Medi-Cal Behavioral Health: Updated County Contracts and Refresher on CalAIM Administrative Integration

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

April 28, 2025

Welcome and Introductions

» Today's Presenters:

- **Donnie Boyett**, Policy Division Administration Section Chief, Medi-Cal Behavioral Health – Policy Division
- **Shel Wong**, Behavioral Health Compliance and Monitoring Branch Chief, Medi-Cal Behavioral Health – Oversight and Monitoring Division

Agenda

- Welcome, Agenda & Housekeeping
- Refresher: Behavioral Health Administrative Integration
- Contract Updates for Non-Integrated Counties (Effective July 2025)
- Next Steps and Q&A

Live Captioning

- Live captioning for today's webinar is available in English and Spanish.
  - Habrá subtítulos para la discusión de hoy en inglés y español.
- Click on the link in the chat to access live captioning.
  - Por favor use el enlace en el chat para acceder a los subtítulos.
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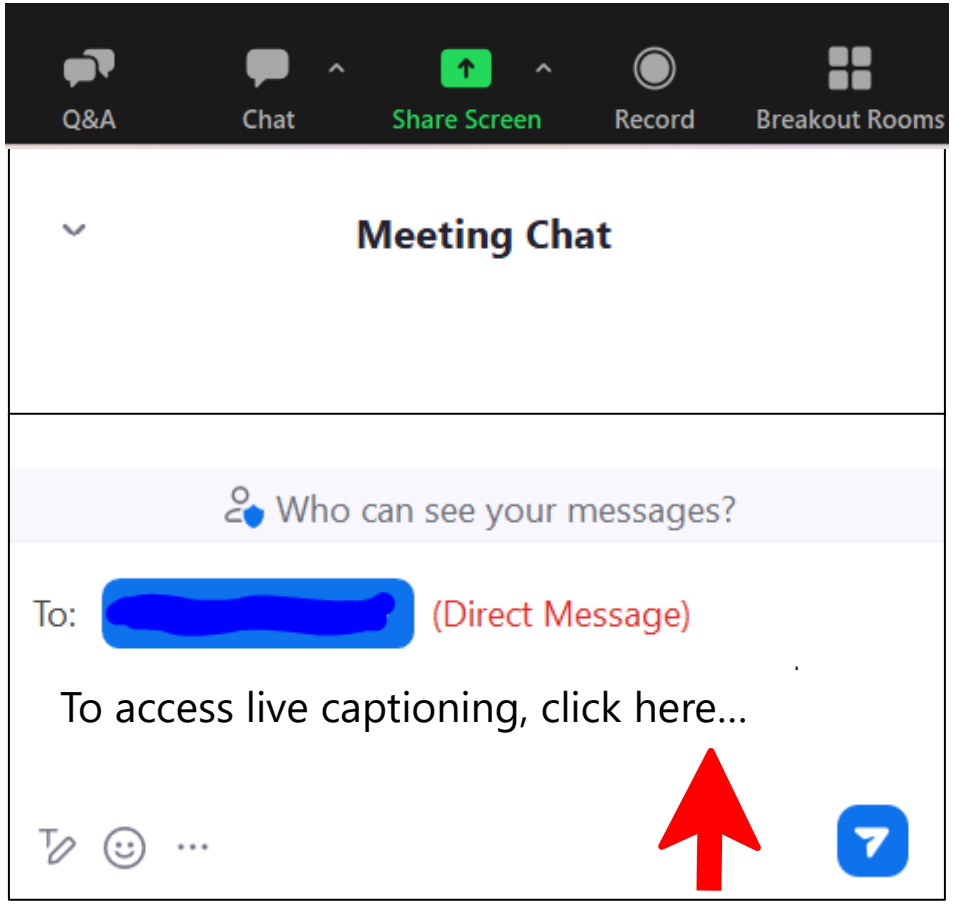

