DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT)

What is BH-CONNECT?

BH-CONNECT is a transformative initiative to improve mental health and substance use disorder (i.e. behavioral health) services for Medi-Cal members living with significant behavioral health needs. BH-CONNECT aims to expand access to care, improve outcomes, and address long-standing gaps in mental health and substance use disorder services across California.

Why It Matters

BH-CONNECT addresses California's growing mental health crisis by focusing on:

- Adults and children with the most significant behavioral health needs.
- Children and youth involved in child welfare.
- People involved in the justice system.
- Individuals and families experiencing or at risk of homelessness.

BH-CONNECT will:

- **Enhance the continuum of care:** Offer a broader range of community-based services to meet diverse individual needs.
- **Standardize and scale evidence-based practices:** Use proven treatment methods to improve recovery outcomes.
- **Increase access:** Direct resources to populations and communities that have historically faced barriers to accessing care.

Key Features of BH-CONNECT

- **Workforce Support:** Builds a larger, more diverse, and well-trained workforce through scholarships, loan repayment programs, training opportunities, recruitment and retention payments, and more.
- **Support for Children and Youth:** Enhances care and resources for youth involved in child welfare who need specialty mental health services, improving outcomes and support systems for families.

- **Transitional Rent Assistance:** Provides up to six months of rental support for eligible Medi-Cal members experiencing or at risk of homelessness or transitioning out of institutional, congregate, carceral, or other eligible settings. Transitional Rent is intended to serve as a bridge to permanent housing and help stabilize and connect members to permanent housing options. For members with significant behavioral health needs, the Behavioral Health Transformation funding dedicated to Housing Interventions will provide permanent rental subsidies and housing following Transitional Rent, providing seamless continuity, and supporting members in achieving long-term housing stability.
- **Performance-based Incentives:** Rewards behavioral health plans for improving access to care, reducing disparities, and achieving measurable results for Medi-Cal members.
- **Community Transition Services:** Ensures individuals transitioning from long-term institutional care receive continuous support and services to successfully reintegrate into their communities.
- **Short-term Inpatient Psychiatric Care:** Provides new flexibility for federal Medi-Cal funding short-term mental health care provided in inpatient and residential treatment settings that meet the federal institution for mental diseases (IMD) criteria.
- **New Evidence-Based Services:** Offers new proven community-based programs such as Assertive Community Treatment (ACT), Forensic ACT, Coordinated Specialty Care for First Episode Psychosis, Supported Employment, Community Health Worker Services, and Clubhouse Services.
- **Clarified Existing Evidence-Based Services:** Clarifies coverage and guidelines for existing Medi-Cal therapies for children and youth, like Multisystemic Therapy, Functional Family Therapy and Parent-Child Interaction Therapy to ensure that more children and youth in California have access to these effective treatments.

BH-CONNECT is a key pillar of Governor Newsom's Mental Health for All and is strategically aligned with Behavioral Health Transformation efforts to modernize California's behavioral health system, expand access to evidence-based service models on a statewide basis, and address the housing needs of Californians with significant behavioral health conditions.

For more information, please see the BH-CONNECT webpage.

Section 1115 Public Hearing for:

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 Demonstration &

California Advancing & Innovating in Medi-Cal (CalAIM) Transitional Rent Services Amendment

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Welcome & Meeting Logistics

Meeting Logistics

- Participants are joining in person, by computer, or phone.
- Participants joining by computer or phone will be automatically muted upon entry.
- Telephone and computer participants can offer spoken public comments during the last half of the webinar. Those joining by computer may also use the Q&A box to submit questions and public comments.

Closed Captioning

- Live closed captioning is available – you can find the link in the Chat field.

Submitting Public Comments

- **Q&A Box.** All information and questions received through the Q&A box will be recorded as public comments.
- **Spoken.** Participants will have the opportunity to submit public comments in the last 20 minutes of the webinar.

Continuous Coverage Unwinding

- **The continuous coverage requirement ended on March 31, 2023**
- **Medi-Cal redeterminations began on April 1, 2023, and will continue for all Medi-Cal members through May 2024 based on the individuals established renewal date.**
- **Top Goal of DHCS:** Minimize member burden and promote continuity of coverage.
  - DHCS implemented several federal flexibilities to make the renewal process simpler during the continuous coverage unwinding.
- **How you can help:**
  - Become a **DHCS Coverage Ambassador**
  - Join the DHCS Coverage Ambassador mailing list to receive updated toolkits as they become available
  - Check out the Medi-Cal COVID-19 PHE and Continuous Coverage Unwinding Plan (Updated March 7, 2023)

Continuous Coverage Unwinding Communications Strategy

- On February 8, 2023, DHCS launched the Medi-Cal renewal campaign, a broad and targeted public information, education, and outreach campaign to raise awareness among Medi-Cal members about the return of Medi-Cal redeterminations when the continuous coverage requirement ended March 31, 2023. The campaign will complement the efforts of the **DHCS Coverage Ambassadors** that was launched in April 2022.

- **DHCS launched the Keep Your Community Covered Resources Hub** which includes resources in all 19 threshold languages.

- **DHCS released the new, interactive Medi-Cal Continuous Coverage Unwinding Dashboard** that will allow you to gain demographic and geographic insights to enrollment and renewal data.

- **Direct Medi-Cal members to KeepMediCalCoverage.org or MantengaSuMedical.org**, which includes resources for members to update their information and find their local county offices. It will also allow them to sign up to receive email or text updates from DHCS.

