BEHAVIORAL HEALTH TRANSFORMATION

Quality & Equity Performance Measures

This document summarizes the second set of proposed Behavioral Health Transformation (BHT) performance and health equity measures as of April 20, 2026. Once finalized, these measures will be added to the measures released for public comment in December 2025 and finalized in the Behavioral Health Services Act (BHSA) County Policy Manual in April 2026 to complete the BHT performance measure set.

The proposed measures in this document were developed in consultation with the Quality and Equity Advisory Committee (QEAC), which is comprised of behavioral health, county behavioral health plan (county), Medi-Cal managed care plan (MCP), and quality measurement leaders from across California. In addition to the broader QEAC, the equity measures were developed in consultation with a QEAC subcommittee comprised of individuals with specific expertise in equity. Measures have also been shared in multiple public meetings to collect broader input.

DHCS requests all feedback on the proposed measures in this document by Friday, May 8th at 4 p.m. PT. Please send feedback via email to BHTInfo@dhcs.ca.gov, using the subject line "Feedback on Performance and Health Equity Measures" and including your name and organization in the email.

Background

As articulated in the Behavioral Health Services Act (BHSA) County Policy Manual (Section 2.C)[1], California is committed to boldly taking action to provide Californians

[1]BHSA County Policy Manual Section 2.C is available here: https://policy-manual.mes.dhcs.ca.gov/behavioral-health-services-act-county-policy-manual/LIVE/2-behavioral-health-transformation#id-(V1.3.2)2.BehavioralHealthTransformation-C.StatewideVisionforBehavioralHealthQualityandEquity

with quality, culturally responsive behavioral health services when, how, and where they need them. BHT presents a historic opportunity to transform behavioral health service delivery by:

- Taking a population health approach to align expectations across California's behavioral health delivery system.
- Establishing a vision for quality and equity and setting statewide goals to drive progress across the behavioral health delivery system.
- Using data to support continuous quality improvement.

To advance this approach, DHCS, in consultation with behavioral health stakeholders and subject matter experts, has identified 14 statewide behavioral health goals focused on improving wellbeing (e.g., quality of life, social connection) and decreasing adverse outcomes (e.g., suicides, overdoses).

Goals for Improvement:

- Access to Care
- Care Experience
- Engagement in School
- Engagement in Work
- Prevention and Treatment of Co-Occurring Physical Health Conditions
- Social Connection
- Quality of Life

Goals for Reduction:

- Homelessness
- Institutionalization
- Justice Involvement
- Overdoses
- Removal of Children from Home
- Suicides
- Untreated Behavioral Health Conditions

These behavioral health goals will inform state and county planning and prioritization of BHSA resources, as well as the broader DHCS, county behavioral health, and Medi-Cal MCP effort to improve behavioral health outcomes for Medi-Cal members and for people eligible for other county behavioral health services (including BHSA).

DHCS will continuously assess statewide and county progress toward these goals under BHT. In consultation with the QEAC, DHCS has identified proposed measures for counties and MCPs on each statewide behavioral health goal in two key phases:

- **Phase 1:** In June 2025, DHCS published a set of one-time, population-level behavioral health measures, which are defined as measures of community health and wellbeing associated with the statewide behavioral health goals. These population-level measures (sometimes referred to as "Phase 1 Measures") were limited to publicly available measures with data from 2022-2024 (depending on the measure). They are statewide indicators for which counties are not exclusively responsible; it will take cross-service delivery system collaboration and partnership to move the needle on Phase 1 measures. For the first BHSA Integrated Plan (IP), they must be used in the county BHSA planning process and should inform resource planning and implementation of targeted interventions to improve outcomes. As part of the 2025 PHM Strategy Deliverable[2], Medi-Cal MCPs will also use statewide behavioral health goals and measures to inform resource planning and implementation of targeted interventions to improve outcomes.
- **Phase 2**: In 2026, DHCS will finalize a list of performance measures (sometimes referred to as "Phase 2 Measures"), including health equity measures, that will be used for transparency, planning, population health, and accountability purposes and will focus on performance of county behavioral health and Medi-Cal MCPs specifically. These will be used on an ongoing basis for both county behavioral health and Medi-Cal MCPs. They will be calculated by DHCS using administrative data.

