



## NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: AUGUST 1, 2023

### PROPOSED BH-CONNECT SECTION 1115 DEMONSTRATION APPLICATION

The California Department of Health Care Services (DHCS) is providing public notice of its intent to (1) submit to the Centers for Medicare & Medicaid Services (CMS) a new Section 1115 demonstration to expand access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with serious mental illness (SMI) and serious emotional disturbance (SED) and (2) hold two public hearings to receive public comments on these requests.

DHCS is seeking approval to implement key features of the California Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration. BH-CONNECT will amplify the state's ongoing behavioral health initiatives, and is informed by the findings from DHCS' comprehensive 2022 assessment of California's behavioral health landscape [\*Assessing the Continuum of Care for Behavioral Health Services in California\*](#).

DHCS is soliciting public input on the Section 1115 demonstration application. A full draft of the proposed BH-CONNECT demonstration application is available on the [DHCS website](#).

#### Overview

The proposed BH-CONNECT demonstration will leverage the 2018 guidance from CMS that describes how states can use Section 1115 demonstration authority to secure federal financial participation (FFP) for care provided during short-term stays in Institutions for Mental Diseases (IMDs), as long as they meet certain standards.<sup>1</sup> It is integral to the state's broader efforts to transform and strengthen the Medi-Cal program, offering Californians a more equitable, coordinated, and person-centered

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<sup>1</sup> CMS, "SMD #18-011 RE: Opportunities to Design Innovative Service Delivery Systems for Adults with a Serious Mental Illness or Children with a Serious Emotional Disturbance," November 13, 2018. Available at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18011.pdf>



approach to maximizing their health and life trajectory. Building upon CMS' approval of the CalAIM Section 1115 demonstration in December 2021, the BH-CONNECT demonstration will directly address the need to expand and strengthen the continuum of care specifically for Medi-Cal members living with SMI and SED. The demonstration includes elements designed particularly for children and youth involved in child welfare, individuals and families who are experiencing or at risk of homelessness, and those who are justice-involved.

DHCS is requesting Section 1115 demonstration expenditure and waiver authorities for specific features of the BH-CONNECT demonstration. In parallel with the expenditure and waiver authorities requested in the application, DHCS will work with CMS to implement other features of the BH-CONNECT demonstration that do not require Section 1115 demonstration authority. Several features of the BH-CONNECT demonstration will include new State Plan Amendments. Other features of the BH-CONNECT demonstration do not require any new federal Medicaid authorities and can be implemented with state-level guidance.

## **Background on Section 1115 Demonstrations**

Section 1115 of the Social Security Act gives the United States Secretary of Health & Human Services (HHS) authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid and the Children's Health Insurance Program (CHIP). Under this authority, the Secretary may waive certain provisions of the Medicaid law to give states additional flexibility to design and improve their programs. To learn more about Section 1115 demonstrations, visit the CMS website at:

<https://www.medicaid.gov/medicaid/section-1115-demo/index.html>.

## **Summary of Features Included in the BH-CONNECT Demonstration**

DHCS is requesting Section 1115 demonstration expenditure and waiver authorities to operate a discrete set of activities that generally cannot be covered under Medi-Cal State Plan authorities. Key features of the proposal that require Section 1115 demonstration authority are detailed below.

- **Workforce Initiative** – Successful implementation of the BH-CONNECT demonstration will require a robust, diverse behavioral health workforce to support Medi-Cal members living with or at high-risk for SMI/SED and/or SUD. DHCS is requesting authority for investments in the State's behavioral health workforce, including through expanding professional and graduate programs, and developing programs to support recruitment and retention of community-based behavioral health providers. DHCS proposes to fund 85% of the non-

federal share of workforce investments with federal Medicaid matching funds for Designated State Health Programs (DSHP) and the remaining 15% of the non-federal share using state or local funds.

