion over the 5-year demonstration period (January 1, 2025 – December 31, 2029). The following table shows the total projected expenditures for the BH-CONNECT demonstration years (DYs) (in thousands).

Expenditure Authorities	DY 1 (CY 2025)	DY 2 (CY 2026)	DY 3 (CY 2027)	DY 4 (CY 2028)	DY 5 (CY 2029)
Workforce Initiative	$480,000	$480,000	$480,000	$480,000	$480,000
Statewide Incentive Program	$302,544	$302,544	$302,544	$302,544	$302,544
Cross-Sector Incentive Program		$62,500	$62,500	$62,500	$62,500
Activity Stipends	$23,815	$47,630	$47,630	$47,630	$47,630
Opt-In County Incentive Program	$182,175	$198,001	$208,540	$245,000	$245,000
Transitional Rent Services	$36,001	$85,258	$119,874	$153,087	$171,521
IMDs	$161,929	$175,997	$185,364	$217,772	$217,772
Total	**$1,186,464**	**$1,351,930**	**$1,406,452**	**$1,508,533**	**$1,526,967**

Preliminary Evaluation Plan

As part of the demonstration request, DHCS included a preliminary plan to evaluate the BH-CONNECT demonstration and its achievement of the demonstration's goals. These hypotheses are subject to change and will be further defined as California works with CMS to develop an evaluation design.

Over the course of the BH-CONNECT demonstration period, DHCS anticipates:

- **ED utilization and lengths of stay** among members living with significant behavioral health needs will decrease.
- **Readmissions** to acute care hospitals and residential settings related to significant behavioral health needs will decrease.
- Utilization of **community-based crisis services** will increase.
- Availability and utilization of **community-based behavioral health services** will increase.
- **Care coordination** for members living with significant behavioral health needs will improve.
- Outcomes for **members who are justice-involved and those who are homeless** or at-risk of homelessness will improve.
- Outcomes for **children and youth involved in child welfare** will improve.
- Availability of **trainings, technical assistance, and incentives** to strengthen the provision of community-based care and improve outcomes will increase.
- Availability of **behavioral health providers** will increase.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (1/5)

Impact to Tribal Health Programs

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 and for Drug Medi-Cal (DMC) services as described in BHIN 22-053.

- **Transitional Rent Services –** DHCS is requesting authority to provide up to six months of transitional rent services for eligible high-need members who are homeless or at risk of homelessness. BH-CONNECT would cover these transitional rent services in the SMHS and DMC/DMC-ODS delivery systems in participating counties.
  - **Impact –** DHCS anticipates that Tribal health programs in counties that opt-in to the BH-CONNECT demonstration may be able to provide transitional rent services as a covered SMHS and/or DMC-ODS service.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (2/5)

Impact to Federally Qualified Health Centers (FQHCs)

Counties will remain responsible for reimbursing Urban Indian Organizations (UIOs) enrolled in Medi-Cal as FQHCs as described in BHIN 22-020 and BHIN 22-053.

- **Transitional Rent Services –** DHCS is requesting authority to provide up to six months of transitional rent services for eligible high-need members who are homeless or at risk of homelessness. BH-CONNECT would cover these transitional rent services in the SMHS and DMC/DMC-ODS delivery systems in participating counties.
  - **Impact –** DHCS anticipates that FQHCs in counties that opt-in to the BH-CONNECT demonstration may be able to provide transitional rent services as a covered SMHS and/or DMC-ODS service.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (3/5)

Impact to Indian Medi-Cal Beneficiaries

DHCS is requesting authority to implement new initiatives and services that are intended to strengthen community-based health services for all Medi-Cal members, including American Indian and Alaska Native populations.

- **Workforce Initiative –** DHCS is requesting authority to make investments in the behavioral health workforce needed to provide services to Medi-Cal members living with SMI/SED and/or a SUD, including ensuring the workforce is equipped to provide culturally and linguistically appropriate care.
  - **Impact –** The workforce initiative is intended to improve access to behavioral health services for all Medi-Cal members living with SMI/SED and/or a SUD, including culturally and linguistically appropriate care for American Indian populations.

(continued on following slide)

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (4/5)

Impact to Indian Medi-Cal Beneficiaries *(cont'd)*

- **Activity Stipends –** To ensure children and youth who are involved in child welfare have access to extracurricular activities such as sports, leadership activities, music, and art, DHCS is requesting authority to develop Activity Stipends.
  - **Impact –** DHCS will work with county child welfare agencies and tribal social services to make Activity Stipends available to eligible American Indian Medi-Cal members who are involved in child welfare.
- **Transitional Rent Services –** DHCS is requesting authority to provide up to six months of transitional rent services for eligible high-need members who are homeless or at risk of homelessness. BH-CONNECT would cover these transitional rent services in the SMHS and DMC/DMC-ODS delivery systems in participating counties.
  - **Impact –** DHCS anticipates that American Indian Medi-Cal members who live in participating counties, receive SMHS and/or DMC-ODS services, and meet eligibility criteria may be able to access transitional rent services.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (5/5)

Impact to Indian Medi-Cal Beneficiaries *(cont'd)*

- **Community-Based Services –** DHCS will cover a full array of enhanced community-based services (see list to the right). While counties opting-in to receive FFP for services provided during short-term stays in IMDs, must cover ALL community-based services, other counties may elect to cover one or more community-based services beginning January 1, 2025.
  - **Impact –** DHCS will work with counties to ensure community-based services are made available to eligible American Indian Medi-Cal members, both in opt-in and other counties.

