CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: FEBRUARY 10, 2026

PROPOSED CONTINUING CALAIM SECTION 1115 DEMONSTRATION RENEWAL APPLICATION

The California Department of Health Care Services (DHCS) is providing public notice of its intent to (1) seek a five-year renewal of the California Advancing & Innovating Medi-Cal (CalAIM) Section 1115 demonstration and (2) hold public hearings to receive public comments on this request. A full draft of the proposed CalAIM Section 1115 demonstration is available on the DHCS CalAIM waiver website: https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx.

I. Program Description and Demonstration Goals and Objectives

California is seeking to build upon and consolidate the successes of the CalAIM initiative through this renewal request. Through the CalAIM Section 1115 demonstration approval in December 2021 and subsequent amendments in the following years, California received federal authority to implement a range of initiatives that have led to broad delivery system, program, and payment reforms across the Medi-Cal program. Renewing the CalAIM Section 1115 demonstration will enable California to further embed and strengthen the CalAIM initiative, continuing to expand coverage and access to benefits for certain eligible, high-need, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal members across the state.

In July 2025, California published a concept paper outlining DHCS' vision, principles, goals, and priorities for Medi-Cal in 2027 and beyond. DHCS articulated several guiding principles to ensure that DHCS' initiatives continue to be effective, impactful, and sustainable. Leveraging these guiding principles, the state proposes three updated, primary goals for the renewal that seek to expand the reach and impact of CalAIM from 2027 through 2031 that are aligned with California's broader vision for Medi-Cal:

1. Strengthen the ability of DHCS, plans, and providers to identify and intervene early to manage member risk and need through whole person care approaches that optimize member experience;
2. Continue to move Medi-Cal to a more consistent and seamless system by further reducing complexity, strengthening accountability, and improving program efficiency; and
3. Continue to improve quality outcomes and drive delivery system transformation and innovation through value-based initiatives that allow members to receive the right care, at the right time, in the right place, at the right cost.

II. Summary of Current Demonstration Features to Be Continued Under the Section 1115 Demonstration Renewal

Following are the elements of the CalAIM Section 1115 demonstration that DHCS proposes to continue under the five-year renewal, with modifications as noted:

- ***Reentry Services for Justice-Involved Populations 90-Days Pre-Release:*** Through the Justice-Involved Reentry Initiative, California covers a targeted set of Medi-Cal services (e.g., comprehensive case management, medication assisted treatment or medications for addiction treatment (MAT), and physical and behavioral health clinical consultation) for up to 90 days immediately prior to a youth or eligible adult's expected date of release from a state prison, county jail, or youth correctional facility. Individuals participating in the Initiative also receive a supply of medications and medically necessary durable medical equipment in hand upon their release. DHCS seeks to renew its waiver and expenditure authorities without modifications.
- ***Drug Medi-Cal Organized Delivery System (DMC-ODS) – Waiver of the Institutions for Mental Diseases (IMD) Exclusion for Substance Use Disorder (SUD) Services:*** The DMC-ODS is a non-risk managed care program for the organized delivery of SUD treatment services to eligible Medi-Cal members with SUDs by providing a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for SUD treatment services, which is a county opt-in program. The state is seeking a renewal of its expenditure authority allowing federal reimbursement for Medi-Cal services provided to short-term residents of IMDs receiving SUD services covered as part of the DMC-

ODS. Other current elements of the DMC-ODS that do not require Section 1115 demonstration authority, including continued authority for the DMC-ODS managed care delivery system and waivers of statewideness and comparability associated with DMC-ODS benefits, will be requested in the companion CalAIM 1915(b) waiver renewal. The expanded continuum of services currently available under Medi-Cal State Plan authority in opt-in counties will remain in place.

- ***County Option to Cover Select Outpatient SUD Services:*** To help the state expand access and coverage to SUD services, the state is seeking waivers of statewideness and comparability to enable DMC counties to offer outpatient SUD State Plan services currently only available at county option in DMC-ODS counties, including care coordination, recovery services, withdrawal management services, and partial hospitalization, in addition to peer support services. The state is seeking to modify its waivers of statewideness and comparability currently approved for peer support services to enable these additional SUD services to be offered at a DMC county's option. The state is also seeking new authority for DMC counties to opt-in to cover mobile crisis services.
- ***Recovery Incentives:*** California was the first state in the nation to receive CMS approval to cover Recovery Incentives, sometimes referred to as contingency management services, under the CalAIM Section 1115 demonstration. Recovery Incentives are an evidence-based practice to reward participants with stimulant use disorder for meeting treatment goals. The state plans to continue to offer this benefit in the DMC-ODS and requests to expand its waivers of statewideness and comparability and the expenditure authority to start offering this benefit in DMC counties.
- ***Traditional Healers and Natural Helpers:*** In October 2024, California received approval to cover traditional health care practices (THCPs), defined as traditional healer and natural helper services. This authority grants eligible Medi-Cal members access to culturally based care provided by Indian Health Service (IHS) facilities, Tribal health clinics, and Urban Indian organizations (UIOs) through the DMC-ODS. DHCS requests to renew its existing expenditure authorities with no modifications to continue to cover these services through the DMC-ODS and retain flexibility to cover these services for other conditions beyond SUD and for other delivery systems.
- ***Coverage for Out-of-State Former Foster Care Youth:*** The CalAIM Section 1115 demonstration authorizes Medi-Cal coverage for former foster care youth under age 26 who were in foster care under the responsibility of another state or

a tribe when they aged out. DHCS requests a renewal of this expenditure authority without modifications.

- ***Chiropractic Services from IHS and Tribal Facilities:*** As part of the CalAIM Section 1115 demonstration in 2021, DHCS received approval to provide reimbursement for chiropractic services provided by IHS and Tribal providers for which Medi-Cal coverage was eliminated by state plan amendment (SPA) 09-001. DHCS requests a renewal of this expenditure authority without modifications.
- ***Modification of Asset Test for Deemed Supplemental Security Income (SSI) Populations:*** In 2021, the California legislature directed DHCS to implement a two-phased approach to increase and eliminate the asset limits for low-income individuals whose eligibility is not determined using modified adjusted gross income (MAGI)-based financial methods. In response, DHCS submitted and received CMS approval on a two-fold request in 2022 to amend the CalAIM Section 1115 demonstration to raise and then eliminate a resource disregard for Deemed SSI groups, specifically the Pickle Amendment group, the Disabled Adult Child group, and the Disabled Widow/Widower group. This authority permitted the state to apply a disregard of $130,000 for a single Medi-Cal enrollee and $65,000 for each additional household member effective July 2022. Effective January 1, 2024, DHCS eliminated the asset limits for these populations. DHCS requests to renew its existing waiver and expenditure authorities with one modification—pursuant to recently enacted state budget, the state seeks to reinstate the Medi-Cal asset limit tests for these Deemed SSI populations at $130,000 for an individual Medi-Cal member and $65,000 for each additional household member.
- ***Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan and Medicare Advantage Plan:*** To promote coordination and integration, the CalAIM Section 1115 demonstration allows the state to align a dually eligible member's Medicaid plan with their MA plan choice if the MA plan has an affiliated Medicaid plan. DHCS seeks to renew its expenditure authority without modifications.
- ***Managed Care Authority to Limit Plan Choice in Certain Counties:*** In August 2023, California received approval from CMS to limit choice of MCPs in metro, large metro, and urban counties operating under the COHS and Single Plan models. The state is seeking to renew this expenditure authority for payments to

- a managed care entity that would not meet the otherwise applicable statutory requirement that require members to have a choice of at least two MCPs.
- ***Global Payment Program (GPP):*** Since its launch in 2015, the GPP combined demonstration-authorized uncompensated care funding with Disproportionate Share Hospital (DSH) funds and established a new method of compensating participating designated public hospital systems for caring for uninsured individuals focused on cost-effective and higher-value care. DHCS seeks to renew the GPP waiver and expenditure authorities to increase access to, stabilize, and strengthen the providers and provider networks available to serve Medicaid and low-income populations.