- **Activity Stipends** – To ensure children and youth who are involved in child welfare have access to extracurricular activities that support physical health, mental wellness, healthy attachment and social connections – all protective factors – DHCS is requesting authority to develop Activity Stipends. Activity Stipends will be available for children and youth involved in child welfare to be used for activities and supports such as sports, leadership activities, and music and art, which promote social and emotional well-being and resilience, manage stress, build self-confidence, and counteract the harmful health effects of trauma.
- **Cross-Sector Incentive Program for Children Involved in Child Welfare** – Children and youth who are involved in child welfare experience disproportionately higher rates of behavioral health conditions, and frequently require coordination across multiple systems to meet their needs. To address these challenges, DHCS is requesting authority to establish a cross-sector incentive program to reinforce cross-agency work on children and youth involved in child welfare who are living with or at high-risk for SED. The program will provide fiscal incentives for three key systems – MCPs county behavioral health delivery systems, and county child welfare systems – to work together and share responsibility for improvement in behavioral health outcomes among children and youth involved in child welfare.<sup>2</sup>
- **Statewide Incentive Program** – To complement the training and fidelity supports offered through Centers of Excellence, DHCS is requesting authority to make new investments in county behavioral health delivery systems so that they are equipped to monitor, report on and improve outcomes associated with community-based services implemented through the BH-CONNECT demonstration. The statewide incentive program will incentivize county behavioral health delivery systems to strengthen quality infrastructure, improve performance on quality measures, and reduce disparities in behavioral health access and outcomes.

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<sup>2</sup> Based on the initial implementation experience with children and youth involved in child welfare, DHCS may expand this program to support children and youth involved with juvenile justice, the Department of Developmental Disabilities, and/or the Department of Education.

- **Incentive Program for Opt-In Counties** – In recognition that counties that opt-in to participate in the BH-CONNECT demonstration will need to make significant new investments in their behavioral health delivery systems, DHCS is requesting authority to establish an incentive program to support and reward counties in implementing new community-based care options for Medi-Cal members living with SMI or SED.
- **Transitional Rent Services** – To ensure Medi-Cal members who are experiencing homelessness and living with SMI/SED and/or a SUD have access to housing supports – which are essential to the treatment and recovery of serious behavioral health conditions – DHCS is requesting authority to cover transitional rent services for up to six months for eligible high-need members who are living with behavioral health conditions, are experiencing or at risk of homelessness, and are transitioning from an institutional or congregate care setting, out of a correctional facility, or out of the child welfare system, meet the criteria for unsheltered homelessness, or are eligible for a Full Service Partnership (FSP) program.<sup>3</sup> Along with expenditure authority for this service, DHCS is seeking waivers of statewideness and comparability so that it is available at county option.
- **Short-Term Residential and Inpatient Psychiatric Stays in IMDs** – To support access to necessary care for Medi-Cal members who require inpatient or residential treatment, DHCS is requesting expenditure authority for otherwise covered Medi-Cal services furnished to members who are receiving short-term residential or inpatient psychiatric care in IMDs consistent with all applicable federal guidance. DHCS also requests to exercise the flexibility CMS has provided to temporarily waive the length-of-stay requirements under the Section 1115 SMI/SED guidance for foster children residing in Short-Term Residential Therapeutic Programs that are Qualified Residential Treatment Programs in certain circumstances.<sup>4,5</sup> DHCS is also seeking waivers of statewideness and

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<sup>3</sup> FSP is a state-funded comprehensive and intensive mental health program for adults with persistent mental illness.

<sup>4</sup> CMS, “Qualified Residential Treatment Program (QRTP) Reimbursement: Family First Prevention Services Act (FFPSA) Requirements Q&A,” October 2021. Available at <https://www.medicaid.gov/federal-policy-guidance/downloads/faq101921.pdf>

<sup>5</sup> While the number of children residing in such facilities is minimal, DHCS has determined that a small number of STRTP facilities remain essential for now in order to provide care to children and youth who require more extended treatment and who cannot safely be treated in alternative settings.

comparability to allow for use of Medi-Cal funding for short-term stays in IMDs only in counties that meet specified conditions.

To make Assertive Community Treatment (ACT), Forensic ACT (FACT), Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP), the Individual Placement and Support (IPS) model of Supported Employment, community health worker services, and clubhouse services available at county option in the SMHS and DMC-ODS delivery systems, DHCS will rely on state plan authority to establish the benefits and leverage California's waivers of statewideness and comparability authorized in the CalAIM 1915(b) waiver to make them available at county option. To make IPS Supported Employment and community health worker services available at county option in the DMC delivery system (which is not included in California's 1915(b) waiver) DHCS is seeking waivers of statewideness and comparability in the BH-CONNECT demonstration.