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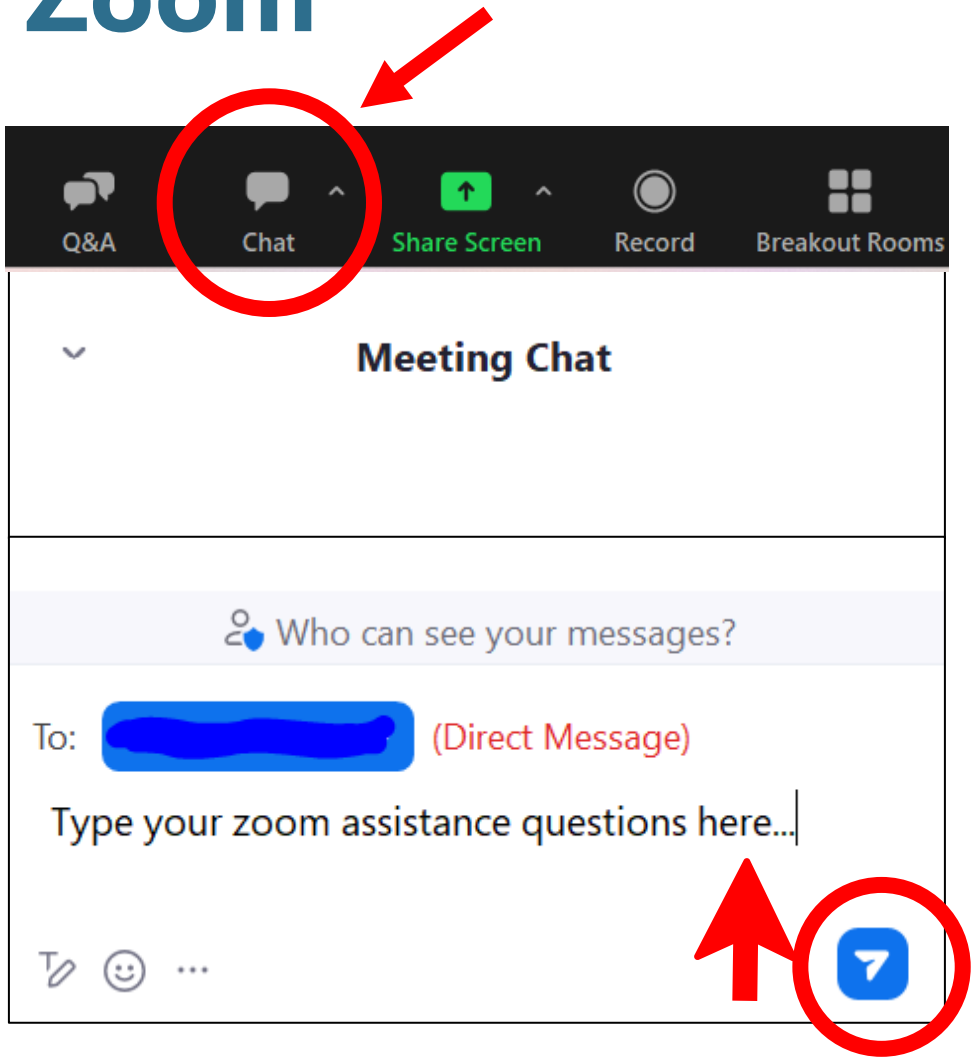

