

## California Behavioral Health Planning Council

### Systems and Medicaid Committee Agenda

Thursday, June 15, 2023

DoubleTree Hilton Hotel Santa Ana - Orange County Airport

201 East MacArthur Blvd Santa Ana, CA 92707

Ballroom B

[Zoom link](#)

Meeting ID: 825 0447 4258 Passcode: SMC2023

Join by phone: 1-669-900-6833 Passcode: 9602438

8:30 a.m. to 12:00 p.m.

<b>8:30 am</b>	<b>Welcome and Introductions</b> <i>Karen Baylor, Chairperson and All Members</i>	
<b>8:35 am</b>	<b>Approve April 2023 Draft Meeting Minutes</b> <i>Karen Baylor, Chairperson and All Members</i>	<b>Tab 1</b>
<b>8:40 am</b>	<b>CBHPC Workgroups Update</b> <i>Karen Baylor, Chairperson and All Members</i>	<b>Tab 2</b>
<b>8:45 am</b>	<b>Overview of CalAIM Payment Reform</b> <i>Jacob Lam, Assistant Deputy Director of Health Care Financing, California Department of Health Care Services (DHCS)</i>	<b>Tab 3</b>
<b>9:15 am</b>	<b>Public Comment</b>	
<b>9:20 am</b>	<b>Statewide &amp; County Impact of CalAIM Payment Reform</b> <i>Michelle Doty Cabrera, Executive Director, County Behavioral Health Directors Association (CBHDA)</i>	<b>Tab 4</b>
<b>9:50 am</b>	<b>Public Comment</b>	
<b>9:55 am</b>	<b>County Perspective of CalAIM Payment Reform</b> <i>Veronica Kelley, Director of Mental Health &amp; Recovery Services, Orange County Health Care Agency Azahar Lopez, PsyD, CHC, Interim Director, Quality Management Services, Orange County Health Care Agency</i>	<b>Tab 5</b>
<b>10:25 am</b>	<b>Public Comment</b>	
<b>10:30 am</b>	<b>Break</b>	
<b>10:45 am</b>	<b>Provider Perspective of CalAIM Payment Reform</b> <i>John Drebing, Senior Advocate, Policy &amp; Legislative Affairs, California Council of Community Behavioral Health Agencies (CBHA) Southern California Provider Representative TBD</i>	<b>Tab 6</b>

If reasonable accommodations are required, please contact the Council at (916) 701-8211, not less than 10 working days prior to the meeting date.

## California Behavioral Health Planning Council

- 11:15 am**                    **Public Comment**
- 11:20 am**                    **Behavioral Health Policy Updates, Discussion, & Planning**    **Tab 7**  
*Ashneek Nanua, Council Analyst and All Members*
- 11:50 am**                    **Public Comment**
- 11:55 am**                    **Wrap Up/Next Steps**  
*Karen Baylor, Chairperson and All Members*
- 12:00 pm**                    **Adjourn**

*The scheduled times on the agenda are estimates and subject to change.*

### **Systems and Medicaid Committee Members**

Karen Baylor, Chairperson	Uma Zykofsky, Chair-Elect	
Erin Franco	Dale Mueller	Walter Shwe
Jessica Grove	Noel O'Neill	Marina Rangel
Veronica Kelley	Liz Oseguera	Cindy Wang
Steve Leoni	Vandana Pant	Susan Wilson
Catherine Moore	Deborah Pitts	Tony Vartan
Javier Moreno	Daphne Shaw	Joanna Rodriguez (on leave)

**Committee Staff:** Ashneek Nanua, Council Analyst

If reasonable accommodations are required, please contact the Council at (916) 701-8211, not less than 10 working days prior to the meeting date.

TAB 1

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
Thursday, June 15, 2023**

**Agenda Item:** Approve April 2023 Draft Meeting Minutes

**Enclosures:** April 2023 Draft Meeting Minutes

**Background/Description:**

Committee members will review and approve the draft meeting minutes for the April 2023 Quarterly Meeting.

## Systems and Medicaid Committee

Meeting Minutes (DRAFT)  
Quarterly Meeting – April 20, 2023

### Members Present:

Karen Baylor, Chairperson	Uma Zykofsky, Chair-Elect	Catherine Moore
Walter Shwe	Marina Rangel	Cindy Wang
Noel O'Neill	Susan Wilson	Daphne Shaw
Deborah Pitts	Tony Vartan	Steve Leoni
Dale Mueller	Liz Oseguera	Javier Moreno

### Staff Present:

Ashneek Nanua, Gabriella Sedano, Jenny Bayardo

**Presenters:** Casey Heinzen, Janelle Ito-Orille, Melissa Stafford Jones, Autumn Boylan, Adrienne Shilton, Tyler Rinde, Tracy Lacey, Le Ondra Clark Harvey, John Drebingner, Wendy Wang, Patricia Costales, Tim Ryder

### Meeting Commenced at 8:35 a.m.

#### Item #1      **Approve January and February 2023 Draft Meeting Minutes**

The Systems and Medicaid Committee (SMC) reviewed the SMC January 2023 draft meeting minutes. Steve Leoni provided an edit indicating that he was present but his name was not listed on the meeting minutes. The committee approved the SMC January 2023 Meeting Minutes with the edit to include Steve Leoni's name on the minutes. The SMC reviewed the SMC February 2023 draft meeting minutes. Daphne Shaw abstained. The committee approved the SMC January 2023 Meeting Minutes.