## Eligibility Requirements

There are no changes to eligibility for Medi-Cal enrollment or for any current Medi-Cal services under the proposed BH-CONNECT demonstration, however, new services described below have their own service-specific eligibility criteria.

- **Activity Stipends** – Children and youth ages three and older enrolled in Medi-Cal may be eligible for Activity Stipends if they:
  - Are under age 21 and are currently involved in the child welfare system in California;<sup>6</sup>
  - Are under age 21 and previously received care through the child welfare system in California or another state within the past 12 months;
  - Have aged out of the child welfare system up to age 26 (having been in foster care on their 18<sup>th</sup> birthday or later) in California or another state;
  - Are under age 18 and are eligible for and/or in California's Adoption Assistance Program; or
  - Are under age 18 and are currently receiving or have received services from California's Family Maintenance program within the past 12 months.
- **Transitional Rent Services** – Medi-Cal members may be eligible for up to six months of transitional rent services through the BH-CONNECT demonstration in participating counties if they:
  - Meet the access criteria for SMHS, DMC and/or DMC-ODS services; and

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<sup>6</sup> As defined in BHIN 21-073.

- Meet the US Department of Housing and Urban Development's (HUD's) current definition of homeless or the definition of individuals who are at-risk of homelessness as defined in 24 CFR part 91.5, with two modifications:<sup>7</sup>
  - If exiting an institution, individuals are considered homeless if they were homeless immediately prior to entering that institutional stay, regardless of the length of the institutionalization; and
  - The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at-risk of homelessness under the current HUD definition to 30 days; and
- Meet at least one of the following:
  - Are transitioning out of an institutional care or congregate residential setting, including but not limited to an inpatient hospital stay, an inpatient or residential substance use disorder treatment or recovery facility, an inpatient or residential mental health treatment facility, or nursing facility;
  - Are transitioning out of a correctional facility;
  - Are transitioning out of the child welfare system;
  - Are transitioning out of a recuperative care facility or short-term post-hospitalization housing;
  - Are transitioning out of transitional housing;
  - Are transitioning out of a homeless shelter/interim housing;
  - Meet the criteria of unsheltered homelessness described at 24 CFR part 91.5;<sup>8</sup> or
  - Meet eligibility criteria for a Full Service Partnership (FSP) program.<sup>9</sup>

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<sup>7</sup> In alignment with the definition of homelessness and at-risk of homelessness used for Community Supports services authorized through CalAIM.

<sup>8</sup> Specifically, "An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground."

<sup>9</sup> FSP is a comprehensive and intensive mental health program for individuals adults with persistent mental illness that have demonstrated a need for an intensive FSP program, including individuals who are experiencing or at risk of homelessness, those who are justice-involved, and high-utilizers of emergency or high-acuity mental health services. An estimated 71,000 individuals are currently enrolled FSP programs (.5% of the Medi-Cal population).

## Delivery System

There are no proposed changes to the structure of California's Medicaid delivery systems as part of this demonstration request. MCPs will remain responsible for providing covered NSMHS and some SUD services (e.g., smoking cessation) to adult and youth members, and MHPs will continue covering SMHS for Medi-Cal members who meet specified criteria for services. SUD services will continue to be administered primarily by the counties through the DMC program and DMC-ODS.

## Cost Sharing

There is no cost sharing in the proposed BH-CONNECT demonstration.

## Goals and Objectives of the Section 1115 Demonstration

California's goal for the BH-CONNECT demonstration is to strengthen the state's continuum of community-based behavioral health services to better meet the needs of Medi-Cal members living with SMI/SED and/or a SUD across the state, and to improve access, quality, and outcomes for populations experiencing disparities in particular. California's proposed goals for the BH-CONNECT demonstration aligns with the specific goals for SMI/SED demonstrations outlined in State Medicaid Director Letter (SMDL) [#18-011](#), including:

1. Reduced utilization and lengths of stay in EDs among Medicaid members with SMI or SED while awaiting mental health treatment in specialized settings;
2. Reduced preventable readmissions to acute care hospitals and residential settings;
3. Improved availability of crisis stabilization services including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state;
4. Improved access to community-based services to address the chronic mental health care needs of members with SMI or SED including through increased integration of primary and behavioral health care; and
5. Improved care coordination, especially continuity of care in the community following episodes of acute care in EDs, hospitals and residential treatment facilities.