II. Summary of New Medi-Cal Program Features to Be Included in the CalAIM Section 1115 Demonstration

Following are the new elements for which DHCS proposes to obtain waiver and expenditure authority under the five-year renewal:

- ***Employment Supports:*** Considering the new federally mandated work and community engagement requirements for expansion adults, DHCS is seeking CMS approval to include Employment Supports as a county opt-in Medi-Cal covered benefit to address barriers to employment, support sustained workforce participation, and promote economic stability among Medi-Cal members. Employment Supports would include job readiness assessments, individualized employment planning, job placement assistance, and post-employment retention services. California also requests funding resources for initial start-up activities to support DHCS and electing counties with planning and development activities to implement Employment Supports.
- ***BridgeCare Pilots:*** DHCS is seeking CMS approval to provide a set of home- and community-based services (HCBS) and caregiver supports as county opt-in to "near duals" defined as low-income Medicare beneficiaries with incomes close to but above Medicaid income requirements —between 138–220 percent FPL— with significant health needs who lack resources for adequate care. The overarching goals of BridgeCare Pilots are to support older adults to remain in their homes and communities, prevent costly institutionalization and impoverishment that leads to Medicaid enrollment, improve health outcomes, and reduce avoidable health care spending in the Medicare and Medicaid programs for this vulnerable population.

IV. Summary of Current Demonstration Features Being Discontinued or Transitioned to Other Authority

As a result of both the CalAIM implementation and evolving federal policy, several authorities in the CalAIM Section 1115 demonstration will be transitioned to other authorities or are no longer needed.

- ***Recuperative Care and Short-Term Post Hospitalization Housing:*** California is committed to continuing the full continuum of care that has been provided today under both recuperative care and short-term post hospitalization housing. Specifically, DHCS seeks to create a model for recuperative care that incorporates the levels of care offered under both recuperative care and short-term hospitalization housing, and sunset short-term post hospitalization housing as a separate Community Support. California plans to transition federal authority for recuperative care from Section 1115 waiver authority to Medicaid managed care in lieu of services (ILOS) authority. ILOS is a permanent option for state Medicaid programs enshrined in federal Medicaid managed care regulations and memorialized in approved MCP contracts.
- ***Providing Access and Transforming Health (PATH) Initiative:*** As part of the 2021 renewal of the CalAIM Section 1115 demonstration, DHCS received CMS approval of the PATH initiative—a five-year, $1.85 billion initiative to build up the capacity and infrastructure of on-the-ground partners, such as community-based providers and organizations, hospitals, county agencies, Tribes, and others, to successfully participate in the Medi-Cal delivery system as California launched Enhanced Care Management (ECM), Community Supports, and Justice-Involved reentry services under CalAIM. Over the past five years, DHCS and partners across the state have achieved the goals of the PATH initiative, evidenced by the broad availability of ECM and Community Supports across California and the launch of pre-release services in the state. In light of PATH's success and, consistent with the original intent of the initiative to provide time-limited support to community-based providers to prepare them for ECM and Community Supports, the state plans to sunset waiver and expenditure authorities for the PATH initiative as part of this renewal.
- ***Designated State Health Program (DSHP) Financing:*** California has utilized DSHP funding to advance delivery system reform initiatives and improve the health of Medi-Cal members. CMS approved the use of DSHP for states that used the "freed up" state funding for initiatives likely to assist in promoting the

objectives of Medicaid, such as improving access to high-quality covered services. Under the CalAIM demonstration, DSHP funding was used to support the following initiatives under PATH: TA Marketplace Initiative, Collaborative Planning and Implementation Initiative, CITED Initiative, and the Justice-Involved Capacity Building Program. Given that CMS has indicated it will no longer approve DSHPs, along with the conclusion of the PATH initiative, DHCS is not seeking to renew its expenditure authority for DSHP.

- ***Community-Based Adult Services (CBAS):*** California intends to transition coverage of its CBAS benefit from its CalAIM Section 1115 demonstration to 1915(i) state plan authority to strengthen this benefit as an entitlement. CBAS is an outpatient, facility-based program (e.g., adult day health center) that delivers skilled nursing care, social services, therapies, personal care, family/caregiver training and support, nutrition services, care coordination, and transportation predominantly available through Medicaid managed care to adult Medi-Cal members eligible under the aged, blind or disabled groups meeting functional eligibility for CBAS residing in counties across the state. As DHCS transitions CBAS into a permanent authority, the Department will seek technical assistance from CMS and work closely with its implementation partners to ensure that it can continue to make the CBAS benefit available with no coverage disruptions for Medi-Cal members receiving this critical service.
- ***Low-Income Pregnant Women:*** As part of the CalAIM Section 1115 demonstration in 2021, CMS approved the state's authority to provide full-scope Medi-Cal coverage to pregnant women with incomes from 109 percent of the FPL up to and including 138 percent of the FPL (including all benefits that would otherwise be covered for pregnant women with incomes below 109 percent of the FPL) until December 31, 2021. DHCS transitioned the authority for these services from Section 1115 authority to the Medi-Cal State Plan. Since this authority has already sunset, DHCS is not requesting that it be included in the renewal of the CalAIM Section 1115 demonstration.

V. Summary of Eligibility, Cost-Sharing, Benefits and Delivery System

A. Eligibility Requirements

The continuing initiatives under the CalAIM 1115 renewal do not affect Medi-Cal eligibility under the Medi-Cal State Plan, except for Deemed SSI groups (specifically the Pickle Amendment group, Disabled Adult Child group, and the Disabled

Widow/Widower group), as well as out-of-state former foster care youth. Deemed SSI groups are impacted due to the state's request to modify and reinstate the asset limit test. Under the renewal, California will provide Medi-Cal coverage to out-of-state former foster care youth.

The new initiatives proposed as part of this renewal will impact Medi-Cal eligibility. Through the Employment Supports initiative, Medi-Cal members in the expansion group who have not been found exempt from work and community engagement requirements may be eligible for Employment Supports if they live in a county that has opted in to provide Employment Supports. Through BridgeCare Pilots, the "near duals" population—low-income Medicare beneficiaries with incomes just above the Medicaid income limit—may be eligible for a set of HCBS so long as they meet certain eligibility criteria.

B. Cost Sharing

Participants in BridgeCare Pilots will be required to pay cost-sharing up to a specified percent of the average monthly cost of their BridgeCare services. The state expects to develop a cost sharing schedule based on participant income level. There are no cost-sharing requirements for any other initiatives in the proposed CalAIM Section 1115 renewal.

C. Health Care Delivery Systems and Benefits

Most initiatives in the CalAIM Section 1115 demonstration renewal maintain the current health care delivery system and Medi-Cal benefits. However, one primary change is DHCS' request to allow DMC counties, at their discretion, to offer a set of outpatient SUD treatment and withdrawal management services that are currently limited to the DMC-ODS delivery system.

