



DATE: December 19, 2024

Behavioral Health Information Notice No: 24-044

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 Council of Community Behavioral Health Agencies
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: Enforcement Actions: Monetary Sanctions for Failure to Meet or Exceed Minimum Performance Levels (MPLs) for Behavioral Health Quality Measures

PURPOSE: This Behavioral Health Information Notice (BHIN) is to notify all Mental Health Plans (MHPs) and Drug Medi-Cal Organized Delivery System (DMC-ODS) Plans of DHCS' policy regarding the imposition of sanctions for failure to meet or exceed MPLs for behavioral health quality measures.

REFERENCE: Managed Care Final Rule, Federal Register, Vol. 81, No. 88; California Welfare and Institutions Code (W&I) section 14197.7; Behavioral Health Information Notice (BHIN) [22-045](#); BHIN [24-004](#).

BACKGROUND:

The Department of Health Care Services (DHCS) is committed to promoting longer and healthier lives for Medi-Cal beneficiaries by improving quality outcomes, reducing health disparities, and driving system transformation and innovation across both physical and behavioral health delivery systems through value-based initiatives. To support this vision, DHCS requires Medi-Cal managed care plans (MCPs) to report annually on a set of quality measures, known as the Managed Care Accountability Set (MCAS),¹ and has

¹ The MCAS is linked here:
<https://www.dhcs.ca.gov/dataandstats/reports/Pages/MqdCareQualPerEAS.aspx>

implemented enforcement actions on MCPs that fail to meet or exceed the MPLs since Measurement Year (MY) 2022.² DHCS aims to create consistency in quality monitoring, between physical health delivery system's MCAS program and the approach to the behavioral health delivery system. As such, in the behavioral health field, DHCS published BHIN 24-004 in December 2023, outlining quality measures that MHPs and DMC-ODS Plans (collectively referred to as "Behavioral Health Plans" or "BHPs") must report annually to DHCS starting with Measurement Year (MY) 2023/Reporting Year (RY) 2024. DHCS identified these quality measures, known as the Behavioral Health Accountability Set (BHAS), as part of its Comprehensive Quality Strategy (CQS) 2022³ and in compliance with the CalAIM Section 1915(b) Waiver Special Terms and Conditions.⁴ As also stated in BHIN 24-004, DHCS will continue to use the BHAS for future years, until such time as DHCS publishes guidance to supersede or modify this measure set.⁵ With prior notice to BHPs, DHCS reserves the right to modify and adjust the established measures used as the basis for imposing sanctions as a part of the BHAS Sanction Methodology. DHCS is dedicated to maintaining consistency in rules, policies, and processes across state and federal levels in conducting continued oversight and enforcement.

POLICY:

In accordance with W&I section 14197.7(e),⁶ DHCS may impose monetary sanctions on BHPs that fail to meet or exceed established quality metrics or benchmarks, including the MPLs for the BHAS quality measures.

Triggers for Monetary Sanctions

BHAS is comprised of a set of performance measures that DHCS selects for annual reporting by BHPs. BHPs are required to meet or exceed MPLs or achieve at least 5% points increase over baseline from prior measurement year performance, if applicable for each measure.⁷ BHPs that do not meet these criteria may be subject to monetary sanctions, which will be determined on the basis of enforcement tier assignment.

² Managed Care All Plan Letters (APL): [APL 23-012](#), [APL 22-015](#).

³ [Comprehensive Quality Strategy 2022](#), Table 4 and Table 5 on pages 75-77.

⁴ [California Advancing & Innovating Medi-Cal \(CalAIM\) Waiver Special Terms and Conditions](#), #15 on page 5.

⁵ The Behavioral Health Accountability Set (BHAS) is linked here: <https://www.dhcs.ca.gov/dataandstats/reports/Pages/MgdCareQualPerfEAS.aspx>.

⁶ [W&I, 14197.7 \(e\)](#)

⁷ DHCS will use MY 2023 rates as the baseline for each BHP. (See BHIN [24-004](#) at page 3.)

