Opportunities and Partnerships: DHCS Initiatives to Improve Behavioral Health Care

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Agenda

- CalAIM
- Behavioral Health Care Assessment
- Behavioral Health Infrastructure Planning
- Discussion

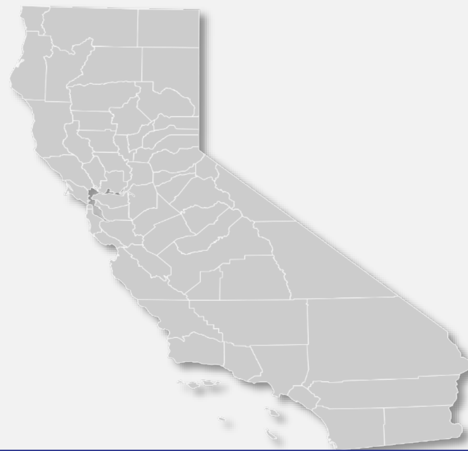
California Advancing and Innovating Medi-Cal (CalAIM)

Welcome

California Advancing and Innovating Medi-Cal (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.

CalAIM seeks to:

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



CalAIM Section 1115 Demonstration & 1915(b) Waiver

DHCS is seeking two federal waivers to implement many CalAIM initiatives and priorities

CalAIM Section 1115 Demonstration

CalAIM Section 1115 Demonstration

- Five-year renewal and amendment of the Medi-Cal 2020 Section 1115 demonstration submitted to CMS on June 30, 2021
- Will include **innovative initiatives that are not implemented via State Plan authority or a Section 1915(b) waiver:**
  - Coverage for low-income pregnant women and out-of-state former foster care youth*
  - Community-Based Adult Services*
  - Global Payment Program*
  - Designated State Health Care Programs*
  - Services for justice-involved populations 90-days pre-release
  - Peer support specialists
  - Traditional Healers and Natural Helpers (in DMC-ODS)
  - Providing Access and Transforming Health Supports

Represents existing Medi-Cal 2020 1115 demonstration initiatives that will be continued in the CalAIM 1115 demonstration.

CalAIM Section 1915(b) Waiver

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- California currently has a Section 1915(b) waiver authorizing Specialty Mental Health Services (SMHS).
- DHCS will renew that waiver and **consolidate Medi-Cal managed care programs under the same authority;** the consolidated 1915(b) will include:
  - Medi-Cal Managed Care
  - Dental Managed Care
  - SMHS
  - Drug Medi-Cal Organized Delivery System (DMC-ODS)
- DHCS submitted the waiver to CMS on June 30, 2021, including **detailed behavioral health policy improvements** developed through the CalAIM stakeholder engagement process

Additional components of the CalAIM proposal will be implemented via **Medi-Cal State Plan, managed care contract reprocurement, and state guidance.**

CalAIM Behavioral Health Initiatives

In parallel with CalAIM, California is strengthening behavioral health programs.

BH Continuum Infrastructure	SMI/SED IMD Waiver	Children and Youth BH Initiative

2022
- Modify Criteria of Services
- No Wrong Door
- Peers
- Contingency Management
- CalBridge BH Program
- DMC Parity

2023
- Mobile Crisis
- Standard Screening & Transition Tools
- CPT Code Transition
- Payment Reform

2024
- BH Quality and Utilization Dashboard
- Network Adequacy Expansion

2022 — **Specialty Mental Health and Substance Use Disorder Administrative and Clinical Integration** — 2027

CalAIM/Waivers BH Initiatives Timeline Update

Policy	Go-Live Date
Changes to criteria for SMHS	January 2022
DMC-ODS 2022-2026	January 2022
Documentation redesign for SUD and SMHS	July 2022
Co-occurring treatment	July 2022
No wrong door	July 2022
Peer support specialist services	July 2022
Standard screening and transition tools	January 2023
Payment reform	July 2023

Criteria for Access to SMHS

January 2022

- Language crafted thorough multiple iterations with stakeholders and finalized in AB 133.
- Goal to increase access: covering services during assessment period, allowing treatment without confirmed diagnosis, and expanding criteria for individuals under age 21 to include experience of trauma, such as homelessness, child welfare or juvenile justice involvement.