Agenda

BH-CONNECT Initiative & Section 1115 Demonstration

- Overview of BH-CONNECT
- Section 1115 Demonstration Request
- Demonstration Financing and Preliminary Evaluation Plan
- Timeline & Next Steps

CalAIM Transitional Rent Services Amendment

- Background on Housing-Related Supports in California
- Transitional Rent Services Amendment Request

Public Comment

BH-CONNECT Initiative & Section 1115 Demonstration

DHCS

Overview of BH-CONNECT

Why BH-CONNECT?

The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) initiative builds upon unprecedented investments and policy transformations to establish a robust continuum of community-based behavioral health services and improve access, equity, and quality for Medi-Cal members.

- Like the rest of the nation, **California faces a growing mental health crisis**, which has been exacerbated by COVID-19: as of 2019, nearly 1 in 20 adult Californians were living with serious mental illness (SMI), and 1 in 13 California children were living with serious emotional disturbance (SED).
- California has **invested more than $10 billion and is implementing landmark policy reforms** to strengthen the behavioral health care continuum through initiatives that include:
  - ☑ The **California Advancing and Innovating Medi-Cal** (CalAIM) demonstration to transform and strengthen Medi-Cal, including policy changes to move Medi-Cal behavioral health to a more consistent and seamless system by reducing complexity and increasing flexibility.
  - ☑ The **Children and Youth Behavioral Health Initiative** (CYBHI), a historic investment to enhance, expand and redesign the systems that support behavioral health for children and youth.
  - ☑ Investments in infrastructure and new housing settings through the **Behavioral Health Continuum Infrastructure Program** (BHCIP) and the **Behavioral Health Bridge Housing** (BHBH) Program.
  - ☑ Strengthening the behavioral health crisis care continuum, including implementing **mobile crisis services** and the **988 Suicide and Crisis Lifeline**.

Section 1115 Demonstration Opportunity

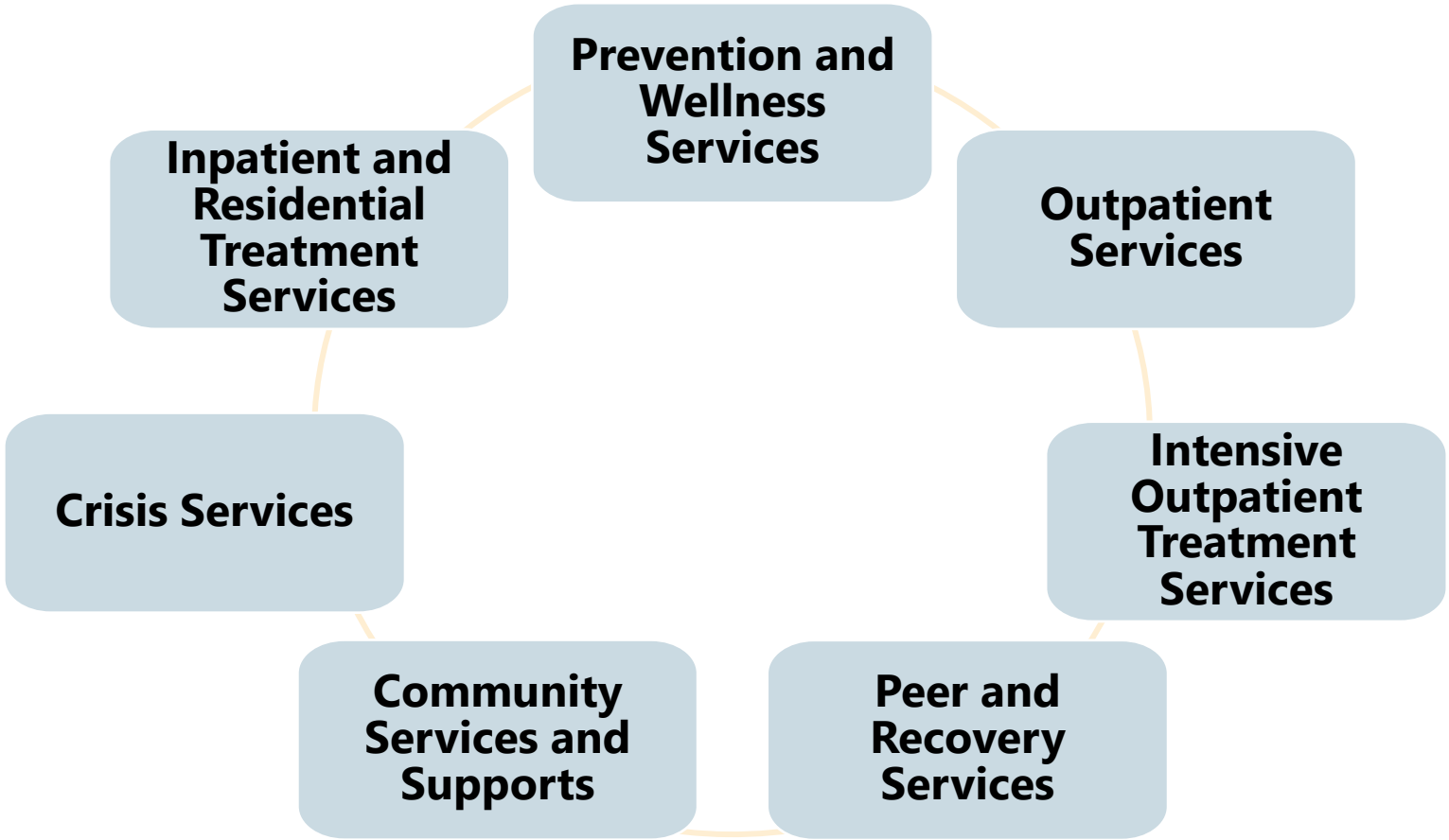
The BH-CONNECT demonstration will strengthen the continuum of community-based behavioral health services, while also taking advantage of CMS' opportunity to receive federal financial participation (FFP) for care provided during short-term stays in Institutions for Mental Diseases (IMDs).

