California Behavioral Health Planning Council

Systems and Medicaid Committee (SMC)

Meeting Minutes
Quarterly Meeting – January 21, 2026

Members Present: Karen Baylor, Jessica Grove, Ian Kemmer, Catherine Moore, Javier Moreno, Dale Mueller, Noel O'Neill, Elizabeth Oseguera, Marina Rangel, Susan Wilson**,** Milan Zavala

Staff Present: Ashneek Nanua

Presenters: Uzma Rahman, Paula Wilhem, Ivan Bharwaj, Nadia Privara, Kimberly Pauly, Ian Kemmer

Meeting commenced at 8:30 a.m.

Quorum Established: 11 out of 17 members

Item #1 Review and Accept October 2025 Draft Meeting Minutes (Action)

The Systems and Medicaid Committee reviewed the October 2025 draft meeting minutes. No edits were requested. The committee accepted the meeting minutes as written.

Action/Resolution
The accepted minutes will be posted to the Council's Website.

Responsible for Action-Due Date
Ashneek Nanua – January 2026

Item #2 Update Systems and Medicaid Committee Work Plan for 2026-2028 (Action)

Committee staff summarized the recommended changes to the Systems and Medicaid Committee Work Plan for 2026-2028. The committee leadership recommended that the action items for Objective 1.1 (CalAIM Initiative) and Objective 1.2 (BH-CONNECT Initiative) be combined into a single objective. Additionally, leadership recommended that Objective 2.1 on children and youth be broader and less specific. Committee members reviewed additional edits to the Work Plan, which were primarily grammatical

Committee members requested the following edits to the Work Plan:

- Add an action item focused on high-fidelity wraparound services, specifically due to Assembly Bill 896, which focuses on wraparound services for foster youth and the juvenile justice population.
- Add an action item focused on the implementation of the wraparound immediate needs program, which is specific to foster youth.

Susan Wilson moved to approve the Systems and Medicaid Committee Work Plan for 2026-2028, with the requested edits. Noel O’Neill seconded the motion. Committee staff conducted a roll call vote. The motion to approve the committee’s Work Plan passed.

Action/Resolution

Committee staff will make changes to the Work Plan based on the feedback provided. The approved Work Plan will be posted to the Council’s website.

Responsible for Action-Due Date
Ashneek Nanua – January 2026

Item #3 Public Comment

Janet Frank from the Commission on Aging requested that language be added to Objective 2.1 to include other priority populations in addition to children and youth. The committee Chairperson stated that Goal 2 of the Work Plan includes various populations, such as older adults and substance use disorder populations.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #4 Overview and Updates for BH-CONNECT Implementation

Uzma Rahman, the Branch Chief of the Medi-Cal Behavioral Health Policy Division at the Department of Health Care Services (DHCS), presented an overview of the implementation of the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative. This historic effort aims to transform behavioral health services for Californians with significant behavioral health needs. It is structured as a five-year Medicaid Section 1115 demonstration, supported by State Plan Amendments (SPAs) and complementary policies to strengthen behavioral health systems statewide.

The goals of BH-CONNECT include expansion of the continuum of community-based

services and evidence-based practices (EBPs) for individuals with mental health and substance use disorders, access federal funds for short-term facility-based care, and promotion of successful transitions from institutional settings to community-based care. The initiative also aims to strengthen family-based services for children and youth and expand the behavioral health workforce through scholarships, loan-repayment programs, and training opportunities.

Key federal approvals under the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative include Section 1115 Demonstration components such as the Workforce Initiative, Access Reform and Outcomes Incentive Program, Community Transition In-Reach Services, and the Institute for Mental Disease (IMD) Federal Financial Participation (FFP) Program. State Plan Amendments (SPAs) have been approved for Assertive Community Treatment (ACT), Forensic ACT, Coordinated Specialty Care for First Episode Psychosis (CSC), Clubhouse Services, Individual Placement and Support (IPS) Supported Employment, and Enhanced Community Health Worker (CHW) Services.

