

CalAIM Impacts for the Behavioral Health Division – Pros and Cons

1. DMC-ODS Program Renewal and Policy Improvements (January 2022) - DMC-ODS transitions from a pilot to an ongoing Medi-Cal Program expanding SUD services available to Medi-Cal beneficiaries and proposes to adopt policy improvements subject to federal approval based on lessons learned from the pilot. There are currently 37 counties participating in the DMC-ODS demonstration. Sonoma County is amongst the remaining 21 counties currently not participating in the program. Sonoma County provides SUD treatment services through fee-for-service as authorized through the Drug Medi-Cal State Plan. DHCS intends to provide counties another opportunity to opt-in to participate in the DMC-ODS in hopes of promoting DMC-ODS participation across the state.
 - Pros - This creates an opportunity for Sonoma County to transition from the Drug Medi-Cal State Plan to ODS, greatly expanding services available to members of our community while significantly increasing state and federal dollars that will flow into the county system.
 - Cons - Transitioning to an ODS system will require additional “local match” dollars and will bring additional mandates. While we cannot be certain of the costs, the experience of other counties suggests an additional 25% local match can draw down enough federal and state funds to grow the system up to 4x its current size.
2. Revisions to Behavioral Health Medical Necessity (i.e., eligibility criteria) (January 2022) – Medical Necessity is a standard set via state regulation, policies and practices that is required to provide a Medi-Cal Specialty Mental Health Service (SMHS). Medi-Cal documentation must include information that establishes medical necessity for a service, or that service is subject to disallowance in audit. Update criteria establishing medical necessity to increase consistency, clarity and standardization. A goal is to improve access.
 - Pros – Updated Medical Necessity requirements will enable DHS to improve access to services. County Behavioral Health Directors Association of California (CBHDA) is an active participant in the development of the new criteria, representing county interests.
 - Cons – None anticipated.
3. Peer Support Specialist Services – (January 2022) - Establish statewide BH Peer Support Specialist certification and Medi-Cal billing codes.
 - Pros – Creating a process to provide and bill for Peer Support Services provided by individuals with lived experience is an innovation that improves services, reduces costs and increases DHS draw down of federal funds
 - Cons – Adding peer services supported by Medi-Cal will increase DHS need to find local funds for county “match.”
4. Documentation Redesign for Substance Use Disorder (SUD) and Specialty Mental Health Services (SMHS) (July 2022) – Streamline and redesign behavioral health documentation requirements to be less onerous and more similar to documentation required in health care.

- Pros – Reduces administrative burden.
 - Cons – None anticipated.
5. Co-Occurring Treatment (July 2022).- Policy, practice and administrative changes that remove barriers to providing mental health and substance use disorder treatment simultaneously to beneficiaries.
 - Pros – Increases DHS ability to simultaneously provide MH and SUD services to individuals who have both needs, which is a best practice supported by research.
 - Cons – Potential for unanticipated burdens and costs.
 6. No Wrong Door (July 2022) – Policy and process changes to increase beneficiary access of services.
 - Pros – Will increase opportunities for DHS to serve clients and link them to other services in the health care system.
 - Cons – Potential for unanticipated burdens and costs.
 7. Pre-Release Enrollment and Jail BH Warm Hand-Offs – (January 2023) – Counties must identify an entity to manage pre-release Medi-Cal enrollments. Jails and Juvenile Halls to implement a process for facilitated referral and linkage from county institution release to county SMHS, SUD services and Medi-Cal Managed Care Plans.
 - Pros – Requiring that qualified inmates be enrolled into Medi-Cal before release, and supported by well-planned transitions to BH services upon release, will enable individuals with mental illness and SUD to receive BH services and avoid criminal justice recidivism.
 - Cons – Potential for unanticipated burdens and costs.
 8. Behavioral Health Payment Reform (earliest start date July 2023) – DHCS will transition counties from a cost-based reimbursement methodology to a structure more consistent with incentivizing outcomes and quality over volume and cost. It's too soon to know the budget impact of the payment reform as the DHCS has not provided detailed information.
 - Pros - The MH and DMC-ODS systems, built over decades, require significant administrative activities utilizing resources that would be better spent more directly on client services. Aligning system incentives with quality client care and simplifying documentation, electronic health records and audit preparation, is a significant opportunity to operate more efficiently and effectively.
 - Cons – Potential for unanticipated burdens and costs.
 9. Standard Screening and Transition tools (January 2023) – Statewide standardization of shared forms utilized to determine need and service assignment. The impact to the County's electronic health record system will not be known until the DHCS provides additional information.

- Pros – Standardization and clear direction regarding requirements and tools reduces DHS risk for being out of compliance with regulations, and support more service consistency across the state.
 - Cons – Standardized tools may not meet DHS-identified priorities. Potential for unanticipated burdens and costs.
10. Long Term Plan for Foster Youth – (Date TBD) Modify Medi-Cal administrative requirements to expand mental health and substance use disorder services to youth in foster care.
- Pros - This plan will be designed to improve foster youth access to BH services, utilizing strategies such as automatic eligibility for specialty mental health services, defined sets of services for foster youth and bundled services for Short Term Residential Treatment Programs (STRTPs). Details TBD.
 - Cons - DHS Youth and Family Services does not currently have capacity to meet local needs. Additional responsibilities to this population will likely exacerbate this. Potential for unanticipated burdens and costs.
11. SMI/SED IMD Demonstration Waiver – (2023) A waiver will allow counties will to draw down federal reimbursement for mental health treatment in IMDs. Federal reimbursement is not currently available for mental health treatment in IMDs.
- Pros - Eliminating the IMD exclusion, which does not allow California to bill Medi-Cal when beneficiaries are served in free standing locked settings greater than 16 beds, could be of significant financial benefit.
 - Cons – None anticipated.
12. Pre-Release Enrollment and Jail BH Warm Hand-Offs (January 2023) – Counties must identify an entity to manage pre-release Medi-Cal Enrollments, and DHCS will mandate that jails and county juvenile facilities implement a process for facilitated referral and linkage for county institution release to county specialty mental health and drug Medi-Cal services when the inmate received BH services while incarcerated. This component is still in development with DHCS. DHS will coordinate with the Sheriff’s Office to understand the program once details are released.
- Pros - Improving inmate access to Medi-Cal and BH services at release will result in more positive outcomes for this population.
 - Cons - Potential for unanticipated burdens and costs.
13. MH/SUD Integration (January 2027) – All counties deliver SMHS and SUD services under a single contract with DHCS.
- Pros - DHS now has two separate contracts with DHCS for MH and SUD services. Combining these into one contract holds the promise of allowing us to operate services in a more integrated manner, better able to meet the needs of the significant number of clients who have MH and SUD disorders.
 - Cons - Potential for unanticipated burdens and costs.

14. Full Integration Plans - CalAIM will establish a pilot that carves specialty mental health services (SMHS) into the Managed Care Plan (MCP), eliminating the separation of health services provided by the MCP and SMHS services provided by the counties.

- Pros - Integrating services will be tested to determine if it increases efficiencies and effectiveness of the health system serving individuals with severe mental illness and substance use disorders.
- Cons - A successful pilot may create momentum to eliminate the BH “carve out,” which could eliminate county behavioral health systems.