Enhanced Community-Based Services

- ACT
- Forensic ACT
- CSC for FEP
- IPS Supported Employment
- Transitional Rent Services
- Community Health Worker Services
- Clubhouse Services*

* Clubhouse services are fully optional

Timeline

BH-CONNECT Implementation Timeline

DHCS intends to implement the BH-CONNECT demonstration using a phased approach. Counties may opt in to receive FFP for IMDs and meet other demonstration requirements on a rolling basis.

Proposed Implementation Milestones

January 2024

- Implementation of foster care liaison (MCP contract requirement)

January 2025 (*Demonstration Effective*)

- Counties opt-in to participate in BH-CONNECT IMD opportunity (*rolling*)
- Counties opt-in to offer enhanced community-based services, including ACT/FACT, CSC for FEP, IPS Supported Employment, Transitional Rent Services, Community Health Worker Services, and Clubhouse Services (*rolling*)
- Launch workforce initiative
- Statewide and opt-in county incentive programs go-live
- Release guidance on family therapies
- Centers of Excellence operational

July 2025

- Activity Stipends go-live
- Implement initial child welfare/behavioral health assessment

January 2026:

- Cross-sector incentive program go-live
- Evidence-based tools to connect members to appropriate care
- Tool to track availability of inpatient and crisis stabilization beds

CalAIM Transitional Rent Services Amendment Request

DHCS

Overview of Housing Supports in California

Through the CalAIM Section 1115 demonstration and Section 1915(b) waiver approvals in December 2021, California received authority to implement new population health and whole-person care initiatives, including 14 "Community Supports". Community Supports are services that can be covered by MCPs and offered by local community-based providers as appropriate, cost-effective alternatives to traditional medical services or settings. California has approval to implement six housing-related Community Supports today.

Housing-Related Community Supports in California

- **Recuperative care and short-term post-hospitalization housing** were authorized under the CalAIM Section 1115 demonstration to provide cost-effective and medically appropriate alternatives to hospitalization or institutionalization for high-risk enrollees.

- **Housing transition navigation services, housing deposits, housing tenancy and sustaining services, and day habilitation programs** were authorized under managed care regulatory authority to help eligible Medi-Cal members obtain housing and maintain tenancy.

California is requesting an amendment to the CalAIM 1115 demonstration to provide transitional rent services for eligible high-need Medi-Cal members to ensure they can access care in a supportive and safe community.

Goals of CalAIM Transitional Rent Services Amendment Request

DHCS is requesting a Section 1115 amendment to cover up to 6 months of rent for eligible high-need Medi-Cal members in the Medi-Cal managed care delivery system. DHCS seeks to improve the health and well-being of Medi-Cal members who are homeless or at risk of homelessness during critical transitions, as well as those who meet the criteria for unsheltered homelessness or for a Full Service Partnership (FSP) program.

Goals of CalAIM Transitional Rent Services Amendment

- Addressing unmet housing needs
- Reducing long-term homelessness
- Increasing utilization of preventive and routine care
- Reducing utilization of and costs associated with potentially avoidable, high acuity health care services
- Improving physical and behavioral health outcomes

To ensure a "no wrong door" approach to accessing key housing services, the BH-CONNECT demonstration would cover transitional rent services for individuals in the SMHS, DMC, and DMC-ODS delivery systems.

Eligibility Criteria for Transitional Rent Services

Medi-Cal members will be eligible for transitional rent services if they:

- Are enrolled in Medi-Cal MCPs that opt in to cover the services; **and**
- Meet HUD's current definition of homelessness or at-risk of homelessness with two modifications:
  - If exiting an institution, individuals are considered homeless if they were homeless immediately prior to entering that institutional stay, regardless of the length of the institutionalization; **and**
  - The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at-risk of homelessness under the current HUD definition to 30 days.

AND meet <u>one or more</u> of the following criteria:

- are transitioning out of an institutional care or congregate residential setting, including but not limited to an inpatient hospital stay, inpatient or residential SUD treatment or recovery facility, inpatient or residential mental health treatment facility, or nursing facility;
- are transitioning out of a correctional facility;
- are transitioning out of the child welfare system;
- are transitioning out of recuperative care facilities or short-term post-hospitalization housing;
- are transitioning out of transitional housing;
- are transitioning out of a homeless shelter/interim housing;
- meet the criteria of unsheltered homelessness; **or**
- meet eligibility criteria for a FSP program.

CalAIM Transitional Rent Services Financing

DHCS is requesting expenditure authority from CMS up to an aggregate cap of $764,860,000 over the final two years of the CalAIM demonstration (January 1, 2025 – December 31, 2026).

