Systems and Medicaid Committee (SMC)

Meeting Minutes
Quarterly Meeting – April 16, 2026

Members Present: Karen Baylor, Jessica Grove, Ian Kemmer, Catherine Moore, Javier Moreno, Dale Mueller, Noel O'Neill, Elizabeth Oseguera, Marina Rangel, Tony Vartan, Susan Wilson**,** Uma Zykofsky, Ali Vangrow

Staff Present: Ashneek Nanua

Presenters: Erika Cristo, Elizabeth Oseguera, Sheri Green, Brian Olden

Meeting commenced at 8:30 a.m.

Quorum Established: 13 out of 19 members

Item #1 Review and Accept January 2026 Draft Meeting Minutes (Action)

The Systems and Medicaid Committee reviewed the January 2026 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 – April 2026

Item #2 Overview of High-Fidelity Wraparound (HFW) Services

Erika Cristo, the Assistant Deputy Director of Behavioral Health at the Department of Health Care Services (DHCS), presented an overview of the Medi-Cal High-Fidelity Wraparound (HFW) services program services for children and youth with significant behavioral health needs. Under the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative, DHCS aims to clarify coverage expectations for several Evidence-Based Practices for Functional Family Therapy (FFT), Parent-Child Interaction Therapy (PCIT), Multisystemic Therapy (MST), and High-Fidelity Wraparound. The presentation emphasized that, under federal Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements, all children and youth under age 21 enrolled in Medicaid are entitled to medically

necessary services, regardless of whether they are explicitly listed in the State Plan. On July 1, 2026, HFW will be implemented with a monthly rate under Medi-Cal Specialty Mental Health Services (SMHS) and incorporated into counties' Behavioral Health Services Act (BHSA) Full-Service Partnership (FSP) programs.

HFW was described as a team-based, family-centered model that elevates family voice and decisions throughout the care planning process. Facilitators work with families and a multidisciplinary support team to create highly individualized and strength-based plans that help youth remain safely at home and engaged in their communities. HFW is positioned as an alternative to out-of-home placement for youth with the most complex behavioral health needs with emphasis on community-based strategies and natural supports.

The presentation outlined several key policy requirements that take effect July 1, 2026. Behavioral Health Plans (BHPs) must ensure that Medi-Cal members under age 21 receive HFW when it is medically necessary and clinically appropriate. In alignment with Assembly Bill 161, DHCS will require BHPs to use a new monthly HFW reimbursement rate, and HFW teams must meet state fidelity standards to maintain claims eligibility. Counties will also be required to include HFW as part of their BHSA-funded Full-Service Partnership programs, with consistent fidelity expectations across Medi-Cal and BHSA.

DHCS also shared the policy development timeline for implementation. This includes the release of a draft Behavioral Health Information Notice (BHIN) in April 2026, updates to the BHSA Policy Manual, establishment of the HFW Center of Excellence (COE) at UC Davis, and ongoing refinement of program requirements based on public comment and stakeholder engagement. The HFW BHIN explains the basic rules for what services are covered, when care is considered medically needed, who can provide the care, where the care can happen, and how billing should work. These rules still need approval from the federal government (CMS).

A more detailed HFW Policy Manual, scheduled for release in April 2026, will address practice guidelines, fidelity expectations, training and technical assistance, data collection, and operational standards.

The monthly HFW rate will cover a range of direct and indirect services provided by the HFW team, such as targeted case management activities, peer support services for caregivers, psychosocial rehabilitation for youth, and crisis intervention. Indirect services include supervision, fidelity coaching, and administrative coordination. Other Medi-Cal services a youth may require will continue to be billed outside the monthly rate through established SMHS, managed care, or fee-for-service pathways. DHCS noted that rate amounts will be finalized in the forthcoming BHIN.

To ensure alignment with current statewide practices, the Medi-Cal HFW model will be closely aligned with California Wraparound Standards and the National Wraparound Initiative (NWI) guidelines. This alignment includes shared principles, practice phases, staffing roles, and an emphasis on fidelity and outcomes monitoring. University of California (UC) Davis and the Wraparound Evaluation Research Team (WERT) have supported development of fidelity indicators and a continuous quality improvement framework, which will inform the Medi-Cal Fidelity Designation process.