Enforcement Tiers	Tier 1	Tier 2
Triggers	MHP or DMC-ODS Plan has one (1) measure below the MPL and does not achieve at least 5% points increase over baseline	MHP or DMC-ODS Plan has two (2) or more measures below the MPL and each measure does not achieve at least 5% points increase over baseline

DHCS will determine whether to impose a monetary sanction based on the enforcement tier assignment. DHCS will only impose monetary sanctions on MHPs and DMC-ODS Plans that fall within Tier 2. DHCS will not impose monetary sanctions on MHPs and DMC-ODS Plans that do not trigger a tier rating or that fall within Tier 1. Furthermore, BHPs may be subject to additional enforcement actions if they are unable to accurately report measures.

Measures Held to MPL for BHAS MY 2024

For BHAS MY 2024 there are six required measures for MHPs and five required measures for DMC-ODS Plans.⁸

MHP:

- Antidepressant Medication Management, Acute (AMM - Acute)⁹
- Antidepressant Medication Management, Continuous (AMM - Continuous)⁷
- Adherence to Antipsychotic Medications for Individuals with Schizophrenia (SAA)¹⁰
- Follow-Up After Emergency Department Visit for Mental Illness - 30 days (FUM - 30 Days)¹¹
- Follow-Up After Hospitalization for Mental Illness - 30 Days (FUH - 30 Days)¹²
- Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (APP)¹³

⁸ [BHIN 24-004, Attachment B.](#)

⁹ Technical resources for the measure are available on the NCQA website: [Antidepressant Medication Management](#)

¹⁰ Technical resources for the measure are available on the NCQA website: [Adherence to Antipsychotic Medications for Individuals With Schizophrenia](#)

¹¹ Technical resources for the measure are available on the NCQA website: [Follow-Up After Emergency Department Visit for Mental Illness](#)

¹² Technical resources for the measure are available on the NCQA website: [Follow-Up After Hospitalization for Mental Illness](#)

¹³ Technical resources for the measure are available on the NCQA website: [Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics](#)

DMC-ODS:

- Initiation of Substance Use Disorder Treatment - Initiation (IET - Initiation)¹⁴
- Initiation of Substance Use Disorder Treatment - Engagement (IET-Engagement)¹²
- Follow-Up After Emergency Department Visit for Substance Use - 30 Days (FUA - 30 Days)¹⁵
- Pharmacotherapy of Opioid Use Disorder (POD)¹⁶
- Use of Pharmacotherapy for Opioid Use Disorder (OUD)¹⁷

Monetary Sanctions Methodology

Sanction amount calculations will be based on the population not served and incorporate various factors related to the out-of-compliance performance measure as stated below: ¹⁸

- Population not served – number of affected members who did not receive the service based off of numerators and denominators submitted with BHAS reporting.
- Severity – percentage point difference between BHP’s measure and the MPL.
- Trending – percentage point difference between the BHP’s measure in the current MY compared to the previous MY.
- Healthy Places Index (HPI) impact – sanction reduction accounting for BHPs serving members in underserved zip codes. ¹⁹

To determine the monetary sanction amount associated with an out-of-compliance performance measure, the population not served is multiplied by the severity violation factor and trending factor and then reduced by the HPI impact reduction percentage, if applicable, for the specific county.

¹⁴ Technical resources for the measure are available on the NCQA website: [Initiation and Engagement of Substance Use Disorder Treatment](#)

¹⁵ Technical resources for the measure are available on the NCQA website: [Follow-Up After Emergency Department Visit for Substance Use](#)

¹⁶ Technical resources for the measure are available on the NCQA website: [Pharmacotherapy for Opioid Use Disorder](#)

¹⁷ Technical resources for the measure are available in [Quality ID #468 \(NQF 3175\): Continuity of Pharmacotherapy for Opioid Use Disorder \(OUD\)](#)

¹⁸ DHCS will consider extenuating circumstances that may result in lower quality performance on a case-by-case basis.

¹⁹ Healthy Places Index <https://map.healthyplacesindex.org/>

Consistent with the MCAS quality enforcement program,²⁰ all BHPs subject to monetary sanctions will receive a minimum sanction amount based on County Size Categories by Population.²¹ for different County Size Categories by Population.