#### Action/Resolution

SMC staff will make edits to the January 2023 Draft Meeting Minutes. The January 2023 and February 2023 SMC Meeting Minutes are approved.

#### Responsible for Action-Due Date

Ashneek Nanua – April 2023

#### Item #2      **Discussion Re: SMC Participation in CBHPC Workgroups**

Chairperson Karen Baylor brought the committee's attention to CBHPC's workgroups and committee representation in the workgroups. Uma Zykofsky is the SMC representative for the Planning Council's Reducing Disparities Workgroup. Noel O'Neill is the committee representative for the Children's Workgroup. Karen Baylor volunteered to represent the SMC for CBHPC's Substance Use Disorder Workgroup.

**Action/Resolution**

The workgroup representatives will report the activities of the CBHPC workgroups at subsequent SMC meetings.

**Responsible for Action-Due Date**

Karen Baylor, Uma Zykofsky, Noel O'Neill - Ongoing

**Item #3      Review of SMC Feedback to DHCS Behavioral Health Information Notices and Concept Papers**

SMC staff shared committee documents such as letters and responses to DHCS Behavioral Health Information Notices (BHINs) to highlight the work that the SMC has done in response to DHCS' proposed behavioral health policies and programs. The most recent feedback to DHCS is the SMC [recommendation letter](#) written to DHCS in February 2023 regarding the [CalAIM Behavioral Health Administrative Integration Concept Paper](#), which lays out the proposed policy for the administrative integration of mental health (Specialty Mental Health Services) and substance use disorder programs (Drug Medi-Cal and Drug Medi-Cal Organized Delivery System) into a single county-based behavioral health program. Staff also shared the committee's feedback on the draft Behavioral Health Information Notice for the elimination of cost reporting requirements for counties and providers under CalAIM.

Steve Leoni requested that the committee ask DHCS for more consideration and increased time frames to respond to the BHINs as the current response period is counterproductive to quality feedback. Chairperson Karen Baylor stated that the Executive Officer meets with DHCS regularly and could potentially bring this feedback to DHCS.

**Action/Resolution**

SMC staff will continue to solicit committee feedback for DHCS policies and Behavioral Health Information Notices. Staff will then share the final version of committee feedback to the SMC.

**Responsible for Action-Due Date**

Ashneek Nanua – Ongoing

**Item #4      Overview of DHCS Children and Youth Programs/Initiatives and Short-Term Residential Treatment Programs (STRTPs)**

Janelle Ito-Orille, Chief of Licensing and Certification Division at the Department of Health Care Services, and Casey Heinzen, Chief of Behavioral Health Innovation Branch of the Medi-Cal Behavioral Health Policy Division presented to the SMC on Short-Term Residential Treatment Programs (STRTPs). In 2021, DHCS reviewed all

STRTPs in California licensed by the Department of Social Services and conducted determinations on which facilities may be deemed as an Institute for Mental Disease (IMD). DHCS completed determinations for all licensed STRTP facilities based on guidance from the Centers for Medicare and Medicaid Services (CMS) and determined that 3 STRTPs can be IMDs in December 2022. The IMDs cannot claim Federal Financial Participation (FFP) for reimbursement which means that these 3 facilities cannot bill Medi-Cal and must use other funding sources.

Casey Heinzen provided an overview of the children and youth component of the Medicaid Section 1115 California Behavioral Health Community-Based Continuum (CalBH-CBC) Demonstration Waiver, which seeks to enhance community-based services to support adults with serious mental illness and children with serious emotional disturbances. One goal of this demonstration is to request approval from CMS to bill FFP for short-term stays in IMDs. Elements of the demonstration pertaining to children and youth include a cross-sector incentive pool for county Mental Health Plans, Managed Care Plans, and child welfare agencies to meet milestones that would result in financial incentives used for activities to improve care, clarifying coverage of evidence-based practices (EBPs) and community-defined evidence practices (CDEPs) via Centers of Excellence and updated guidance, and ensuring the Child and Adolescent Needs (CANS) tool is administered in the same way across entities and developing a standardized process to track progress and outcomes. Casey stated that DHCS is taking feedback on the community-defined practices and cross-incentive pool measures from stakeholders.