- **California is seeking capped hypothetical budget neutrality treatment for the transitional rent services.** This is consistent with CMS' budget neutrality framework for health-related social need (HRSN) services and the approved budget neutrality approach for recuperative care and short-term post hospitalization housing.
- **The following table shows the proposed expenditure authority cap across the final two DYs of the CalAIM Demonstration.**

Proposed Expenditure Authority Cap	DY 21 (CY 2025)	DY 22 (CY 2026)	Total
Transitional Rent Services in Medi-Cal Managed Care	$372,624,000	$392,236,000	$764,860,000
Total	**$372,624,000**	**$392,236,000**	**$764,860,000**

CalAIM Transitional Rent Services Evaluation

As part of the amendment request, DHCS included a preliminary plan to evaluate transitional rent services and its achievement of the demonstration amendment's goals. These hypotheses and plan are subject to change and will be further defined as California works with CMS to develop an evaluation design.

Potential Hypotheses

For individuals in Medi-Cal managed care who are homeless or at-risk of homelessness and transitioning out of institutional levels of care, congregate residential settings, correctional facilities, the child welfare system, recuperative care facilities, short-term post-hospitalization housing, transitional housing, homeless shelters or interim housing, or meet the criteria for unsheltered homelessness or for a FSP program:

- Unmet transitional housing needs will be addressed.
- Long-term homelessness will be reduced.
- Utilization of preventive and routine care will increase.
- Utilization of potentially avoidable, high acuity care will decrease.
- Physical and behavioral health outcomes will improve.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (1/2)

Impact to Tribal Health Programs

DHCS anticipates that Tribal health programs may be able to provide transitional rent services to Medi-Cal members enrolled in Medi-Cal managed care plans that opt to cover these services.

Impact to Federally Qualified Health Centers (FQHCs)

DHCS anticipates that FQHCs may be able to provide transitional rent services to Medi-Cal members in Medi-Cal managed care plans that opt to cover these services.

Impact to American Indians, Indian Health Programs, & Urban Indian Organizations (2/2)

Impact to Indian Medi-Cal Beneficiaries

This proposal will provide access to transitional rent services for American Indian and Alaska Native individuals enrolled in the Medi-Cal Managed Care delivery system, who are homeless or at risk of homelessness, and experiencing critical transitions, as well as those who meet the criteria for a Full Service Partnership program.

American Indian and Alaska Native individuals who are not enrolled in Medi-Cal managed care will not have access to transitional rent services through the Medi-Cal managed care delivery system. The proposed model 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 program eligibility requirements.

Timeline and Next Steps

- **Public Comment Period.** The BH-CONNECT demonstration and CalAIM transitional rent services amendment applications are available for public comment through August 31, 2023. Please submit all written comments to BH-CONNECT@dhcs.ca.gov or 1115waiver@dhcs.ca.gov.
- **Response to Public Comment.** DHCS will revise the draft BH-CONNECT demonstration application and CalAIM transitional rent services amendment application, integrating stakeholder feedback, in fall 2023.
- **Submission to CMS.** DHCS intends to submit the final BH-CONNECT demonstration application and CalAIM transitional rent services amendment application for CMS review in late 2023.
- **Go-Live.** The BH-CONNECT demonstration will be implemented on a phased timeline to ensure ample time for successful implementation *(see slide 34)*. Medi-Cal MCPs that elect to provide transitional rent services may provide this Community Support to qualifying individuals enrolled in their plans starting on January 1, 2025.
- **Ongoing Stakeholder Engagement.** DHCS is committed to engaging with stakeholders on an ongoing basis throughout the design and implementation of BH-CONNECT transitional rent services.

Tribal and Public Comment

DHCS

BH-CONNECT and CalAIM Transitional Rent Services Tribal and Public Comment Period

To be considered prior to CMS submission, public comments must be received by 11:59 PM PT on Thursday, August 31, 2023.

Method of Submission	BH-CONNECT Demonstration	CalAIM Transitional Rent Services Amendment
Mail	Department of Health Care Services Director's Office Attn: Jacey Cooper and Tyler Sadwith P.O. Box 997413, MS 0000 Sacramento, California 95899-7413	Department of Health Care Services Director's Office Attn: Jacey Cooper and Susan Philip P.O. Box 997413, MS 0000 Sacramento, California 95899-7413
Email	BH-CONNECT@dhcs.ca.gov	1115Waiver@dhcs.ca.gov

Resources

- **CalAIM 1115 Demonstration & 1915(b) Waiver Webpage**
- **BH-CONNECT Webpage**
- **Indian Health Program Webpage**

Tribal and Public Comment

The Department of Health Care Services (DHCS) will now take comments from stakeholders on the proposed BH-CONNECT demonstration and CalAIM Transitional Rent Services amendment.