Fidelity Designation will be required for ongoing claiming. BHPs may claim HFW services for up to nine months before teams undergo an initial baseline fidelity assessment. After this period, teams must achieve and maintain one of three levels of designation (Baseline, Minimum, or Full Fidelity) based on assessments conducted by the HFW Center of Excellence. DHCS intends to align the certification process with requirements used for Family First Prevention Services Act (FFPSA) Aftercare providers to ensure consistency.

The presentation also highlighted the role of the Child and Adolescent Needs and Strengths (CANS) assessment to determine eligibility for HFW. DHCS will develop a statewide Decision Support Criteria (DSC) in partnership with the Praed Foundation to help ensure that referrals are both clinically appropriate and consistent across counties. Youth receive a CANS assessment before any claims can be made, and BHPs cannot add extra steps or cause delays beyond confirming medical necessity. DHCS introduced the High-Fidelity Wraparound Center of Excellence (COE), operated by the UC Davis Resource Center for Family-Focused Practice. The COE will support counties and providers through training, technical assistance, fidelity monitoring, and implementation guidance. Counties may initiate engagement with the Center of Excellence to receive consultation, participate in training, and utilize available tools to support high-quality HFW delivery statewide.

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

- Erika Cristo, the presenter, stated that DHCS took feedback on Intensive Care Coordination (ICC) services, and ICC services will remain available for at least two more years. These services cannot be provided simultaneously to HFW services.
- Committee members asked for clarification on how Medi-Cal HFW services for children and youth will differ from BHSA Full-Service Partnerships offered to adults. Erika Cristo stated that the guidelines, fidelity, and standards between Medi-Cal and BHSA are the same. The Center of Excellence will assist counties meet fidelity standards.
- Children under five years of age are eligible for Medi-Cal HFW services, and DHCS will use the CANS tool for any individual under age 21. There is currently no data for children ages zero to five because the CANS tool has not been used for this population in the past. The HFW Policy Manual acknowledges this data limitation.
- DHCS will work with the California Department of Social Services (DSS) for the tiered rate structure.
- Committee members asked how children in the child welfare system, substance use disorders (SUD), or intellectual or developmental disabilities may access HFW services. Erika Cristo clarified that HFW services will be implemented as part of the specialty mental health delivery system by county behavioral health plans. There are no restrictions that would limit services for children with SUD or intellectual or developmental disabilities.

Action/Resolution

The committee will decide whether the Council should submit a response to the draft HFW Behavioral Health Information Notice and the draft HFW Policy Manual.

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

Item #3 Public Comment

Steve McNally stated he has been involved in the child welfare strategic plan. He stated that there is a disconnect for individuals to understand the quality of service and ease of implementation for Full-Service Partnerships and High-Fidelity Wraparound (HFW) services. Steve stated that the Child and Adolescent Needs and Strengths (CANS) tool has data issues and it would be helpful to make individuals aware of what the issues are. He asked if DHCS plans to conduct additional outreach to provide input on the HFW policy.

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

Item #4 Children's Advocate Perspective of High-Fidelity Wraparound (HFW) Policy and Implementation

Elizabeth Oseguera, the Senior Policy Analyst at the California Alliance of Child and Family Services (CACFS), also known as "The Alliance," presented the policy and implementation considerations for High-Fidelity Wraparound (HFW) services. The CACFS is a statewide network that represents more than 160 accredited community-based organizations that provide behavioral health, foster care, juvenile justice, Short-Term Residential Treatment Program (STRTP), and related services across all 58 counties. Elizabeth described that CACFS members are in preparation for significant shifts driven by the implementation of HFW, the new Wraparound Immediate Needs (WIN) program, and the broader Tiered Rate Structure (TRS) in child welfare.

The Alliance emphasized that HFW represents a major operational and financial responsibility for providers. They noted that while HFW is now clearly positioned within Medi-Cal as a fidelity-based, team-driven model, the certification and county contract process remain separate, and certification alone does not guarantee access to a county contract. Many counties currently limit or close provider access, which raises concerns

that the shift toward HFW may outpace providers' ability to participate, particularly smaller organizations without extensive infrastructure. The Alliance framed this moment as one that will require careful, strategic decision-making so providers do not make investments that end up stranded or misaligned with county implementation timelines.