Committee members engaged DHCS in a Q & A session following the presentation. Topics discussed included Centers of Excellence, CANS data, EBPs/CDEPs, and potential challenges with STRTPs opting into the Section 1115 CalBH-CBC Demonstration due to STRTPs having clients across multiple counties.

#### **Action/Resolution**

N/A

#### **Responsible for Action-Due Date**

N/A

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### **Item #5      Overview of DHCS Children and Youth Behavioral Health Initiative (CYBHI), Progress Reports, and DHCS Work Stream**

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Melissa Stafford Jones, Director of the Children and Youth Behavioral Health Initiative (CYBHI), and Autumn Boylan, Deputy Director of the DHCS Office of Strategic Partnerships, provided an overview of the CYBHI and DHCS-specific work stream of the initiative. Melissa spoke on the Governor's Master Plan for Kids and the CYBHI as an element of the plan, the CYBHI work stream and evaluation components, and CYBHI Reports. The [January 2023 Progress Report](#) includes the specific activities of each CYBHI work stream. The [Youth at the Center Report](#) is a synthesis report of findings from a series of community engagement sessions and youth and family listening

sessions throughout California to incorporate the youth voice into the design, implementation, and policy infrastructure of the CYBHI to have a youth-centered system of care. Melissa highlighted findings from the report such as children identifying culture as a form of healing, emphasis on early intervention and preventative services, and recognition of family behavioral health and well-being. The [Ecosystem Working Paper](#) articulates 10 key findings of changes that must operationalize to achieve success.

Autumn Boylan presented on DHCS' programs of the CYBHI. These components include the behavioral health virtual services platform, scaling evidence-based practices and community-defined evidence practices across the state through 6 rounds of grant funding totaling \$429 million, and statewide all-payer school-linked fee schedule which will cover outpatient behavioral health services at or near a school site reimbursable by Medi-Cal and commercial health plans.

The SMC engaged presenters in Q & A following the presentation. Topics included commercial plan participation in the CYBHI, challenges with educating community colleges with Medi-Cal billing and participation in the CYBHI, issues related to broadband access and access to technology for the virtual services platform, teaching foster youth to use the technology, considerations for partnering with school-based health centers, youth suicide prevention, and social and emotional learning (SEL).

#### **Action/Resolution**

N/A

#### **Responsible for Action-Due Date**

N/A

#### **Item #6      Public Comment**

Bill Stewart stated that the Youth at the Center Report is powerful and a strong way to think outside of the box. He acknowledged the work being done and asked if there are any recommendations to add psychology courses for teachers.

Steve McNally suggested that CYBHI be presented in larger groups with breakout groups to address the silos that currently exist. He expressed the importance of creating safe spaces for county and state staff to speak publically without recrimination. Steve stated that there may be able to create more awareness to the end user by utilizing free public spaces and leveraging safe adults in the community.

John Drebinger stated that the California Council of Community Behavioral Health Agencies (CBHA) is excited to partner on the CYBHI efforts.

#### **Action/Resolution**

N/A

#### **Responsible for Action-Due Date**

N/A

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**Item #7 Short-Term Residential Treatment Program (STRTP) Presentation**


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Adrienne Shilton, Director of Public Policy and Strategy, and Tyler Rinde, Deputy Director of Child Welfare Policy from the California Alliance of Child and Family Services (CACFS) presented to the SMC on Short-Term Residential Treatment Programs. An STRTP is a short-term intervention that offers more intensive mental health supports to youth with the goal of transitioning them back to communities and families. These facilities were created under the Continuum of Care Reform (CCR) via AB 403 to transform group homes into residential treatment programs if they meet certain standards and requirements.

The CA Alliance reported that 750 licensed STRTPs were lost between December 2022 and January 2023 after DHCS' Institute for Mental Disease (IMD) determinations, and one of the 3 STRTPs deemed as IMDs will be closing by June 2023. The CalBH-CBC waiver is meant to assist STRTPs via the IMD Waiver, however, there is little incentive for STRTPs to participate due to the risk of it being a county opt-in benefit because STRTPs serve youth from multiple counties and it does not account for the loss of STRTPs that have already occurred. Therefore, the CA Alliance does not foresee the demonstration waiver increasing STRTP capacity as intended. There are also challenges and delays in the payment and documentation reform for STRTPs under the CalAIM Initiative.

The CA Alliance has engaged with CCR workgroups on STRTP rates and advocated for higher rates in the programs. There are two different funding streams for STRTPs: a monthly rate through child welfare department for care and supervision needs of the youth and a rate for billing for mental health services. CCR created interim rates that were extended in order to move to a final rate structure by January 2025. The CA Alliance has a budget request to increase the average rate to \$27 per hour for direct care staff to help hire and retain staff and sustain the programs by 2025. Adrienne stated additional concerns include a lack of community-based services as well as nearly half of foster care programs reporting a reduction in services due to budget concerns.

