



Michelle Baass | Director

May 21, 2026

TO: Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

SUBJECT: Notice of Intent to Submit a Renewal of CalAIM Section 1915(b) Waiver

The purpose of this letter is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal program that will be submitted to the Centers for Medicare & Medicaid Services (CMS). DHCS is forwarding this information for your review and comment. DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on American Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendments (SPAs), waiver requests or amendments, or proposals for demonstration projects in the Medi-Cal program. Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS

Tribes and Indian Health Programs may also submit written comments or questions concerning this proposal within 30 days from receipt of notice. To be assured consideration prior to submission to CMS, comments must be received no later than 11:59 PM (Pacific Time) on Saturday, June 20, 2026. Please note that comments will continue to be accepted after June 20, 2026, but DHCS may not be able to consider those comments prior to the submission of the CalAIM Section 1915(b) waiver renewal application to CMS. Comments may be sent by email to CalAIMWaiver@dhcs.ca.gov or by mail to the address below:

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

In addition to this notice, DHCS also plans to cover the CalAIM 1915(b) waiver renewal during the Tribal and Designees of Indian Health Programs Quarterly Webinar on Proposed Changes to the Medi-Cal Program on Thursday, May 28 at 2:00 – 3:30pm



Tribal Chairpersons, Designees of Indian Health Programs, and Urban
Indian Organizations

Page 2

May 21, 2026

PT. Registration and call-in information are listed at the end of this document. Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Sincerely,

Original Signed By

Yingjia Huang, Deputy Director
Health Care Benefits & Eligibility
Department of Health Care Services

Enclosure



Department of Health Care Services (DHCS) Tribal and Designees of Indian Health Programs Notice

PURPOSE

The California Department of Health Care Services (DHCS) is providing public notice of its intent to seek a five-year renewal of the California Advancing & Innovating Medi-Cal (CalAIM) Section 1915(b) waiver. The purpose of this notice is to request written feedback on the Section 1915(b) waiver approach described in this notice.

BACKGROUND

CalAIM Overview

DHCS is working to build on the successes of the CalAIM initiative through the Section 1915(b) waiver renewal. The CalAIM Section 1915(b) waiver was first approved in December 2021. It centralized federal authority for California's managed care delivery systems—including Medi-Cal Managed Care, Dental Managed Care, the Drug Medi-Cal Organized Delivery System, and Specialty Mental Health Services—to the Section 1915(b) waiver. This change helped better align these systems, clarify roles and responsibilities, strengthen oversight, and reduce administrative burden across the Medi-Cal program. Through the 1915(b) waiver renewal, DHCS aims to continue these managed care authorities for another five years and implement a targeted change that continues the transformation of Medi-Cal under CalAIM to improve outcomes, strengthen accountability, and advance equity across delivery systems.

DHCS is requesting input on the CalAIM Section 1915(b) waiver renewal approach. A high-level summary of the CalAIM 1915(b) waiver renewal is available on the [DHCS website](#).

SUMMARY OF PROPOSED CHANGES

A high-level summary of the CalAIM Section 1915(b) waiver renewal is available on the [DHCS website](#). The Department of Health Care Services is seeking the necessary federal authorities to:

- Continue to operate Medi-Cal Managed Care statewide.
- Continue to operate Dental Managed Care in applicable counties.
- Streamline contracting requirements for the delivery of Specialty Mental Health Services and Substance Use Disorder services by implementing a single Behavioral Health delivery system for these services. As of August 2025,
 - Behavioral Health Plans operating in all 58 counties are providing specialty mental health services.
 - Behavioral Health Plans in 42 of the 58 counties are expected to provide expanded substance use disorder services through the Drug Medi-Cal

Organized Delivery System (DMC-ODS) (two additional counties propose to implement DMC-ODS between July 1, 2026 and January 1, 2027). In the remaining 16 counties, substance use disorder services will continue to be provided on a fee-for-service basis through the Drug Medi-Cal delivery system.

IMPACT TO TRIBAL HEALTH PROGRAMS

There is no direct impact to Tribal health programs. DHCS is not proposing changes to Tribal health program services, eligibility, or any other related requirement authorized by this demonstration authority or the Medi-Cal State Plan.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

There is no direct impact to FQHCs since DHCS is not proposing changes to FQHC services, rates, eligibility, or any other related requirement authorized by this demonstration authority or the Medi-Cal State Plan.

IMPACT TO INDIAN MEDI-CAL MEMBERS

The CalAIM Section 1915(b) waiver renewal continues managed care authorities and does not change Medi-Cal eligibility or reduce covered benefits for American Indian and Alaska Native members. This waiver renewal will bring specialty mental health and substance use disorder services under a single Behavioral Health delivery system in all counties. These changes are intended to improve care coordination, reduce gaps in services, and support timely access to behavioral health care for Indian Medi-Cal members.

RESPONSE DATE

Tribes and Indian Health Programs may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. To be assured consideration prior to submission to CMS, comments must be received no later than 11:59 PM (Pacific Time) on Saturday, June 20, 2026. Please note that comments will continue to be accepted after June 20, 2026, but DHCS may not be able to consider those comments prior to the initial submission of the CalAIM Section 1915(b) demonstration application to CMS.

Comments may be sent by email to CalAIMWaiver@dhcs.ca.gov or by mail to the address below.

DHCS will host the following webinar to solicit Tribal and Indian Health Program comments. The webinar will be hosted virtually. The meeting will have online video streaming and telephonic conference capabilities to ensure statewide accessibility.

DHCS Tribal and Designees of Indian Health Programs Quarterly Webinar on Proposed Changes to the Medi-Cal Program

- **Date:** Thursday, May 28, 2026
- **Time:** 2:00 – 3:30 p.m. (Pacific Time)
- **Registration Link (Virtual Meeting):** [Register here](#)
 - After registering, you will receive a confirmation email containing information about joining the Webinar
- **Call-in Information:** +1 279-895-6425
- **Phone Conference ID:** 727 329 553#

CONTACT INFORMATION

Written comments may be sent to the following address; please indicate “CalAIM Section 1915(b) Waiver” in the written message:

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