- **Q&A or Chat Box.** All information and questions received through the Q&A box will be recorded as public comments
- **Spoken.**
  - Participants may "raise their hand" for Webex facilitators to unmute the participant to share their public comment
  - Alternatively, participants who have raised their hand may unmute their own lines, but DHCS asks that you wait for a facilitator to recognize your request to speak
  - DHCS will take comments or questions first from Tribal leaders and then all others on the webinar.
- **If you logged on via phone-only.** Press "*6" on your phone to "raise your hand"
- **Please limit comments to two minutes**

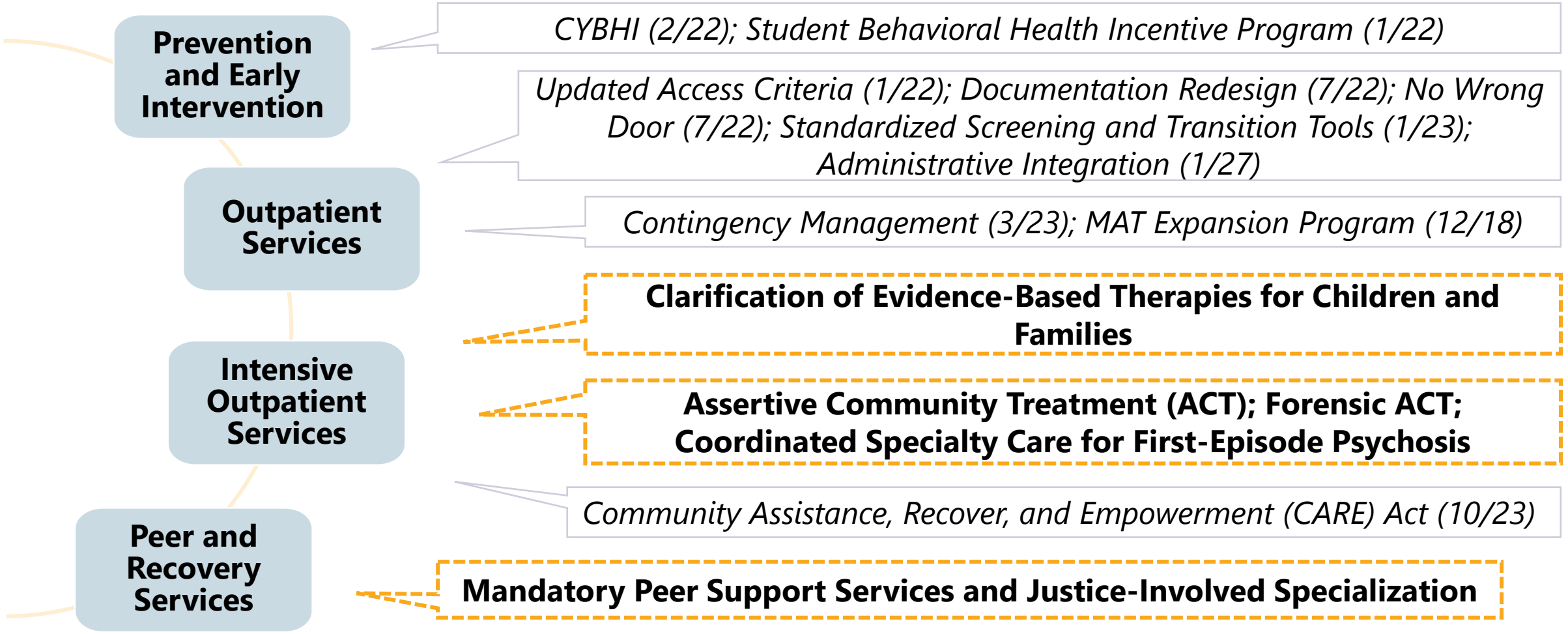
Feedback/Questions

DHCS

Appendix

Enhancing the Continuum of Care (1/2)