Building upon the goals identified in SMDL [#18-011](#), California has identified additional state-specific goals for the BH-CONNECT demonstration, including:

6. Improved availability in Medi-Cal of high-quality community-based behavioral health services, EBPs, and community-defined evidence practices, including ACT, FACT, CSC for FEP, IPS Supported Employment, community health worker services, clubhouse services, and transitional rent services;
7. Improved outcomes for members living with SMI/SED and/or SUD, particularly for those who historically have experienced healthcare disparities, including individuals who are involved in child welfare, justice-involved and homeless or at-risk of homelessness;
8. Improved availability of training, technical assistance and incentives for providers and counties to implement high-quality community-based behavioral health services and improve outcomes for high-risk populations; and
9. Expanded behavioral health workforce to ensure that clinicians and other staff are available to treat Medi-Cal members living with SMI/SED and/or SUD.

## **Enrollment Projections**

The State is not proposing any changes to Medicaid eligibility requirements in the Section 1115 demonstration request. As such, the demonstration is not expected to affect enrollment trends, which will continue to be determined largely by demographic changes and economic conditions. Even though this demonstration request does not propose to otherwise expand eligibility, the BH-CONNECT demonstration is expected to improve care for Medi-Cal members living with behavioral health needs, including the estimated 640,000 adults living with SMI and 127,000 children and youth living with SED across the state.

## **Expenditure Projections**

Based on the programmatic details described above, California has estimated projected spending for the BH-CONNECT demonstration. For the purposes of public notice and comment, the State has summarized the projected expenditures in Table 1 below and projected federal funding of DSHPs to support implementation of the proposed workforce initiative in Table 2 below. California will establish budget neutrality for these items by building estimates into detailed budget neutrality tables.



**Table 1. Total Projected Expenditures (in Thousands)**

<b>Expenditure Authorities</b>	<b>Total Projected Expenditures (in Thousands)</b>				
	<b>DY 1</b>	<b>DY 2</b>	<b>DY 3</b>	<b>DY 4</b>	<b>DY 5</b>
	<b>1/1/25-12/31/25</b>	<b>1/1/26-12/31/26</b>	<b>1/1/27-12/31/27</b>	<b>1/1/28-12/31/28</b>	<b>1/1/29-12/31/29</b>
Workforce Initiative	480,000	480,000	480,000	480,000	480,000
Activity Stipends	23,815	47,630	47,630	47,630	47,630
Cross-Sector Incentive Program		62,500	62,500	62,500	62,500
Statewide Incentive Program	302,544	302,544	302,544	302,544	302,544
Opt-In County Incentive Program	182,175	198,001	208,540	245,000	245,000
Transitional Rent Services	36,001	85,258	119,874	153,087	171,521
IMDs	161,929	175,997	185,364	217,772	217,772
<b>Total</b>	<b>1,186,464</b>	<b>1,351,930</b>	<b>1,406,452</b>	<b>1,508,533</b>	<b>1,526,967</b>

**Table 2. Projected Federal Expenditures for DSHPs to Support BH-CONNECT Workforce Initiative**

Federal Funding	Projected Federal Expenditures for DSHPs to Support BH-CONNECT Workforce Initiative (in Thousands) <sup>10</sup>				
	DY 1	DY 2	DY 3	DY 4	DY 5
	1/1/25-12/31/25	1/1/26-12/31/26	1/1/27-12/31/27	1/1/28-12/31/28	1/1/29-12/31/29
DSHP	204,000	204,000	204,000	204,000	204,000
<b>Total</b>	<b>204,000</b>	<b>204,000</b>	<b>204,000</b>	<b>204,000</b>	<b>204,000</b>

### Section 1115 Demonstration Waiver and Expenditure Authorities

California is requesting a waiver of the following sections of the Social Security Act, to the extent necessary, to support implementation of the BH-CONNECT demonstration. To the extent that CMS advises the state that additional authorities are necessary to implement the programmatic vision and operational details described above, the state is requesting such waiver or expenditure authority, as applicable. California’s negotiations with the federal government could lead to refinements in these lists as the state works with CMS to establish Special Terms and Conditions for the BH-CONNECT demonstration.