The Institute for Mental Disease (IMD) Federal Financial Participation (FFP) Program allows counties to receive federal funds for short-term stays of up to 60 days in Institutions for Mental Diseases, if they meet quality standards and offer a full suite of evidence-based practices. Counties that have opted into this benefit include Sacramento, San Diego, and Santa Clara. Community Transition In-Reach Services were also highlighted as a critical component, which offer intensive pre- and post-discharge plans for individuals that transition from institutional care to community settings. These services are available for up to 180 days prior to discharge.

The presentation detailed evidence-based practices available for adults. For children and youth, the initiative clarifies coverage for Functional Family Therapy (FFT), Multisystemic Therapy (MST), Parent-Child Interaction Therapy (PCIT), and High-Fidelity Wraparound (HFW). Additional efforts include Activity Funds to support children and youth in the child welfare system and efforts to align the Child and Adolescent Needs and Strengths (CANS) tool with the California Department of Social Services (CDSS).

The BH-CONNECT Initiative also includes the Access Reform and Outcomes Incentive Program, which is a mechanism to reward counties to improve access, outcomes, and delivery system performance. In its first submission, 42 counties collectively received $50 million. Finally, the Workforce Initiative was emphasized as a cornerstone of BH-CONNECT, with a planned $1.9 billion investment between 2025 and 2029 to recruit, retain, and train behavioral health practitioners. Recent awards include $15.8 million for residency programs and $134 million for student loan repayment grants, with scholarship and training program applications that open in early 2026.

After the presentation, the committee engaged in a question-and-answer session with Uzma Rahman, Paula Wilhem, and Ivan Bharwaj of the Department of Health Care Services (DHCS). The main discussion points included the following:

- The committee Chairperson asked the presenters to explain the difference between High-Fidelity Wraparound and Full-Service Partnerships (FSPs). Paula Wilhelm, the Deputy Director for Behavioral Health, stated that counties are required to operate FSPs for both youth and adults under the Behavioral Health Services Act (BHSA). The Act includes a statutory requirement for the use of evidence-based practices (EBPs) in Full-Service Partnerships. Guidance from the Department of Health Care Services states that youth who receive Full-Service Partnership services should receive High-Fidelity Wraparound, the core evidence-based practice for youth with complex or significant behavioral health needs. The Department of Health Care Services will update Medi-Cal coverage to align with national standards for High-Fidelity Wraparound, and counties must provide these services in youth Full-Service Partnership programs as of July 1, 2026, as mandated by the Behavioral Health Services Act.
- A committee member asked the presenters to address any workforce challenges in the Institutes for Mental Disease (IMD) facilities. The committee member noted that staff skills are often insufficient to deliver these services to the level required under Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative. Paula Wilhelm stated that the evidence-based practice requirements apply to county Behavioral Health Plans that opt into the Institutes for Mental Disease opportunity under the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative. She indicated that the state aims to improve the quality of care and strengthen community-based supports to help people transition out of inpatient facilities and avoid inpatient utilization. This requirement applies at the county level rather than the facility level. Paula also stated that the Institutes for Mental Disease opportunity requires certain standards of care to be observed in the facilities that participate in the demonstration, such as consistent screening for comorbidities, which includes substance use disorders; consistent discharge planning to community-based organizations; and use of the evidence-based practices level of care tool to inform decisions about inpatient stays.
- A committee member asked the presenters to address the involvement of small counties in the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative Demonstration. The committee member noted that small counties face challenges to meet these requirements. Paula Wilhem reported that counties, providers, and other stakeholders have raised this issue. She noted that small counties face challenges in relation to geography and population size. The state works with the Centers of Excellence (COE) to help train providers and counties to scale and expand evidence-based practices. The state discusses strategies and flexibilities to support implementation of BH-CONNECT in small counties. Small and rural counties also have certain exemptions under the Behavioral Health Services Act regarding Full-Service Partnership requirements. Uzma Rahman added that the state aims to explore options for regional approaches and hybrid models for small and rural counties to meet the fidelity requirements. Ivan Bhardwaj added that the Workforce Initiative partners with the Department of Health Care Access

and Information (HCAI) to build and retain the behavioral health workforce in small and rural counties.