In addition, through BridgeCare Pilots and Employment Supports, new Medi-Cal services will be available to individuals. Medi-Cal members in the expansion group who have not been found exempt from or compliant with work and community engagement requirements may be eligible for Employment Supports if they reside in a county that has opted in to provide this benefit. Low-income Medicare beneficiaries with incomes just above the Medicaid income limit who meet certain eligibility criteria will be able to access a set of Medi-Cal covered HCBS. Employment Supports may be available to those receiving care in the Medi-Cal managed care and fee-for-service (FFS) delivery systems who live in a county that has opted in to provide this benefit. BridgeCare Pilot benefits will be available through FFS Medi-Cal.

VI. Enrollment Projections and Annual Expenditures

A. Enrollment Projections

As described above, the state is proposing to reinstate the Medi-Cal asset limit tests for non-MAGI Deemed SSI populations described in the table below at $130,000 for an individual Medi-Cal member and $65,000 for each additional household member.

Table 1. Deemed SSI Populations

Eligibility Group Name	Social Security Act and CFR Citations
Individuals Who Would be Eligible for SSI/SSP but for OASDI COLA Increases *Since April 1997 (also known as the "Pickle" group)*	» 1939(a)(5)(E) » Section 503 of Public Law 94-566 » 42 CFR 435.135
Disabled Widows and Widowers	» 1939(a)(2)(C) 1939(a)(2)(E) » 1634(d) » 42 CFR 435.137 » 42 CFR 435.138
Disabled Adult Children	» 1939(a)(2)(D) 1634(c)

The renewed Section 1115 demonstration will continue to authorize full-scope Medi-Cal benefits for out-of-state former foster youth. As described above, the state's authority to provide full-scope Medi-Cal coverage to pregnant women with incomes from 109 percent of the FPL up to and including 138 percent of the FPL has transitioned from Section 1115 authority to the Medi-Cal State Plan. Since this authority is now sunset, DHCS is requesting this authority to be removed from the CalAIM Section 1115 demonstration.

Specific historical and projected estimates of the number of former foster youth and pregnant women gaining full Medi-Cal under the demonstration are provided in Tables 2 and 3 below.

Table 2. Historical Enrollment for Out-of-State Former Foster Care Youth, Deemed SSI Populations

	Historical Enrollment				
Population	**DY 18** ***1/1/22 – 12/31/22***	**DY 19** ***1/1/23 – 12/31/23***	**DY 20** ***1/1/24 – 12/31/24***	**DY 21** ***1/1/25 – 12/31/25***	**DY 22** ***1/1/26 – 12/31/26***
Out-of-State Former Foster Care Youth[1]	225	235	207	212	218
Deemed SSI Groups[2]	26	35	35	35	35

[1] Enrollment figures are estimated counts of unique beneficiaries based on an estimated percentage, derived using information from Medi-Cal 2020 & CalAIM 1115 Demonstration Progress Reports, of Out-of-State Former Foster Care Youth within the applicable aid code. Enrollment estimates for DY 21 and DY 22 are projections.

[2] Enrollment figures are estimated counts of unique beneficiaries of the Deemed SSI population. Enrollment estimates for DY 21 and DY 22 are projections.

Table 3. Projected Enrollment for Out-of-State Former Foster Care Youth and Deemed SSI Populations

	Projected Enrollment				
Population	**DY 23** ***1/1/27 – 12/31/27***	**DY 24** ***1/1/28 – 12/31/28***	**DY 25** ***1/1/29 – 12/31/29***	**DY 26** ***1/1/30 – 12/31/30***	**DY 27** ***1/1/31 – 12/31/31***
Out-of-State Former Foster Care Youth[1]	225	232	239	246	253
Deemed SSI Groups[2]	36	37	38	39	40

[1] Enrollment figures are estimated counts of unique beneficiaries based on an estimated percentage, derived using information from Medi-Cal 2020 & CalAIM 1115 Demonstration Progress Reports, of Out-Of-State Former Foster Care Youth within the applicable aid code.

[2] Enrollment figures are estimated counts of unique beneficiaries in the Deemed SSI Groups population. Deemed SSI Groups are a stable population with a minimal annual growth of 2%.

Table 4 provides information on the number of beneficiaries enrolled in each of the major eligibility categories on a historical basis; Table 5 provides information about projected enrollment under California's current projections. Overall, 13.6 million

beneficiaries are expected to be enrolled in Medi-Cal during the first year of the renewed demonstration and 13.3 million by Year 5.

Table 4. Historical Enrollment by Category of Aid

	Historical Enrollment (in thousands)[1]				
Category of Aid	**DY 18** ***1/1/22 – 12/31/22***	**DY 19** ***1/1/23 – 12/31/23***	**DY 20** ***1/1/24 – 12/31/24***	**DY 21** ***1/1/25 – 12/31/25***	**DY 22** ***1/1/26 – 12/31/26***
Families and Children (not CHIP)	6,450	6,532	6,313	5,972	5,720
CHIP	1,282	1,270	1,242	1,219	1,215
ACA Expansion	4,898	5,102	5,076	4,976	4,824
Seniors and Persons with Disabilities	2,231	2,288	2,374	2,490	2,559
Other	43	42	44	45	45
Total	**14,904**	**15,234**	**15,049**	**14,702**	**14,363**

[1] The enrollment counts presented above are drawn from eligibility data extracted from the Management Information System/Decision Support System (MIS/DSS) data warehouse. Individuals that receive only restricted scope services are excluded from the counts. The enrollment counts are grouped according to major categories of aid presented in the November 2025 Medi-Cal Estimate. Enrollment counts from the MIS/DSS warehouse are not final for calendar year 2025 and so are adjusted to account for expected future adjustments. Enrollment counts for periods following January 2026 are based on projections in the November 2025 Medi-Cal Estimate.

Table 5. Projected Enrollment by Category of Aid

	Projected Enrollment (in thousands)[1]				
Category of Aid	**DY 23** ***1/1/27 – 12/31/27***	**DY 24** ***1/1/28 – 12/31/28***	**DY 25** ***1/1/29 – 12/31/29***	**DY 26** ***1/1/30 – 12/31/31***	**DY 27** ***1/1/32 – 12/31/32***
Families and Children (not CHIP)	5,515	5,440	5,432	5,432	5,432
CHIP	1,207	1,206	1,206	1,206	1,206
ACA Expansion	4,282	4,078	4,068	4,068	4,068

	Projected Enrollment (in thousands)[1]				
Category of Aid	**DY 23** ***1/1/27 – 12/31/27***	**DY 24** ***1/1/28 – 12/31/28***	**DY 25** ***1/1/29 – 12/31/29***	**DY 26** ***1/1/30 – 12/31/31***	**DY 27** ***1/1/32 – 12/31/32***
Seniors and Persons with Disabilities	2,573	2,549	2,546	2,546	2,546
Other	44	44	44	44	44
Total	**13,621**	**13,317**	**13,296**	**13,296**	**13,296**

[1] The projected enrollment by Category of Aid data represents statewide caseload enrollment data. The enrollment projections presented above are based on the November 2025 Medi-Cal Estimate. Caseload assumptions include impacts from the enactment of the H.R. 1 (Public Law No. 119-21), reinstatement of the Asset Limit Test, and the enrollment freeze on full-scope state-only coverage for individuals aged 19 and older who are not able to demonstrate satisfactory immigration status.