To make ACT, FACT, CSC for FEP, IPS Supported Employment, community health worker services, and clubhouse services available at county option, DHCS will leverage California’s waivers of statewideness and comparability authorized in the CalAIM 1915(b) waiver, which apply to benefits offered under the both delivery systems. To make IPS Supported Employment and community health worker services available at county option in DMC, DHCS is seeking waivers of statewideness and comparability as part of BH-CONNECT.

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<sup>10</sup> DHCS anticipates expenditures for the workforce initiative would total \$480,000,000 annually. Of that total, DSHP would cover 85% of the non-federal share, totaling \$204,000,000 annually, and the state would cover the remaining 15%, totaling \$36,000,000 annually.

## Waiver Authority Requests

Under the authority of Section 1115(a)(1) of the act, the following waivers shall enable California to implement this Section 1115 Demonstration from January 1, 2025 through December 31, 2029.

**Table 3. Waiver Authority Requests**

Waiver Authority	Use for Waiver
<b>§ 1902(a)(1)</b> Statewideness	To enable the State to operate components of the Demonstration on a county-by-county basis.  To enable the State to provide short-term inpatient and residential treatment services to individuals in IMDs on a geographically limited basis.  To enable the State to provide IPS Supported Employment (DMC only), community health worker services (DMC only), and transitional rent services on a geographically limited basis.
<b>§ 1902(a)(10)(B)</b> Amount, Duration, and Scope and Comparability	To enable the State to provide short-term inpatient and residential treatment services in IMDs to individuals with SMI/SED that are otherwise not available to all members in the same eligibility group.  To enable the State to provide IPS Supported Employment (DMC only), community health worker services (DMC only), and transitional rent services to qualifying individuals with SMI/SED and/or SUD that are otherwise not available to all members in the same eligibility group.

## Expenditure Authority Requests

Under the authority of Section 1115(a)(2) of the act, California is requesting expenditure authorities so that the items identified below, which are not otherwise included as expenditures under Section 1903 of the act, shall, through December 31, 2029, be regarded as expenditures under the state's Title XIX plan.

These expenditure authorities promote the objectives of Title XIX in the following ways:

1. Expenditure authority 1 (Table 4 below) promotes the objectives of title XIX by increasing access to, stabilizing, and strengthening providers and provider networks available to serve Medicaid and low-income populations in the State.

2. Expenditure authorities 1, 2, 3 and 4 promote the objectives of title XIX by increasing efficiency and quality of care through initiatives to transform service delivery networks to support better integration, improved health outcomes, and increased access to health care services.

Expenditure authorities 5, 6, 7 and 8 promote the objectives of title XIX by improving health outcomes for Medicaid and other low-income populations in the State.

**Table 4. Expenditure Authority Requests**

<b>Expenditure Authority</b>	<b>Use for Expenditure Authority</b>
1. Expenditures Related to the Workforce Initiative	Expenditure authority for funding as described in the STCs to strengthen the capacity of the behavioral health workforce and long-term pipeline of behavioral health professionals to support BH-CONNECT implementation and operations.
2. Expenditures Related to Activity Stipends	Expenditure authority to provide Activity Stipends to qualifying individuals with behavioral health needs.
3. Expenditures Related to the Cross-Sector Incentive Program	Expenditure authority to support improved health outcomes and accountability for children and youth involved in child welfare through incentive payments to qualified MCPs, MHPs and child welfare agencies described in the STCs.
4. Expenditures Related to the Statewide Incentive Program	Expenditure authority for payments to MHPs and DMC-ODS counties as described in the STCs to strengthen service delivery, improve health outcomes for members with SMI/SED, reduce health disparities and promote health equity and achieve practice transformation.
5. Expenditures Related to Incentive Program for Opt-in Counties	Expenditure authority to support BH-CONNECT implementation and support quality outcomes in BH-CONNECT demonstration counties that opt to provide an enhanced continuum of care and receive FFP for short-term stays in IMDs.
6. Expenditures Related to Transitional Rent Services	Expenditure authority to provide transitional rent services to qualifying individuals who are homeless or at risk of homelessness who meet specified standards.