- **CMS' 2018 guidance** permits states to use 1115 demonstrations to receive FFP for short-term care* provided to Medicaid members living with SMI/SED in qualifying IMDs, provided states establish a robust continuum of community-based care and enhance oversight of inpatient and residential settings.
- **California was the first state to obtain a similar waiver allowing IMD expenditure authority for substance use disorder (SUD) care provided in IMDs** in exchange for strengthening SUD services under the Drug Medi-Cal Organized Delivery System (DMC-ODS).
- In October 2021, **CMS created new flexibility to secure FFP for longer stays in Short-Term Residential Therapeutic Programs (STRTPs) classified as IMDs** for youth in the child welfare system for up to two years. States must submit a detailed plan with key milestones and timeframes for transitioning children out of STRTPs that are IMDs.
- In November 2022, DHCS **released an external concept paper outlining the proposed** approach to the BH-CONNECT demonstration (formerly the CalBH-CBC demonstration).
- On August 1, 2023, **DHCS released the proposed BH-CONNECT Section 1115 application.**

**The opportunity is limited to stays that are no longer than 60 days, with a requirement for a statewide average length of stay of 30 days.*

Enhancing the Continuum of Care (1/3)

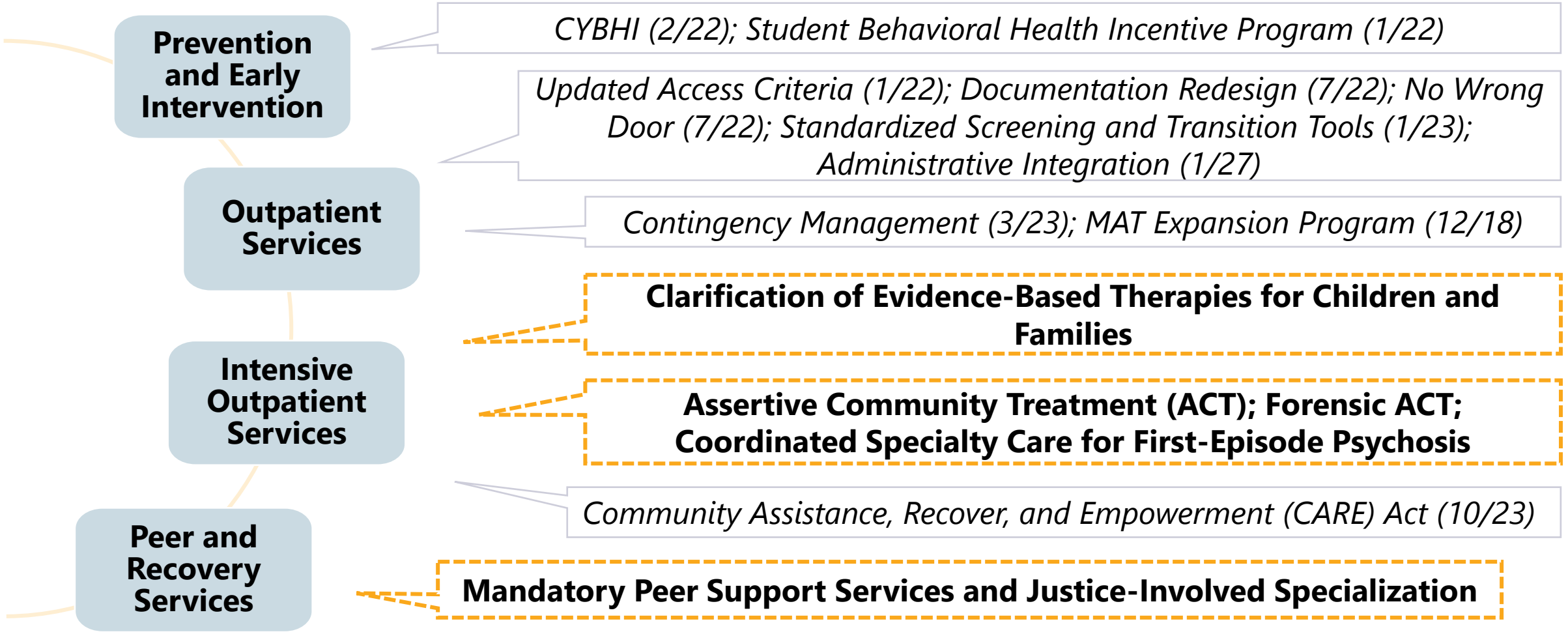
BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



In the following slides, BH-CONNECT initiatives are in **bold** and outlined in yellow; existing initiatives are *italicized*.