DMC-ODS 2022-2026

January 2022

- Sustain recent policy updates (e.g. coverage during assessment period; remove annual residential treatment limits; require providers to offer or refer for MAT; recovery services available immediately after incarceration)
- New services pending CMS approval (e.g., contingency management pilot; Traditional Healers and Natural Helpers)

Concurrent Review

January 2022

- Concurrent review for inpatient psychiatric hospital (IPH) and psychiatric health facility (PHF) services required per Information Notice (IN) 19-026
- Hospital and county workgroup convened July 2020 – January 2021 to inform concurrent review approach
- Imminent DHCS guidance
  - Update IPH and PHF access criteria and concurrent review requirements
  - IPH and PHF access criteria (admission and continued stay) reflect stakeholder review

Documentation Redesign

July 2022

- Rooted in discussion from 2019 CalAIM BH Workgroup
- Redesign workgroup to feature presentations that review key decision points
- Extensive iterations, gathering feedback verbally and in writing from broad stakeholder group

Documentation Redesign

July 2022

Static Treatment Plan	→	Dynamic Problem List
Non-standardized Assessments	→	Domain-driven Assessments
Complex and Lengthy Narrative Notes	→	Lean Documentation guidance
Disallowances for variances in documentation	→	Disallowances for fraud, waste, abuse; corrective action plans for variations in quality

Co-Occurring Treatment

July 2022

- Clinically appropriate services for mental health conditions in the presence of a co-occurring SUD are covered in all delivery systems
- Clinically appropriate services for SUD conditions in the presence of a co-occurring mental health condition are covered in all delivery systems
- Remove disallowance for “wrong” primary diagnosis

No Wrong Door

July 2022

- Beneficiaries receive clinically appropriate and covered services regardless of the delivery system where they seek care
- Services rendered in good faith will be reimbursed by the provider's contracted plan during assessment
- Beneficiaries in certain circumstances can receive unduplicated care in more than one delivery system

No Wrong Door (cont’d)

July 2022

- Information and technical assistance webinars and FAQs to be provided in early-mid 2022 to support implementation
- Partnering with counties and Managed Care Plans to update manuals, guidance, Memoranda of Understanding, and contracts for both mental health delivery systems

Peer Certification

July 2022

- On July 22, 2021, DHCS issued Peer Support Specialist Certification requirements through Information Notice 21-041.
- Counties have identified the California Mental Health Services Authority (CalMHSA) as the entity that will represent counties for the implementation of a state-approved Medi-Cal Peer Support Specialist Certification Program.
- CalMHSA will have the certification program in place so peers can be certified starting in July 2022, which meets the law's requirements.

Contingency Management

July 2022

- Proposed optional pilot July 2022 – June 2024
- Combining motivational incentives with counseling is the only proven treatment for stimulant use disorder
- Funded as an optional pilot as part of the Home and Community-Based Services program, approved by CMS
- Proposed to be included as a new Medicaid benefit in 1915(b)(3) waiver; DHCS is currently in conversation with CMS

Screening and Transition Tools

January 2023

- Workgroup to design tools for adults and youth started in January 2021
- Members included representation from Medi-Cal MCPs and county behavioral health directors
- Adult tools designed first; beta testing with Riverside County and the Inland Empire Health Plan in September 2021

Screening and Transition Tools (cont’d)

January 2023

- Adjustments to adult tools will be made based on beta testing feedback and moved to piloting in select areas
- Workgroup expanded in summer 2021 to include individuals with youth expertise to support children’s tool development

