



## Policy Scan

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## State of California

### 1. Medi-Cal (CalAIM) Section 1115 Waiver

On October 20, 2023, the Department of Health Care Services (DHCS) today submitted to the Centers for Medicare & Medicaid Services (CMS) a [proposed amendment](#) to the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration related to transitional rent services and the new Section 1115 demonstration request, entitled the California Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration.

The BH-CONNECT demonstration builds upon unprecedented investments and policy transformations currently underway in California that are designed to expand access to community-based behavioral health care and improve outcomes for Medi-Cal members living with the most significant mental health and substance use needs. California has invested more than \$10 billion and is implementing [landmark policy reforms](#) to strengthen the behavioral health care continuum through initiatives like the [Children and Youth Behavioral Health Initiative](#), [Behavioral Health Continuum Infrastructure Program](#), [Behavioral Health Bridge Housing Program](#), [CalAIM Justice-Involved Initiative](#), [Behavioral Health Payment Reform](#), [mobile crisis](#) and [988 expansion](#), and more.

## 2. Children and Youth Behavioral Health Initiative (CYBHI)

Established as part of the Budget Act of 2021, the CYBHI is a multiyear, multi-department package of investments that seeks to reimagine the systems, regardless of payer, that support behavioral health for all California's children, youth, and their families. Efforts will focus on promoting social and emotional well-being, preventing behavioral health challenges, and providing equitable, appropriate, timely, and accessible services for emerging and existing behavioral health (mental health and substance use) needs for children and youth ages 0-25.

The DHCS is responsible for key work streams under this initiative, including but not limited to:

- Development a Behavioral Health Virtual Services & E-consult Platform;
- **Development of a Statewide Multi-Payer School-linked Fee Schedule and Behavioral Health Provider Network;**
- **Issuance of Grants to Scale Evidence-Based Practices and Community-Defined Evidence Practices;**
- Issuance of School-Linked Partnership and Capacity Grants;
- **Implementation of Dyadic Services as a Medi-Cal Benefit;**
- Development of Parent Support Video Series;
- Issuance of Youth Peer-to-Peer Support Programs;
- Development of CalHOPE Student Support;
- Issuance of Mindfulness, Resilience, and Wellbeing Supports;
- Development of Next Generation Digital Technologies; and,
- Development of a Behavioral Health Continuum Infrastructure Program.

### CYBHI: \$4.4 Billion Dollar Initiative Centering Schools, Workforce, and Pediatric Primary Care

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|--|--|
| <p><b>01</b> Behavioral Health Service Virtual Platform: DHCS, \$749.7 M</p>   | <p><b>06</b> School Behavioral Health Counselor + Behavioral Health Coach Workforce: OSHPD, \$352M</p>                               |
| <p><b>02</b> School-Linked Behavioral Health Services: DHCS/DMHC, \$950M</p>   | <p><b>07</b> Broad Behavioral Health Workforce Capacity: OSHPD, \$448M</p>   |
| <p><b>03</b> Develop and Expand Age -Appropriate, Evidence-Based Behavioral Health Programs: Agency/DHCS, \$429M</p> | <p><b>08</b> Pediatric, Primary Care And Other Healthcare Providers: DHCS, \$50M</p>   |
| <p><b>04</b> Building Continuum of Care Infrastructure: DHCS, \$310M</p>   | <p><b>09</b> Comprehensive And Culturally And Linguistically Proficient Public Education And Change Campaign: CDPH + OSG, \$100M</p> |
| <p><b>05</b> Plan Offered Behavioral Health Services: DHCS, \$800M</p>   | <p><b>10</b> Oversight, Coordination, Convening, And Evaluation: DHCS, \$70M</p>   |

## **2a. Development of a Statewide Multi-Payer School-linked Fee Schedule and Behavioral Health Provider Network**

The Department of Health Care Services (DHCS) will implement the Student Behavioral Health Incentive Program (SBHIP), which seeks to address behavioral health access barriers for Medi-Cal students through Targeted Interventions that increase access to preventive, early intervention, or other behavioral health services provided by school-affiliated behavioral health providers for TK-12 children in public schools.