Enhancing the Continuum of Care (2/3)

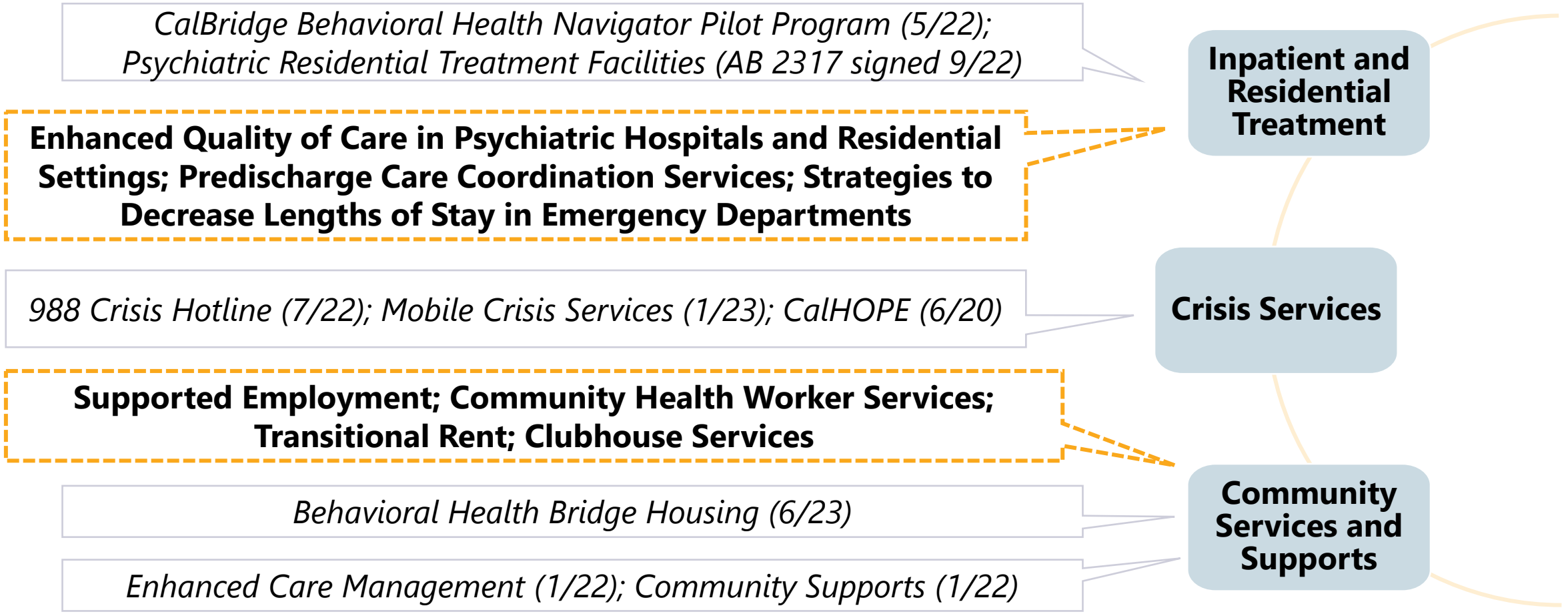
BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



Proposed BH-CONNECT initiatives are in **bold** and outlined in yellow; existing initiatives are *italicized*.

Enhancing the Continuum of Care (3/3)

BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.



Proposed BH-CONNECT initiatives are in **bold** and outlined in yellow; existing initiatives are *italicized*.

Proposed Approach

BH-CONNECT aims to:

- **Expand the continuum of community-based services and evidence-based practices (EBPs)** available through Medi-Cal.
- **Strengthen family-based and supports** for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.
- Connect members living with significant behavioral health needs to **employment, housing, and social services and supports**.
- **Invest in statewide practice transformations** to better enable county behavioral health plans and providers to support Medi-Cal members living with behavioral health conditions.
- **Strengthen the workforce** needed to deliver community-based behavioral health services and EBPs to members living with significant behavioral health needs.
- Reduce the risk of individuals **entering or re-entering the criminal justice system** due to untreated or under-treated mental illness.
- **Incentivize outcome and performance improvements** for children and youth involved in child welfare that receive care from multiple service systems.
- **Reduce use of institutional care** by those individuals most significantly affected by significant behavioral health needs.

Section 1115 Demonstration Request

Key Demonstration Components

DHCS is requesting Section 1115 demonstration authorities for specific features of the BH-CONNECT proposal, as detailed in the following slides. Other features will require a State Plan Amendment or administrative expenditures, and others can be implemented using existing federal Medicaid authorities.

Section 1115 Authorities

Expenditure Authority Requests

- ✓ Workforce Initiative
- ✓ Statewide Incentive Program
- ✓ Cross-Sector Incentive Program
- ✓ Activity Stipends
- ✓ Opt-In Incentive Program
- ✓ Transitional Rent Services
- ✓ FFP for IMDs
- ✓ Designated State Health Programs (DSHPs)

Waiver Authority Requests

- ✓ Statewideness
- ✓ Amount, Duration, and Scope and Comparability

Forthcoming State Plan Amendment

- ✓ ACT
- ✓ Forensic ACT
- ✓ Coordinated Specialty Care for First Episode Psychosis
- ✓ Individual Placement and Support (IPS) Model of Supported Employment
- ✓ Community Health Worker Services
- ✓ Clubhouse Services

Existing Federal Medicaid Authorities

- ✓ Centers of Excellence
- ✓ Clarification of Coverage of Evidence-Based Child and Family Therapies
- ✓ Initial Child Welfare/Specialty Mental Health Assessment
- ✓ Foster Care Liaison Role
- ✓ Requirements for Counties that Opt-In to Receive FFP for IMDs
- ✓ Implementation of Other CMS Milestones