BH Payment Reform

July 2023

- Specialty Mental Health Services, Drug Medi-Cal (DMC), and DMC-Organized Delivery System services
  - Fee schedule for county BH plans with rate-based payments
  - Transition from CPE methodology to IGTs
  - Transition to CPT codes (i.e. HCPCS Level I codes), and HCPCS Level II codes when needed, in claims

Current 1115 Waiver Programs Ending on Dec 31, 2021

Whole Person Care (WPC) Pilots

In **2015**, DHCS launched the Whole Person Care (WPC) Pilots as part of its Medi-Cal 2020 Section 1115 Demonstration. WPC Pilots have tested patient-centered interventions to coordinate physical, behavioral and social services, such as housing.

23 WPC Pilots currently participate in the program.

Health Homes Program (HHP)

In **2018**, DHCS launched the Health Homes Program (HHP). The HHP serves eligible Medi-Cal managed care plan Members with complex medical needs and chronic conditions who may benefit from intensive care management and coordination.

HHP is administered by 17 Health Plans across 12 counties.

Transition from Current State to 2022

ECM and Community Supports will replace both WPC and HHP beginning on January 1, 2022, with the initiatives scaling up to eventually form a statewide care management approach.

Enhanced Care Management

A **Medi-Cal managed care benefit** that will address clinical and non-clinical needs of high-need, high-cost individuals through the coordination of services and comprehensive care management.

Community Supports

Services that **Medi-Cal managed care plans are strongly encouraged, but not required, to provide** as medically appropriate and cost-effective alternatives to utilization of other services or settings such as hospital or skilled nursing facility admissions.

More information about ECM and Community Supports can be found here: https://www.dhcs.ca.gov/Pages/ECMandCommunity Supports.aspx

CalAIM Initiatives to Support Justice-Involved Populations

CalAIM justice-involved initiatives support justice-involved individuals by providing key services pre-release, enrolling them in Medi-Cal coverage, and connecting them with behavioral health, social services, and other providers that can support their re-entry.

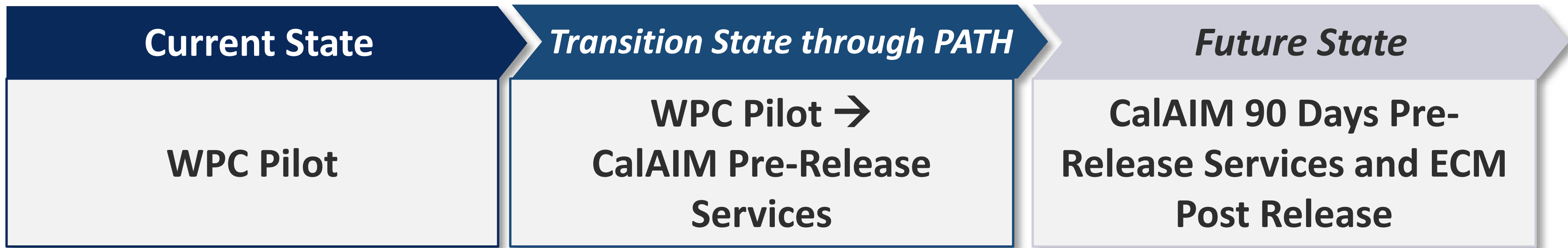
Initiatives Include:

- Pre-Release Medi-Cal Application Processes
- 90 Days Services Pre-Release
- Behavioral Health Linkages
- Enhanced Care Management
- Community Supports
- Justice Re-Entry and Transition Providers

Re-entry

Expenditure Authority for Providing Access and Transforming Health Supports (PATH) Funding

As part of the 1115 Waiver, DHCS is seeking expenditure authority for PATH funding advance coordination and delivery of quality care and improve health outcomes for justice-involved individuals.



- PATH funding will be used to support the transition of WPC Pilot services, capacity and infrastructure required for ECM, Community Supports and other CALAIM initiatives to transition to managed care
- A key aspect of PATH funding is that it would **support capacity building for effective pre-release care for justice-involved populations** and **enable coordination with justice agencies and county behavioral health agencies**. PATH will be available to county behavioral health, prisons, jails, juvenile facilities, providers, and community-based organizations.