Expenditure Authority	Use for Expenditure Authority
7. Expenditures Related to IMDs	Expenditures for otherwise-covered services furnished to otherwise-eligible individuals who are short-term residents/inpatients in facilities that meet the definition of an IMD.
8. Expenditures Related to Designated State Health Programs	Expenditures for Designated State Health Programs, identified in these STCs, which are otherwise fully state-funded, and not otherwise eligible for Medicaid matching funds. These expenditures are subject to the terms and limitations and not to exceed specified amounts as set forth in these STCs.

## Section 1115 Demonstration Hypotheses and Evaluation Plan

The BH-CONNECT demonstration will test whether the granted waiver and expenditure authorities increase access to community-based behavioral health services and improve outcomes for Medicaid members living with SMI/SED and/or a SUD.

California has developed a set of preliminary hypotheses and evaluation approaches to assess progress on the goals identified in SMDL #[18-011](#) and California's state-specific goals outlined above. California will contract with an independent evaluator to conduct a critical and thorough evaluation of the Demonstration. The evaluator will develop a comprehensive evaluation design that is consistent with CMS guidance and the requirements of the Special Terms and Conditions for the Demonstration. To the maximum extent possible, the BH-CONNECT demonstration evaluation will be coordinated with other existing evaluations that DHCS already is conducting for CMS for CalAIM and other initiatives.

Based on the goals identified above, the state has developed a preliminary evaluation plan that delineates potential hypotheses, a potential evaluation approach for each hypothesis, and the expected source(s) of data that can be used in the evaluation, which are summarized in Table 5 below. All components of the preliminary evaluation plan are subject to change as the program is implemented and an evaluator is identified.

**Table 5. Preliminary Evaluation Plan for BH-CONNECT Demonstration**

<b>Hypothesis</b>	<b>Evaluation Approach</b>	<b>Data Sources</b>
ED utilization and lengths of stay among Medicaid members with SMI/SED will decrease over the course of the demonstration.	The state will analyze the: <ul style="list-style-type: none"><li>• Number and proportion of Medicaid members<sup>11</sup> with a SMI/SED diagnosis with an emergency department (ED) visit related to SMI/SED, and characteristics of ED service utilization (e.g., length of stay pending available data) to be described in the formal evaluation design.</li></ul>	<ul style="list-style-type: none"><li>• Claims data</li></ul>
SMI/SED-related readmissions to acute care hospitals and residential settings will decrease over the course of the demonstration.	The state will analyze the: <ul style="list-style-type: none"><li>• Number and proportion of Medicaid members with a SMI/SED diagnosis with an acute care hospital, psychiatric inpatient hospital, or Medicaid-funded residential mental health treatment readmission related to SMI/SED.</li></ul>	<ul style="list-style-type: none"><li>• Claims data</li></ul>
Utilization of community-based crisis services will increase over the course of the demonstration.	The state will analyze the: <ul style="list-style-type: none"><li>• Number and proportion of Medicaid members with a SMI/SED diagnosis utilizing community-based crisis services.</li></ul>	<ul style="list-style-type: none"><li>• Claims data</li></ul>

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<sup>11</sup> For some proposed metrics, DHCS will only review data among Medicaid members residing in counties that opt-in to participate in the BH-CONNECT demonstration. Other proposed metrics will be evaluated statewide.