BH-CONNECT Features Outside the Section 1115 Demonstration

Existing Federal Medicaid Authorities

- **Centers of Excellence** to offer training and technical assistance to delivery systems and providers to support fidelity implementation of EBPs
- Clarification of **coverage requirements for EBPs** for children and youth, including for Multisystemic Therapy (MST), Functional Family Therapy (FFT), Parent-Child Interaction Therapy (PCIT), and potentially additional therapeutic modalities
- Establishment of an **initial child welfare/specialty mental health assessment** at the entry point into child welfare
- Inclusion of a **Foster Care Liaison** within managed care plans (MCPs)
- Implementation of specific **requirements for counties that opt-in to receive FFP** for short-term stays in IMDs
- Implementation of **other CMS milestones** (to be described in implementation plan)

State Plan Amendment

- **ACT**
- **FACT**
- **CSC for FEP**
- **IPS Supported Employment**
- **Community Health Worker Services**
- **Clubhouse Services**

DHCS will work with CMS to request any additional authorities to cover these services, as needed.

Section 1115 Demonstration Request

Statewide Features

- **Workforce initiative** to invest in a robust, diverse behavioral health workforce to support Medi-Cal members living with significant behavioral health needs.
- **Statewide incentive program** to support behavioral health delivery systems in strengthening quality infrastructure, improving performance on quality measures, and reducing disparities in behavioral health access and outcomes.
- **Cross-sector incentive program** to support children and youth involved in child welfare who are also receiving specialty mental health services.
- **Activity Stipends** to ensure children and youth involved in child welfare have access to community and school-based activities that support health and well-being.

County Option

- **Incentive program for opt-in counties** to support and reward counties in implementing a robust continuum of community-based behavioral health services and EBPs for Medi-Cal members.
- **Transitional Rent Services** for up to six months for eligible high-need members who are experiencing or at risk of homelessness.
- FFP for **care provided during short-term stays in IMDs.**

Statewide Feature: Workforce Initiative

California is facing an acute behavioral health workforce shortage. To build upon work already underway in California, DHCS is requesting expenditure authority for a workforce initiative to support the identification, training, and retention of behavioral health professionals to provide services across the continuum.

The workforce initiative will be used for critical investments in the behavioral health workforce, which may include:

- **Long-term investments**, such as partnerships with colleges and universities to expand allied professional and graduate programs in social work, psychology, and other related programs, and to build upon recent investments to augment the pipeline of Peer Support Specialists, Community Health Workers, SUD counselors, and other practitioners.
- **Short-term investments**, such as hiring and retention bonuses, scholarship and loan repayment programs, certification costs for community health workers and peer support specialists, and other stipends.

DHCS will partner with stakeholders to inform the design of the workforce initiative.

Key Focus Areas

Focus areas for the workforce initiative will be on:

- Ensuring the workforce is equipped to provide culturally- and linguistically-appropriate care
- Engaging individuals with lived experience
- Addressing the shortage of professionals who work with children and youth and the justice-involved population

Statewide Feature: Statewide Incentive Program

DHCS is requesting expenditure authority to make new investments in county Mental Health Plans (MHPs) and DMC-ODS counties to ensure they are equipped to implement BH-CONNECT activities through a statewide incentive program.

The incentive program will invest in counties to strengthen quality infrastructure and reporting on key outcome measures. Specific measurement domains and measures will be developed in partnership with key stakeholders and may include:

- Effective transitions of care
- Cultural and Race, Ethnicity, and Language (REAL) responsiveness
- Follow-up after emergency department (ED) visit for mental illness
- Follow-up after hospitalization for mental illness
- Antidepressant medication management
- Use of first-line psychosocial care for children and adolescents on antipsychotics
- Adherence to antipsychotic medications for individuals with schizophrenia

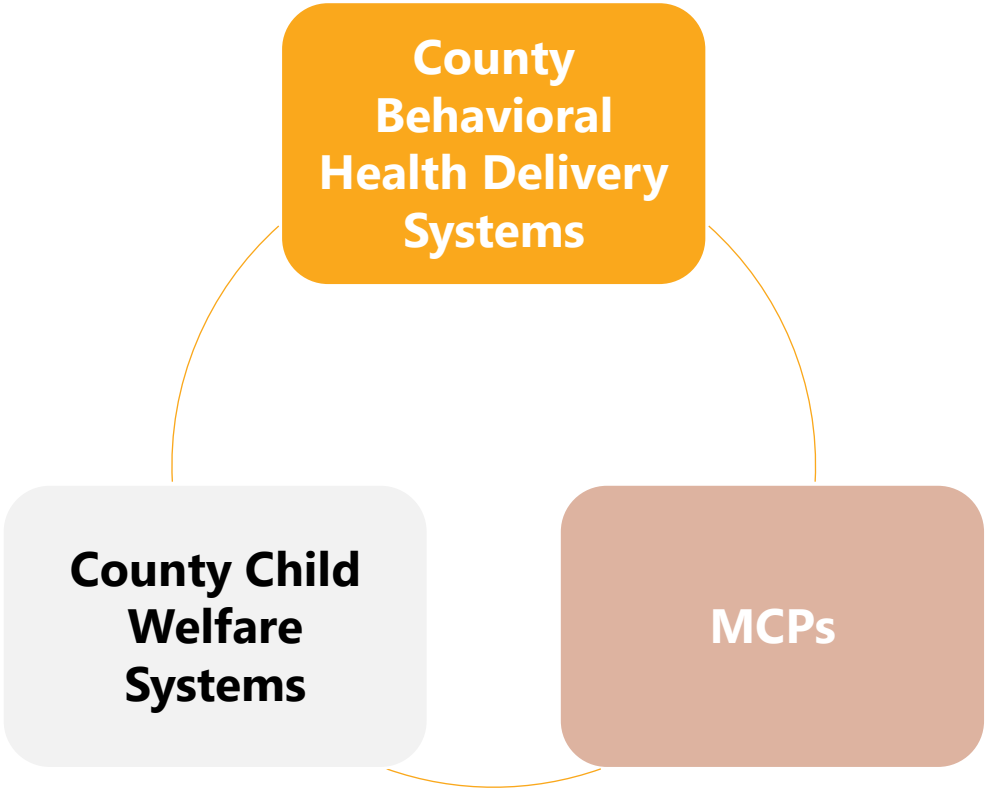
The statewide incentive program is intended to build upon work done as part of CalAIM Behavioral Health Quality Improvement Program (BHQIP) to strengthen counties' quality reporting and monitoring infrastructure.