Counties must have aftercare contracts in place and be prepared to claim HFW services under the new reimbursement structure by July 1, 2026. Providers were encouraged to work on two tracks at the same time: completing the HFW certification process while also securing county contracts. Because county Behavioral Health Plans (BHPs) will be responsible for arranging Medi-Cal services not covered by the HFW monthly rate, many counties are already preparing to release RFPs. The Alliance advised its members to engage early and proactively.

As the presentation shifted to operational details, the Alliance summarized the proposed monthly HFW rate and its assumptions. They highlighted that the HFW bundled monthly reimbursement will include a wide range of direct and indirect services delivered by multidisciplinary teams such as facilitators, family specialists, parent partners, supervisors, clinicians, fidelity coaches, and community developers. Although DHCS has proposed a rate range of $5,328 to $7,552 (with a median of $6,017), the Alliance noted that the final rates have not been set and that the amounts proposed by DHCS are not provider payment rates. Counties and providers will still need to negotiate reimbursement, and staffing assumptions.

The Alliance also focused extensively on how HFW will intersect with the child welfare system through the Wraparound Immediate Needs (WIN) program, a key component of the Tiered Rate Structure (TRS). WIN is a child welfare funding stream designed to cover immediate, individualized supports that usually are not reimbursed through other programs.

However, the state has not yet clarified how WIN will be accessed, how eligibility will work, or whether additional certifications will be required. The Alliance expressed the need for clearer guidance so providers can plan for staffing, training, and business model changes.

The presentation described the TRS as a transformative shift in foster care funding, however, it also may destabilize foster care funds. While TRS aims to align funding with youth's individual needs and correct inequities, the Alliance warned that proposed TRS rates for Foster Family Agencies (FFAs) and Short-Term Residential Treatment Programs (STRTPs) fall short to cover actual costs by 62–67% for FFAs and up to 120% for STRTPs. The Alliance cautioned that these gaps may force many providers to close programs, which will create additional placement instability and increase the likelihood that youth will be placed in unlicensed settings such as offices or hotels.

The Child and Adolescent Needs and Strengths (CANS) assessments will play an increasingly important role in HFW, the tiered rate system, and WIN.The Alliance stressed the need for accurate, timely CANS assessments, particularly given recent requirements for 60-day completion and six-month reassessment cycles. They advocated for more flexibility, provider participation in the assessment process, and the

ability to use complementary assessment tools, especially for youth with specialized needs.

As the presentation moved into policy alignment, the Alliance raised concerns about overlapping requirements across STRTP licensing rules, Medi-Cal mental health standards, and California's HFW standards. They urged the state to align these policies to reduce administrative burden and avoid conflicting rules that could disrupt service delivery. They also noted that gaps in assessments across systems continue to lead to misdiagnosis, inadequate services, and preventable placement disruptions.

The Alliance then outlined the organization's ongoing advocacy efforts. These include advocacy to increase the tiered rate structure base rates, strengthen the proposed Third-Party Administrator (TPA) model for WIN, support improvements to CANS and Child and Family Team (CFT) fidelity, and urge state partners to simplify administrative processes. They have also been actively engaged in legislative hearings, written comment processes, collaborative stakeholder forums, and system-wide data analysis efforts to ensure that the 2026–2027 transitions do not destabilize already strained provider networks.

In conclusion, the Alliance emphasized that WIN and HFW should work together to create a more integrated, responsive, and equitable system for youth with the greatest needs. However, achievement for this goal will require clear guidance, functional rate structures, sustainable contract pathways, and a unified certification framework that does not unintentionally exclude capable providers. They recommend that counties and providers act early, coordinate intentionally, and continue advocacy for system alignment that protects both service quality and provider viability.