B. Expenditure Projections

DHCS reports on a quarterly basis the financial data associated with the state's historical expenditures under the current CalAIM demonstration period to demonstrate performance against budget neutrality caps. For the purposes of public notice and comment, the state has summarized in the tables below the projected expenditures for the renewal. The state will include final projections in the Demonstration renewal request submitted to CMS; final numbers may differ as California continues to finalize financial data demonstrating the state's historical expenditures under the current CalAIM demonstration.

Table 6. Historical Expenditures, CalAIM Demonstration

	Historical Expenditures (in thousands of dollars)[1]				
Expenditure Authorities	**DY 18** ***1/1/22 – 12/31/22***	**DY 19** ***1/1/23 – 12/31/23***	**DY 20** ***1/1/24 – 12/31/24***	**DY 21** ***1/1/25 – 12/31/25***	**DY 22** ***1/1/26 – 12/31/26***
Justice-Involved Reentry Initiative	$0	$0	$1,471	$99,601	$183,188
DMC-ODS: IMD Waiver	$367,549	$422,452	$545,741	$572,889	$ 601,534
Recovery Incentives	$0	$1,528	$6,156	$13,875	$17,228
Traditional Healers and Natural Helpers	$0	$0	$0	$13,538	$17,945

Expenditure Authorities	Historical Expenditures (in thousands of dollars)[1]				
	DY 18 ***1/1/22 – 12/31/22***	**DY 19** ***1/1/23 – 12/31/23***	**DY 20** ***1/1/24 – 12/31/24***	**DY 21** ***1/1/25 – 12/31/25***	**DY 22** ***1/1/26 – 12/31/26***
Out-of-State Former Foster Care Youth	$341	$488	$482	$526	$581
Chiropractic Services from IHS and Tribal Facilities	$358	$383	$202	$332	$623
Asset Limit	$10	$191	$201	$259	$264
GPP	$2,577,959	$2,867,465	$2,869,461	$2,956,347	$3,009,178
HRSN[2]	$76,046	$49,301	$86,436	$161,677	$236,605
PATH	$22,844	$114,678	$196,957	$653,718	$629,842
DSHP	$0	$323,213	$323,213	$323,213	$323,213
CBAS	$703,930	$750,694	$857,427	$937,147	$983,536
Total	**$3,749,037**	**$4,530,393**	**$4,887,747**	**5,733,122**	**6,003,737**

[1] Expenditure amounts are the aggregate sum of actual expenditures as of September 30, 2025, as reported to CMS, plus future expenditure adjustments applicable to DYs 18-22. DY 21 and DY 22 are based on projected expenditures for the remainder of the demonstration.

[2] HRSN (Recuperative Care and STPHH) DY 21 and DY 22 projected expenditures are based on the percentage of Community Supports PMPM rates as of October 2025 that is attributable to Recuperative Care and STPHH.

Table 7. Projected Expenditures, CalAIM Demonstration

Expenditure Authorities	Projected Expenditures (in thousands of dollars)				
	DY 23 ***1/1/27 – 12/31/27***	**DY 24** ***1/1/28 – 12/31/28***	**DY 25** ***1/1/29 – 12/31/29***	**DY 26** ***1/1/30 – 12/31/30***	**DY 27** ***1/1/31 – 12/31/31***
Justice-Involved Reentry Initiative	$244,992	$257,120	$269,847	$283,205	$297,223
DMC-ODS: IMD Waiver	$584,466	$613,689	$644,373	$676,592	$710,421
Recovery Incentives	$18,089	$18,994	$19,994	$20,941	$21,988

	Projected Expenditures (in thousands of dollars)				
Expenditure Authorities	**DY 23** ***1/1/27 – 12/31/27***	**DY 24** ***1/1/28 – 12/31/28***	**DY 25** ***1/1/29 – 12/31/29***	**DY 26** ***1/1/30 – 12/31/30***	**DY 27** ***1/1/31 – 12/31/31***
Traditional Healers and Natural Helpers	$20,177	$26,392	$34,525	$45,165	$59,088
Out-of-State Former Foster Care Youth[1]	$610	$640	$672	$705	$740
Chiropractic Services from IHS and Tribal Facilities[2]	$675	$733	$795	$862	$935
Asset Limit	$535	$573	$613	$657	$703
GPP[3]	$3,071,214	$3,124,122	$3,178,088	$3,233,133	$3,289,280
Employment Supports	$272,370	$314,856	$506,373	$608,877	$723,964
BridgeCare Pilots	$8,021	$11,811	$15,241	$15,431	$15,342
Total	$4,221,149	$4,368,930	$4,670,521	$4,885,568	$5,119,684

[1] Out-of-state Former Foster Care Youth estimated expenditure projections are based on the estimated increase in rates applicable to the specified aid code.

[2] IHS Chiropractic Services estimated expenditures are based on average encounters and average change in rates from prior years.

[3] GPP projections assume DSH Allotments will increase by 2% each year. Projections assume the UC split will remain at 20.371%. UC Pool funding is included in projections.

VII. Section 1115 Demonstration Waiver and Expenditure Authorities

DHCS intends to maintain the relevant waiver and expenditure authorities previously approved under the CalAIM Section 1115 demonstration as part of this renewal with minor to no modifications. DHCS is also proposing new relevant waiver and expenditure authorities for new initiatives as part of this renewal and will be seeking CMS technical assistance in validating the necessary authorities. DHCS is also proposing to discontinue coverage of initiatives under Section 1115 demonstration authority and transition these initiatives to other authorities. Under the authority of Section 1115(a)(1) of the Act,

California is requesting the renewal of approved waiver and expenditure authorities to implement the CalAIM Section 1115 demonstration through December 31, 2031.

To the extent that CMS advises the state that additional authorities are necessary to implement the programmatic vision and operational details described above, the state is requesting such waiver or expenditure authority, as applicable. California's negotiations with the federal government and potential legislative or budget changes could lead to refinements in these lists.

Waiver Authorities

Under the authority of Section 1115(a)(1) of the Act, California is requesting the renewal and start of the below waiver authorities to implement the CalAIM Section 1115 demonstration.

Table 8. Waiver Authority Requests

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
Title XIX Authorities		
1. Section 1902(a)(13)(A) (insofar as it incorporates Section 1923) DSH Requirements	» To exempt the state from making DSH payments, in accordance with Section 1923, to a hospital which qualifies as a disproportionate share hospital during any year for which the Public Health Care System with which the disproportionate share hospital is affiliated receives payment pursuant to the GPP.	Yes
2. Section 1902(a)(1) Statewideness	» NEW: To enable the state to provide Employment Supports to Medi-Cal members on a geographically limited basis. » NEW: To enable the state to provide BridgeCare services on a geographically limited basis. » NEW: To enable the state to provide care coordination, recovery services, withdrawal management services, and partial	Yes, with modifications to allow the state to geographically limit the provision of Employment Supports, select outpatient