The SBHIP program is implemented in phases. Calendar Year (CY) 2022 primarily focused on building relationships between local educational agencies and Medi-Cal managed care plans (MCPs) to develop a behavioral health needs assessment of the local student population. In addition, MCPs and their local partners selected Targeted Interventions and submitted project plans to DHCS. Upon DHCS approval of the project plans, the MCPs and local partners began implementing Targeted Interventions in select schools. CY 2023 and 2024 will focus on implementing and sustaining the chosen interventions.

## **2b. Student Behavioral Health Incentive Program (SBHIP) - Issuance of Grants to Scale Evidence-Based Practices and Community-Defined Evidence Practices**

The Department of Health Care Services (DHCS) will distribute grants to organizations seeking to scale evidence-based and/or community-defined evidence practices (EBPs/ CDEPs) that improve youth behavioral health based on robust evidence for effectiveness, impact on racial equity, and sustainability. By scaling EBPs and CDEPs throughout the state, DHCS aims to improve access to critical behavioral health interventions, including those focused on prevention, early intervention, and resiliency/recovery

for children and youth, with a specific focus on children and youth who are from either or both of the following groups: Black, Indigenous, and People of Color (BIPOC) and the LGBTQIA+ community.

Through six competitive grant funding rounds, DHCS will award grants, totaling approximately \$429 million, in the following focus areas:

- Round 1: Parent/caregiver support programs and practices
- Round 2: Trauma-informed programs and practices
- Round 3: Early childhood wraparound services
- Round 4: Youth-driven programs
- Round 5: Early intervention programs and practices
- Round 6: Community-defined programs and practices

## **2c. Dyadic Benefit**

Per California Welfare and Institutions Code section 14132.755, the Dyadic Services Benefit is a family- and caregiver-focused model of care intended to address developmental and behavioral health conditions of children as soon as they are identified. The Dyadic Services Benefit fosters access to preventive care for children, rates of immunization completion, coordination of care, child social-

emotional health and safety, developmentally appropriate parenting, and maternal mental health. The Dyadic Services Benefit is designed to support implementation of comprehensive models of dyadic care, such as Healthy Steps and Dulce, that work within the pediatric clinic setting to identify and address caregiver and family risk factors for the benefit of the child.

### 3. Medi-Cal Transformation / Cal-AIM

The Department of Health Care Services (DHCS) has developed a framework that encompasses broad-based delivery system, program and payment reform across the Medi-Cal program, called CalAIM: California Advancing and Innovating Medi-Cal. CalAIM advances several key priorities of the Administration by leveraging Medicaid as a tool to help address many of the complex challenges facing California’s most vulnerable residents, such as homelessness, behavioral health care access, children with complex medical conditions, the growing number of justice involved populations who have significant clinical needs, and the growing aging population.

To achieve such principles, CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health;
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.



#### CalAIM Initiatives Launch Timeline as of July 2022

*This is a dynamic document that reflects the CalAIM team's expected timing of launches. In some instances, program launch dates are contingent upon timely CMS approval. Because these dates may shift, the document will be updated regularly to reflect any changes.*

#### CalAIM Initiatives Launch Timeline – Summary of Go-Live Dates<sup>2</sup>

Activity	1/22	7/22	8/22	9/22	10/22	11/22	12/22	1/23	7/23	11/23	1/24	1/25	1/26	2027
Administrative Integration of SMH and SUD	Starts													Fully Integrated
Benefits Standardization	Transplant Inv MSSP Out							SNF	ICF/IID & Subacute Care Facilities					
Dental (new benefits and PAP)	X													
Enhanced Care Management (ECM) / Community Supports (ILOS)	X	X						X	X					
Incentive Payments	X							X			X			
Mandatory Managed Care Enrollment	Non-Duals							Duals						
PATH Funds (ECM, Community Supports, Justice-Involved)	X		Justice-Involved	Collaborative Planning	WPC Services		CITED	TA Marketplace						
Regional Capitation Rates and Shared Savings/Risk	X							X			X	X		X
Specialty Mental Health Services - Criteria for Services	X													
Behavioral Health No Wrong Door		X												
Contingency Management						Fall 2022								
SM/SED IMD Waiver					Earliest to CMS				X					
Transition to Statewide MLTSS and D-SNP (CCI ends)		Feasibility Study						CCI Counties					Non-CCI Counties	Statewide MLTSS
Behavioral Health CPT Code Transition								X						
Behavioral Health Standards Screening and Transition Tools								No Sooner Than PHM Program	PHM Service					
Justice-Involved Package														
Population Health Management (including Service)														
Behavioral Health Payment Reform									X					
County OCS Oversight											X			
NCOA Accreditation													X	
Full Integration Plans														X
County Eligibility and Oversight										X				
Foster Care Model of Care (TBD)														
DMC-ODS Traditional Healers and Natural Helpers (TBD)														
Improving Beneficiary Contact and Demographic Information (TBD)														