For each BHP, the sanction amount calculated per measure below MPL will be summed for an initial total. If the initial total is lower than the minimum sanction amount, the final sanction total will be set to the minimum sanction amount. If the initial total is higher than the minimum, then that total will be rounded to the nearest thousand dollars to determine the final sanction amount.

Minimum Sanction Amount based on County Size Categories by Population		
County Size	Population Density	Minimum Sanction Amount
Rural Counties	≤ 50 people per square mile	At least \$1,000 and rounded to the nearest \$1,000
Small Counties	51 to 200 people per square mile	At least \$2,000 and rounded to the nearest \$1,000
Medium Counties	201 to 599 people per square mile	At least \$6,000 and rounded to the nearest \$1,000
Dense Counties	≥ 600 people per square mile	At least \$20,000 and rounded to the nearest \$1,000

The severity violation factor is determined by the absolute difference between the BHP's performance and the MPL for each measure.

Violation and Beneficiary Impact (W&I section 14197.7(g)(1))		
Severity/Beneficiary Impact	Violation per Measure	Severity Violation Factor
Slight Violation	<1.00% below MPL	1.0
Minimal Violation	1.00% - 2.99% below MPL	1.1
Minor Violation	3.00% - 5.99% below MPL	1.2
Moderate Violation	6.00% - 10.99% below MPL	1.4
Moderately Severe Violation	11.00% - 15.99% below MPL	1.6
Severe Violation	16.00% - 20.99% below MPL	1.8
Extremely Severe Violation	≥21.00% below the MPL	2.0

²⁰ [Managed All Plan Letters 23-012](#)

²¹ County Size categorization is in alignment with DHCS's Annual Network Certification (ANC) requirements for MCPs (Table 1 in [APL 21-006 Attachment A](#)) and BHPs (Table 7 in [BHIN 24-020](#)).

The trending factor is based on the percentage point difference between the BHP’s current MY rate compared to the rate achieved in the previous MY for each measure.

Trending Factor (W&I section 14197.7(g)(6)) ²²		
Degrees of Change	Trending Difference per Measure	Trending Factor
Significant Worsening	≤(-)15.01%	2.0
Moderately Significant Worsening	(-)15.00% - (-)11.01%	1.8
Moderate Worsening	(-)11.00% - (-)7.01%	1.6
Minimal Worsening	(-)7.00% - (-) 4.01%	1.4
Slight Worsening	(-)4.00% - (-) 0.01%	1.2
No Improvement	0.00 – 1.00%	1.0
Slight Improvement	1.01% - 4.00%	0.8
Minimal Improvement	4.01% - 7.00%	0.6
Moderate Improvement	7.01% - 11.00%	0.4
Moderately Significant Improvement	11.01% - 15.00%	0.2
Significant Improvement	≥15.01%	0.0

HPI values will be determined at the county level by averaging the HPI percentiles across all Medi-Cal Members within the county using zip code data. Sanction reduction is based on a low HPI percentile as illustrated in the table below:

Severity of HPI (per BHP per county)	HPI Percentile	HPI Impact Reduction
Very High	0-9%ile	50%
High	10-19%ile	40%
Moderate	20-29%ile	30%
Low Moderate	30-39%ile	20%
Low	40-49%ile	10%

Supplemental Information

For information regarding the sanction notification and appeal rights, please refer to [BHIN 22-045](#) or subsequent guidance issued by DHCS.

²² For MY 2024 and MY 2025, if any BHP that achieves at least 5% points increase over the baseline, DHCS will use the trending factor of "0.0" to calculate the sanction amount. Starting in MY 2026, DHCS will use the scale shown in the table.

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For information regarding the BHAS performance measures, reporting, CAPs, and quality improvement program, please see [BHIN 24-004](#).

If you have any questions regarding this BHIN, please contact QAPIS@dhcs.ca.gov.

Sincerely,

Original signed by

Palav Babaria
Deputy Director
Chief Quality Officer