Statewide Feature: Cross-Sector Incentive Program for Children Involved in Child Welfare

Children involved in child welfare frequently require coordination across multiple systems to meet their needs. DHCS plans to establish a cross-sector incentive program to facilitate innovation and drive outcome improvements through cross-agency collaboration.

The cross-sector incentive program will provide fiscal incentives for three key systems to **work together and share responsibility in improving behavioral health outcomes** among children involved in child welfare.

DHCS has received valuable feedback on potential measures for this incentive program and is working closely with stakeholders on the framework and measure set for the cross-sector incentive program to ensure it is designed in a way to best support children and youth involved in child welfare who are living with behavioral health needs.



Statewide Feature: Activity Stipends

DHCS is requesting expenditure authority to develop a new support for children ages 3 and older involved in child welfare to increase access to extracurricular activities, which can enhance physical health, mental wellness, healthy attachment, and social connections.

Activity Stipends would support activities not otherwise reimbursable in Medi-Cal, such as:

- Movement activities
- Sports
- Leadership activities
- Excursion and nature activities
- Music and art programs
- Other activities to support healthy relationships with peers and supportive adults

DHCS will work with California Department of Social Services, county child welfare agencies, tribal social services and tribal child welfare programs on distribution of Activity Stipends.

Eligibility Criteria

Members may be eligible for Activity Stipends if they are:

- under age 21 and currently involved in the child welfare system in California;
- under age 21 and previously received care through the child welfare system in California or another state within the past 12 months;
- aged out of the child welfare system up to age 26 in California or another state;
- under age 18 and are eligible for and/or in California's Adoption Assistance Program; or
- under age 18 and currently receiving or have received services from California's Family Maintenance program within the past 12 months.

County Option: FFP for Care Provided in IMDs

As part of the BH-CONNECT demonstration, DHCS is requesting FFP for services provided to Medi-Cal members living with significant behavioral health needs during short-term stays in IMDs.

- County MHPs that agree to certain conditions ("opt-in counties") will receive FFP for services provided during short-term stays* in IMDs consistent with CMS' requirements.
- To participate, opt-in counties must:
  - ☑ cover a full array of enhanced community-based services and evidence-based practices;
  - ☑ reinvest dollars generated by the BH-CONNECT demonstration into community-based care; and
  - ☑ meet accountability requirements to ensure that IMDs are used only when there is a clinical need and that IMDs meet quality standards.

Enhanced Community-Based Services

Counties that "opt in" to receive FFP for short-term stays in IMDs must provide:

- ACT
- Forensic ACT
- CSC for FEP
- IPS Supported Employment
- Transitional Rent Services
- Community Health Worker Services

Counties may "opt in" on a rolling basis.

**The opportunity is limited to stays that are no longer than 60 days, with a requirement for a statewide average length of stay of 30 days.*

County Option: FFP for Care Provided in IMDs

County MHPs may "opt-in" to participate in BH-CONNECT on a rolling basis. Each opt-in county must meet key milestones to be eligible for FFP for care provided in IMDs.

Upon IMD Opt-In County Go-Live	Within 1 Year of Go-Live	Within 2 Years of Go-Live	Within 3 Years of Go-Live
• Participate in opt-in county incentive program • Begin training and technical assistance for ACT/FACT ***Begin providing:*** • Peer Support Services, including forensic specialization • Community Health Worker services	• Fully implement ACT ***Begin providing:*** • Transitional Rent Services	• Fully implement FACT ***Begin providing:*** • CSC for FEP	***Begin providing:*** • IPS Supported Employment

Counties that are not participating in the IMD opportunity will have the option to implement Transitional Rent Services, IPS Supported Employment, Community Health Worker Services, ACT/FACT, CSC for FEP, and Clubhouse Services on a rolling basis.

County Option: Opt-In County Incentive Program

DHCS recognizes counties that opt-in to the BH-CONNECT demonstration will need to make significant investments to meet state and federal requirements, including building provider networks for community-based services and ensuring quality of participating IMDs.

The incentive program will support and reward counties in implementing community-based care options. Specific measurement domains and measures will be developed in partnership with key stakeholders and may include:

Start-up and capacity development:

- Receive DHCS approval of BH-CONNECT county implementation plan.

Process and structural milestones:

- Submit baseline reporting on outcome measures related to BH-CONNECT.
- Ensure provider organizations participate in fidelity review for specific EBPs, such as ACT, FACT, CSC for FEP, and IPS Supported Employment.