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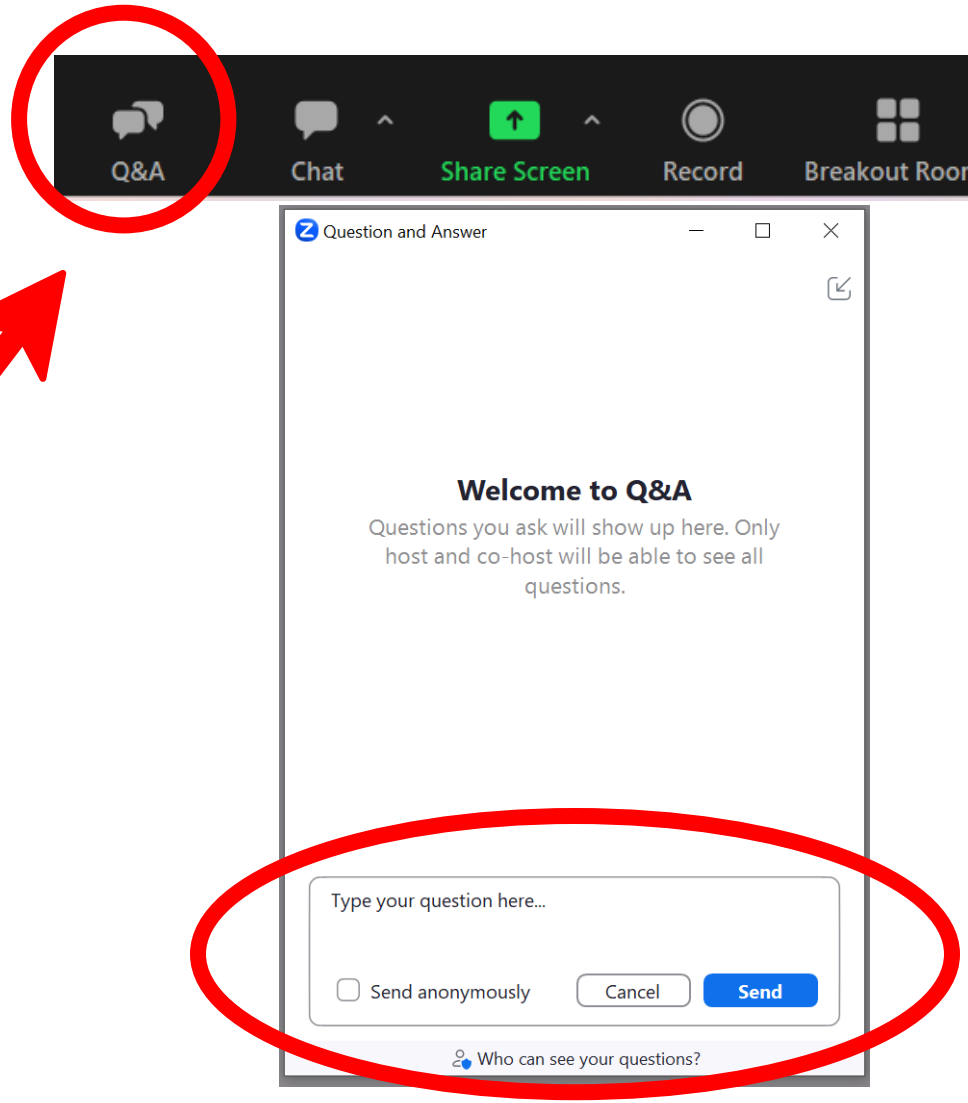


Refresher: BH Administrative Integration

Overview (1/2)

By January 2027, all counties will execute **integrated Medi-Cal contracts** that cover both specialty mental health services (SMHS) and substance use disorder (SUD) services.

Primary goals:

- **Improve health care outcomes and the experience of care** for Medi-Cal members, particularly those living with co-occurring mental health and SUD issues
- **Reducing administrative burden** for members, counties, providers, and the state.

Aligns with other CalAIM BH initiatives designed to streamline and simplify access criteria, reimbursement, and documentation requirements.

Overview (2/2)

BH Administrative Integration Does Not:

- Modify covered benefits for SMHS, DMC, or DMC-ODS.
- Require counties to adopt a specific "integrated" administrative structure internally.
- Require behavioral health programs/providers to offer additional services.
  - Not a mandate to add SMHS to specialty SUD programs or vice versa.
- Change the financing of Medi-Cal specialty behavioral health.
  - Does not alter core funding sources (Realignment and MHSA/BHSA), related fiscal restrictions, or Medi-Cal payment models.

Phased Implementation

2023 - 2024

Phase 1: Preparation for Voluntary Contract Integration

- Counties that expressed interest in early contract integration participate in Early Implementers (EI) workgroup.
- DHCS develops integrated contracts that (1) integrate core requirements (e.g., 24/7 access line), and (2) streamline and align requirements across programs (e.g., appeals & grievances).

