DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: Month XX, 2026

Behavioral Health Information Notice (BHIN) No: 26-XXX
Supersedes: BHIN No: 23-032

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Behavioral Health Association
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Interoperability and Prior Authorization Final Rule Compliance Monitoring Process

PURPOSE: To notify all Mental Health Plans (MHPs) and Drug Medi-Cal Organized Delivery System (DMC-ODS) Plans, hereafter referred to as Behavioral Health Plans (BHPs), about the Department of Health Care Services' (DHCS) compliance monitoring process that will be implemented to ensure compliance with the Centers for Medicare and Medicaid Services (CMS) interoperability Application Programming Interface (API) regulations and prior authorization requirements in BHIN 26-008.

REFERENCE: 85 Federal Register 25510-25640; 89 Federal Register 8758-8988; BHIN 26-008; BHIN 25-026.

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State of California
Gavin Newsom, Governor
California Health and Human Services Agency

BACKGROUND:
In January 2024, CMS released the Interoperability and Prior Authorization Final Rule (CMS-0057-F), which set requirements for BHPs to improve prior authorization processes, enhance Application Programming Interfaces (APIs), and implement new APIs as outlined in BHIN 26-008, published on February 10, 2026. The policy below announces the compliance monitoring process to verify BHPs' compliance with federal interoperability requirements and new requirements for prior authorization processes announced in BHIN 26-008. 42 CFR 438.66(b)(6) requires DHCS to have a monitoring system addressing each Behavioral Health Plan's performance, including implementation of required information systems. This BHIN supersedes the interoperability compliance monitoring process that was announced in BHIN 23-032.

POLICY:
To demonstrate compliance with the CMS API requirements included in the CMS-0057-F Final Rule, 42 Code of Federal Regulations (CFR) section 438.242(b), and BHIN 26-008, including requirements to communicate a reason for denial of prior authorization requests in accordance with 42 CFR section 431.80(a), and public reporting of prior authorization metrics, in accordance with 42 CFR section 438.210(f), BHPs must submit the deliverables as instructed below:

Deliverables Due Annually by March 31:

<u>API Usage and Outcomes Reporting</u>
In accordance with BHIN 26-008, page 6, and 42 CFR section 431.60(f), a BHP must report to DHCS the following plan-level metrics, on an annual basis, for the previous calendar year. These metrics must be in the form of de-identified and aggregated data:

Patient Access API:

- The Total number of unique Members whose data was transferred via the Patient Access API to a health app designated by the Member; and
- The total number of unique Members whose data was transferred more than once via the Patient Access API to a health app designated by the Member.

<u>Prior Authorization Public Reporting</u>

The BHP must submit evidence that the required prior authorization metrics are publicly accessible in accordance with 42 CFR section 438.210(f) by submitting the public URL or hyperlink where the prior authorization information is made accessible. In subsequent years, the BHP must submit the public URL or hyperlink only if the published location has changed.

API Endpoint and Capability Reporting

To demonstrate compliance with the Patient Access, Provider Directory, Provider Access, Payer-to-Payer, and Prior Authorization APIs required at 42 CFR section 438.242(b), including standards at 45 CFR section 170.215, the BHPs must report complete and current endpoint-level details and capabilities for each CMS mandated API on an annual basis, upon material change to the APIs, or upon DHCS request.

Following publication of this BHIN, DHCS will provide BHPs with a reporting template that will include, but may not be limited to, the following details:

1. The status of the API.
2. Go-live date and date of most recent update.
3. Production service-based URL.
4. Capability Statement URL.
5. The latest FHIR version supported.
6. Authentication protocols used (e.g., OAuth2.0, OpenID Connect, etc.) and corresponding implementation details.
7. Implementation guides supported by the API, including the specific version of each guide (e.g., US Core, CARIN Blue Button, etc.).
8. Sandbox or test URLs available to external developers,
9. Links to publicly available API documentation, including registration instructions.
10. URL to Member and provider educational resources.[1]

Policies & Procedures

The BHP must submit policies and procedures (P&Ps) that demonstrate compliance with CMS interoperability requirements at 42 CFR section 438.242(b) and BHIN 26-008. P&Ps shall, at a minimum, demonstrate the following:

[1] 42 CFR section 431.61(a)(4-5), 42 CFR section 431.61(b)(7), and 42 CFR section 431.60(g)