The SMC engaged the CA Alliance in a Q & A session. There were discussions around ways to make the children's system of care more effective, average length of stays and access issues, education and school considerations, importance of broader spectrum of youth needs beyond medication interventions, and funding sources.

**Action/Resolution**

N/A

**Responsible for Action-Due Date**

N/A

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**Item #7      Local Implications of School-Based Behavioral Health Services for Children and Youth**

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Tracy Lacey, Director of Policy and Regulatory Affairs, County Behavioral Health Directors Association (CBHDA) presented on school-based behavioral health initiatives and how counties are partnering with Managed Care Plans (MCPs) to deliver these services. Tracy presented the successes and opportunities such as strong partnerships with counties and local education agencies, strengthening relationships between counties and MHPs, leveraging funding, enhanced coordination across systems, increased access through CalAIM's No Wrong Door policy and criteria to access services, and being able to identify children's behavioral health needs earlier. Potential challenges include the workflow in referral process, having adequate space to deliver services, differences in privacy practices, workforce challenges, impacts on existing partnerships and contracts, and Mental Health Services Act (MHSA) reform.

**Action/Resolution**

N/A

**Responsible for Action-Due Date**

N/A

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**Item #8      Provider Perspective of Children and Youth Initiatives**

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Le Ondra Clark Harvey, Executive Director of the California Council of Community Behavioral Health Agencies (CBHA), and John Drebing, Senior Advocate of Policy and Legislative Affairs, provided a brief background on CBHA and introduced a perspective of non-profit behavioral health providers who have expertise in service to youth. CBHA believes these providers play a crucial role in the development of evidence-based practices EBPs and interventions to address the behavioral health needs of students. They also provide training to school staff and teachers to help identify mental health and substance use disorders in students to assist in ensuring students are successful in school and life. With Behavioral Health Continuum Infrastructure Program (BHCIP), non-profit behavioral health providers can partner with counties and other community-based organizations to expand infrastructure in underserved and marginalized communities and leverage expertise to increase capacity to provide comprehensive and coordinated care to youth and families. These non-profits may also ensure CYBHI programs are effective and responsive and can provide feedback on program design and barriers to accessing services.

John introduced CBHA members to share their experiences and perspectives of school-based behavioral health services and CYBHI in their communities and share feedback on how to ensure California youth receive the care they need to thrive. The provider representatives discussed the statistics and the needs for school-based mental health

services for youth, workforce shortages, budget and capacity challenges, pay equity, and the need for wellness programs and prevention and early intervention services.

**Action/Resolution**

N/A

**Responsible for Action-Due Date**

N/A

**Item #9      Wrap Up/Next Steps**

Chairperson Karen Baylor proposed the following next steps for the remainder 2023:

- Focus on behavioral health payment reform during the June 2023 Quarterly Meeting as changes will be made to how counties may bill Medi-Cal beginning in July 2023. It would be helpful to hear the impact and potential changes of how counties and providers are funded.
- Review the work that the committee has accomplished in the last two years during the October 2023 Quarterly Meeting. Committee members will then create a new SMC Work Plan since there will be a new SMC Chairperson in 2024.

Catherine Moore acknowledged Steve Leoni's comments about the client and family member perspective. She indicated that language can be technical which can make it difficult to respond to proposed DHCS initiatives and BHINs. She asked if there is a better way to convey the consumer and family voice to respond to DHCS proposals. Karen Baylor expressed the challenges of getting consumer feedback but that the committee should creative ways to get the consumer voice because it is important.

Steve Leoni stated that Medi-Cal payment reform only goes so far but the MHSA is different because it is used to bill for how services will help someone build their life rather than how it will help reduce an illness. He stated that a shift from an illness system to a recovery system in billing is the next step from Medi-Cal reform.

**Action/Resolution**

The SMC Officer team will consult with SMC staff to plan the SMC June 2023 Quarterly Meeting agenda.

**Responsible for Action-Due Date**

Ashneek Nanua, Karen Baylor, Uma Zykofsky - June 2023

Meeting Adjourned at 12:05 p.m.

## TAB 2

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
Thursday, June 15, 2023**

**Agenda Item:** CBHPC Workgroups Update

**Enclosures:** None

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

This agenda item provides the opportunity for the Systems and Medicaid Committee to coordinate the activities of the CBHPC workgroups in accordance with the SMC Work Plan.

**Background/Description:**

CBHPC's Executive Committee would like to ensure that the Planning Council's workgroups are integrated into the work of all of the committees. Committee members who attended each workgroup will report on discussions held during each workgroup meeting to identify any points of collaboration with SMC activities and Work Plan items.