- A committee member asked the state to describe the transition process for youth who age out of services that provide evidence-based practices, if the youth still require services. Paula Wilhelm stated that the state describes some evidence-based practices for adults and others for children to reflect how the evidence base was developed for each population group. She stated that an important distinction is that evidence-based practices have no age limits, but rather, it is an individualized determination between the client and service provider. Paula stated that the youth's care team would identify the treatment goals, and continuity of care includes a warm hand-off transition.
- The committee Chairperson asked what will happen at the end of the five-year waiver and how the state will measure the demonstration's success. Paula Wilhelm explained that the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative includes several policy initiatives; some need waiver authority, while others do not.
- At the end of the waiver, the state will determine whether to renew programs authorized by the waiver, such as the authority and activity funds. The evidence-based practices are covered under the Medicaid state waiver authority, so the state anticipates that the counties will be able to continue service delivery regardless of what the next waiver package will include. Paula added that 1115 Waivers require an independent evaluation, which has an interim and final evaluation. The evaluation will assess success with indicators such as the number of individuals served and outcomes.
- A committee member asked what happens to individuals who move counties when one county provides an optional service and the county they move to does not. Paula Wilhem stated that there is an expectation that all services covered under Medicaid be available statewide, or an equivalent support for children should be provided in each county under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) mandate. Paula acknowledged that gaps may still exist and that the state will continue to develop capacity to fill them. For adults, optional services create a continuity-of-care issue, and the county Behavioral Health Plans are expected to coordinate care between counties to ensure the individual receives the care they need.
- A committee member asked how different counties can access medical records to coordinate care for Medi-Cal members. Paula Wilhem said most counties can transfer records between providers, consistent with all applicable privacy laws. She expressed that the goal is to make information transfer more seamless and real-time to support transitions in care. Additionally, the state has comprehensive guidance for counties and Managed Care Plans (MCPs) on their data exchange and care coordination obligations. Paula also noted that the state has Medi-Cal Connect, a population health management platform that helps counties and providers look up information for Medi-Cal members who may have been served elsewhere. However, there is a lag because the information is based on claims data.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #5 Public Comment

Janet Frank from the Commission on Aging asked the state to provide more details on how the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative relates to the priority population of older adults. Paula Wilhelm stated that BH-CONNECT does not include dedicated initiatives for older adults; however, its performance goals will significantly support older adults. The evidence-based practices and Workforce Initiative may support these efforts.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #6 San Diego County Perspective for BH-CONNECT Implementation

Nadia Privara, the Director for San Diego County Behavioral Health Services, and Kimberly Pauly, the Deputy Director of Behavioral Health, presented on the local implementation of the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative. BH-CONNECT offers significant opportunities for San Diego County, which includes the expansion of Medi-Cal benefits, the addition of new evidence-based practices (EBPs), and increased reimbursement rates aligned with the cost of care. These changes create new avenues for counties to enhance services and receive reimbursement. However, challenges remain, such as expedited timelines and integration with CalAIM payment reform.

The implementation timeline began in November 2023 and moved through several key steps. Internal workgroups met in early 2024. In March 2025, the Board of Supervisors approved opting into BH-CONNECT. By October 2025, additional activities were completed which included billing for Enhanced Community Health Worker services, submission of incentive program documentation, and Institutes for Mental Disease (IMD) Implementation Plan approval.

San Diego opted into several evidence-based practices under the Institutes for Mental Disease (IMD) Waiver, which includes Assertive Community Treatment (ACT), Forensic ACT, Individual Placement and Support (IPS) Supported Employment, and High-Fidelity

Wraparound (HFW). The county operates 10 Clubhouses and chose to participate in Clubhouse services under the BH-CONNECT Initiative. The county chose not to participate in Community Transition In-Reach Services. The Oasis Clubhouse was highlighted as a new service opportunity.