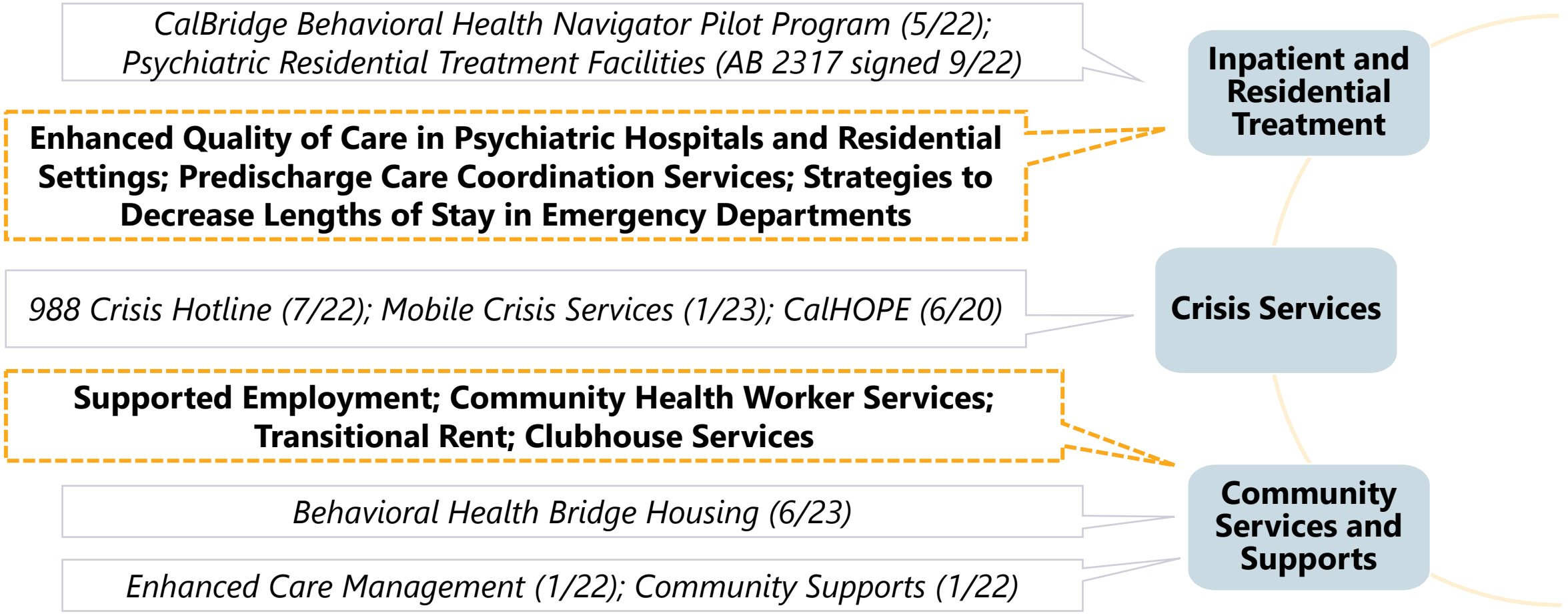
BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



Proposed BH-CONNECT initiatives are in **bold** and outlined in yellow; existing initiatives are *italicized*.

Enhancing the Continuum of Care (2/2)

BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



Proposed BH-CONNECT initiatives are in **bold** and outlined in yellow; existing initiatives are *italicized*.

BH-CONNECT Features Outside the Section 1115 Demonstration

Existing Federal Medicaid Authorities

- **Centers of Excellence** to offer training and technical assistance to delivery systems and providers to support fidelity implementation of EBPs
- Clarification of **coverage requirements for EBPs** for children and youth, including for Multisystemic Therapy (MST), Functional Family Therapy (FFT), Parent-Child Interaction Therapy (PCIT), and potentially additional therapeutic modalities
- Establishment of an **initial child welfare/specialty mental health assessment** at the entry point into child welfare
- Inclusion of a **Foster Care Liaison** within managed care plans (MCPs)
- Implementation of specific **requirements for counties that opt-in to receive FFP** for short-term stays in IMDs
- Implementation of **other CMS milestones** (to be described in implementation plan)

State Plan Amendment

- **ACT**
- **FACT**
- **CSC for FEP**
- **IPS Supported Employment**
- **Community Health Worker Services**
- **Clubhouse Services**

DHCS will work with CMS to request any additional authorities to cover these services, as needed.

State Plan Amendment Overview

Medicaid State Plan Overview

- State Plan: The official contract between the state and federal government by which a state ensures compliance with federal Medicaid requirements to be eligible for federal funding.
- The State Plan describes the nature and scope of Medicaid and gives assurance that it will be administered in accordance with the specific requirements of Title XIX of the Federal Social Security Act, Code of Federal Regulations, Chapter IV, and State law/regulations.
- California's State Plan is over 1600 pages and can be accessed online at: https://www.dhcs.ca.gov/formsandpubs/laws/Pages/CaliforniStatePlan.aspx

State Plan Amendment (SPA) Overview

- SPA: Any formal change to the State Plan.
- Approved State Plans and SPAs ensure the availability of federal funding for the state's program (Medi-Cal).
- The CMS reviews all State Plans and SPAs for compliance with:
  - -Federal Medicaid statutes and regulations
  - -State Medicaid manual
  - -Most current State Medicaid Directors' Letters, which serve as policy guidance.

SPA 23-0031
340B Supplemental Payment Pool

Lindy Harrington
Assistant State Medicaid Director

DHCS

Purpose

- To seek federal approval to extend the time-limited supplemental payment program for qualifying non-hospital 340B community clinics.

Background

- Assembly Bill 80 (Chapter 12, Statutes of 2020) methodology to provide supplemental payments to qualifying non-hospital 340B community clinics to strengthen and support the community clinic and health center delivery system for Medi-Cal members.
- The supplemental payments will support clinics who apply and certify that they are providing additional levels of engagement to integrate and coordinate health care to manage Medi-Cal member health complexities.

Summary of Proposed Changes

- The supplemental payments for qualifying non-hospital 340B community clinics will be based on an estimated total pool amount of $52,500,000 divided by the number of visits provided from July 1, 2023 to December 31, 2023. The calculations will be based on a per visit basis.
- The supplemental payment amounts will be in addition to any other amounts payable to clinic or center providers with respect to those services.