CBHPC workgroups:

- **Reducing Disparities Workgroup**
  - Representative: Uma Zykofsky
- **Children and Youth Workgroup**
  - Representative: Noel O'Neill
- **Substance Use Disorder Workgroup**
  - Representative: Karen Baylor

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
Thursday, June 15, 2023**

**Agenda Item:** Overview of CalAIM Payment Reform

**Enclosures:** DHCS Behavioral Health Payment Reform Presentation  
[CalAIM Payment Reform Fact Sheet \(December 2022\)](#)  
[Intergovernmental Transfer \(IGT\) Frequently Asked Questions](#)  
[BHIN 23-017: Specialty Mental Health Services and Drug Medi-Cal Service Rates](#)  
[CalAIM Behavioral Health Webpage](#)

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

The purpose of this agenda item is to provide the SMC with an overview of the CalAIM payment reform initiative which will go live in July 2023. Committee members will utilize this information to evaluate system changes for populations utilizing the Specialty Mental Health Services (SMHS) and Drug Medi-Cal systems.

**Background/Description:**

Representatives from DHCS will provide the SMC with an overview of the CalAIM payment reform initiative and how these changes will impact County Mental Health Plans, Drug Medi-Cal, and Drug Medi-Cal Organized Delivery System (DMC-ODS) counties in the transition from a Certified Public Expenditures (CPE) reimbursement rate methodology to an Intergovernmental Transfer (IGT) reimbursement rate methodology. Additionally, the SMC asked DHCS to address the following questions in the presentation:

- 1) What does DHCS envision happening during the first quarter of implementation?
- 2) What are 3 priorities that DHCS would like to accomplish in the first quarter of implementation to make payment form successful?
- 3) How does the phasing out of codes occur and what happens in the interim year for cost reports that have not been reconciled?
- 4) How will DHCS measure the success of this transformation?

**Presenter Biography:**

*Jacob Lam, Assistant Deputy Director of Health Care Financing, California Department of Health Care Services*

*Jacob Lam has been the Assistant Deputy Director of Health Care Finance at the Department of Health Care Services since October 2020. In this role, Mr. Lam assists in the planning, implementation, coordination, evaluation, and management of the department's health care financing programs and policies. Prior to joining DHCS, Mr. Lam worked at the Department of Finance from 2014 to 2020, providing fiscal and policy guidance to a number of state departments within the California Health and Human Service Agency portfolio and was a Legislative Aide in the Office of Assembly Member Mariko Yamada from 2013 to 2014. Mr. Lam is a graduate of UC Davis, where he received a bachelor's degree in political science and anthropology.*

# Behavioral Health Payment Reform

*Jacob Lam, Assistant Deputy Director, Health Care Financing, DHCS*

# Overview

- » The CalAIM Behavioral Health Payment Reform initiative seeks to move counties away from cost-based reimbursement to better enable counties and providers to deliver value-based care that improves quality of life for Medi-Cal-members.
- » **Go Live:** July 1, 2023.

# The Three Transitions of Payment Reform

- 1. Reimbursement Structure:** End cost-based reimbursement and implement fee-for-service payments to county BH plans.

Goals: Simplify county BH plan payments and reduce administrative burden for the state, counties, and providers. Develop rates sufficient to attract and maintain an adequate network of qualified specialty providers.

- 2. Financing Mechanism:** Transition to Intergovernmental Transfers (IGTs) to finance Medi-Cal county BH plan payments.

Goal: Enable county BH plans to continue providing the non-federal cost share for Medi-Cal services without certified public expenditures and cost-based reimbursement.

- 3. Providing Billing:** Transition from HCPCS II to CPT coding.

Goals: Improve reporting and support data-driven decision making by disaggregating data on specialty behavioral health services. Align with other health care delivery systems and comply with CMS requirements for all state Medicaid programs to adopt CPT codes where appropriate.

# Reimbursement Structure

- » **End cost-based reimbursement and implement FFS payments to county BH plans.**

Present Cost-Based Reimbursement	Future FFS Reimbursement
<ul style="list-style-type: none"><li>• County BH plans claim federal reimbursement on an interim basis for each service rendered.</li><li>• Counties and contracted providers submit annual cost reports subject to audit, reconciliation, and cost settlement.</li><li>• Plan reimbursement is limited to cost. Provider payments are negotiated with county BH plans.</li></ul>	<ul style="list-style-type: none"><li>• County BH plans claim FFS reimbursements at rates established in BH plan fee schedule.</li><li>• Plans negotiate payment terms and rates with subcontracted providers.</li><li>• Plan reimbursement for each service is final, with no additional settlement to cost for county BH plans.</li></ul>

# Financing Mechanism

## » Transition to IGTs to finance Medi-Cal county BH plan payments.

Present Certified Public Expenditures (CPEs)	Future Intergovernmental Transfers (IGTs)
<ul style="list-style-type: none"> <li>• County BH plans purchase specialty services and attest to expenditures of non-federal share under a CPE protocol.</li> <li>• CPE-based financing is based on actual costs incurred and requires cost reporting, audit, and settlement to finalize federal reimbursement to county BH plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Reimbursement is claimed via the fee schedule with the county share transferred by the county to the state.</li> <li>• Sources of non-federal share available to county BH plans and eligible for use as IGTs (including Realignment and MHSA funds) do not change.</li> </ul>