Note: *ECM go-live will be staged, as described on slide 13.

Evolution of Federal Guidance on IMD Exclusion

Obtaining a waiver of the IMD exclusion for mental health services enables states to replace state funds with federal funds, and improve care for beneficiaries with significant behavioral health needs.

- Medicaid law precludes payment for services delivered to individuals ages 21-64 residing in facilities classified as IMDs;[1] this provision is often referred to as the IMD exclusion.
- The 2016 Medicaid managed care rule permitted states to receive federal matching funds for 15 days or fewer of services delivered in IMDs as an in lieu of service (through capitated plans).
- CMS issued guidance in November 2017, replacing guidance issued in July 2015, advising states that CMS will grant waivers of the IMD exclusion for services to treat addiction to opioids or other substances.
- A year later in 2018, CMS issued additional guidance allowing states to seek waivers of the IMD exclusion for MH treatment for “short-term stays” and clarified that states may obtain concurrent approval of an SUD and MH demonstration care.
- States must meet key conditions in order to obtain waivers of the IMD exclusion.

1. An IMD is defined as a hospital, nursing facility, or other institution with more than 16 beds that primarily provides diagnosis, treatment, or care for individuals with mental diseases. **Sources:** SSA Section 1905(a)(B)

Most States Have SUD Waivers; Many Are Pursuing SMI/SED Waivers

Washington
Oregon
Idaho
Montana
North Dakota
South Dakota
Wyoming
Minnesota
Wisconsin
Michigan
Iowa
Nebraska
Nevada
Utah
Colorado
Kansas
California
Illinois
Indiana
Ohio
Missouri^
Kentucky
Pennsylvania
West Virginia
Arizona
New Mexico*
Oklahoma
Arkansas
Tennessee
North Carolina
South Carolina^
Georgia
Alabama
Mississippi
Louisiana
Texas
Florida^
Alaska
Hawaii^
Vermont
Maine
New York^
New Hampshire
Massachusetts*
Rhode Island
Connecticut
New Jersey
Delaware
Washington, DC
Maryland*
Virginia

Approved	Pending
SUD, Only	SUD, Only
SUD & MH	SUD & MH
No waiver/waiver request	

Source: Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State | KFF

Federal Limitations on SMI/SED Waivers

- **Excluded Facilities.** States may not claim FFP under an 1115 demonstration for:
  - Services provided in nursing homes that qualify as IMDs (for beneficiaries ages 21-64)
  - Forensic stays provided in inpatient or residential IMDs (e.g., involuntarily held due to criminal law)
- **Implications for Child Residential Treatment Services.** IMD exclusion does not apply to facilities/stays covered under the inpatient psychiatric services under 21 benefit (e.g., psychiatric residential treatment facilities (PRTFs))
  - Qualified residential treatment programs (QRTPs) defined by Title IV and amended by the Family First Prevention Services Act (FFPSA) that do not meet PRTF level of care and has more than 16 beds may be IMDs as determined by the state per CMS guidance
  - States can seek to waive the IMD exclusion for short-term stays provided in QRTPs
- **Length of Stay**. Hard cap of **statewide average of 30 days** for IMD stays covered under this demonstration
  - States can claim FFP for stays up to 60 days if they meet or *are close to* a 30-day average
  - States may not claim any part of stay (day 0-60) that exceeds 60 days
  - If at the midpoint assessment, states demonstrate an average length of stay that exceeds 30 days, states can only claim FFP for individual stays up to 45 days until they meet the 30-day threshold in subsequent monitoring reports
  - New CMS guidance provides additional flexibility for QRTP lengths of stay under SMI/SED waivers

Behavioral Health Care Assessment

About the Assessment

The assessment defines the elements of a strong and effective behavioral health system that is person-centered, offers a full array of services, focuses on equity, and is culturally competent and evidence-based. The purpose of the assessment is to:

Provide a framework to **describe the core continuum of care.**

Review available data on **the need for and supply of key behavioral health services** in California.