[2]2025 DHCS PHM Strategy Deliverable Template is available here: https://www.dhcs.ca.gov/CalAIM/Documents/2025-DHCS-PHM-Strategy-Deliverable-Template.pdf

For more information about the statewide behavioral health goals and BHT broadly, please see the Behavioral Health Services Act (BHSA) Policy Manual[3].

About Performance Measures

This document outlines the second set of BHT performance measures (or "Phase 2 measures"). Once finalized, the performance measures, which are inclusive of the health equity measures, will replace the population-level behavioral health measures and be used in subsequent county planning and reporting to DHCS, including:

- The BHSA IP, Annual Updates (AUs) and the Behavioral Health Outcomes, Accountability, and Transparency Report (BHOATR) for county behavioral health; and
- The annual PHM Strategy Deliverable for Medi-Cal MCPs.

DHCS developed the performance measures with robust stakeholder engagement through the QEAC and in partnership with key California state agencies following a three-step process:

1. Identifying the Medi-Cal and BHSA interventions that could advance the goal by developing a "Theory of Change" (a logic model for identifying interventions that research and data suggest will generate a desired impact);
2. Narrowing to the most impactful Medi-Cal and BHSA interventions; and
3. Selecting and developing of measures for the goal and the most impactful interventions.

Outputs of the steps above were shared and discussed in public QEAC meetings. Access QEAC meeting materials, including summaries of the Theories of Change.

The performance measures for each goal in this document fall into the following categories:

- **Goal Measures**: Measures of the overall performance on the statewide behavioral health goal for all people enrolled in Medi-Cal or eligible for other

[3]BHSA County Policy Manual is available here: https://policy-manual.mes.dhcs.ca.gov/behavioral-health-services-act-county-policy-manual/LIVE/2-behavioral-health-transformation#id-(V1.3.2)2.BehavioralHealthTransformation-C.2StatewidePopulationBehavioralHealthGoals

county behavioral health services, such as BHSA services. With the exception of the Access to Care, Untreated Behavioral Health Conditions, and Care Experience goals, Goal Measures are multi-stakeholder measures that require coordinated efforts across BHPs, MCPs, and other external partners to advance progress on the goal.

- **Intervention Measures**: Measures of county and MCP interventions that are most likely to advance progress on each goal.

DHCS expects counties and MCPs to identify and address disparities in outcomes on Goal and Intervention Measures.

In addition, DHCS has identified five **Cross-Goal Equity Measures** focused on interventions and outcomes that could reduce disparities across the 14 statewide behavioral health goals. To develop the cross-goal equity measures, DHCS worked in partnership with QEAC and an equity subcommittee to review statewide data, literature, and BHT Theories of Change to identify cross-cutting interventions and outcomes that could advance equity across the 14 statewide behavioral health goals. Once these measures are finalized and calculated, DHCS will set improvement targets for these five measures.

How Performance Measures Are Calculated

DHCS will publish BHT performance measures, stratified by county behavioral health and Medi-Cal MCPs and by key demographics, for public access annually. Performance measures will be stratified by race and ethnicity, sex, language, and age, as well as BHT populations of focus such as individuals involved in the justice system, foster care, homelessness, and those with institutional stays, to support BHPs and MCPs in identifying county-specific disparities across measures.

Via Medi-Cal Connect[4], a statewide data analytics solution and tool for population health management, DHCS will also provide updated measure calculations and associated underlying data to counties and MCPs as frequently as monthly, depending

[4]Medi-Cal Connect landing page is available here: https://www.dhcs.ca.gov/Medi-Cal-Connect/Pages/Home.aspx

on the data sources. DHCS does not expect Medi-Cal MCPs or county behavioral health to calculate and submit measures to DHCS.

The first release of performance measures – which is planned for 2026 and is expected to report data from FY 2024-2025 – will only include data for Medi-Cal members. Over time, DHCS will integrate data on people not eligible for Medi-Cal who receive behavioral health services from a county (i.e., people eligible for BHSA services).

How Performance Measures Will Be Used

DHCS expects to use performance measures to support transparency, planning, population health, and accountability. To learn more about how performance measure will be used, please reference the BHSA Policy Manual Chapter 2 Section C.3.1[5].