# Provider Billing

## » Transition from HCPCS II to CPT coding.

Present HCPCS Level II – All Services	Future CPT/HCPCS Level I Where Applicable
<ul style="list-style-type: none"> <li>• HCPCS Level II codes are highly flexible; a variety of activities may be captured by the same code, making detailed analysis of services rendered a challenge.</li> <li>• HCPCS Level II codes can be used by any provider (licensed or non-licensed).</li> </ul>	<ul style="list-style-type: none"> <li>• CPT codes: more detailed and nationally standardized definitions for each code.</li> <li>• Some HCPCS Level II codes will be retained for those behavioral health providers and services not captured by CPT codes.</li> </ul>

# Coding Guidance and Technical Assistance (TA)

- » DHCS released coding guidance and updated billing manuals in August 2022 via [BHIN 22-046](#).
- » DHCS contracted with CalMHSA to offer trainings and TA materials.
  - Short-Doyle Medi-Cal CPT Code Reference Guides:
    - [Specialty Mental Health](#) (SMHS)
    - [Drug Medi-Cal](#) (DMC)
    - [Drug Medi-Cal Organized Delivery System](#) (DMC-ODS)
  - Trainings:
    - [Introductions to CPT Codes](#)
    - [Optimization of CPT Codes for the Majority of Behavioral Health Services](#)

# Rate Setting

- » DHCS established SMHS, DMC-ODS, and DMC fee schedules **by service type**.
- » Rates are **county-specific** and will be **updated annually**.
- » DHCS used **multiple inputs** to develop the fee schedules, such as:
  - Provider cost surveys
  - County submitted cost reports
  - Short-Doyle claims data
  - Vacancy and labor adjustments
- » For further information, see [BHIN 23-017](#).

# What Stays Constant

- » Payment Reform does not change:
  - Provider contracts and reimbursement will continue to be negotiated with counties.
    - The new fee schedules are for county BH plan reimbursement (not provider reimbursement).
  - Counties will continue to rely on the same sources of non-federal share.
    - The new payment model does not add non-federal share or change allowable sources.
  - Coding transition does not change benefits definitions or covered services.
  - Administrative, Utilization Review/Quality Assurance (UR/QA) and Mental Health Medi-Cal Administrative Activities (MAA) will remain as a CPE methodology for FY 2023-24

# Next Steps

## » July 2023 and Beyond

- July 1: Payment Reform Go Live!
- provide TA in coordination with County Behavioral Health Directors Association (CBHDA) and California Mental Health Services Authority (CaMHSA).
- Monitor impacts to counties, providers, and Medi-Cal members.
- Use learnings to inform potential rate adjustments and next phases of payment reform.

# Guidance and Resources

- » CalAIM Behavioral Health [website](#)
- » CalMHSA's [Learning Management System](#)
- » [BHIN 23-017](#): Specialty Mental Health Services and Drug Medi-Cal Services Rates, April 2023
- » [BHIN 23-013](#): Readiness Check List, March 2023
- » [BHIN 22-046](#): Coding & Billing Guidance, August 2022
- » IGT [Frequently Asked Questions](#) (FAQ), February 2023
- » Payment Reform [Fact Sheet](#), December 2022
- » **Email:** [bhpaymentreform@dhcs.ca.gov](mailto:bhpaymentreform@dhcs.ca.gov)

**California Behavioral Health Planning Council  
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**Agenda Item:** Statewide & County Impact of CalAIM Payment Reform

**Enclosures:** None

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

The purpose of this agenda item is to provide the SMC with insight on how the CalAIM payment reform initiative will impact the payment rate methodology in the administration of Specialty Mental Health Services (SMHS) and Substance Use Disorder Services in the public behavioral health system at a statewide and county level.

**Background/Description:**

Michelle Cabrera, Executive Director of the County Behavioral Health Directors Association (CBHDA), will provide insights and implications of the CalAIM payment reform initiatives at a statewide and county level. CBHDA have been asked to address the following questions:

1. What are the goals of payment reform and how will it work in practice?
2. What does an intergovernmental transfer (IGT) payment methodology look like?
3. How do counties determine the amount and frequency of transferring funds?
4. How will counties contract with providers for this change?
5. Are there any other successes and/or concerns that CBHDA anticipates with this change?

**About CBHDA:**

*The [County Behavioral Health Directors Association \(CBHDA\)](#) believes everyone should have access to quality behavioral health care. Through advocacy, lobbying and education efforts, CBHDA promote the reduction of individual and community problems related to unaddressed behavioral health issues. The association regularly brings together behavioral health professionals to discuss ways to inform public policy and improve the delivery of behavioral health services. CBHDA supports efforts to help the most vulnerable among us – children with serious emotional challenges, adults with serious mental disorders, and people living with substance use disorders.*

Please contact SMC staff at [Ashneek.Nanua@cbhpc.dhcs.ca.gov](mailto:Ashneek.Nanua@cbhpc.dhcs.ca.gov) for copies of the presentation materials.