Performance and outcomes:

- Demonstrate improved outcomes related to BH-CONNECT programs.
- Demonstrate increased utilization rates of community-based services and EBPs available through the BH-CONNECT demonstration.
- Demonstrate improvement on quality-of-life measures.

Most of the opt-in county incentive program resources will be focused on outcomes associated with effective implementation of community-based services and EBPs.

County Option: Transitional Rent Services

Medi-Cal members will be eligible for transitional rent services in participating counties if they:

- Meet the access criteria for SMHS, DMC, and/or DMC-ODS services **and**
- Meet HUD's current definition of homelessness or at-risk of homelessness with two modifications:
  - If exiting an institution, individuals are considered homeless if they were homeless immediately prior to entering that institutional stay, regardless of the length of the institutionalization; **and**
  - The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at-risk of homelessness under the current HUD definition to 30 days.

AND meet <u>one or more</u> of the following criteria:

- are transitioning out of an institutional care or congregate residential setting, including but not limited to an inpatient hospital stay, inpatient or residential SUD treatment or recovery facility, inpatient or residential mental health treatment facility, or nursing facility;
- are transitioning out of a correctional facility;
- are transitioning out of the child welfare system;
- are transitioning out of recuperative care facilities or short-term post-hospitalization housing;
- are transitioning out of transitional housing;
- are transitioning out of a homeless shelter/interim housing;
- meet the criteria of unsheltered homelessness; **or**
- meet eligibility criteria for a Full Service Partnership (FSP) program.

Demonstration Financing & Preliminary Evaluation Plan

Demonstration Financing

DHCS is requesting expenditure authority from CMS totaling ~$6.98 billion over the 5-year demonstration period (January 1, 2025 – December 31, 2029). The following table shows the total projected expenditures for the BH-CONNECT demonstration years (DYs) (in thousands).

Expenditure Authorities	DY 1 (CY 2025)	DY 2 (CY 2026)	DY 3 (CY 2027)	DY 4 (CY 2028)	DY 5 (CY 2029)
Workforce Initiative	$480,000	$480,000	$480,000	$480,000	$480,000
Statewide Incentive Program	$302,544	$302,544	$302,544	$302,544	$302,544
Cross-Sector Incentive Program		$62,500	$62,500	$62,500	$62,500
Activity Stipends	$23,815	$47,630	$47,630	$47,630	$47,630
Opt-In County Incentive Program	$182,175	$198,001	$208,540	$245,000	$245,000
Transitional Rent Services	$36,001	$85,258	$119,874	$153,087	$171,521
IMDs	$161,929	$175,997	$185,364	$217,772	$217,772
Total	**$1,186,464**	**$1,351,930**	**$1,406,452**	**$1,508,533**	**$1,526,967**

Preliminary Evaluation Plan

As part of the demonstration request, DHCS included a preliminary plan to evaluate the BH-CONNECT demonstration and its achievement of the demonstration's goals. These hypotheses are subject to change and will be further defined as California works with CMS to develop an evaluation design.

Over the course of the BH-CONNECT demonstration period, DHCS anticipates:

- **ED utilization and lengths of stay** among members living with significant behavioral health needs will decrease.
- **Readmissions** to acute care hospitals and residential settings related to significant behavioral health needs will decrease.
- Utilization of **community-based crisis services** will increase.
- Availability and utilization of **community-based behavioral health services** will increase.
- **Care coordination** for members living with significant behavioral health needs will improve.
- Outcomes for **members who are justice-involved and those who are homeless** or at-risk of homelessness will improve.
- Outcomes for **children and youth involved in child welfare** will improve.
- Availability of **trainings, technical assistance, and incentives** to strengthen the provision of community-based care and improve outcomes will increase.
- Availability of **behavioral health providers** will increase.

Timeline & Next Steps

BH-CONNECT Implementation Timeline

DHCS intends to implement the BH-CONNECT demonstration using a phased approach. Counties may opt in to receive FFP for IMDs and meet other demonstration requirements on a rolling basis.

Proposed Implementation Milestones

January 2024

- Implementation of foster care liaison (MCP contract requirement)

January 2025 (*Demonstration Effective*)

- Counties opt-in to participate in BH-CONNECT IMD opportunity (*rolling*)
- Counties opt-in to offer enhanced community-based services, including ACT/FACT, CSC for FEP, IPS Supported Employment, Transitional Rent Services, Community Health Worker Services, and Clubhouse Services (*rolling*)
- Launch workforce initiative
- Statewide and opt-in county incentive programs go-live
- Release guidance on family therapies
- Centers of Excellence operational

July 2025

- Activity Stipends go-live
- Implement initial child welfare/behavioral health assessment

January 2026:

- Cross-sector incentive program go-live
- Evidence-based tools to connect members to appropriate care
- Tool to track availability of inpatient and crisis stabilization beds

Next Steps

- **Public Comment Period.** The BH-CONNECT application is available for public comment through August 31, 2023. Please submit all written comments to BH-CONNECT@dhcs.ca.gov.
- **Response to Public Comment.** DHCS will revise the draft BH-CONNECT application, integrating stakeholder feedback, in fall 2023.
- **Submission to CMS.** DHCS intends to submit the final BH-CONNECT application for CMS review in late 2023.
- **Demonstration Go-Live.** The BH-CONNECT demonstration will be implemented on a phased timeline to ensure ample time for successful implementation (*see slide 27*).
- **Ongoing Stakeholder Engagement.** DHCS is committed to engaging with stakeholders on an ongoing basis throughout the design and implementation of the proposed BH-CONNECT demonstration.