Impact to Tribal Health Programs

- Eligible Tribal health programs will be required to submit an application to demonstrate the clinic is eligible to receive supplemental payments.
- DHCS anticipates that Tribal health programs that qualify for supplemental payments under this proposal would be able to provide services that integrate, coordinate, and manage health care for Medi-Cal members.
- The supplemental payments will not impact Tribal health programs annual reconciliations.

Impact to Federally Qualified Health Centers (FQHCs)

- FQHCs will be required to submit an application to demonstrate the clinic is eligible to receive supplemental payments.
- DHCS anticipates that FQHCs that qualify for supplemental payments under this proposal would be able to provide services that integrate, coordinate, and manage health care for Medi-Cal members.
- The supplemental payments will not impact FQHC annual reconciliations.

Impact to Indian Medi-Cal Beneficiaries

- DHCS anticipates this proposal may increase access to services provided to American Indian Medi-Cal members.

Contact Information

Email to: SPPApplication@dhcs.ca.gov

Mail to:

Department of Health Care Services
Health Care Financing
P.O. Box 997413, MS 4050
Sacramento, California 95899-7417

Feedback/Questions

DHCS

Residential Treatment Claiming Update SPA 23-0025

Brian Fitzgerald, Chief

Local Governmental Financing Division

DHCS

Background

- CMS approved SPA 23-0015 on July 20, 2023.
- SPA 23-0015 described the methodology in which DHCS reimburses county Behavioral Health Plans for Medi-Cal behavioral health services, including residential treatment for beneficiaries who have a substance use disorder. Residential treatment is reimbursed a daily per diem rate. Care coordination, recovery support services, peer support specialist services, and Medication Assisted Treatment (MAT) are among the types of services which can be provided in a residential treatment facility.
- DHCS intended to reimburse those additional services on a fee-for-service basis separately from the per diem rate reimbursed for the residential stay. However, SPA 23-0015 did not clearly describe how care coordination, recovery support services, peer support specialist services and MAT will be reimbursed when provided in a residential treatment setting.

Purpose

- To clearly define the Care Coordination, Recovery Services and MAT can be billed outside of the per diem rate for residential services.

Summary of Proposed Changes

- This SPA proposes to clarify the reimbursement methodology for care coordination, recovery support services, peer support specialist services, and MAT when provided in a residential treatment setting. SPA 23-0025 will authorize reimbursement for these services on a fee-for-service basis based upon the same rates paid when these services are provided in outpatient treatment settings, such as an Intensive Outpatient Treatment setting. The proposed effective date of this SPA is July 1, 2023.

Impact to Tribal Health Programs

- Counties will remain responsible to reimburse THPs as described in Behavioral Health Information Notice (BHIN) 22-053 for the Drug Medi-Cal (DMC) services listed above. As part of the reimbursement process THPs are not eligible to receive the Federal All-Inclusive Rate (AIR), when the service is not provided by one of the health professionals identified in Supplement 6 to Attachment 4.19-B of California's Medicaid State Plan. During these instances, THPs are currently entitled to payment at the fee schedule described in the State Plan. This SPA will not change the fee schedule.

Impact to Federally Qualified Health Centers (FQHCs)

- Counties will remain responsible to reimburse Urban Indian Organizations enrolled in Medi-Cal as FQHCs as described in BHIN 22-053 for the DMC services listed above. As part of the reimbursement process, FQHCs are not eligible to receive their Prospective Payment System rate for these services because existing state law requires that FQHCs carve-out DMC services. Consequently, FQHCs are currently entitled to payment for these services at the fee schedule described in the State Plan. This SPA will not change the fee schedule

Impact to Indian Medi-Cal Beneficiaries

- DHCS anticipates no impact to American Indian Medi-Cal beneficiaries as a result of this SPA because, as discussed in BHIN 22-053, beneficiaries remain eligible to access DMC services through an Indian Health Care Provider whether or not that provider is a part of the county's provider network

Contact Information

Email to: BHpaymentreform@dhcs.ca.gov

Mail to: Department of Health Care Services
ATTN: Local Governmental Financing Division
Director's Office
1500 Capitol Avenue, MS 0000
Sacramento, CA 95814

State Plan Amendment (SPA) #23-0026

Medi-Cal Rehabilitative Mental Health Services, Targeted Case Management, Substance Use Disorder Treatment Services, Expanded Substance Use Disorder Treatment Services, Medication-Assisted Treatment and Community-Based Mobile Crisis Intervention Services provider types and qualifications updates

Garrick Chan
Health Program Specialist II
Medi-Cal Behavioral Health – Policy Division

DHCS

Background

» As part of DHCS' California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS is implementing the Behavioral Health Administrative Integration project. This project aims to facilitate greater access to services, improve quality of services, and provide a more integrated care experience for beneficiaries with co-occurring mental health and substance use disorder conditions. To further the goals of this project, DHCS is proposing changes to the types and qualifications of providers that can provide SMHS, DMC, and DMC-ODS services in order to achieve greater consistency and allow more providers to provide behavioral health care across these delivery systems.