[5]BHSA County Policy Manual Chapter 2 Section C.3.1 is available here: https://policy-manual.mes.dhcs.ca.gov/behavioral-health-services-act-county-policy-manual/LIVE/2-behavioral-health-transformation#id-(V1.3.2)2.BehavioralHealthTransformation-C.StatewideVisionforBehavioralHealthQualityandEquity

Proposed Performance Measures

The following tables list proposed performance measures for three of the 14 Statewide Behavioral Health Goals, as well as cross-goal equity measures. After incorporating stakeholder feedback on these measures, DHCS will release a BHT Performance Measures Specifications Manual, with additional details on how each measure is calculated.

Measure descriptions in these tables are generally drafted as follows: Percent *of* [denominator] *who* [numerator]. Please see the "Key Measure Definitions" section of this document for details on key terms used throughout the measure descriptions.

Improving Engagement in School

Note: *DHCS plans to select no more than two Goal Measures for inclusion under the Improving Engagement in School Goal and seeks feedback on the following two options (a) SL-1 and SL-2* ***or*** *(b) SL-3.*

Goal Measures

Number and Name	Description	Data Sources	Additional Information
SL-1. Graduation Rates for Students Living with Behavioral Health Needs	Percent *of* youth (ages 18 to 21) enrolled in Medi-Cal or receiving other county behavioral health services and living with behavioral health needs *who* graduated high school or obtained a high-school equivalency	Medi-Cal Claims, Encounters, & Enrollment Data; Education Data	» New DHCS measure
SL-2. Chronic Absenteeism for Students Living with Behavioral Health Needs	Percent *of* school-aged children enrolled in Medi-Cal or receiving other county behavioral health services and living with behavioral health needs *who* are chronically absent from school	Medi-Cal Claims, Encounters, & Enrollment Data; Education Data	» New DHCS measure

Number and Name	Description	Data Sources	Additional Information
SL-3. Engagement in School Based on CANS Score for Children and Youth Who Receive SMHS	Percent *of* children and youth receiving specialty mental health services (SMHS) *who* receive a positive score on California Integrated Practice – Child and Adolescent Needs and Strengths (IP-CANS) items related to engagement in school	Medi-Cal IP-CANS Data	» New DHCS measure

Intervention Measures

Number and Name	Description	Data Sources	Additional Information
SL-4. Care Coordination and Management Services for Children and Youth Living in Families with Behavioral Health Needs	Percent *of* children and youth (ages 0 to 21) enrolled in Medi-Cal or receiving other county behavioral health services and who are living with behavioral health needs or whose parent/guardian has significant behavioral health needs *who* are receiving Targeted Case Management (TCM), Intensive Care Coordination (ICC), Enhanced Care Management (ECM), High Fidelity Wraparound (HFW), Community Health Worker (CHW) services, Enhanced CHW services, Coordinated Specialty Care (CSC), or Complex Care Management (CCM)	Medi-Cal Claims, Encounters, & Enrollment Data	» New DHCS measure

Number and Name	Description	Data Sources	Additional Information
SL-5. Developmental Screening in the First Three Years of Life	Percent *of* children (ages 1 to 3) enrolled in Medi-Cal or receiving other county behavioral health services *who* are screened for risk of developmental, behavioral, and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday	Medi-Cal Claims, Encounters, & Enrollment Data	» Merit-based Incentive Payment System (MIPS), Clinical Quality Measure (CQM)[6]

Improving Engagement in Work

DHCS does not propose a Goal Measure for the Improving Engagement in Work goal at this time. Based on a review of currently available data and stakeholder input, existing data does not adequately capture this goal as intended. DHCS instead proposes focusing on an Intervention Measure only for this goal.