Hypothesis	Evaluation Approach	Data Sources
Availability and utilization of community-based behavioral health services will increase over the course of the demonstration.	<p>The state will analyze the:</p> <ul style="list-style-type: none"> <li>• Number and proportion of Medicaid members with a SMI/SED diagnosis accessing community-based behavioral health services (e.g., ACT, FACT, Peer Support Services, including those delivered by Peer Support Specialists with a forensic specialization, IPS Supported Employment, clubhouse services, transitional rent services).</li> <li>• Number of Medicaid provider sites offering these community-based behavioral health services.</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> </ul>
Care coordination for members living with SMI/SED will improve over the course of the demonstration.	<p>The state will analyze the:</p> <ul style="list-style-type: none"> <li>• Rates of follow-up after an ED visit for mental illness.</li> <li>• Rates of follow-up after hospitalization for mental illness.</li> <li>• Number and proportion of Medicaid members with a SMI/SED diagnosis who are utilizing Enhanced Care Management and/or Community Support services.</li> <li>• Number and proportion of Medicaid members with a SMI/SED diagnosis who are utilizing physical health services, including primary care.</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> </ul>

Hypothesis	Evaluation Approach	Data Sources
Outcomes for individuals who are justice-involved and those who are homeless or at-risk of homelessness will improve over the course of the demonstration.	<p>The state will analyze the:</p> <ul style="list-style-type: none"> <li>• Number and proportion of members with a SMI/SED diagnosis who have experienced one or more days of homelessness in the past year.</li> <li>• Number and proportion of Medicaid members with a SMI/SED diagnosis who have experienced one or more incidences of incarceration in the past year.</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> <li>• HMIS data</li> <li>• Incentive program data</li> <li>• CDCR data</li> <li>• Data on Medi-Cal members who enter and exit incarceration<sup>12</sup></li> </ul>

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<sup>12</sup> By April 2024, DHCS expects to have access to data on Medi-Cal members who enter and exit incarceration. Currently, data are available via the eligibility system for Medi-Cal members incarcerated for a period of 28 days or longer because they are re-classified under a special aid code that limits their benefits to hospitalizations in community facilities of 24 hours or more. Even if it is harder to secure incarceration data than hoped, DHCS and its evaluator can modify the hypotheses and the data sources after the waiver is approved via the formal evaluation design that must be submitted to CMS.



Hypothesis	Evaluation Approach	Data Sources
<p>Outcomes for children and youth involved with child welfare will improve over the course of the demonstration.</p>	<p>The state will analyze the:</p> <ul style="list-style-type: none"> <li>• Number and proportion of children and youth involved with child welfare with an ED visit related to SMI/SED.</li> <li>• Number and proportion of children and youth involved with child welfare with an SED utilizing residential behavioral health treatment services, including short-term residential therapeutic programs (STRTPs).</li> <li>• Number and proportion of children and youth involved with child welfare with an SED utilizing community-based services and EBPs (e.g., intensive in-home services, MST, FFT, PCIT, Activity Stipends).</li> <li>• Ratio of children and youth involved with child welfare with an ED visit related to SMI/SED to children and youth involved with child welfare utilizing community-based services and EBPs (e.g., intensive in-home services, MST, FFT, PCIT, Activity Stipends).</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> <li>• Cross-sector incentive program data</li> </ul>

Hypothesis	Evaluation Approach	Data Sources
Availability of trainings, technical assistance and incentives to strengthen the provision of community-based care and improve outcomes will increase over the course of the demonstration.	<p>The state will analyze the:</p> <ul style="list-style-type: none"> <li>• Number of trainings delivered by Centers of Excellence.</li> <li>• Number of fidelity reviews conducted by Centers of Excellence.</li> <li>• Participation rate among eligible Medicaid providers and county behavioral health plans in trainings offered by Centers of Excellence.</li> <li>• Participation rate among eligible Medicaid providers in fidelity reviews offered by Centers of Excellence.</li> <li>• Provider feedback surveys on effectiveness of trainings and fidelity reviews provided by Centers of Excellence.</li> <li>• Participation rate among counties in statewide and opt-in county incentive programs.</li> <li>• Incentive dollars earned through statewide and opt-in county incentive programs.</li> <li>• Performance improvements as reported through statewide and opt-in county incentive programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Centers of Excellence data</li> <li>• Incentive program data</li> </ul>
Availability of behavioral health providers will increase over the course of the demonstration.	<ul style="list-style-type: none"> <li>• Number of providers expanding clinical capacity attributable to the behavioral health workforce initiative.</li> <li>• Number of new college/university slots funded through behavioral health workforce initiative.</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce initiative data</li> </ul>

## Public Review and Comment Process

The 30-day public comment period for the BH-CONNECT demonstration application is from August 1, 2023 through August 31, 2023. All comments must be received no later than 11:59 PM (Pacific Time) on August 31, 2023.