The county will move from its locally funded, evidence-based practices to statewide standardized high-fidelity models. This shift will require meeting statewide expectations for fidelity scales, staffing patterns, caseload, and service intensity standards. It also brings new statewide standards for quality, accountability, and outcomes.

Challenges include operational shifts for community-based organizations, bundled rate structures, and workforce sustainability. The county faces a critical need for 18,500 additional behavioral health workers, as identified in the 2022 Behavioral Health Workforce Report. Initiatives such as the ELEVATE Behavioral Health Workforce Fund aim to address these workforce gaps and support long-term growth.

The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative offers significant financial benefits for San Diego County, including new Medi-Cal reimbursement opportunities and the ability to redesign evidence-based practices to improve care. The Institute for Mental Disease (IMD) Waiver allows the county to bill for services previously funded by the county, which creates savings that can be reinvested into the expansion and enhancement of other critical services.

After the presentation, the committee held a question-and-answer session with the presenters. The key discussion points include the following:

- A committee member asked whether San Diego County has been able to adjust Institute for Mental Disease (IMD) personnel to prepare clients to transition to community-based services. The presenters stated that the optimal care pathways model helps evaluate the services provided in the county’s Licensed Mental Health Rehabilitation Centers (MHRCs), Skilled Nursing Facilities (SNFs), and other behavioral health settings. The county has also invested in Adult Residential Facilities (ARFs) and in staff rates for different levels of acuity. Additionally, the county pursues grant funds to develop and improve infrastructure in licensed Board and Care facilities. Behavioral Health Bridge Housing funds have contributed to these efforts.
- A committee member asked about the impact of state rates on facilities' ability to remain open, particularly for foster youth. The presenters described challenges with state rates with the shifts for payment reform and providers' adaptability to these changes. However, the county has worked to redesign programs to be Medi-Cal reimbursable and to meet Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative requirements.

- A committee member stated that there is a difference in financial support for foster care between children who are connected to family members and those who are placed in a foster care home. The presenters stated that the county has developed close partnerships with the child welfare system and there is close collaboration to find creative ways to blend and create funding.
- A committee member stated that there have been challenges to find qualified ARFs and facilities' willingness to accept supports. The member asked whether the county has a recruitment program for licensed facilities. The county indicated that staff has worked to identify licensed facilities willing to serve individuals with Serious Mental Illness (SMI). The presenters shared that facilities have been willing to serve clients with SMI but have been unable to do so likely due to parity issues with reimbursement. The county has been focused on preservation of current facilities, recruitment through grant funds to determine whether new providers are interested, and development of a roadmap to work with providers to identify needed resources.
- A committee member asked about the contract requirements for the High-Fidelity Wraparound (HFW) Benefit for Community-Based Organizations (CBOs) and the intersection between the county behavioral health department and child welfare. The committee member also asked the presenters how they foresee implementation for the tiered rate structure that affects foster care. The presenters stated that the county is committed to the standards in place to avoid barriers for providers. The county aligns the Behavioral Health Services Act County Policy Manual and the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative requirements. San Diego County has approximately 350 contracted programs accountable to meet the requirements, while the county is responsible to monitor the programs. The county works closely with the child welfare system to discuss BH-CONNECT implementation based on the needs of the child and family.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #7 Orange County Perspective for BH-CONNECT Implementation

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Ian Kemmer, the Behavioral Health Director for the Orange County Health Care Agency, provided the committee with the county's implementation of the BH-CONNECT Initiative. Orange County has opted into the Access, Reform and Outcomes Incentive Program. The county completed its baseline submission in June 2025 and will prepare for the next submission in June 2026, with a focus on quality improvement, care coordination, and meet Behavioral Health Accreditation standards. The Quality

Management Services Unit was restructured to be more responsive to this process. Funds from this program support the following:

- Improve access to care and achieve better health outcomes for members with significant behavioral health needs.
- Expand EBPs such as Assertive Community Treatment (ACT), Coordinated Specialty Care (CSC), Multisystemic Therapy (MST), and Parent-Child Interaction Therapy (PCIT).
- Strengthen community-based infrastructure, workforce development, and Enhanced Care Management (ECM).
- Reduce institutionalization and improve transitions to community care.