2025 - 2026

Phase 2: Voluntary Contract Integration; Alignment with MCP Contacts

- EI opt-in counties adopt integrated contracts effective January 1, 2025.*
- DHCS develops master contract boilerplate, including revisions to align with the MCP contract under federal parity requirements and Behavioral Health Transformation.**
- Non-EI counties execute updated contracts effective July 1, 2025, that:
  - Align certain requirements across behavioral health and MCP contracts.
  - Do not require administrative integration.

2027+

Phase 3: Statewide BH Administrative Integration

All counties adopt integrated contracts effective January 1, 2027.

[1]EI counties: Calaveras, Fresno, Lake, Madera, Marin, Nevada, Orange, Plumas, Riverside, Sacramento, San Joaquin, San Luis Obispo, Santa Barbara, Stanislaus, Tulare, Tuolumne, Ventura

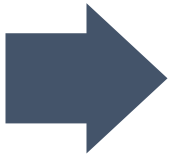
[2] W&I Code 14197.71(a)

Contract Updates for Non-Integrated Counties (Effective July 2025)

Overview: Master Contract Template

Current Approach: 6 Different Contracts

- Standalone (Non-Integrated) Contracts
  1. SMHS
  2. DMC
  3. DMC-ODS
  4. DMC-ODS Partnership HealthPlan of California (PHC) Regional Model
- Integrated Contracts
  5. DMC/SMHS
  6. DMC-ODS/SMHS



New Approach: Master Contract

- **1 contract boilerplate** that includes all material for all contract versions
- **Shared requirements are aligned across programs** to minimize program-specific variation
- **The boilerplate identifies program-/contract-specific provisions** as needed

DHCS' Approach for Developing the Master Contract Boilerplate (1/3)

DHCS used the current SMHS contract as a starting point for developing the master contract boilerplate, then modified and added material to capture all requirements for DMC & DMC-ODS.

Certain portions of the contract are program-specific *(e.g., access criteria, service definitions, or certain managed care requirements)*. Curly brackets { } identify contract Attachments or sections that are specific to a particular program or type of contract.

- **These sections are generally unchanged from the current contracts** for SMHS, DMC-ODS, and/or DMC, except for previously announced DHCS policy changes (e.g., adding provisions on mobile crisis).
- With limited exceptions, all counties will execute **identical versions of the contact**. Counties will use the { } brackets to identify which provisions are/aren't relevant for their specific programs.
- In some cases, DHCS prepared different versions of the same Exhibit/Attachment for different counties. In the annotated draft, comments with red highlighting indicate Attachments or sections that will be omitted from certain contract versions, mostly pertaining to standalone DMC contracts (i.e., omitting inapplicable managed care requirements).

DHCS' Approach for Developing the Master Contract Boilerplate (2/3)

DHCS used the current SMHS contract as a starting point for developing the master contract boilerplate, then modified and added material to capture all requirements for DMC & DMC-ODS.

Example from Exhibit A, Attachment 8:

1. {SMHS and DMC-ODS only} Provider Enrollment & Screening

A. The Contractor shall ensure that all network providers are enrolled with the state as Medi-Cal providers …

B. {SMHS only} The Contractor may execute network provider agreements, pending the outcome of screening, enrollment, and revalidation, of up to 120 days …

C. {DMC-ODS only} The Contractor shall contract only with providers that, prior to the furnishing of services under this Contract, have enrolled with, or revalidated their current enrollment with, DHCS as a DMC-certified provider …

DHCS' Approach for Developing the Master Contract Boilerplate (3/3)

DHCS used the current SMHS contract as a starting point for developing the master contract boilerplate, then modified and added material to capture all requirements for DMC & DMC-ODS.

For provisions that apply across multiple programs, **DHCS has made modest adjustments to align standards across programs**, in addition to numerous technical edits for consistency and clarity.