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
	hospitalization within electing DMC counties to members on a geographically limited basis. » To enable the state to operate the demonstration on a county-by-county basis. » To enable the state to provide DMC-ODS services to short-term residents on a geographically limited basis. » To enable the state to provide Recovery Incentive services to qualifying DMC-ODS and DMC members only in participating DMC-ODS and DMC counties that elect and are approved by DHCS to provide Recovery Incentives. » To enable the state to provide peer support specialist services within electing DMC counties. » To enable the state to provide mobile crisis services within electing DMC counties. » *(*Medicaid *Requirements Not Applicable to these Medicaid Expenditure Authorities)* To enable the state to provide pre-release services, as authorized under this demonstration, to qualifying members on a geographically limited basis, in accordance with the Reentry Demonstration Initiative Implementation Plan.	SUD services, and BridgeCare Pilots
3. Section 1902(a)(10)(B) and 1902(a)(17) Amount, Duration, and	» NEW: To enable the state to make Employment Supports available to a subset of expansion adults. » NEW: To enable the state to offer a varying set of benefits to Medi-Cal members eligible for Employment Supports.	Yes, with modifications to reinstate the Medi-Cal asset limit for Deemed SSI groups, waive

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
Scope and Comparability	» NEW: To enable the state to provide care coordination, recovery services, ambulatory withdrawal management, and partial hospitalization within electing DMC counties to individuals on a geographically limited basis. » NEW: To enable the state to provide mobile crisis services within electing DMC counties. » To enable the state to provide DMC-ODS treatment and withdrawal management services for SUD, for short-term residents, in facilities that meet the definition of an IMD that are not otherwise available to all members in the same eligibility group. » To enable the state to provide Recovery Incentives in approved DMC-ODS and DMC counties, to eligible individuals with SUDs under the DMC-ODS and DMC programs that are not otherwise available to all members in the same eligibility group. » To enable the state to provide peer support specialist services within electing DMC counties. » To enable the state to apply targeted resource disregards of $130,000 for a single individual and an additional $65,000 per household member, up to a maximum of ten household members as of January 1, 2027 for the following populations: i. The Pickle Group under Section 1939(a)(5)(E) of the Act and 42 CFR 435.135;	comparability for Employment Supports, and allow for DMC to waive comparability for Recovery Incentives and other outpatient SUD services

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
	ii. The Disabled Adult Child group under Sections 1634(c) and 1939(a)(2)(D) of the Act; and iii. The Disabled Widow/Widower group under Sections 1634(d), 1939(a)(2)(C), and 1939(a)(2)(E) of the Act and 42 CFR 435.137-138. » *(*Medicaid *Requirements Not Applicable to these Medicaid Expenditure Authorities)* To enable the state to provide only a limited set of pre-release services to qualifying members that are different than the services available to all other members outside of carceral settings in the same eligibility groups authorized under the state plan or the demonstration.	
4. NEW: Section 1902(a)(8) Reasonable Promptness	» NEW: To enable the state to prioritize and limit the number of Medi-Cal members who receive Employment Supports. » NEW: To enable the state to prioritize and limit the number of individuals who receive BridgeCare services.	No
5.Section 1902(a)(84)(D) Coverage of Certain Screening, Diagnostic, and Targeted Case Management Services for Eligible Juveniles in the	» To enable the state not to provide coverage of the screening, diagnostic, and targeted case management services identified in Section 1902(a)(84)(D) of the Act for eligible juveniles described in Section 1902(nn)(2) of the Act as a state plan benefit in the 30 days prior to the release of such eligible juveniles from a public institution, to the extent and for the period that the state instead provides such coverage to such eligible juveniles under the approved expenditure authorities under this demonstration. The state will provide	Yes

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
30 Days Prior to Release	coverage to eligible juveniles described in Section 1902(nn)(2) in alignment with Section 1902(a)(84)(D) of the Act at a level equal to or greater than would be required under the state plan.	
6. Section 1902(a)(23)(A) Freedom of Choice	» NEW: To enable the state to limit the providers who are authorized to deliver Employment Supports. » NEW: To enable the state to restrict freedom of choice of provider for individuals receiving benefits through BridgeCare Pilots. » *(*Medicaid *Requirements Not Applicable to these Medicaid Expenditure Authorities)* To enable the state to require qualifying members to receive pre-release services, as authorized under this demonstration, through only certain providers.	Yes, with modifications to allow the state to limit provider choice for Employment Supports and the BridgeCare Pilots.
7. Section 1902(a)(27) and 1902(a)(78) Requirements for Providers Under the State Plan	» *(*Medicaid *Requirements Not Applicable to these Medicaid Expenditure Authorities)* To enable the state to not require carceral providers to enroll in Medi-Cal to provide, order, refer, or prescribe pre-release services as authorized under this demonstration.	Yes
8. Section 1902(a)(10)(B), 1902(a)(23), and 1902(a)(1) Comparability; Freedom of Choice; Statewideness	» *(*Medicaid *Requirements Not Applicable to these Medicaid Expenditure Authorities)* To the extent necessary to allow the state to offer the coverage described in Expenditure Authority 15 only if the covered THCPs are received through IHS facilities, facilities operated by Tribes or Tribal organizations under the ISDEAA, or facilities operated by UIO under Title V of the Indian Health Care	Yes

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
	Improvement Act by Medicaid members who are able to receive services delivered by or through these facilities. These sections of the Act are not applicable to the extent necessary to allow the state to phase in implementation of the coverage described in Expenditure Authority 15 to subsets of members otherwise eligible for that coverage in limited regions of the state.	
9. Section 1902(a)(14) Cost Sharing	» NEW: To enable the state to impose premiums, deductions, cost sharing, and similar charges for individuals participating in BridgeCare Pilots that exceed the statutory limitations.	No
Title XXI Authority		
10. Section 2102(d)(2) Coverage of Certain Screening, Diagnostic, and Targeted Case Management Services for Low-Income Children in the 30 Days Prior to Release	» To enable the state not to provide coverage of the screening, diagnostic, and case management services identified in Section 2102(d)(2) of the Act for targeted low-income children as a state plan benefit in the 30 days prior to the release of such targeted low-income children from a public institution, to the extent and for the period that the state instead provides such coverage to such targeted low-income children under the approved expenditure authorities under this demonstration. The state will provide coverage to targeted low-income children in alignment with Section 2102(d)(2) of the Act at a level equal to or greater than would be required under the state plan.	Yes
11. Section 2107(e)(1)(D)	» *(Title XXI Requirements Not Applicable to the Title XXI Expenditure Authority)* To enable the state to not require carceral providers to	Yes

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
Requirements for Providers under the State Plan	enroll in Medi-Cal to provide, order, refer, or prescribe pre-release services as authorized under this demonstration.	

Expenditure Authorities

Under the authority of Section 1115(a)(2) of the Act, California is requesting the renewal of approved expenditure authorities so that the items identified below, which are not otherwise included as expenditures under Section 1903 of the Act shall, through December 31, 2031, be regarded as expenditures under the state's Title XIX and XXI plans as relevant.