Purpose

- To seek federal approval to make changes to the:
  - Rehabilitative Mental Health Services;
  - Targeted Case Management;
  - Substance Use Disorder Treatment Services;
  - Expanded Substance Use Disorder Treatment Services;
  - Medication-Assisted Treatment; and
  - Community-Based Mobile Crisis Intervention Services provider types and qualifications.
- These services are provided through the SMHS, DMC, and DMC-ODS programs.

Summary of Proposed Changes

- State Plan Amendment (SPA) 23-0026 proposes the following changes:
  - Add Licensed Vocational Nurses as a Licensed Practitioner of the Healing Arts (LPHA) that may provide specified DMC and DMC-ODS services;
  - Add Licensed Psychiatric Technicians as a LPHA that may provide specified DMC and DMC-ODS services;
  - Define and add Medical Assistants as a provider of specified SMHS, DMC and DMC-ODS services;
  - Define and add Clinical Trainees as a provider of specified SMHS, DMC and DMC-ODS services;
  - Add Licensed Occupational Therapists as a LPHA that may provide specified DMC and DMC-ODS services;
  - Add Licensed Occupational Therapists as a Licensed Mental Health Professional that may provide specified SMHS;
  - Update the definition of "registered" as it pertains to social worker candidates, marriage and family therapist candidates; and professional clinical counselor candidates;
  - Update the definition of Other Qualified Provider, Licensed Mental Health Professional and "under the direction of" definitions for Targeted Case Management Services; and,
  - Make other conforming and technical changes.
- The proposed effective date for SPA 23-0026 is July 1, 2023.

Impact to Tribal Health Programs

- To the extent that a THP provides SMHS, DMC and/or DMC-ODS and are enrolled/certified SMHS, DMC and/or DMC-ODS providers, this proposed SPA may impact the provision of covered services. Under this proposal, THPs will be able to utilize the providers that are being added to the State Plan in the provision of SMHS, DMC, and/or DMC-ODS services to Medi-Cal beneficiaries as outlined in Behavioral Health Information Notices (BHIN) 22-020, 22-053, and 23-027. Please note that this SPA does not propose the addition of new billable providers to Supplement 6, Attachment 4.19b of the state plan.

Impact to Federally Qualified Health Centers (FQHCs)

- To the extent that a Federally Qualified Health Center is contracted and certified to provide SMHS, DMC and/or DMC-ODS services, this proposed SPA may impact the provision of covered services. Under this proposal, FQHCs will be able to utilize the providers that are being added to the State Plan in the provision of SMHS, DMC and/or DMC-ODS services to Medi-Cal beneficiaries as outlined in BHINs 22-020, 22-053, and 23-027. Please note FQHCs are required to carve-out SMHS (including TCM), DMC-ODS and DMC services from their Prospective Payment Systems (PPS) rate per Welfare and Institutions Code 14132.100(l) and (m). Further, this SPA does not propose the addition of new billable FQHC providers to Section 4.19b, Limitations on Attachment 3.1-A or Limitations on Attachment 3.1-B of the state plan.

Impact to Indian Medi-Cal Beneficiaries

- DHCS anticipates this proposed SPA will increase access to SMHS, DMC and/or DMC-ODS services for American Indian Medi-Cal beneficiaries as it will allow more providers to provide behavioral health care across these delivery systems.

Contact Information

- 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 PublicInput@dhcs.ca.gov or by mail to the address below:

Department of Health Care Services
Director's Office
1500 Capitol Avenue, MS 0000
Sacramento, CA 95814

Feedback/Questions

DHCS

SPA # 23-0029
Medi-Cal Dental Denture Replacement Clarification

Adrianna Alcala-Beshara, JD, MBA

Medi-Cal Dental Services Division

DHCS

Background

- Currently, DHCS provides complete and partial dentures as a covered benefit once in a five-year period. The following exceptions currently apply to the five-year limit.
- j) A removable prosthesis is a benefit only once in a five year period. When adequately documented, the following exceptions shall apply:
    i. catastrophic loss beyond the control of the patient. Documentation must include a copy of the official public service agency report (fire or police), or
    ii. a need for a new prosthesis due to surgical or traumatic loss of oral-facial anatomic structure, or
    iii. the removable prosthesis is no longer serviceable as determined by a clinical screening dentist.

DHCS proposes to expand these exceptions.

Purpose

- To seek the necessary approvals to modify the prosthodontics (removable) general policies and criteria in Section 5 – Manual of Criteria of the Medi-Cal Dental Provider Handbook.