Explore issues and opportunities for three specific populations: **children, individuals who are justice-involved, and AI/AN individuals.**

Discuss implications for DHCS's work and for broader efforts to **strengthen California's behavioral health system.**

**The report is not a set of policy recommendations, nor is it a description of DHCS's plans for specific behavioral health initiatives.*

About the Assessment

The assessment was prepared using a mixed-model approach that combines quantitative data when available and insights from experts and stakeholders

The assessment utilizes:

- Data from existing California reports and surveys
- California-specific information from national databases
- A review of Medi-Cal administrative claims data
- A survey of all counties in California in partnership with the California Behavioral Health Directors Association
- Stakeholder interviews
- Focus groups

The assessment may inform and support:

- DHCS's implementation of existing initiatives
- The design of future initiatives
- The design of the SMI/SED 1115 demonstration waiver (selected data)
- Behavioral health infrastructure grants (tables with county-level information)

Major California BH Initiatives

- Behavioral health issues are a top priority of the Newsom Administration and DHCS
- Gaps exist across the continuum of care, particularly with respect to marginalized communities, youth, crisis services and community-based treatment options for people with significant behavioral health and social needs
- Much work already is underway and planned
- Strong commitment and interest in continuing to work to strengthen California's behavioral health system

New Initiatives:

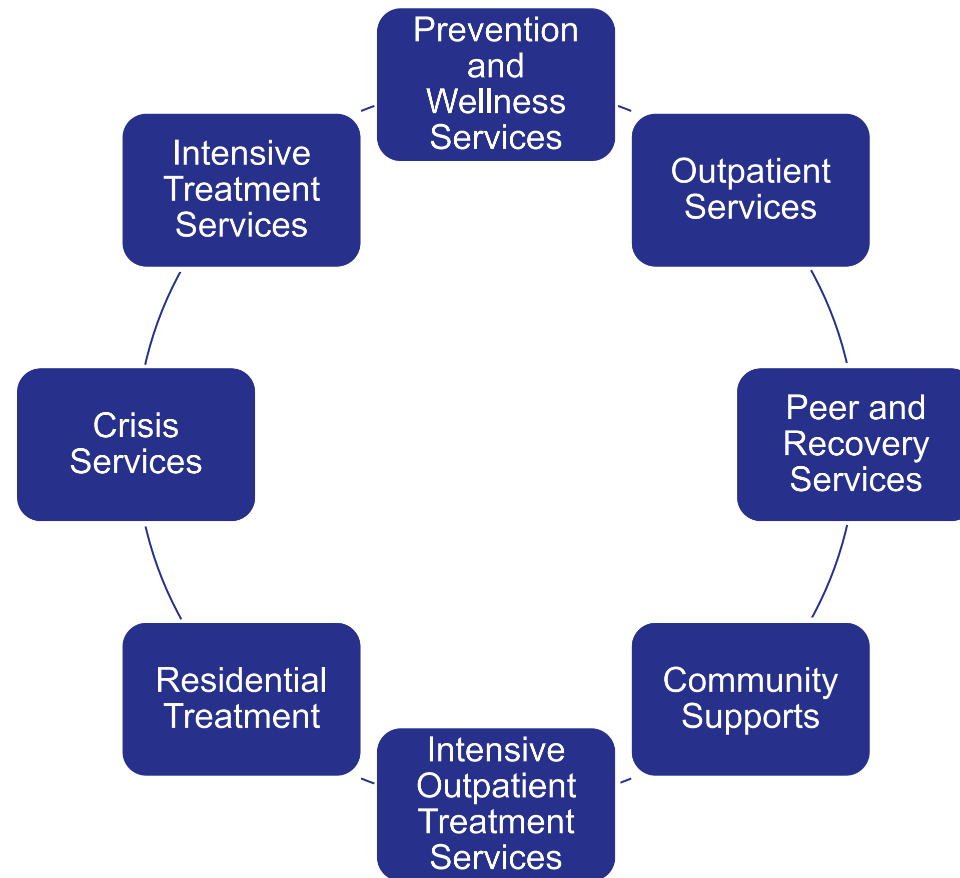
- CalAIM BH modernization and simplification reform
- Pre-release and re-entry services for justice-involved individuals with BH needs
- The Children and Youth Behavioral Health Initiative
- The Behavioral Health Continuum Infrastructure Program
- The California Department of Social Services Community Care Expansion Program
- The Behavioral Health Integration (BHI) Incentives Program
- The California MAT Expansion Project
- The California Bridge Program
- Tribal MAT Project
- The California MAT Expansion Project
- CalHOPE
- School-linked budget initiatives
- Dyadic treatment Medi-Cal benefit
- Enhanced Mobile Crisis Funding for counties from ARPA
- $20 million investment to build capacity for California's National Suicide Prevention Lifeline centers