1) The CMS mandated Patient Access, Provider Directory, Payer-to-Payer, Provider Access, and Prior Authorization APIs be implemented and maintained in accordance with 42 CFR section 438.242(b). The CMS mandated APIs be conformant with required technical, content, and vocabulary standards and specifications at 45 CFR section 170.215.
2) Data be maintained and accessible via the CMS mandated Patient Access API, Provider Access API, Payer-to-Payer API, and Prior Authorization API in accordance with 42 CFR section 431.60(b), 42 CFR section 431.61(a-b), and 42 CFR section 431.80.
3) Continuous testing, monitoring, and updates to the systems and environments, to ensure all CMS mandated APIs are functioning properly and complying with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security requirements in 45 CFR Parts 160 and 164, 42 CFR Part 2, and other applicable federal and state laws related to privacy and security of protected health information (PHI) and/or personally identifiable information (PII), 42 CFR section 431.60(c)(2).
4) For all APIs, developer documentation, be provided and maintained in accordance with 42 CFR section 431.60(d).
5) For the Provider Access, Payer-to-Payer, and Prior Authorization APIs, conformance with the technical requirements for access at 45 CFR section 170.215, and denial and discontinuation at 42 CFR section 431.60(e).
6) For the Provider Access and Payer-to-Payer APIs, Member and provider educational resources be provided in accordance with 42 CFR section 431.61(a)(4-5); (b)(7).
7) For the Payer-to-Payer API exchange requirements, including responding to inbound requests, generating outbound requests, and incorporation of received records in accordance with 42 CFR section 431.61(b)(3-6).
8) For the Provider Access API, the opt-out process required in accordance with 42 CFR section 431.61(a)(4).
9) The BHP will comply with required API usage metric reporting to DHCS, in accordance with 42 CFR section 431.60(f) and Endpoint and Capability Details in accordance with this BHIN.
10) The BHP communicates to the provider a specific reason for denial of a prior authorization request in accordance with 42 CFR section 431.80(a).

API Conformance

The BHP must submit evidence demonstrating that each CMS mandated API is tested and validated for conformance with applicable interoperability standards and implementation specifications in 42 CFR 431.60(c); 45 CFR section 170.215.

1. Testing must be performed using an industry-adopted FHIR conformance test tool (e.g., Touchstone, Inferno, or equivalent) capable of validating both structural and behavioral conformance with applicable FHIR resources and profiles.[2]
2. Testing must confirm compliance with:
    a. The HL7 FHIR Release 4.0.1 or greater, as required under 42 CFR section 431.60(c)(4).
    b. The FHIR Implementation Guides leveraged by each API, in alignment with CMS required and recommended specifications[3].
    c. The content and vocabulary standards at 42 section 431.60(c)(3).
    d. The authorization, authentication, and consent management requirements (e.g., OAuth 2.0, OpenID Connect, etc.), where applicable, per 45 CFR section 170.215(c-e).
3. Test artifacts must include the technical standards and specifications for each API, conformance testing results, test tools used, validation reports, and remediation actions.

Accessible Content

The BHP must submit a report to DHCS if any required data categories and specific data elements, as described in 42 CFR section 438.242 and BHIN 26-008, are not supported

[2] Inferno is a free tool that is funded by the Office of National Coordinator. It's open source and can be downloaded by developers: https://inferno.healthit.gov/. AEGIS Touchstone is an Infrastructure as a Service (IaaS) and Testing as a Service (TaaS) Open Access Solution for health information exchange. Touchstone allows for automated, internet-based interoperability FHIR Testing against the HL7 FHIR specifications and standards.
https://touchstone.aegis.net/touchstone/

[3] The data exchange standards for the CMS mandated APIs:
https://www.cms.gov/priorities/burden-reduction/overview/interoperability/implementation-guides-and-standards/application-programming-interfaces-apis-and-relevant-standards-and-implementation-guides-igs.

and made available through the APIs, and a remediation plan to make the data accessible as required.

DHCS may request additional data, metrics, or analyses related to the usage, performance, or outcomes of the mandated APIs to support program evaluation or compliance monitoring. The BHP must provide additional deliverables upon request by DHCS.

COMPLIANCE:
BHPs must comply with the Patient Access, Provider Directory, Provider Access, Payer-to-Payer, and Prior Authorization API requirements, as well as the prior authorization public reporting requirements and the requirements to communicate a specific reason for denial when denying a prior authorization request.

BHPs must submit all deliverables outlined in this BHIN to DHCS via the Secure File Transfer Protocol (SFTP) MoveIT, subfolder titled "DHCS-MCBHD-CPOMB Interoperability" by March 31 annually. DHCS may impose a corrective action plan, as well as administrative and/or monetary sanctions for non-compliance. For additional information regarding administrative and monetary sanctions, see BHIN 25-023 and any subsequent updates.

Sincerely,

Michele Wong, Chief
Behavioral Health Oversight and Monitoring Division

Attachment:
- API Endpoint Directory Reporting Template