## **Presenter Biography**

*Michelle Doty Cabrera, Executive Director, County Behavioral Health Directors Association*

Michelle Doty Cabrera joined CBHDA as Executive Director in May 2019. Prior to joining CBHDA she served as the Healthcare Director for the California State Council of the Services Employees International Union (SEIU California), where she advocated on behalf of healthcare workers and consumers, including SEIU California's county behavioral health workforce, on issues related to the implementation of the Affordable Care Act, Health Equity, Health4All, and cost containment, among others. She served as a Senior Consultant for the Assembly Human Services Committee, where she specialized in child welfare issues and staffed legislation which extended foster care in California to age 21. Ms. Cabrera also served as a Program Officer for the California Healthcare Foundation, working as a liaison on state health policy in Sacramento.

Ms. Cabrera served as a member of Governor Newsom's Council of Regional Homeless Advisors and was recently appointed to the California Disability and Aging Community Living Advisory Committee, representing the needs of individuals with behavioral health conditions. Ms. Cabrera has been an inaugural member of the National Quality Forum's Standing Committee on Disparities and has served on the California Pan-Ethnic Health Network (CPEHN) Board of Directors since 2015.

Please contact SMC staff at [Ashneek.Nanua@cbhpc.dhcs.ca.gov](mailto:Ashneek.Nanua@cbhpc.dhcs.ca.gov) for copies of the presentation materials.

## TAB 5

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
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**Agenda Item:** County Perspective of CalAIM Payment Reform

**Enclosures:** None

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

The purpose of this agenda item is to provide the SMC with insight on how the CalAIM payment reform initiative will impact the payment rate methodology in the administration of Specialty Mental Health Services (SMHS) and Substance Use Disorder Services in the public behavioral health system at the county level.

**Background/Description:**

Veronica Kelley, Director of Mental Health and Recovery Services - Orange County Health Care Agency (OCHCA), and Azahar Lopez, Interim Director of Quality Management Services for OCHCA will provide their perspectives of the CalAIM payment reform initiatives at the county level. Additionally, the presenters have been asked to address the following questions:

1. What does Orange County Mental Health and Recovery Services envision for counties in the first 3 months of payment reform implementation?
2. Can OCHCA speak on the implications of cost report reconciliation?
3. How are counties contracting with providers for this change?

***About Orange County Mental Health and Recovery Services:***

*Our mission is to prevent substance abuse and/or mental health crisis; when signs are present, to intervene early and appropriately; and when assessments indicate that treatment is required, to provide the right type of treatment, at the right place, by the right person / programs to help individuals achieve and maintain the highest quality of health and wellness.*

[Orange County Health Care Agency - Mental Health and Recovery Services Webpage](#)

Please contact SMC staff at [Ashneek.Nanua@cbhpc.dhcs.ca.gov](mailto:Ashneek.Nanua@cbhpc.dhcs.ca.gov) for copies of the presentation materials.

## **Presenter Biographies**

*Dr. Veronica A. Kelley, LCSW, Director of Mental Health and Recovery Services, Orange County Health Care Agency*

*Dr. Veronica A. Kelley is a Licensed Clinical Social Worker in the State of California. She currently serves as the Director of Mental Health & Recovery Services for the Orange County Health Care Agency, overseeing the public behavioral health system. Prior to that she served for 13 years with San Bernardino County Department of Behavioral Health, the most recent assignment was her appointment as the Behavioral Health Director from 2006-2021. She is a Board Member for NAMI California, and is the Past President of the County Behavioral Health Directors Association and co-chairs the Substance Abuse, Prevention & Treatment Committee. She is an Associate Member of the American Society of Addiction Medicine and holds numerous positions on Statewide committees, including an appointment to the Governors No Place Like Home Advisory Board. She is an Assistant Clinical Professor at Loma Linda School of Social Work & Social Ecology and a Professor at Mount Saint Mary's University in the Social Work and Sociology programs.*

*Azahar V. Lopez, PsyD, CHC, Interim Director of Quality Management Services, Orange County Health Care Agency*

*Dr. Lopez is a licensed clinical psychologist who has worked in the public sector behavioral health system in Orange County for over 20 years. She has focused on quality management functions since 2015, initially managing and overseeing the operations of the Substance Use Disorder (SUD) support unit, which provides regulatory compliance support, quality assurance and utilization review monitoring and managed care implementation for the Drug Medi-Cal, Organized Delivery System and other publicly funded SUD programs. Most recently, she has also managed the QA/QI Division for both DMC-ODS and the Mental Health Plan (MHP), and she is currently the interim director of Quality Management for Orange County Mental Health and Recovery Services (MHRS).*

*Dr. Lopez holds certification in healthcare compliance from the Health Care Compliance Association (HCCA) and co-chairs the South Waiver Accountability Group of county Q/I coordinators in the southern region.*

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
Thursday, June 15, 2023**

**Agenda Item:** Provider Perspective of CalAIM Payment Reform

**Enclosures:** None

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

The purpose of this agenda item is to provide the SMC with the provider perspective regarding the implementation of CalAIM payment reform, particularly for individuals served by California's public behavioral health system.