Intervention Measure

Number and Name	Description	Data Sources	Additional Information
WK-1. Individual Placement and Support (IPS) Supported Employment for People Living with Significant	Percent *of* adults enrolled in Medi-Cal or receiving other county behavioral health services who are living with significant behavioral health needs, adjusted for the	Medi-Cal Claims, Encounters, & Enrollment Data	» New DHCS measure

[6]CMS Initial Children Core Measures are available here: https://www.dhcs.ca.gov/dataandstats/Pages/CMSInitialChildCoreSet.aspx

Number and Name	Description	Data Sources	Additional Information
Behavioral Health Needs	geographic unemployment rate, *who* received IPS Supported Employment		

Improving Social Connection

DHCS does not propose a Goal Measure for the Improving Social Connection goal at this time. Based on review of currently available data and stakeholder input, existing data does not adequately capture this goal as intended. DHCS instead proposes focusing on an Intervention Measure only for this goal.

Intervention Measure

Number and Name	Description	Data Sources	Additional Information
SC-1. Services that Strengthen Interpersonal Relationships For People Living with Significant Behavioral Health Needs	Percent *of* people enrolled in Medi-Cal or receiving other county behavioral health services and living with significant behavioral needs *who* are receiving Dyadic, Clubhouse, Peer Supports, Certified Wellness Coaches, Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Activity Funds, or Drug Medi-Cal Organized Delivery System (DMC-ODS) Recovery Services	Medi-Cal Claims, Encounters, & Enrollment Data	» New DHCS measure

Improving Quality of Life

DHCS is committed to progress on the Improving Quality of Life statewide behavioral health goal. Based on feedback from the QEAC, DHCS does not currently have data that adequately measures quality of life. DHCS is exploring opportunities, in alignment with DHCS' Comprehensive Quality Strategy,[7] to improve data collection on quality of life, which may include improving member surveys across delivery systems and exploring validated tools and strategies to collect data on Quality of Life. DHCS is also exploring approaches for assessing quality of life through the BH-CONNECT incentive program. These efforts will inform future BHT performance measures under the Improving Quality of Life goal.

Cross-Goal Equity Measures

DHCS has identified five Cross-Goal Equity Measures that focus on statewide disparities and are intended to reduce disparities and/or support overall improvement across multiple behavioral health goals. DHCS will set both statewide and county-specific targets for equity measures (with the exception of EQ-4 and EQ-5, which may not have county-specific targets). The disparity population of focus in each equity measure is based on evidence that a disparity exists in behavioral health outcomes for that specific group. Additional details were presented in QEAC meeting materials.[8]

DHCS is in the process of analyzing California-specific data, stratified by county, MCP, and key demographics, to inform selection of these key measure aspects in partnership with the QEAC Equity Subcommittee and other technical experts on measuring

[7]DHCS' Comprehensive Quality Strategy is available here: https://www.dhcs.ca.gov/services/Documents/2025-Comprehensive-Quality-Strategy.pdf

[8]BHT QEAC Meeting #10 Slides are available here: https://www.dhcs.ca.gov/BHT/Documents/QEAC-Meeting-10.pdf

equity and disparity. DHCS will consult with the broader QEAC following data analysis to align on measure details ahead of measure publication. That meeting will be open to the public.

The following key aspects of the measures to reduce disparities (EQ-1, EQ-2, and EQ-3) will be determined once the measures are calculated and will be informed by data analysis:

- **Disparity Population**: DHCS will select a racial/ethnic *or* language population (indicated as **[X, Y, or Z population]** below) for whom a disparity has been identified in data and for which DHCS will set an improvement target for the state and by county. *Example: individuals whose preferred language is Spanish.*
- **Comparison Population**: DHCS will select a comparison population (indicated as **[a comparison population]** below) whose performance on the measure will be compared to the disparity population's performance for the purpose of measuring disparities and setting county-specific and statewide improvement targets. *Example: total measure-eligible population.*
- **Number of Core Clinical Services**: The number of core clinical services (indicated as **[one / three]** below) an individual needs to receive to meet the numerator of EQ-1 and EQ-2 will be determined based on data analysis of disparities. *Example: three or more core clinical services.*

Measures to Reduce Disparities

Number and Name	Description	Disparity Population	Data Sources
EQ-1. Disparities in Behavioral Health Services for People with Mental Health Needs	Percent *of* people with mental health needs in **[X population]** *who* received **[one / three]** or more core clinical services *compared with* Percent *of* people with mental health needs in **[a comparison population]** *who*	Race/Ethnicity *or* Language, to be determined based on data analysis of disparities *("[X population]" in the description)*	Medi-Cal Claims, Encounters, & Enrollment Data

