



California Advancing and Innovating Medi-Cal (CalAIM)

Department of Health Care Services Behavioral Health Presentation

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Brief DHCS Updates

DHCS Behavioral Health Structure and Leadership

- 3 Behavioral Health Divisions under the leadership of Behavioral Health Deputy Director, Dr. Kelly Pfeifer, and Assistant Deputy Director, Dr. Jim Kooler:
 - Medi-Cal Behavioral Health (Shaina Zurlin, LCSW, PsyD)
 - Community Services (Marlies Perez)
 - Licensing and Certification (Janelle Ito-Orille)



Brief DHCS Updates

DHCS Medi-Cal Behavioral Health Division (MCBHD) Structure and Leadership

- 3 MCBHD Branches under the leadership of MCBHD Division Chief, Shaina Zurlin, LCSW, PsyD:
 - Program Policy, Legislation, and Regulations Branch (Erika Cristo)
 - Quality and Network Adequacy Oversight Branch (Kamilah Holloway)
 - County/Provider Operations and Monitoring Branch (Mayumi Hata)



California Advancing and Innovating Medi-Cal (CalAIM)

CalAIM is a multi-year initiative by DHCS to improve the quality of life and health outcomes of our population by implementing broad delivery system, program and payment reform across the Medi-Cal program.

- <https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM.aspx>
- CalAIM@dhcs.ca.gov



Behavioral Health CalAIM Initiatives

- Behavioral Health Payment Reform
- Medical Necessity Criteria
- Administrative Integration of Behavioral Health services
- Behavioral Health Regional Contracting
- Drug Medi-Cal Organized Delivery System (DMC-ODS) program renewal and policy improvement
- Serious Mental Illness or Serious Emotional Disturbance (SMI/SED) demonstration opportunities



CalAIM Behavioral Health Proposals

Payment Reform

- CalAIM Proposal Goals:
- Reform behavioral health payment methodologies with the goal of increasing available reimbursement to counties for services provided and to incentivize quality objectives.
- Move reimbursement for all inpatient and outpatient specialty mental health and substance use disorder services from Medicaid Certified Public Expenditure (CPE)-based methodologies to other rate-based/value-based structures that instead utilize intergovernmental transfers to fund the county-supplied non-federal share.



CalAIM Behavioral Health Proposals

Payment Reform

- Transition from a cost-based approach (interim payment, CPE, reconciliation) to a value-based intergovernmental transfer approach to reduce administrative burdens and increase flexibility.
- Currently working on the code transition, rate setting, other changes needed in achieving broader payment reform goals.
- Program team is engaging closely with the systems team to ensure systems readiness.
- Continue stakeholder engagement.



CalAIM Behavioral Health Proposals

Medical Necessity Criteria

- CalAIM Proposal Goals:
- Update and clarify medical necessity criteria for specialty mental health services
- Develop standardized screening and transition tools, and implement a “no wrong door” policy to ensure beneficiaries receive medically necessary treatment regardless of the delivery system in which they seek care.



CalAIM Behavioral Health Proposals

Medical Necessity Criteria

- Modify existing medical necessity criteria for both outpatient and inpatient services to align with State and federal requirements and ensure beneficiaries get the right care in the right delivery system.
- This initiative is in active planning. Revised medical necessity criteria has been drafted and vetted by the Behavioral Health Stakeholder Advisory Committee (BH-SAC) for inclusion in the 1915(b) waiver. An internal DHCS workgroup is developing the screening and transition tools.
- Will be working on updating information notices (INs), contracts, and State Plan Amendments to update medical necessity language for SMHS and provide guidance on new policy items (no wrong door, concurrent diagnoses, etc.)



CalAIM Behavioral Health Proposals

Administrative Behavioral Health Integration

- CalAIM Proposal Goals:
- Improve outcomes for beneficiaries and reduce administrative and fiscal burdens for counties, providers, and DHCS by integrating the administration of specialty mental health and SUD services into one behavioral health managed care program starting in 2027.



CalAIM Behavioral Health Proposals

Administrative Behavioral Health Integration

- This is a 7 year initiative with goal to implement in 2027.
- Initiative is in very early initial development. Over a series of planning and design sessions, DHCS will further develop the approach and detailed workplan for this initiative.
- Goal is that each county would provide integrated mental health and SUD services through a single plan with integrated services delivery, infrastructure, and administrative functions.



CalAIM Behavioral Health Proposals

Regional Contracting

- CalAIM Proposal Goals:
- Encourage counties to develop regional approaches to administer and deliver specialty mental health and substance use disorder services to Medi-Cal beneficiaries.



CalAIM Behavioral Health Proposals

Regional Contracting

- Initial focus is encouraging counties that don't currently participate in DMC-ODS to participate through regional approaches.
- A county survey with DMC-State Plan counties conducted to identify counties may be interested in Regional DMC-ODS approach
- Based on the analysis of the survey results, further technical assistance and DMC-ODS onboarding plan will be established.
- Continue with stakeholder engagement for other regional contracting opportunities.



CalAIM Behavioral Health Proposals

DMC-ODS Program Renewal and Policy Improvements

- CalAIM Proposal Goals:
- To clarify or change DMC-ODS policies to improve beneficiary experience, increase administrative efficiency, ensure cost-effectiveness and achieve positive beneficiary health outcomes, and encourage new counties to opt in to DMC-ODS.



CalAIM Behavioral Health Proposals

DMC-ODS Program Renewal and Policy Improvements

- DHCS proposes to update the DMC-ODS program based on experience from the first several years of implementation. Accordingly, DHCS proposes clarifying and/or changing policies to support the goal of improved beneficiary access to care, quality of care, and administrative efficiency.
- This initiative is in active planning stage to identify, track, and develop potential policy changes.
- A county survey with DMC-State Plan counties conducted to identify counties may be interested in opting-in to DMC-ODS.



CalAIM Behavioral Health Proposals

SMI/SED Demonstration Opportunity

- CalAIM Proposal Goals:
- Develop and submit to CMS an 1115 waiver to receive federal matching funds for short-term residential treatment services provided to Medicaid beneficiaries with a Serious Mental Illness or Serious Emotional Disturbance (SMI/SED) in an Institution for Mental Disease (IMD), as part of a broader continuum of care.



CalAIM Behavioral Health Proposals

SMI/SED Demonstration Opportunity

- DHCS proposes to assess county interest in pursuing the Serious Mental Illness or Serious Emotional Disturbance (SMI/SED) demonstration opportunity, as long as our systems are positioned to achieve the required goals and outcomes, including building out a full continuum of care to offer beneficiaries community-based care in the least restrictive setting. Counties would voluntarily “opt-in” to participate.
- The initiative is in the initial development phase, with a more detailed workplan under development.