To facilitate county review, the annotated contract boilerplate includes comment bubbles that identify:

- Substantive changes as compared to the current standalone contracts (in blue highlighting)
- Provisions added from the DMC-ODS or DMC contracts with no substantive changes (in green and yellow highlighting, respectively)
- Revisions implementing previously announced policy changes, such as recent BHINs (no highlighting)
- Non-substantive technical edits (no highlighting)

- The following slides itemize substantive changes and areas of alignment, as well as future changes for Admin Integration
- Please consult the contract for the full list of requirements and DHCS annotations

"Zero Dollar" Financing for County Medi-Cal Contracts

Current Financing Approach

- For **DMC and DMC-ODS** contracts, DHCS **estimates a total dollar value** for each year of the contract. If actual spending is projected to exceed the estimate, ***a fiscal amendment is needed***.
- By contrast, county **SMHS** contracts are **"zero dollar,"** meaning there is no dollar value assigned to the contract and no need for fiscal amendments. ***All eligible claims are paid.***

Standardizing the "Zero Dollar" Approach

- **DHCS is applying the "zero dollar" approach across all county behavioral health programs,** including standalone DMC and DMC-ODS contracts.
- "Zero dollar" financing will reduce administrative burdens for both county and state officials by eliminating the need for fiscal amendments during the contract term.

New Contract Boilerplate:* **Aligned Terminology**

Currently, different contracts use different terms for providers that contract with counties for the provision of SMHS, DMC, or DMC-ODS.

Effective July 1, 2025:

DHCS has standardized the following definitions:

- **Network providers =** providers that participate in the network of an SMHS or DMC-ODS program, including providers owned or operated by the county.
- **Out-of-network providers =** providers that are not in-network for an SMHS or DMC-ODS program, but that may contract with the program to deliver services to specific members.
- **Contracted providers =** an umbrella term that captures:
  - For SMHS and DMC-ODS programs: all network providers (incl. county-operated providers), and any out-of-network providers that contract with the county for covered services
  - For DMC programs: providers that contract with the county for DMC services (incl. county-operated providers)

***Draft contract language subject to change**

New Contract Boilerplate:*
Appeal and Grievance Procedures

Effective July 1, 2025:

All counties will implement a standardized set of appeal and grievance procedures,[1] including:

- **Updates to align with the MCP contract, per federal parity requirements.** E.g.:
  - Members are not required to follow up an oral appeal request with a written appeal.
  - Counties are no longer permitted to extend the timeline for resolving appeals.
  - Members may be represented in their appeals by either providers or authorized representatives.
- **Updates to align across behavioral health programs.** E.g.:
  - The county shall acknowledge receipt of each grievance/appeal in writing within 5 calendar days *(current DMC/DMC-ODS provision, now extended to SMHS)*.
  - Counties are not required to send a written acknowledgement for grievances that are resolved by the close of the next business day *(current SMHS provision, now extended to DMC/DMC-ODS)*.

[1] Ex. A, Attach. 12

***Draft contract language subject to change**

New Contract Boilerplate:* **Member Materials**

Effective July 1, 2025:

Counties will implement **aligned standards for language and format**, including certain details that currently appear only in the DMC/DMC-ODS contracts

- E.g., post taglines in at least the top **18 non-English languages** in the State[1] *(currently, standalone SMHSs are required to post taglines in the top 15 non-English languages)*

Effective January 1, 2027, under the integrated contracts:

Counties will:

- Operate a **single integrated 24/7 access line** for all members seeking behavioral health services.
- Distribute a **single integrated provider directory** that lists all providers of SMHS and/or SUD services.

[1] Ex. A, Attach. 11, s. 3.A.4.ii

Draft contract language subject to change

New Contract Boilerplate:* Quality Assurance and Performance Improvement (QAPI)

Effective July 1, 2025:	
For SFY 2026-27, a DMC-ODS county's Quality Improvement (QI) Work Plan shall include a description of **how the Contractor will integrate its SMHS and DMC-ODS QI Work Plans effective January 1, 2027.**[1]	
Effective January 1, 2027, under the integrated contracts:	
DMC-ODS Counties	• DMC-ODS counties will develop an **integrated QAPI program** that considers both SMHS and SUD services and describes strategies to ensure access to coordinated and culturally responsive care for **members with co-occurring behavioral health needs.** • Counties must have at least **2 performance improvement plans (PIPs) total** (down from current total of 4 PIPs: 2 for SMHS + 2 for DMC-ODS).
DMC Counties	• DMC counties will be expected to develop an SMHS QAPI program that describe strategies to ensure access to coordinated and culturally responsive care for **members with co-occurring behavioral health needs.** • DMC counties are encouraged (but not required) to develop a fully integrated QAPI program that includes consideration of both SMHS and SUD services.