Summary of Proposed Changes

- This proposed SPA would modify the criteria for prosthodontics (removable) general policies.
- This policy would update the exceptions as noted below.

j) A removable prosthesis is a benefit only once in a five-year period. When adequately documented, the following exceptions must apply:

i. Circumstances beyond the control of the patient: For a patient that submits a request to replace the appliance based on circumstances beyond their control, those circumstances can be demonstrated by documentation of all of the following: (1) a demonstration of continued medical necessity; (2) an explanation of the circumstances surrounding the loss which clearly explains how the loss occurred and why the loss was beyond the control of the patient; and (3) a clear explanation of the remedial measures the patient will take to safeguard against subsequent loss. Documentation must include a copy of the official public service agency report, if such report is available;

Summary of Proposed Changes Continued

ii. A need for a new prosthesis due to surgical or traumatic loss of oral-facial anatomic structure,

iii. The removable prosthesis is no longer serviceable as determined by a clinical screening dentist,

iv. Dentures no longer fit due to significant medical condition. Documentation from the patient's physician supporting the medical necessity of early replacement and a letter from the dentist stating that the existing denture cannot be made functional.

Summary of Proposed Changes Continued

- Currently, DHCS provides complete and partial dentures as a covered benefit once in a five-year period. When adequately documented, certain exceptions shall apply to this five-year period. In an effort to control utilization on the replacement of dentures, DHCS proposes clarifying that our current prosthodontics (removable) general policies and criteria cover one set of dentures (complete, partial or combination) every 5 years with no lifetime limit.

Impact to Tribal Health Programs

- To the extent that a tribal health program provides removable prosthesis services to patients, they may be able to provide replacement dentures more frequently than once in a five-year period if the criteria listed above is met. Tribal health programs may see an increase in beneficiaries requesting assistance with a replacement denture if they meet the established criteria.

Impact to Federally Qualified Health Centers (FQHCs)

- To the extent that a FQHC provides removable prosthesis services to patients, they may be able to provide replacement dentures more frequently than once in a five-year period if the criteria listed above is met. FQHCs may see an increase in beneficiaries requesting assistance with a replacement denture if they meet the established criteria.

Impact to Indian Medi-Cal Beneficiaries

- The proposed SPA has a potential impact to American Indian/Alaskan Native Medi-Cal members as it updates the criteria for replacement dentures. This updated criteria can increase access to these benefits for impacted populations who have a need for a replacement denture.

Contact Information

Department of Health Care Services
Director’s Office
ATTN: Angeli Lee MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

Feedback/Questions

DHCS

SPA 23-0035
Medi-Cal Targeted Provider Rate Increase

Chelle Ramon

RDSI

FFSRDD

DHCS

Background

- Assembly Bill (AB) 119 (Chapter 13, Statutes of 2023) authorized a Managed Care Organization (MCO) Provider Tax, effective April 1, 2023 through December 31, 2026.
- Subject to federal approval, MCO tax revenues will be used to support the Medi-Cal program, including the reimbursement rate increases described herein.
- Pursuant to the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), and Welfare and Institutions Code section 14105.201, DHCS will provide reimbursement rate increases for specified services, as described further herein, for dates of service on or after January 1, 2024.

Purpose

- To increase Medi-Cal reimbursement rates for primary care, obstetric, and non-specialty outpatient mental health services effective for dates of service on or after January 1, 2024.

Summary of Proposed Changes

- DHCS will provide reimbursement rate increases for specified services for dates of service on or after January 1, 2024. DHCS will, as applicable, establish rates for the services listed below at the greater of:
  a) 87.5% of the Medicare rate for the same or similar service;
  b) The rate, inclusive of eliminating AB 97 provider payment reductions and incorporating applicable Proposition 56 supplemental payments into the base rate, in effect on December 31, 2023
- For eligible services that do not have a rate established by Medicare, DHCS will determine the benchmark rate of which to calculate 87.5%.

Summary of Proposed Changes Continued

- Services eligible for the rate increase:
  - Primary care services, including those provided by nurse practitioners and physician assistant professionals, billed using the Health Insurance Claim Form (CMS-1500)
  - Obstetric care services, including doula services
  - Non-specialty outpatient mental health services
- Providers eligible for the rate increase:
  - Physician, nurse practitioners, and physician assistants with a primary care, psychiatric, obstetric, or related provider taxonomy established by the National Uniform Claim Committee providing primary care services
  - Providers of obstetric and non-specialty outpatient mental health services

Impact to Tribal Health Programs

- When paid at the Fee-For-Service rate outside of the All-Inclusive Rate (AIR) or Tribal Federally Qualified Health Center (FQHC) Alternative Payment Methodology, THPs will be able to receive the increased reimbursement rates as previously described for those services, contingent on federal approval.

Impact to Federally Qualified Health Centers (FQHCs)

- When paid at the Fee-For-Service rate outside of the Prospective Payment System, FQHCs will be able to receive the increased reimbursement rates described above for those services, contingent on federal approval.

Impact to Indian Medi-Cal Beneficiaries

- Indian Medi-Cal beneficiaries may have increased access to these benefits which is expected to improve health outcomes for those receiving services.

Contact Information

Department of Health Care Services

Fee-For-Service Rate Development Division

1501 Capitol Avenue

MS 4600

P.O. Box 997417

Sacramento, CA 95899-7417

TargetedRateIncreases@dhcs.ca.gov

Feedback/Questions

DHCS