#### 3a. Enhanced Care Management and Community Supports:

California is transforming Medi-Cal to provide members with more comprehensive, coordinated, person-centered, and equitable care. Enhanced Care Management (ECM) and Community Supports are two major new Medi-Cal programs that launched in 2022 and serve a growing number of Californians. ECM is a comprehensive care management benefit to address clinical and non-clinical needs for the highest-need members enrolled in Medi-Cal managed care plans (MCPs).

## 4. California Department of Health Care Access and Information (HCAI)

HCAI is committed to expanding equitable access to health care for all Californians—ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable. There are 5 [HCAI workforce initiatives](#), including:

- California Children and Youth Behavioral Health Initiative
- Certified Wellness Coach
- Community Health Workers/Promotores/Representatives
- Nursing Initiatives
- Reproductive Healthcare Access Initiative



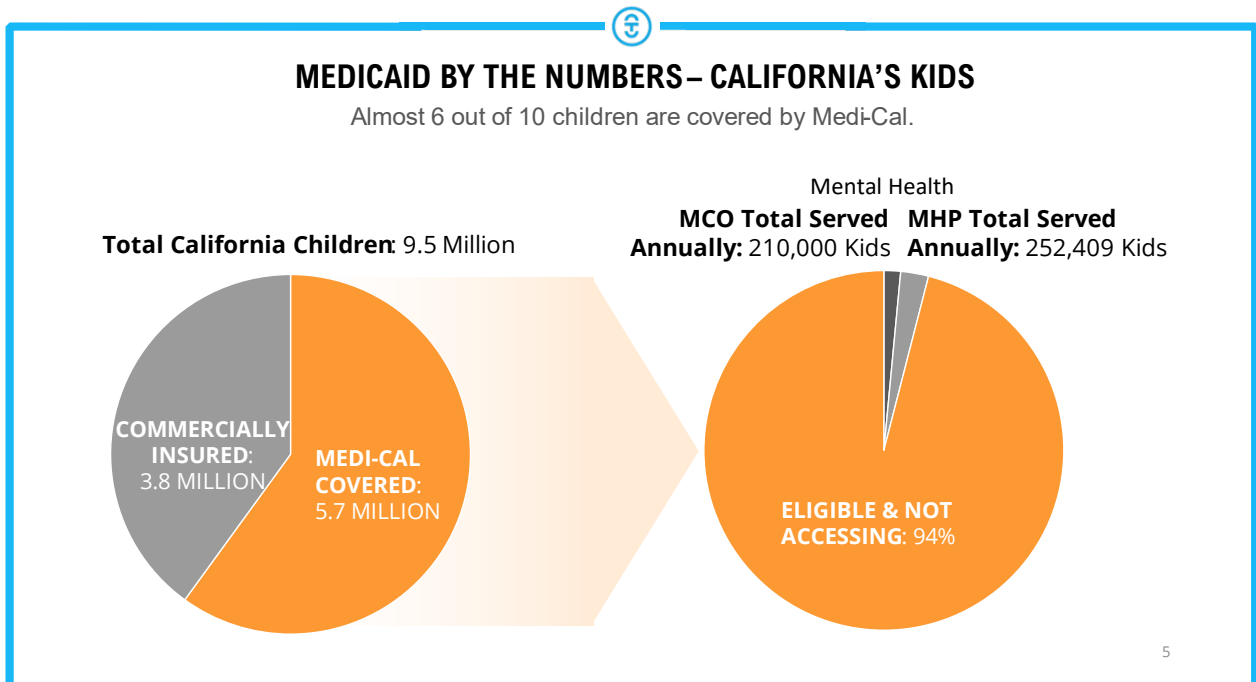
## 5. Proposition 1

Proposition 1 was passed by voters in 2024. This proposition had two major components related to providing mental health care and drug or alcohol treatment to people and addressing homelessness. The proposition:

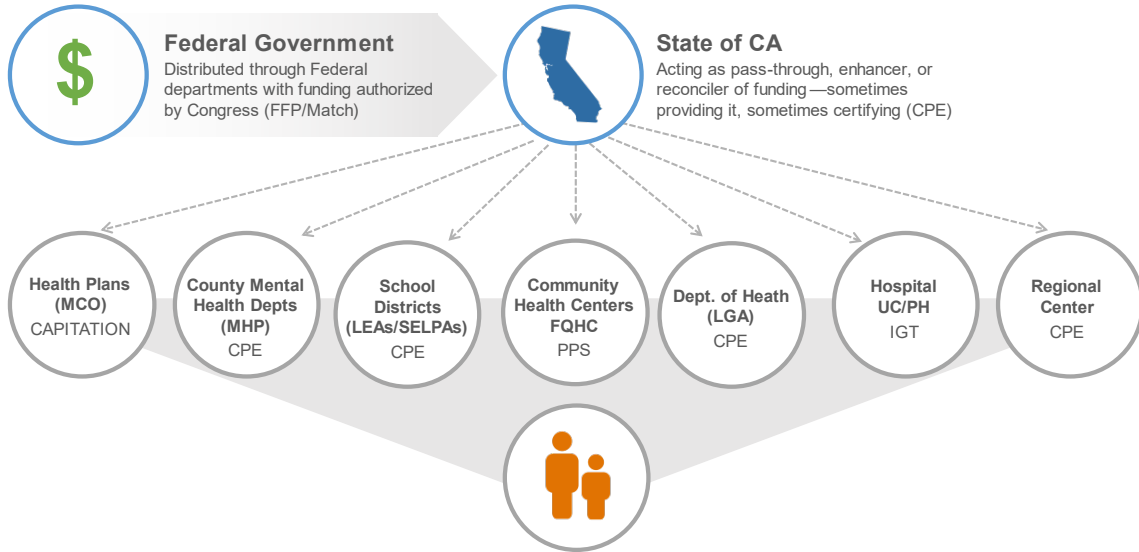
- Change the Mental Health Services Act that was passed by voters in 2004, with a focus on how the money from the act can be used.
- Approve a \$6.4 billion bond to build (1) more places for mental health care and drug or alcohol treatment and (2) more housing for people with mental health, drug, or alcohol challenges.

The legislative package, SB 326 & AB 531, focused on five solutions to transform California’s behavioral health system through housing with accountability and reform with results:

1. Reform the Mental Health Services Act to provide services to the most seriously ill and to treat substance use disorders
2. Build a workforce to reflect and connect with California’s diversity
3. Focus on outcomes, accountability, and equity
4. Housing and behavioral health treatment in unlocked, community-based settings
5. Housing for veterans with behavioral health challenges