Planned Initiatives:

- 1115 SMI Waiver Demonstration
- $20 million investment to develop the 9-8-8 network
- Contingency Management Pilot
- PATH
- Community-Based Residential Continuum Pilots for Vulnerable, Aging, and Disabled Populations Funding

Envisioning a Core Continuum of Care

The assessment defines the elements of a strong and effective behavioral health system that is person-centered, offers a full array of services, focuses on equity, and is culturally responsive and evidence-based.

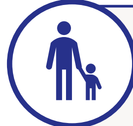


Key Issues and Opportunities

The assessment identifies gaps across the core continuum of behavioral health care services in California and highlights the importance of the work already underway.

California needs a comprehensive approach to **crisis services** that emphasizes community-based treatment and connects people to ongoing services.

For people with significant mental illness and/or substance use disorders, there is a profound need for more **community-based living options**.



Children and youth with significant mental health and substance use disorders need more treatment options.

And, **prevention and early intervention** are critical for children and youth, especially those who are at high risk.

Behavioral health services need to be designed and delivered in a way that **addresses disparities** in access to care based on race, ethnicity and other factors.

More can be done to ensure that **evidence-based practices** are used consistently and with fidelity throughout California's behavioral health system.

More effectively addressing the behavioral health issues – and related housing, economic and physical health issues – of **individuals who are justice involved** is critical.

Behavioral Health Infrastructure Planning

CA Infrastructure Investment

- California is making a significant investment in infrastructure by providing competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets
- $3 billion in infrastructure funding opportunities are available through the Behavioral Health Continuum Infrastructure Program at DHCS and the Community of Care Expansion Program and the California Department of Social Services (CDSS)

Collaboration

DHCS and CDSS are closely collaborating on the BHCIP and CCE infrastructure grants

- Combined stakeholder meetings with counties and tribal entities
- Joint Planning Grant for Counties and Tribal Entities
- Leveraging TA resources
- Alignment on policy, when feasible
- Joint RFA release to support local efforts

BHCIP Overview

- $2.2B passed in FY 2021-22 State budget.
- Amends Welfare and Institutions Code
- Provides competitive grants for counties, **tribal entities**, non-profit and for-profit entities to build new or expand existing capacity in the continuum of public and private BH facilities
- Funding will be **only** for new or expanding infrastructure (brick and mortar) and not BH services
- “Tribal entity” shall mean a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in Section 1603 of Title 25 of the United States Code. (Section 2, Part 7, Chapter 1, 5960.35)

BHCIP Overview

- DHCS will release Request for Applications (RFAs) for BHCIP through multiple rounds
- Rounds will target various gaps in California's BH facility infrastructure
- Rounds will remain open until funds are awarded
- Different entities will be able to apply in each round for specific projects to address identified infrastructure gaps
- Stakeholder engagement will occur throughout the project