All information regarding the BH-CONNECT demonstration can be found on the DHCS website at: <https://www.dhcs.ca.gov/CalAIM/Pages/BH-CONNECT.aspx>. DHCS will update this website throughout the public comment and application process. The BH-CONNECT demonstration application will also be circulated via DHCS' relevant electronic mailing lists, including the [DHCS Stakeholder Email List](#), Behavioral Health Stakeholder Updates List, Legislative and Government Affairs List, and Tribal/Indian Health Program List.

DHCS will host the following public hearings to solicit stakeholder comments. The public hearings will take place in-person and have online video streaming and telephonic conference capabilities to ensure accessibility.

- Friday, August 11, 2023 – First Public Hearing
  - 10:00 – 11:30 AM PT
  - Department of General Services
    - 1500 Capitol Ave. (Building 172), EEC Training Rooms, Sacramento, CA 95814
  - Register for Zoom conference link:  
[https://manatt.zoom.us/webinar/register/WN\\_6XzvB4XsSD2MRHnKMYdMGw#/registration](https://manatt.zoom.us/webinar/register/WN_6XzvB4XsSD2MRHnKMYdMGw#/registration)
    - Please register in advance if you plan to attend in-person or if you plan to attend by Zoom to receive your unique login details and a link to add the hearing to your calendar
  - Call-in information: 646-931-3860
    - Webinar ID: 939 8473 0250
    - Passcode: 081123
    - Callers do not need an email address to use the phone option and do not need to register in advance
- Thursday, August 24, 2023 – Second Public Hearing
  - 9:30 – 11:30 AM PT
  - Department of Health Care Services
    - 1700 K Street, Room 1014, Sacramento, CA 95814
  - Register for Zoom conference link:  
[https://zoom.us/webinar/register/WN\\_eqqbAdsGRVuCilmQGc-Y-g](https://zoom.us/webinar/register/WN_eqqbAdsGRVuCilmQGc-Y-g)
    - Please register in advance if you plan to attend in-person or if you plan to attend by Zoom to receive your unique login details and a link to add the hearing to your calendar
  - Call-in information: 646-558-8656

- Webinar ID: 913 8468 8826
- Passcode: 478151
- Callers do not need an email address to use the phone option and do not need to register in advance

If you would like to view the BH-CONNECT demonstration application or notices in person, you may visit your local county welfare department (addresses and contact information available at: <https://www.dhcs.ca.gov/services/medicaid/Pages/CountyOffices.aspx>). You may request a copy of the proposed BH-CONNECT demonstration and/or a copy of submitted public comments related to the BH-CONNECT demonstration by sending a written request to the mailing or email address listed below.

Written comments may be sent to the following address; please indicate "BH-CONNECT demonstration" in the written message:

Department of Health Care Services  
Director's Office  
Attn: Jacey Cooper and Tyler Sadwith  
P.O. Box 997413, MS 0000  
Sacramento, California 95899-7413

Comments may also be emailed to [BH-CONNECT@dhcs.ca.gov](mailto:BH-CONNECT@dhcs.ca.gov). Please indicate "BH-CONNECT demonstration" in the subject line of the email message.

To be assured consideration prior to submission of the BH-CONNECT demonstration application to CMS, comments must be received no later than 11:59 PM (Pacific Time) on August 31, 2023. Please note that comments will continue to be accepted after August 31, 2023, but DHCS may not be able to consider those comments prior to the initial submission of the BH-CONNECT demonstration application to CMS.

After DHCS reviews comments submitted during this State public comment period, the BH-CONNECT demonstration will be submitted to CMS. Interested parties will also have the opportunity to officially comment on the BH-CONNECT demonstration during the federal public comment period; the submitted application will be available for comment on the CMS website at: <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html>.