## THE MEDICAID MAP: WHO PAYS FOR FEDERALLY ENTITLED SERVICES TO CHILDREN AND FAMILIES



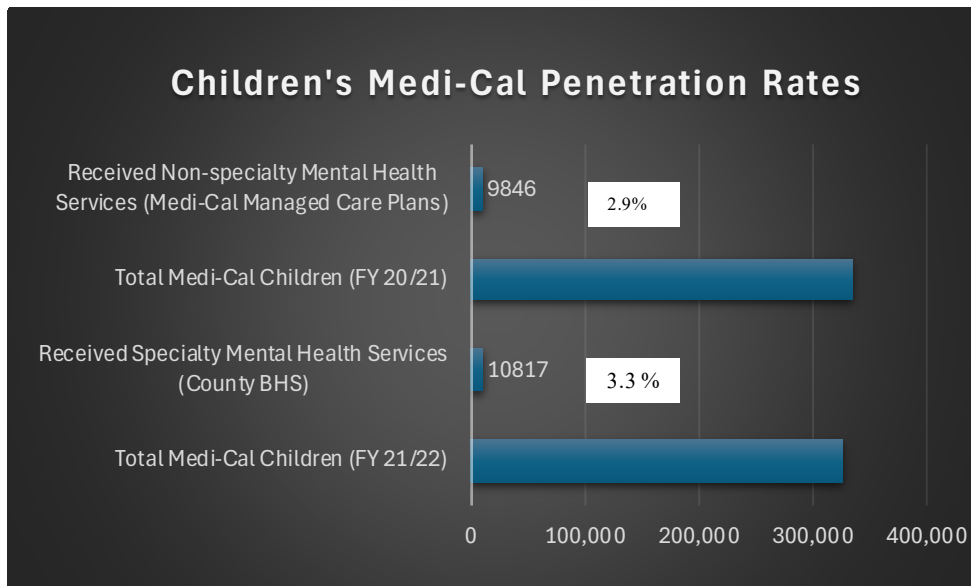
## San Diego County

According to [Joint Legislative Audit Committee findings published in November 2023](#) children enrolled in Medi-Cal face challenges in accessing mental health care, citing timely access, network adequacy, and lack of monitoring to ensure compliance with standards. Further, data from DHCS' monitoring of specialty mental health plans show that a sizable number of county's are out of compliable standards with timely access.

According to the County of San Diego Children, Youth & Families (CYF) BHS Systemwide Annual Report, FY 21/22, "Penetration rates reflect the number of beneficiaries served by CYFBHS mental health treatment system, compared to the total number of (ages 0-17) Medi-Cal beneficiaries in San Diego County. CYFBHS penetration rates decreased across all categories in CY 2021; most dramatically among youth in foster care."

"2021 Medi-Cal penetration rates declined for all youth in San Diego County, other large counties, and California. San Diego County had a lower penetration rate than other large counties and California across all categories

Only 11,541 children and youth in San Diego County received services in FY 21/22 through the County Behavioral Health Specialty Care System, of which 10,817 were Medi-Cal (or 3.3 %), a 5% decrease from the previous year. (Total Medi-Cal enrolled San Diego County youth ages 0-17 is 326,874).



Only 9,846 children and youth ages 0-20 received services in FY 20/21 through the Non-Specialty Mental Health (served by Medi-Cal Managed Care Plans), which represents 2.9% of total children’s Medi-Cal population. (California Children’s Trust)

Low penetration rates can also be linked to inadequate capacity of pediatric behavioral health workforce, low insurance reimbursement, and lack of historic investments in children’s mental health system of care.

San Diego County’s’ investment in the Children & Youth Behavioral Health System of Care has **decreased by 25%** over the past 5 years as noted in the *CYF System of Care Behavioral Health Services Systemwide Annual Report, FY 2021-22*.

On September 27, 2022, the Board of Supervisors received an update on Advancing the Behavioral Health Continuum of Care, which outlined a Continuum of Care strategy for County Behavioral Health Services. The letter stated, “... BHS recognizes that the primary focus of much of the Continuum of Care work over the last few years has been to address the behavioral health needs of adults. The letter stated that children have unique needs, “While children are growing, they have distinct clinical needs and social considerations which warrant a strategic approach different from how we care for adults.” “Today’s update will include a focus on upstream efforts currently underway to develop a broad strategy to advance the behavioral needs of children, youth, and transition age youth, and their families, across the region to support this vulnerable population.” The three strategies for children included, 1) Family System Work and Supports, 2) School Engagement and Care Opportunities, and 3) Healthcare Integration.

The adult system of care in San Diego County has benefited from significant capital and programmatic investments and gained political attention. More recently, these activities have been ramped up by State policy mandates and proposals to redirect resources, such as the historic reallocation of mental health services funding approved by Proposition 1 (revising Mental Health Services Act), Senate Bill 43 (expanding gravely disabled & conservatorship system to a new cohort of individuals with severe substance disorder), and Care Court (a new framework to deliver mental health and substance use services to homeless and incarcerated individuals).

The First 5 Commission funding is expecting a \$13 million reduction and continued decline in future years. Repercussions to the developmental and behavioral needs of mild to moderate young children ages 0-5 is a very likely scenario should that funding cliff go unaddressed.