Table 9. Expenditure Authority Requests

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
Title XIX Authorities		
1. Expenditures related to the GPP for Public Health Care Systems	» Expenditures for payments to eligible Public Health Care Systems to support participating Public Health Care Systems providers that incur costs for uninsured care under a value-based global budget structure.	Yes
2. Chiropractic Services Provided by IHS and Tribal Facilities	» Expenditures for chiropractic services for which Medi-Cal coverage was eliminated by SPA 09-001 that are furnished by IHS/Tribal providers to individuals enrolled in the Medi-Cal program.	Yes
3. Expenditures Related to DMC-ODS for Residential and Inpatient Treatment for Individuals with SUD	» Expenditures for otherwise covered Medicaid services furnished to qualified DMC-ODS members who are primarily receiving treatment and withdrawal management services for SUD as short-term residents in facilities that meet the definition of an IMD.	Yes
4. Expenditures Related to Recovery Incentives	» Expenditures for Recovery Incentives services provided to qualifying DMC-ODS and DMC members who reside in a DMC-ODS or DMC county that elects and is	Yes

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
	approved by DHCS to pilot the Recovery Incentives benefit.	
5. Expenditures Related to Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan and Medicare Advantage Plan	» Expenditures under contracts with Medicaid plans that do not meet the requirements under Section 1903(m)(2)(A)(vi) of the Act insofar as that provision requires compliance with requirements in Section 1932(a)(4)(A)(ii)(I) of the Act and 42 CFR 438.56(c)(2)(i) to the extent necessary to allow the state to keep a beneficiary in an affiliated Medicaid plan once the beneficiary has selected a MA plan unless and until the beneficiary changes MA plans or selects Original Medicare.	Yes
6. Expenditures Related to Coverage for Out-of-State Former Foster Care Youth	» Expenditures to extend eligibility for full Medicaid State Plan benefits to former foster care youth who are under age 26, were in foster care under the responsibility of another state or tribe in such state on the date of attaining 18 years of age, or such higher age as the state has elected, and were enrolled in Medicaid on that date.	Yes
7. Expenditures for Modification of Asset Test for Deemed SSI Populations	» Expenditures to extend eligibility for individuals in the following Deemed SSI populations who are eligible based on applying a targeted asset disregard of $130,000 for a single individual and an additional $65,000 per household member, up to a maximum of 10 household members as of January 1, 2027 for the following populations:	Yes, with a technical modification

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
	i. The Pickle Group under Section 1939(a)(5)(E) of the Act and 42 CFR 435.135; ii. The Disabled Adult Child group under Sections 1634(c) and 1939(a)(2)(D) of the Act; and iii. The Disabled Widow/Widower group under Sections 1634(d), 1939(a)(2)(C), and 1939(a)(2)(E) of the Act and 42 CFR 435.137-138.	
8. Expenditures Related to Reentry Services for Justice-Involved Populations 90-Days Pre-Release	» Expenditures for pre-release services provided to qualifying Medicaid members and members who would be eligible for CHIP if not for their incarceration status, for up to 90 days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.	Yes
9. Expenditures Related to Managed Care Authority to Limit Plan Choice in Certain Counties	» Expenditures under contracts with managed care entities that do not meet the requirements in Sections 1903(m)(2)(A)(vi) and 1932(a)(3) of the Act in so far as implemented at 42 CFR 438.52(a) to the extent necessary to allow the state to limit the choice of MCPs in Metro, Large Metro, and Urban counties in California and to allow counties to participate or continue participating in COHS and Single Plan managed care models.	Yes
10. Expenditures Related to Traditional	» Expenditures for THCPs received through IHS facilities, facilities operated by Tribes or Tribal organizations under the ISDEAA, or facilities operated by UIOs under Title	Yes

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
Healers and Natural Helpers	V of the Indian Health Care Improvement Act, by Medicaid members who are able to receive services delivered by or through these facilities.	
11. NEW: Expenditures Related to Employment Supports	» Expenditures for Employment Supports provided to qualifying demonstration members who reside in counties that elect to provide Employment Supports. » Expenditures for State and local planning and development activities for initial start-up of Employment Supports pilots.	No
12. NEW: Expenditures Related to BridgeCare Pilots	» Expenditures for BridgeCare Pilot services by entities that elect to and are authorized by the state to operate an approved BridgeCare Pilot program provided to eligible individuals ages 65 and older, who are enrolled in traditional Medicare, meet nursing facility level of care, reside in home and community based settings with incomes between 138–220 percent federal poverty level who are not otherwise eligible for Medi-Cal. » To authorize the reinvestment of state-designated shared savings towards applicable demonstration expenditures. To calculate the amount of state-designated shared savings available for use under this authority, a calculation will be made to determine the difference between projected and actual total Medicare costs. A baseline projected cost will be determined and actual costs will be compared against the baseline.	No

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
Title XXI Authorities		
13. Expenditures Related to Reentry Services for Justice-Involved Populations 90-Days Pre-Release	» Expenditures for pre-release services provided to qualifying demonstration members who would be eligible for CHIP if not for their incarceration status, for up to 90 days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.	Yes
14. Expenditures Related to Traditional Healers and Natural Helpers	» Expenditures for THCPs received through IHS facilities, facilities operated by Tribes or Tribal organizations under the ISDEAA, or facilities operated by UIOs under Title V of the Indian Health Care Improvement Act by CHIP members who are able to receive services delivered by or through these facilities.	Yes

VIII. Section 1115 Demonstration Hypotheses and Evaluation Approach

During the five-year renewal period, DHCS will contract with independent third parties to evaluate the demonstration, collaborating with CMS where necessary to update evaluation and monitoring plans as required by federal guidance. Table 10 outlines preliminary proposed hypotheses for new and renewed initiatives under the renewal.

Table 10. Evaluation Hypothesis that DHCS Proposes to Include in Renewal

Hypotheses	Evaluation Approach	Data Sources
New Initiatives		
Employment Supports		
Employment Supports will support Medi-Cal enrollment.	DHCS will track enrollment data.	» Medi-Cal Eligibility Data System (MEDS)

Hypotheses	Evaluation Approach	Data Sources
		» California Statewide Automated Welfare Systems (CalSAWS)
Employment Supports will reduce Medi-Cal disenrollment at renewal.	DHCS will track disenrollment data at renewal.	» MEDS » CalSAWS
Employment Supports will support continuity of care.	DHCS will track utilization of Medi-Cal services of individuals who received Employment Supports.	» California Medicaid Management Information System (CA-MMIS) » Post Adjudicated Claims & Encounters System (PACES) » Short Doyle » Medi-Cal Rx » California Dental Medicaid Management Information System (CD-MMIS)
BridgeCare Pilots		
BridgeCare Pilot participation will delay or avoid Medi-Cal enrollment among BridgeCare Pilot participants.	DHCS will compare the expected Medi-Cal enrollment rates for the "near duals" population eligible for the BridgeCare Pilot with the enrollment rates among program participants.	» MEDS
BridgeCare Pilot participation will reduce total current and future Medicaid and Medicare spending among BridgeCare Pilot participants.	DHCS will compare the expected total Medicare and Medicaid expenditures for the total near-dual population eligible to receive services with the actual expenditures	» Medicare claims data » Medicaid claims data

Hypotheses	Evaluation Approach	Data Sources
	incurred by BridgeCare pilot participants.	
Renewing Initiatives		
Reentry Services for Justice-Involved Populations 90-Days Pre-Release		
The Justice-Involved Reentry Initiative will increase coverage for eligible Medi-Cal members.	DHCS will continue to evaluate through a comparison of number of individuals pre-release and post-release: » Medicaid Coverage » Eligibility screening » Eligibility » Suspended status	» Medicaid claims data » Correctional agency data
The Justice-Involved Reentry Initiative will increase access to services prior to release and improve transitions and continuing of care upon release for eligible Medi-Cal members.	DHCS will continue to evaluate through a comparison of number of individuals pre-release and post-release: » Pre-release care management » Pre-release medication billing » Pre-release MAT treatment » Pre-release prescription fills » Post-release prescription fills » Pre-release behavioral health treatment » Medically necessary medications	» Medicaid claims and encounter data » Correctional agency data » State hospital inpatient discharge data

Hypotheses	Evaluation Approach	Data Sources
	» Visit with an ECM provider » Medicaid services » Provider beneficiary rate » Wait time » Percent of incarcerated individuals found eligible for Justice-Involved Reentry Initiative services after screening	
The Justice-Involved Reentry Initiative will improve coordination between correctional systems, Medicaid and Children's Health Insurance Program (CHIP) systems, MCPs, and community-based providers.	Interviews with individuals released from prison, jail, and juvenile facilities could cover: » Challenges/facilitators in transitioning to the community after release (e.g., number of available providers) » Continuity of care from incarceration to community » Effectiveness of case managers Interviews with key stakeholders could cover: » Newly established communication channels between correctional systems and community-based	» Individual stakeholder interviews
The Justice-Involved Reentry Initiative will improve communication between correctional systems, Medicaid and CHIP systems, MCPs, and community-based providers.		

