

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Managed Care Group**

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December 20, 2024

Tyler Sadwith  
State Medicaid Director  
Department of Health Care Services  
Attn: Director's Office  
PO. Box 997413, MS 0000  
Sacramento, California 95899-7413

Re: California 1915(b) Waiver CA-0017.R10.02

Dear Director Sadwith;

We are writing to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving California's request to amend its 1915(b) Waiver, CMS control number CA-0017.R10.02 titled California Advancing & Innovating Medi-Cal (CalAIM). This waiver allows California to add new behavioral health benefits and revise the Cost Effectiveness workbook. This 1915(b) waiver is authorized under sections 1915(b)(1) and 1915(b)(4) of the Social Security Act (the Act) and provides a waiver of the following section of Title XIX:

- Section 1902(a)(1) Statewide
- Section 1902(a)(10)(B) Comparability
- Section 1902(a)(23) Freedom of Choice

Our decision on the 1915(b) waiver is based on the evidence submitted to CMS demonstrating that the state's proposal is consistent with the purposes of the Medicaid program, will meet all statutory and regulatory requirements for assuring beneficiaries' access to and quality of services, and will be a cost-effective means of providing services to those beneficiaries in California's Medicaid population.

With this amendment, the state is amending cost effectiveness projections to reflect changes related to California's Managed Care Organization (MCO) tax, directed payments and changes to the State Plan to reflect new behavioral health benefits related to the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) initiative. This waiver amendment is approved effective January 1, 2025.

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If you have any questions regarding the 1915(b) waiver, please contact Kitaho Kato at (415) 744-3639 or via email at [Kitaho.Kato@cms.hhs.gov](mailto:Kitaho.Kato@cms.hhs.gov).

Sincerely,

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Bill Brooks  
Director  
Division of Managed Care Operations

cc: Lindy Harrington, DHCS  
Matthew Rodriguez, CMS  
Brian Burdullis, CMS

Enclosure: 1915(b) Worksheet for State Reporting of Member Months