



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

October 1, 2012

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**CALIFORNIA BRIDGE TO REFORM DEMONSTRATION (11-W-00193/9):
BEHAVIORAL HEALTH SERVICE PLAN OUTLINE**

Dear Ms. Garner, Ms. Gibson, and Ms. Nagle:

Enclosed is the Department of Health Care Services' (DHCS) 1115 Waiver Behavioral Health Service Plan Outline. As agreed, this document completes the deliverable required by Paragraph 23.d of the Special Terms and Conditions of California's Section 1115 Bridge to Reform Demonstration (11-W-00193/9). Also per agreement, DHCS will submit a revised Behavioral Health Service Plan by April 1, 2013. The reasoning for this later revision is listed below.

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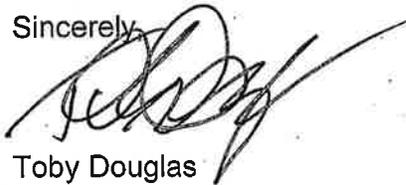
The section 1115 Bridge to Reform Demonstration Special Terms and Conditions (STCs) paragraph 23.d requires the completion of a Behavioral Health Services Plan, which will describe California's recommendations for serving the Medi-Cal expansion population and demonstrate the State's readiness to meet the mental health and substance use disorder needs of this population.

In drafting the due date for this STC, both California and the Centers for Medicare and Medicaid Services (CMS) had anticipated that federal guidance for both the Medicaid Benchmark Benefit and Medicaid Behavioral Health Parity would be available. DHCS will need this guidance in order to complete the Behavioral Health Services Plan. This federal guidance is currently expected to be released toward the end of 2012.

Once this guidance is released, DHCS will need to consult with stakeholders, analyze options and make decisions critical to the development of the Behavioral Health Service Plan. These decisions include, which benchmark benefit package California will choose, the delivery system(s) for those benefits, and concurrent implementation strategies for financing, enrollment, quality oversight and monitoring, access, and work force development. DHCS will require several months to complete these activities after we receive federal guidance.

The DHCS greatly appreciates the flexibility that CMS has provided in allowing this submission of the Plan Outline on October 1, 2012, and a subsequent revision of the Plan on April 1, 2013. If you or your staff have any questions or need additional information regarding this report, please contact Brian Hansen, Health Reform Advisor, at (916) 440-7418.

Sincerely,



Toby Douglas
Director

Enclosure

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Draft 1115 Waiver Behavioral Health Service Needs Plan Outline

The purpose of this outline is to provide additional detail on the components of the draft behavioral health services plan. As a draft document, there will be some modifications to the items listed below before the Department of Health Care Services (DHCS) finalizes the outline and plan. The DHCS' final plan will be reflective of guidance from the Administration and Legislature following the Governor's special session on implementation of the Affordable Care Act and input from the Centers for Medicare and Medicaid and stakeholders.

Pending further analysis and discussion, the report will address the following outline topics:

- I. Overview
 - a. Context and purpose – the California Bridge to Reform 1115 Demonstration
 - b. Background: The California Behavioral Health Needs Assessment
 - c. Methodology
- II. Recommended Benefit Design
 - a. Options assessed
 - b. Data analysis with Data tables for benchmark benefit plan options and potential add-on benefits
 - c. Recommended Design and justification
- III. Estimated utilization and costs of the recommended mental health and substance use service benefit design
 - i. Estimated enrollment uptake – 2014 through 2019 (based on University of California, Los Angeles/University of California, Berkeley, California Simulation of Insurance Markets (CaSIM) project estimates and assumptions)
 - ii. Estimated Mental Health and Substance Use Service access (demand) 2014 through 2019
 - iii. Estimated costs of Mental Health and Substance Use Disorder service utilization for the Medi-Cal expansion population (including

non-federal share for 2018 and 2019)

- IV. Recommended Medi-Cal expansion population delivery system(s) and enrollment platform(s)
- V. State and county enrollment and service engagement strategies for special populations
 - a. Special population issues
 - b. Outreach & engagement
 - c. Provider network membership and qualifications
 - d. Monitoring access and quality
- VI. State and County Strategies to Assure Quality and Effectiveness
 - a. Provider capacity enhancements
 - b. Physical health integration with mental health and substance use services
 - c. Performance measurements and quality enhancements