Orange County is currently in the evaluation phase to determine readiness to opt into the Federal Financial Participation (FFP) for the Institute for Mental Disease (IMD) Incentive, which would allow federal funds for short-term stays in Institutions for Mental Diseases, contingent on the county’s engagement in Evidence-Based Practices (EBPs) and services such as Certified Peer Support Specialists (CPSS) and Community Health Workers (CHWs). While CPSS services are in place, CHW infrastructure is still under development. Savings from this incentive would be reinvested in expanded community services, housing support, and workforce development. Orange County will likely opt in to the Institutes for Mental Disease (IMD) Incentive in 2026.

For adult Evidence-Based Practices (EBPs), Orange County's work includes several activities:

- Solicit Assertive Community Treatment (ACT) and Forensic ACT programs.
- Address challenges related to Individual Placement and Support (IPS) Supported Employment.
- Offer Clubhouse Services. This is a long-term goal, as the county currently offers recovery centers.
- Evaluate rate structures to ensure sustainability to opt into these benefits. This involves evaluation of bundled rates compared to standalone Fee-For-Service (FFS) payment rates.

Orange County has started early planning for Community Transition In-Reach Services to support members’ transitions from institutional settings. This initiative is also expected to strengthen the county’s performance on Follow-Up after Hospital Discharge (FUH) Healthcare Effectiveness Data and Information Set (HEDIS) measures. This work will take place in 2026 and in subsequent years.

The county also works to address challenges such as workforce shortages, administrative infrastructure, reimbursement uncertainties, payment reform implementation, local priorities, and data and technology needs. Next steps include partnerships, collaboration with Institutes for Mental Disease (IMD) facilities, and optimization of funding streams to sustain and expand the behavioral health system of care.

After the presentation concluded, the committee held a question-and-answer session with Ian Kemmer. Key questions and discussion points included:

- A committee member asked whether the standards for the Access, Reform and Outcomes Incentive Program will apply to network providers. The member also asked whether the county will cross-reference the standards with national accreditation standards that apply to certain provider organizations to avoid providers being held accountable to two different standards. Ian stated that the measures will apply to providers because the state has established a specific standard of care. He added that there have been minor changes to the measure for the service provided, but there is not a major change from the prior standards.
- A committee member asked how Orange County will approach High Fidelity Wraparound (HFW) services and engage organizations to bill Medi-Cal for services. Ian stated that the Improved Innovations Program includes technical assistance for providers who would like to become Medi-Cal certified. He added that the county is in conversations with Full-Service Partnership providers on how to implement the High-Fidelity Wraparound Benefit.
- Committee members discussed how Realignment funds draw federal match funds from the federal government and how reimbursement occurs in the
- Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative.
- A committee member asked about staffing for short-term stays in Institutes for Mental Disease facilities. Ian stated that the regulations for IMD staff are not complete.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #8 Public Comment

Karen Cameron, a patient rights advocate for 20 years in Sacramento County, stated that her county has two Institutes for Mental Disease (IMD) facilities. She shared that people are often forgotten once they are placed in these facilities and that it can be difficult to help them leave because there are often no appropriate options available.

Steve McNally from Orange County stated that it may be helpful for the committee to review Assembly Bill 96, which would allow Peer Support Specialists to bill Managed Care. He noted that the state now has 8,000 certified peers.

Action/Resolution
N/A
Responsible for Action-Due Date
N/A

Item #9 Committee Updates, Wrap Up, and Next Steps

Action/Resolution
The committee's leadership and staff will plan the agenda for the April 2026 Quarterly Meeting.

Responsible for Action-Due Date
Ashneek Nanua, Karen Baylor, Ian Kemmer – April 2026