Hypotheses	Evaluation Approach	Data Sources
	providers, Medicaid and CHIP systems » Data sharing put into place » Handoff protocols between prisons, jails, juvenile facilities and community	
The Justice-Involved Reentry Initiative will be associated with increased services (post-reentry) associated with improved quality of care, such as medication-assisted treatment, care coordination, and enhanced care management.	Examination of service utilization patterns during pre-release and post-release periods, such as uptake of key services supported under the state's reinvestment plan: » Medication-Assisted Treatment (MAT) » Enhanced Care Management (ECM) » Care coordination Interviews with key stakeholders could cover: » ECM needs and services received » Coordination and delivery of key services » Utilization and quality of services	» Medi-Cal claims and encounter data » Interviews with key stakeholders
The Justice-Involved Reentry Initiative will improve connections between carceral settings and community services upon release to address	Interviews with individuals released from prisons, jails, and juvenile facilities could cover: » Health care needs of participants	» Individual stakeholder interviews

Hypotheses	Evaluation Approach	Data Sources
physical health, behavioral health, and health-related social needs.	» Provision of services during 90-day in-reach period » Transition services provided, including case manager and medications upon release, appointments made in the community » Community Supports needed and received » ECM services needed and received Interviews with key stakeholders could cover: » Coordination of care between carceral settings (prison, jail, youth correctional facilities) and community service providers (behavioral health, medical care, social services) » Type of formal arrangements (e.g., memorandums of understanding, regular meetings, etc.) to facilitate connections between carceral settings and providers » Facilitators and barriers and how these may vary by type of services provided	

Hypotheses	Evaluation Approach	Data Sources
The Justice-Involved Reentry Initiative will increase access to interventions for behavioral health conditions, access to long-acting injectable anti-psychotics, and access to medications for addiction treatment for SUDs for eligible Medi-Cal members.	DHCS will continue to evaluate: » Post-release SUD treatment » Post-release mental health treatment » Post-release MAT » Post-release necessary medications » Receipt of behavioral health condition interventions » Medications for addiction treatment for SUDs » Suicide-related emergency department visits » Suicide-related inpatient hospitalizations » Suicide-related deaths » Emergency department utilization for SUD » Inpatient stays for SUD » Overdose-related deaths » Decompensation	» Medicaid claims data » Correctional agency data
The Justice-Involved Reentry Initiative will reduce decompensation, suicide-related deaths, overdoses, and overdose-related deaths for eligible Medi-Cal members.		
The Justice-Involved Reentry Initiative will reduce post-release emergency department visits, inpatient	DHCS will continue to evaluate: » All-cause deaths	» Medicaid claims data » Correctional agency data

Hypotheses	Evaluation Approach	Data Sources
hospitalizations, and all-cause deaths for eligible Medi-Cal members.	» All-cause emergency room visits » All-cause inpatient hospitalizations	
DMC-ODS: Waiver of the IMD Exclusion for SUD Services and Recovery Incentives		
Medi-Cal members receiving SUD services in DMC-ODS will receive clinically indicated care that supports retention in treatment and positive treatment outcomes.	DHCS will continue to evaluate: » Timely access to the level of care and/or recommended services indicated in ASAM screening or assessment » Transitions between levels of care, including transitions to other specialty SUD care after a residential stay	» California Outcomes Measurement System Treatment (CalOMS-Tx) » DMC claims » MCP/FFS data
DMC-ODS implementation will be associated with reductions in utilization of emergency departments and inpatient hospital settings for treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services.	DHCS will continue to evaluate: » Utilization (e.g., days), including admissions and readmissions » Paid claim amounts	» DMC claims » MCP/FFS data » CalOMS-Tx
Effective implementation of Recovery Incentives will lead to improvements in client retention, discharge status, self-reported outcomes, drug test	DHCS will continue to re-evaluate: » Days in treatment, engagement, discharge status, self-reported	» Client surveys » DMC claims » MCP/FFS data » CalOMS-Tx

Hypotheses	Evaluation Approach	Data Sources
results, and will reduce rates of overdose deaths, and utilization of acute care or emergency services among clients participating in the Recovery Incentives Program.	satisfaction and improvement in health, SUD, arrests, ED and inpatient hospital utilization, costs, deaths » Rates of positive, negative, and missed drug screens	» Death data » Stimulant drug tests/incentive manager vendor
Traditional Healers and Natural Helpers		
Facilities that are billing for THCP provide greater access to culturally responsive SUD care compared to facilities that chose not to opt-in for billing of THCP services.	DHCS will continue to evaluate: » Medi-Cal reimbursement utilization and assess changes in service availability » Changes in patient volume and demand for culturally responsive SUD services	» DMC-ODS claims » Facility-level survey » Practitioner interview » Member survey » Community focus groups
Facilities that are billing for THCP provide greater access to culturally responsive SUD care and, therefore, contribute to improved reported well-being of their Medi-Cal member population utilizing the THCP benefit.	DHCS will continue to evaluate: » Perceived benefit of THCP to the general health/well-being of patients with SUD and suspected SUD. » Self-reported well-being and health, spirituality, and feelings of cultural connectedness » Engagement in other DMC services and	» Practitioner interview » Member survey » Community focus groups

Hypotheses	Evaluation Approach	Data Sources
	connectedness to health care system	
If "THCP coverage" is being provided to IHCPs, then the number of facilities and practitioners offering THCP services under the demonstration will increase.	DHCS will continue to evaluate: » Number of facilities providing THCP » Number of practitioners delivering THCP	» DHCS facility data » Facility-level survey
Implementing the demonstration will increase the number of American Indians/Alaskan Native individuals receiving THCP.	DHCS will continue to evaluate: » Number and percentage of individuals receiving THCP » Common combinations of THCP with evidenced-based practices, behavioral and medical; referrals » Evidence-based practices (required by BHIN) (i.e. MAT/MOUD, CBT, MI, etc.) offered at the facility » Levels of satisfaction of THCP and perceived benefits of THCP » Facility outreach to the community regarding the benefit; outreach/promotion to patients at facility	» DMC-ODS claims » Practitioner interview » Member survey » Facility-level survey » Community focus groups

Hypotheses	Evaluation Approach	Data Sources
The range and types of services covered under the THCP benefit demonstration will increase, leading to increased access/options of care.	DHCS will continue to evaluate: » Number and percentage of services provided by Traditional Healer vs. Natural Helper; group vs. individual » The different THCPs offered at this facility (open-ended response) » The process facilities used to identify or select the Traditional Healers or Natural Helpers who provide THCP services » Where are the THCP services being provided? (e.g. within "four walls", home-based setting, visits at other facilities, etc. home-based setting, visits at other facilities, etc.)	» DMC-ODS claims » Practitioner interview
THCP will be preferred as culturally responsive integrated care and utilization of THCP will increase due to coverage through Medicaid and/or CHIP.	DHCS will continue to evaluate: » Perspectives on utilization rates and barriers to utilization » Perceived benefits of culturally responsive care	» Member survey » Facility survey » Practitioner interview » Community focus groups