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

Item #5 Sacramento County and Provider Perspective of High-Fidelity Wraparound (HFW) Local Implementation

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Sheri Green, the Youth and Family Services Manager, and Brian Olden, the Wraparound Program Monitor for the Sacramento County Behavioral Health Services Department, presented on the local implementation of the High-Fidelity Wraparound (HFW) Medi-Cal Benefit. Sacramento County's presentation provides a localized view of how HFW functions in practice, with an emphasis on youth and family-driven service planning, local eligibility rules, cross-system coordination, and the operational challenges the County anticipates as HFW expands on July 1, 2026. The presenters explained the primary purpose of HFW, which is to help children and youth remain safely in their homes or other permanent family settings. Wraparound is described not only as a set of services, but also as a structured planning process that helps youth

express their hopes and goals. These youth work with a collaborative care team that can respond to crises, coordinate services, and maintain the family's stability.

Sacramento County outlined the core principles that guide its HFW model with an emphasis on individualized, strength-based services delivered through a collaborative, culturally respectful, team-based approach. The presenters stressed that Wraparound works best with consistent engagement and a clear focus on safety, permanency, and well-being. This highlights wraparound as both a philosophy and a practice model rooted in unconditional care and coordination across agencies such as child welfare, probation, schools, and behavioral health.

For local eligibility, Sacramento County clarified that HFW currently serves youth who are court-involved through dependency or probation and who are at immediate risk of placement loss or escalation to a higher level of care. Youth who exit Short-Term Residential Treatment Programs (STRTPs) are entitled to six months of aftercare support, and adopted youth may access Wraparound through Adoption Assistance Program (AAP) funds. The County noted that currently, only Child Protective Services and Probation can make referrals, but this is expected to expand on July 1, 2026.

The presentation provided a detailed look at Sacramento's Wraparound service components, which range from crisis intervention, care coordination, therapy, and psychiatric services to social supports such as transportation, housing navigation, and skills development. The County stresses the essential role of Child and Family Team (CFT) meetings, which are held at least every 30 days and function as the central forum to make decisions on where strengths, needs, progress, and placement issues are reviewed. These meetings are driven by the youth and family, require inclusion of natural support and tribal partners where appropriate, and are facilitated by a neutral party.

The presenters also highlighted the clinical rationale behind HFW services with placement stability as a core priority. CFTs use clinical information related to safety concerns, behavioral health needs, daily functioning challenges, and family needs to determine the level and type of support required. The County emphasizes that HFW's structure is designed to prevent placement disruptions. Targeted, individualized interventions aim to address the causes of instability.

Sacramento County distinguishes HFW from both traditional Wraparound and Full-Service Partnerships (FSP). The County stresses that traditional Wraparound often lacked consistency, structure, and fidelity monitoring, whereas HFW is grounded in defined phases of engagement, planning, implementation, and transition. This is supported by fidelity coaching and dedicated staff roles such as facilitators, parent partners, youth partners, and family specialists. The County describes FSP as an intensive clinical treatment model, while HFW is a care-coordination model centered on family voice, cultural responsiveness, and collaboration across systems. The County identified anticipated implementation challenges as HFW expands. Challenges include workforce shortages for key roles, the need for ongoing coaching to maintain fidelity,

cross-system coordination demands, and engagement of natural supports. The presenters noted that HFW and Multisystemic Therapy (MST) cannot be delivered at the same time, which may require careful case planning for families who need both care-coordination and intensive therapeutic interventions. The County representatives also pointed to barriers to integrate mental health and substance use services due to licensing, funding streams, and philosophical differences across systems.

Sacramento County outlined systemic challenges that may complicate HFW's expansion. This includes timely completion of Integrated Practice Child and Adolescent Needs and Strengths (IP-CANS) assessments from placement agencies, uncertainties around flexible funding rules, potential conflicts between "anything necessary" expectations and federal funding restrictions, and unanswered questions about how statewide uniformity will be ensured across Medi-Cal, the Behavioral Health Services Act, and Title IV-E funding. The presenters warned that counties could face audit risks or funding gaps, and providers could face administrative burdens that slow service delivery without clear and consistent policies.

The presenters also provided a description of the County's Wraparound team composition, which includes facilitators, parent partners, youth partners, family specialists, therapists, housing navigators, supervisors, and clinical oversight personnel. Each role is framed as essential to maintain fidelity and deliver coordinated, individualized support. The County also highlighted plans to better integrate substance use disorder (SUD) services into Wraparound, which will allow teams to meet lower-intensity SUD needs directly rather than refer children and youth out of the program.