Draft contract language subject to change

[1] Ex. A, Attach. 5, s. 2.A.6

New Contract Boilerplate:*
Provider Monitoring

Effective July 1, 2025:

DHCS aligned ***CalOMS and DATAR*** procedures across DMC-ODS and DMC[1]

Effective January 1, 2027, under the integrated contracts:

Counties will:[2]

- ***Monitor contracted provider sites annually, with on-site monitoring at least once every 3 years*** *(currently, annual on-sites are required for DMC/DMC-ODS, while SMHS has no express requirements for on-site monitoring)*. On-site monitoring is not required for:
  - Out-of-network SMHS or DMC-ODS providers
  - Individual SMHS practitioners who contract directly with the county

  (For providers that contract with multiple counties, ***a county can rely on another county's monitoring***)
- ***Submit a copy of monitoring and audit reports to DHCS*** within two weeks of issuance
- ***Notify DHCS of the termination of any provider contract***, and the basis for termination, within two business days *(already required for DMC/DMC-ODS)*

DHCS will align ***CAP*** procedures for provider deficiencies across all BH programs[3]

1. Ex. A, Attach. 14, s. 9 2. Ex. A, Attach. 13, s. 9.A 3. Ex. A, Attach. 13, s. 9.B

***Draft contract language subject to change**

New Contract Boilerplate:*
Network Adequacy and Timely Access

Effective July 1, 2025:

To align with the MCP contracts, **maximum wait times may be extended at the member's request** if:[1]

- Waiting will not have a detrimental impact on the member's health
- The provider's decision to extend the waiting time is noted in the member's medical records and made available to DHCS upon request
- The member receives notice of the provider's decision to extend the applicable waiting time with an explanation of the member's right to file a grievance disputing the extension.

Effective January 1, 2027, under the integrated contracts:

- Counties will submit **integrated network adequacy submissions.** For DMC counties, the submissions will be integrated specifically for timely access.

[1] Ex. A, Attach. 8, s. 4.C

Draft contract language subject to change

New Contract Boilerplate:* **Other Requirements**

Effective July 1, 2025:	
Conflicts of Interest	The contract includes additional details regarding **conflict definitions and dispute resolution procedures**.[1] *(These requirements already apply to DMC-ODS and DMC, and are now being extended to SMHS.)*
Prior Authorization	Certain prior authorization policies are being **updated to align with the MCP contract, per federal parity requirements**. E.g., removing the option to extend a service authorization timeline by 14 days.[2]

1. Ex. A, Attach. 1, s. 6.E

2. Ex. A, Attach. 6, s. 2.B.2

Draft contract language subject to change

New Contract Boilerplate:*
Exhibit E: Legal Boilerplate

Effective July 1, 2025:	
Contract Amendment, Renewal, and Termination	**DHCS is aligning contract processes across programs.** For example: • Aligned process for contract amendments • Aligned provisions addressing contract termination/non-renewal, including transfer of records, continuity of care, and financial transfers
Definitions	The Master contract will: • **Align definitions for key terms**, as appropriate • **Include three separate attachments:** An attachment with general definitions that apply across the entire contract, as well as separate attachments with service definitions for SMHS and DMC/DMC-ODS.

Draft contract language subject to change

Timeline & Resources

Date	Activity
April 2025	• DHCS sent 90-day notice of termination of active standalone SMHS and DMC/DMC-ODS contracts effective 6/30/25 to non-EI counties.
May 2025	• DHCS sends final contract to non-EI counties for review and approval.
June 2025	• Non-EI counties execute new contract with DHCS.
July 1, 2025	• Updated contracts take effect.

» **Resources**

- Submit contract questions to: **PDASContractsInbox@dhcs.ca.gov**.

Q&A

Thank you for joining!

DHCS