Hypotheses	Evaluation Approach	Data Sources
	» Satisfaction with THCP services » Number of facilities choosing not to opt in due to difficulties reimbursing/applying for the coverage » Number of THCPs not covered under this benefit » Promotion and outreach regarding the benefit to IHCPs » When members first learned about the benefit » Member's confidence in understanding of the benefit and which services are covered	
Managed Care Authority to Limit Plan Choice in Certain Counties		
Counties with COHS and Single Plan Models will maintain or improve Medi-Cal members' overall access to and quality of care.	DHCS will continue to evaluate: » Network adequacy » Access to care grievances » Adults' access to preventative and ambulatory services » Child and adolescent well-care visits » Immunizations for adolescents	» Enrollment data » DHCS grievance data » DHCS network adequacy monitoring data » Managed Care Accountability Set (MCAS) measurement data

Hypotheses	Evaluation Approach	Data Sources
	» Timeliness of prenatal and postpartum care » Follow up after ED visit for mental illness » Follow up after hospitalization for mental illness » Outpatient mental health provider-to-member ratio » Psychiatric provider-to-member ratio » Colorectal cancer screening » Breast cancer screening » Plan all-cause readmissions » PQI #90 Prevention Quality Overall Composite	
Align Dually Eligible Enrollees' Medi-Cal Managed Care Plan and Medicare Advantage Plan		
Duals in Medicare-Medicaid Plans (MMPs) will be less likely to change plans than those in other aligned plans that are not MMPs and less likely than those in unaligned D-SNPs.	DHCS will continue to evaluate: » Overall MCP enrollment churn rate, with comparisons. » Knowledge of the MCP enrollment process among Duals enrolled in MA plans affiliated with the MCP to their	» The Medi-Cal Matching Plan Policy evaluation will use monthly Medi-Cal enrollment data » Complete MA and MCP plan lists for this period, other available routinely collected data as feasible (e.g. delegate plan assignments if not
Duals who request to change their MCP and who change their plans will be satisfied with the process		

Hypotheses	Evaluation Approach	Data Sources
for doing so during the target period. Duals in Medi-Medi Plans will be more satisfied with the mandatory alignment of their MCP to their MA plan choice compared to Duals who are in in other type of MA plans. Duals in counties with the policy will be more knowledgeable and will be more satisfied with the policy.	MA plans in Medi-Cal Matching Plan Policy counties versus those in Original Medicare as measured in duals survey. » Reason(s) for changing MCP at time of Duals survey.	within the DHCS data silo) » MA and MCP plan descriptions (routinely available data and possible supplemental information from plan representatives) » Duals survey data
GPP		
Public Health Care Systems (PHCS) improved the quality of care for the uninsured.	DHCS will continue to evaluate: » Colorectal Cancer Screening » Diabetes: HbA1c Poor Control » Preventive Care and Screening: Screening for Depression and Follow-Up Plan » Breast Cancer Screening » Cervical Cancer Screening » Other quality measures depending on data availability (e.g., Developmental	» Claims data » Medical record documentation (e.g., structured and unstructured EHR data, clinical registry data, pharmacy, and lab data)

Hypotheses	Evaluation Approach	Data Sources
	Screening in the First Three Years of Life)	
PHCS increased the use of outpatient services and non-traditional services over the course of the GPP.	DHCS will continue to evaluate the following utilization measures: » GPP non-behavioral health outpatient non-emergency, emergency, and inpatient med/surg services » GPP behavioral health outpatient non-emergency, emergency, and inpatient med/surg services » GPP non-traditional services » Ambulatory care-sensitive ED visits » Ambulatory care-sensitive hospitalizations » 30-day all-cause hospital readmission rates » All-cause ED utilization	» PHCS-submitted encounter-level and aggregated data » HCAI Patient Discharge Data (PDD) and ED Data » HCAI Encounter Data

IX. Public Review and Comment Process

The 30-day public comment period for the CalAIM Section 1115 demonstration application is from Tuesday, February 10, 2026 until Thursday, March 12, 2026. All comments must be received no later than 11:59 PM (Pacific Time) on Thursday, March 12, 2026.

All information regarding the CalAIM Section 1115 demonstration application can be found on the DHCS website (https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-

and-1915b-Waiver-Renewals.aspx). DHCS will update this website throughout the public comment and application process.

DHCS will host the following public hearings to solicit stakeholder comments. The public hearings will take place in-person and have online video streaming and telephonic conference capabilities to ensure accessibility.

- Wednesday, February 25, 2026 – First Public Hearing
  - 1:55 – 2:55 PM PT
  - Department of Health Care Services
    - 1501 Capitol Avenue (First Floor Conference Center 71.1316) Sacramento, CA 95814
  - Register for the Teams conference link: https://events.gcc.teams.microsoft.com/event/b4d7693c-2d1c-4b01-af69-aea6ce68612a@265c2dcd-2a6e-43aa-b2e8-26421a8c8526
    - Please register in advance if you plan to attend in-person or virtually to receive your unique link to join the meeting and to add the hearing to your calendar.
  - Dial in by Phone: +1 279-895-6425; Phone Conference ID: 394 775 261#
- Tuesday, March 3, 2026 – Second Public Hearing
  - 11:30 AM – 12:30 PM PT
  - Department of Health Care Services
    - 1700 K Street (First Floor, Conference Room 17.1014) Sacramento, CA 95814
  - Register for Teams conference link: https://events.gcc.teams.microsoft.com/event/97c8a84e-6b28-4ddb-b2cd-1747b9413628@265c2dcd-2a6e-43aa-b2e8-26421a8c8526
    - Please register in advance if you plan to attend in-person or virtually to receive your unique link to join the meeting and to add the hearing to your calendar.
  - Dial in by Phone: +1 279-895-6425; Phone Conference ID: 973 094 191#

The complete version of the draft of the CalAIM Section 1115 demonstration application is available for public review at: https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx.

You may request a copy of the proposed CalAIM Section 1115 demonstration application and/or a copy of submitted public comments related to the CalAIM Section 1115 demonstration application by sending a written request to the mailing or email

address listed below. Written comments may be sent to the following address; please indicate "CalAIM Section 1115 Waiver" in the written message:

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

Comments may also be emailed to 1115waiver@dhcs.ca.gov. Please indicate "CalAIM Section 1115 Waiver" in the subject line of the email message. To be assured consideration prior to submission of the CalAIM Section 1115 demonstration application to CMS, comments must be received no later than 11:59 PM PT (Pacific Time) on Thursday, March 12, 2026. Please note that comments will continue to be accepted after March 12, 2026, but DHCS may not be able to consider those comments prior to the initial submission of the CalAIM waiver application to CMS.

Upon submission to CMS, a copy of the proposed CalAIM Section 1115 demonstration will be published at the following internet address: https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx.

After DHCS reviews comments submitted during this State public comment period, the CalAIM Section 1115 demonstration will be submitted to CMS. Interested parties will also have the opportunity to officially comment on the CalAIM Section 1115 demonstration during the federal public comment period. The submitted application will be available for comment on the CMS website at: https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list.