Fidelity evaluation is presented as a key local priority. Sacramento County will use standardized tools such as the Wraparound Fidelity Index (WFI), the Team Observation Measure (TOM), and the Document Assessment and Review Tool (DART), paired with County oversight activities like plan reviews, Child and Family Team meetings observations, and coaching for facilitators. Performance measures will focus on placement stability, family functioning, and alignment with Wraparound principles.

The presenters next explained Sacramento County's plan for the Immediate Needs Program (INP) and their suggested tiered placement model, which matches The California Department of Social Services' (CDSS) Tiered Rate Structure (TRS). In this proposed model, youth with higher needs would get more intensive support in the Tier 3+ category, where Full-Service Partnerships and High-Fidelity Wraparound (HFW) are combined to help the most complex cases.

The County emphasized that implementation of this model will require coordination across systems and clarity around funding roles, especially for non-foster youth supported with flexible dollars from the Behavioral Health Services Act.

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

- Committee members asked for clarification on whether the county behavioral health departments are the responsible entity to determine whether providers meet the fidelity requirements. The presenters stated that providers must complete the wraparound certification process through the Centers of Excellence (COE) and California Department of Social Services (CDSS) by July 2026. Sacramento County has not received confirmation on whether certification through the COE will allow for the fidelity determination to be established simultaneously. The counties will also need to support providers with fidelity.
- A committee member asked how Sacramento County works with the school districts when a youth has significant symptoms for a serious emotional disturbance (SED) who may not easily fit into the public school system. Sacramento County stated that schools are involved in the wraparound services, however, there are barriers such as schools that require Release of Information (ROI) and additional background clearances to allow providers to come into the schools. Additionally, family advocates with experience of education system issues often attend Individualized Education Program (IEP) meetings to support families with advocacy. Senate Bill 163 funds help leverage services and supports that Medi-Cal does not reimburse.
- The committee inquired if Sacramento County has the capacity available to integrate HFW into the Medi-Cal system for at least the first year of implementation. The presenters stated that the County is currently in the procurement process. This process is competitive so it is unclear whether the County will yield the same contracted providers. Sacramento County is sunsetting all children and youth programs into Full-Service Partnership HFW programs, which will make 700 slots available to serve children and youth.
- The presenters stated that there are approximately 200 children in wraparound services in Sacramento County.
- A committee member stated that there are agencies in the child welfare system that have not yet billed for Medi-Cal and asked if Sacramento County worked with the County's child welfare department to help create the Request for Proposal (RFP) for providers to deliver HFW. The committee member also asked whether the County would prepare providers to deliver Wraparound Immediate Needs (WIN). The presenters stated that WIN is not yet implemented but the procurement states that providers are expected to apply for WIN if they are directed by the County. Sacramento County has consulted with their child welfare and probation providers who participate in the County's evaluation committee. The presenters added that the County has experience with providers who have never billed for Medi-Cal for specialty mental health, which is a challenge due to the need to have the best service providers for this vulnerable and complex client population.
- Assembly Bill 161 states that Foster Family Agencies (FFA) and Short-Term Residential Treatment Programs (STRTPs) would be the presumptive immediate needs providers. A committee member asked how the County will address HFW implementation if the providers for these programs are not included as part of the HFW cohort. The presenter stated that the expectations will be defined by guidance provided by the Department of Health Care Services (DHCS).

- The presenters clarified that Parent-Child Interaction Therapy (PCIT) is a better fit for children ages zero to five than Multisystemic Therapy (MST). Additionally, children ages zero to five who need wraparound services may still receive them.

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

Item #6 General Public Comment

Steve McNally asked how different counties can participate in the High-Fidelity Wraparound (HFW) Medi-Cal Benefit because it can be difficult to duplicate programs across different counties. He stated that there are specialty elements in these programs, and peers may be able to provide information to the County on those specialized areas. Steve also stated that it is unclear on how to get PAVE as Medi-Cal billable and how to get people into that system.

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

Item #7 Committee Updates, Wrap Up, and Next Steps

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

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