**Background/Description:**

Representatives from CBHA will present the provider perspective and impact of CalAIM payment reform which will go live in July 2023. Additionally, CBHA has been asked to address the following questions in the presentation:

- 1) How will counties contract with providers for this change?
- 2) Are providers working with a new contract or is there an interim contract until the payment reform changes are made?
- 3) How will contracting with providers work as payment reform is expected to be implemented on July 1, 2023?

**About the California Council of Community Behavioral Health Agencies (CBHA):**

*The [CBHA](#) is a statewide association of non-profit agencies dedicated to providing mental health and substance use disorder programs and services to those in need across our state. CBHA is dedicated to the proposition that the people of California deserve a rational and comprehensive community-based behavioral health system that is adequately funded to serve those in need. CBHA is the voice of our agencies at the state Capitol, and with state agencies, and the federal government. The goal is to ensure that federal, state, and county programs can support integrated healthcare services for people of all ages.*

Please contact SMC staff at [Ashneek.Nanua@cbhpc.dhcs.ca.gov](mailto:Ashneek.Nanua@cbhpc.dhcs.ca.gov) for copies of the presentation materials.

## Presenter Biographies

### *John Drebinger, Senior Advocate, Policy and Legislative Affairs, CBHA*

John Drebinger III joins CBHA after serving extensively as an advocate for behavioral health reform in LA County (LAC). John worked in partnership with the LAC Department of Mental Health, LAC Department of Child and Family Services, LAC Youth Commission, UCLA, City of Long Beach, and the philanthropic sector to help connect the voices of community members with critical policy initiatives. John has a track record of convening cross-sector partners to solve the systemic challenges facing our behavioral health systems.

Before his time as a behavioral health advocate, John served as a Foster America Fellow. He worked to bring reform and prevention programs to child welfare systems through human centered design, community organizing, and policy reform. During his time as a Fellow, John worked closely with many of the behavioral health providers CBHA represents, finding new ways to ensure that families impacted by the child welfare system had access to quality behavioral health services. He was also selected as an IDEO CoLab fellow in recognition of his expertise in the intersection of media, storytelling, and policy reform. As a passionate and creative advocate for mental health and the social issues that intersect with it, John prioritizes connecting the real experiences of Californians with the policymakers and agencies that serve them.



## TAB 7

**California Behavioral Health Planning Council  
Systems and Medicaid Committee  
Thursday, June 15, 2023**

**Agenda Item:** Behavioral Health Policy Updates, Discussion, and Planning

**Enclosures:** [DHCS Highlights of 2023-2024 May Revision Health and Human Services 2023-2024 May Revision Summary](#) (Pages 48-50)

**How This Agenda Item Relates to Council Mission**

*To review, evaluate and advocate for an accessible and effective behavioral health system.*

This agenda item provides committee members with information about the activities of advocates and stakeholders involved in developing behavioral health policies for California's most vulnerable populations. The SMC will use this information to stay informed of current initiatives and plan future activities to advocate for policies that improve access to high-quality health care in California's public behavioral health system (PBHS).

**Background/Description:**

Systems and Medicaid Committee staff will provide a high-level update on current activities, initiatives, and efforts towards transforming the PBHS in California to better serve individuals with behavioral health conditions. Committee members will use this information for the ongoing effort to track various behavioral health policy meetings, engage in advocacy, and make recommendations to the state for Medi-Cal beneficiaries with serious mental illness and substance use disorders. SMC staff will provide updates on the following behavioral health policy meetings and topics:

- Behavioral Health Components of [Governor's Revised Budget Summary 2023-24](#)
- [DHCS Behavioral Health Stakeholder Advisory Committee \(BH-SAC\)](#) May 2023 Meeting
  - Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Waiver *(formerly the California Behavioral Health Community-Based Continuum Demonstration Waiver)*
- [CalAIM Behavioral Health Workgroup](#) June 2023 Meeting
  - CalAIM Behavioral Health Documentation Redesign Initiative Update
- [CalHHS Behavioral Health Taskforce](#) June 2023 Meeting
  - Behavioral Health Modernization Proposal Update
  - Role Out of the Crisis Care Continuum (CCC) Plan
- Children and Youth Behavioral Health Initiative (CYBHI) June 2023 Update