Number and Name	Description	Disparity Population	Data Sources
	received **[one / three]** or more core clinical services		
EQ-2. Disparities in Behavioral Health Services for People with Significant Mental Health Needs	Percent *of* people with significant mental health needs in **[Y population]** *who* received **[one / three]** or more core clinical services *compared with* Percent *of* people with significant mental health needs in **[a comparison population]** *who* received **[one / three]** or more core clinical services	Race/Ethnicity *or* Language, to be determined based on data analysis of disparities *("[Y population]" in the description)*	Medi-Cal Claims, Encounters, & Enrollment Data
EQ-3. Disparities in Medication for Addiction Treatment (MAT)	Percentage *of* Opioid Use Disorder (OUD) pharmacotherapy events that lasted at least 180 days *among* **[Z population]** of people 16 years of age and older with a diagnosis of OUD and a new OUD pharmacotherapy event *compared with* Percentage *of* OUD pharmacotherapy events that lasted at least 180 days *among* **[a comparison population]** of people 16 years of age and older with a diagnosis of OUD and a new OUD pharmacotherapy event	Race/Ethnicity, to be determined based on data analysis of disparities *("[Z population]" in the description)*	Medi-Cal Claims, Encounters, & Enrollment Data

Measures for Overall Improvement

Number and Name	Description	Disparity Population	Data Sources
EQ-4. Behavioral Health Care for People with Behavioral Health Needs and a High Trauma Screening Score	Percent *of* people with behavioral health needs and a high trauma screening score* *who* receive three or more core clinical services in the year that they received the screening **High trauma screening score based on trauma screenings for which DHCS has available data (e.g., CANS, ACES, approved youth screening tools[9], etc.)*	Individuals with Behavioral Health Needs *and* Exposure to Trauma	Medi-Cal Claims, Encounters, & Enrollment Data
EQ-5. Multi-System Involvement for People Who Are Already System-Involved	Percent *of* system-involved people *who* are involved in more than one system (justice involvement, homelessness, people with institutional stays, foster care) in a five-year period	Individuals who are System-Involved	Medi-Cal Claims, Encounters, & Enrollment Data

[9]Behavioral Health Information Notice on Medi-Cal member access to Specialty Mental Health Services (SMHS) delivery system, medical necessity, and other coverage requirements are available here: https://www.dhcs.ca.gov/Documents/BHIN-26-002-Access-Criteria.pdf

Key Measure Definitions

1. Behavioral Health (or Mental Health) Needs

"Behavioral Health Needs" denotes a broad range of people who have a need for behavioral health services, including mental health and/or substance use disorder (SUD) services to address mild, moderate, or significant needs. "Mental Health Needs" denotes a subset of Behavioral Health Needs that focuses on people with mental health needs (e.g., it does not include individuals with SUD who do not also have mental health needs). DHCS identifies people with BH needs using the following:

- Mental Health Value Sets
  - Mental, Behavioral, and Neurodevelopmental Disorders
  - Mental Health Diagnosis
  - Mental Illness
  - Intentional Self Harm
  - Depression or Other Behavioral Health Condition
- Substance Use Value Sets
  - Alcohol and Other Drug (AOD) Abuse and Dependence
  - Unintentional Drug Overdose
  - Substance Induced Disorders
- Other clinical and utilization-based logic such as Diagnosis Related Groupers (DRGs), medications, provider specialty, and point of service (POS) logic
- The criteria for significant BH needs (see below)

2. Significant Behavioral Health (or Mental Health or SUD) Needs

"Significant Behavioral Health Needs" is meant to denote a narrower set of people who have BH needs that are more likely to be associated with functional impairment, including those who *may* have a need for more specialized or comprehensive behavioral

health services. Their behavioral health likely requires close collaboration between MCPs and BHPs to determine the best system of behavioral health care and where specialty BH support may be needed, depending on the individual's status.