Facility Types

- BH Wellness Centers
- Short-term crisis stabilization
- Acute and subacute care
- Crisis residential
- Community-based MH residential
- Substance use disorder residential
- Peer respite
- Mobile crisis
- Community and outpatient
- Other clinically enriched longer term treatment and rehabilitation options for persons with BH disorders in the least restrictive and least costly setting

Requirements in Law

Part 1, Chapter 7, Section 5960.15. An entity shall meet all of the following conditions in order to receive grant funds pursuant to Section 5960.5(a), to the extent applicable and as required by the department:

(a) Provide matching funds or real property

(b) Expend funds to supplement and not supplant existing funds to construct, acquire, and rehabilitate real estate assets.

(c) Report data to the department within 90 days of the end of each quarter for the first five years.

(d) Operate Medi-Cal services in the financed facility for the intended purpose for a minimum of 30 years.

<u>Proposed Additional Requirements</u>

- DHCS will also require that Medi-Cal beneficiaries are served in grant funded facilities
- The 30 years begins after construction is completed

Required Match

- Matching funds or real property will be required
- Match requirements are still in development
- Initial recommendations:
  - Lower for counties/tribal entities
  - Lower for non-profits with county contracts
  - Higher for private entities

Grant Funding

Maximum funding could be determined based on:

- Set amount available per facility type rehabilitated for expansion
  - Per bed
  - Per increase in outpatient capacity
- Set amount available for newly constructed facility type
  - Per bed
  - Per increase in outpatient capacity
- Priorities determined by the state
  - For example - reduces hospitalization, incarceration and/or institutionalization

BHCIP Proposed Rounds

Round 1: Mobile Crisis $150M (July 2021)

Round 2: Planning Grants $16M (Nov 2021)

Round 3: Launch Ready $518.5M (Jan 2022)

Round 4: Children & Youth $480.5M (Aug 2022)

Round 5: Addressing Gaps #1 $480M(Oct 2022)

Round 6: Addressing Gaps #2 $480M(Dec *2022*)

Proposed BHCIP Timeline

Date	Milestone
July 2021	Release Round 1: Mobile Crisis RFA
September 2021	Award Round 1: Mobile Crisis Projects
Sept/October 2021	Re-Release Round 1: Mobile Crisis RFA Part 2
October 2021	BHCIP/DSS Listening Session
November 2021	Release BH Assessment Report
November 2021	Release Round 2: Planning Grants RFA
January 2022	Award Round 2: Planning Grants
January 2022	Release Round 3: Launch Ready RFA
April 2022	BHCIP Listening Session for Rounds 4-6
May 2022	Award Round 3: Launch Ready Grants
August 2022	Release Round 4: Children and Youth RFA
October 2022	Release Round 5: Addressing Gaps #1 (TBD)
December 2022	Release Round 6: Addressing Gaps #2 (TBD)

Federal Mobile Crisis Planning Grant

January 2023

- In partnership with County Behavioral Health Directors Association (CBHDA), DHCS awarded a one-year $850,000 planning grant from CMS
- Support implementation of community-based mobile crisis intervention services in Medi-Cal
- Services include assessments, capacity expansion, training, planning, and technical assistance

9-8-8 Preparation

January 2023

- DHCS issued a $20 million grant to Didi Hirsch as administrator for the 13 crisis call centers in California
- The grant will support capacity-building in preparation for federal 9-8-8 call line implementation in July 2022

Engagement

Opportunities for Engagement

January 2023

- Check the DHCS website
  - CalAIM webpage
  - DHCS Behavioral Health webpage
  - CalAIM Behavioral Health webpage (forthcoming)
- Get involved
  - CalAIM Behavioral Health Stakeholder Advisory Committee
  - CalAIM Behavioral Health Workgroup
- Collaborate with county MHP

Discussion

Questions?

Thank You

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