A person would be considered to have "Significant Behavioral Health Needs" if they meet any one of the following for mental health and/or SUD:

- Pathway A -- Diagnosis Only: A narrowly defined set of significant diagnoses that frequently (not always) have associated functional impairment
- Pathway B -- Utilization Only: Narrowly defined historical utilization criteria that usually (not always) signifies a significant behavioral health condition with impairment
- Pathway C -- Diagnosis + Utilization (as a proxy for Functional Impairment): The presence of both a behavioral health diagnosis (more broadly defined diagnostic criteria) *and* a proxy of functional limitation including utilization criteria or demonstrated social need

“Significant Mental Health Needs” denotes a subset of Significant Behavioral Health Needs that focuses on people with mental health needs, and “SUD Needs” denotes a subset that focuses on people with SUD needs.

3. Core Clinical Services to Address Behavioral Health

“Core clinical services” are intended to capture services that assess and treat behavioral health conditions across mild, moderate, and significant level of need. These services focus on outpatient care delivered in community or clinic settings, including ongoing (longitudinal) treatment for individuals with behavioral health needs, and exclude services provided in an emergency department or inpatient setting.

DHCS will use the value sets from the following NCQA measures to identify these services: Follow-Up After Emergency Department Visit for Substance Use (FUA), Follow-Up After Emergency Department Visit for Mental Illness (FUM), and Follow-Up After Hospitalization for Mental Illness (FUH). Services included in the value sets of these measures include but are not limited to: outpatient visits with a behavioral health primary diagnosis code, intensive outpatient encounters or partial hospitalizations with a behavioral health primary diagnosis code, non-residential substance abuse treatment facility visits, SUD services (including counseling, surveillance, or screening), pharmacotherapy dispensing events, psychiatric collaborative care management,

transitional care management, peer supports, and select school-linked services rendered under the Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule program.

4. Experiencing Homelessness

DHCS will identify a person as experiencing homelessness in a 12-month period if they meet any of the following criteria in a 12-month period:

- Identified as homeless in the Homeless Data Integration System (HDIS);
- Identified as potentially homeless in Medi-Cal enrollment, encounters, and claims (e.g., member address, ICD-10 z-codes that describe housing status, and encounter Place of Service fields that indicate homelessness);
- Authorized for or received Medi-Cal or BHSA Housing Services; or
- Enrolled in the ECM Homelessness Population of Focus.

5. Justice Involvement

DHCS seeks to ultimately identify all adults and youth who are involved in the justice system – including those who have been arrested, are living in, who are under community supervision, or who have transitioned from a state prison, county jail, youth correctional facility, or other state, local, or federal carcel settings where they have been in custody of law enforcement authorities. With the available data, DHCS will identify individuals as justice involved if they meet either of the following:

- Has indications of incarceration in Medi-Cal Eligibility and Enrollment data, which captures:
    1. Inmate Program Aid Codes: Indicates a member's enrollment in JI Reentry Initiative or Medi-Cal Inmate Eligibility Program (MCIEP), which are Medi-Cal programs used during incarceration
    2. Incarceration Suspension: Captures individuals whose records reflect restricted access with suspended Medi-Cal Benefits due to incarceration
- Completed a screening in the JI Reentry Initiative Screening Services Portal

1. JI Reentry Initiative Screening Portal: Captures Medi-Cal members who are screened during incarceration for enrollment in the JI Reentry Initiative[10] by a participating state prison, county jail, or youth correctional facility

DHCS acknowledges that this approach for identifying people who are justice involved is limited as it does not include data on arrests and community supervision (paroles & probation). DHCS hopes to improve this approach over time.

6. Institutional Stays

DHCS identifies individuals with institutional stays through claims and/or discharges across six types of facilities: Mental Health Rehabilitation Centers (MHRC), Psychiatric Health Facilities (PHF), Psychiatric Hospitals, Psychiatric residential treatment facilities (PRTFs), Skilled Nursing Facility-Special Treatment Programs (SNF-STP), and state hospital civil commitments. It includes stays both subject to and not subject to the Institutions for Mental Disease (IMD) exclusion.

7. Foster Care Involvement

DHCS will identify individuals enrolled in foster care if they have indications of foster care enrollment in the Medi-Cal Eligibility and Enrollment data, which captures Foster Care Aid Codes.

[10]Justice-Involved Reentry Initiative is available here: https://www.dhcs.ca.gov/CalAIM/Justice-Involved-Initiative/Pages/home.aspx