Find the draft BH-CONNECT demonstration application posted on https://www.dhcs.ca.gov/CalAIM/Pages/BH-CONNECT.aspx

CalAIM Transitional Rent Services Amendment Request

DHCS

Overview of Housing Supports in California

Through the CalAIM Section 1115 demonstration and Section 1915(b) waiver approvals in December 2021, California received authority to implement new population health and whole-person care initiatives, including 14 "Community Supports". Community Supports are services that can be covered by MCPs and offered by local community-based providers as appropriate, cost-effective alternatives to traditional medical services or settings. California has approval to implement six housing-related Community Supports today.

Housing-Related Community Supports in California

- **Recuperative care and short-term post-hospitalization housing** were authorized under the CalAIM Section 1115 demonstration to provide cost-effective and medically appropriate alternatives to hospitalization or institutionalization for high-risk enrollees.

- **Housing transition navigation services, housing deposits, housing tenancy and sustaining services, and day habilitation programs** were authorized under managed care regulatory authority to help eligible Medi-Cal members obtain housing and maintain tenancy.

California is requesting an amendment to the CalAIM 1115 demonstration to provide transitional rent services for eligible high-need Medi-Cal members to ensure they can access care in a supportive and safe community.

Goals of CalAIM Transitional Rent Services Amendment Request

DHCS is requesting a Section 1115 amendment to cover up to 6 months of rent for eligible high-need Medi-Cal members in the Medi-Cal managed care delivery system. DHCS seeks to improve the health and well-being of Medi-Cal members who are homeless or at risk of homelessness during critical transitions, as well as those who meet the criteria for unsheltered homelessness or for a Full Service Partnership (FSP) program.

Goals of CalAIM Transitional Rent Services Amendment

- Addressing unmet housing needs
- Reducing long-term homelessness
- Increasing utilization of preventive and routine care
- Reducing utilization of and costs associated with potentially avoidable, high acuity health care services
- Improving physical and behavioral health outcomes

To ensure a "no wrong door" approach to accessing key housing services, the BH-CONNECT demonstration would cover transitional rent services for individuals in the SMHS, DMC, and DMC-ODS delivery systems.

Eligibility Criteria for Transitional Rent Services

Medi-Cal members will be eligible for transitional rent services if they:

- Are enrolled in Medi-Cal MCPs that opt in to cover the services; **and**
- Meet HUD's current definition of homelessness or at-risk of homelessness with two modifications:
  - If exiting an institution, individuals are considered homeless if they were homeless immediately prior to entering that institutional stay, regardless of the length of the institutionalization; **and**
  - The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at-risk of homelessness under the current HUD definition to 30 days.

AND meet <u>one or more</u> of the following criteria:

- are transitioning out of an institutional care or congregate residential setting, including but not limited to an inpatient hospital stay, inpatient or residential SUD treatment or recovery facility, inpatient or residential mental health treatment facility, or nursing facility;
- are transitioning out of a correctional facility;
- are transitioning out of the child welfare system;
- are transitioning out of recuperative care facilities or short-term post-hospitalization housing;
- are transitioning out of transitional housing;
- are transitioning out of a homeless shelter/interim housing;
- meet the criteria of unsheltered homelessness; **or**
- meet eligibility criteria for a FSP program.

CalAIM Transitional Rent Services Financing

DHCS is requesting expenditure authority from CMS up to an aggregate cap of $764,860,000 over the final two years of the CalAIM demonstration (January 1, 2025 – December 31, 2026).

- **California is seeking capped hypothetical budget neutrality treatment for the transitional rent services.** This is consistent with CMS' budget neutrality framework for health-related social need (HRSN) services and the approved budget neutrality approach for recuperative care and short-term post hospitalization housing.
- **The following table shows the proposed expenditure authority cap across the final two DYs of the CalAIM Demonstration.**

Proposed Expenditure Authority Cap	DY 21 (CY 2025)	DY 22 (CY 2026)	Total
Transitional Rent Services in Medi-Cal Managed Care	$372,624,000	$392,236,000	$764,860,000
Total	**$372,624,000**	**$392,236,000**	**$764,860,000**

CalAIM Transitional Rent Services Evaluation

As part of the amendment request, DHCS included a preliminary plan to evaluate transitional rent services and its achievement of the demonstration amendment's goals. These hypotheses and plan are subject to change and will be further defined as California works with CMS to develop an evaluation design.

Potential Hypotheses

For individuals in Medi-Cal managed care who are homeless or at-risk of homelessness and transitioning out of institutional levels of care, congregate residential settings, correctional facilities, the child welfare system, recuperative care facilities, short-term post-hospitalization housing, transitional housing, homeless shelters or interim housing, or meet the criteria for unsheltered homelessness or for a FSP program:

- Unmet transitional housing needs will be addressed.
- Long-term homelessness will be reduced.
- Utilization of preventive and routine care will increase.
- Utilization of potentially avoidable, high acuity care will decrease.
- Physical and behavioral health outcomes will improve.

Timeline and Next Steps

- **Public Comment Period.** The CalAIM transitional rent services amendment application is available for public comment through August 31, 2023. Please submit all written comments to 1115waiver@dhcs.ca.gov.
- **Response to Public Comment.** DHCS will revise the draft CalAIM transitional rent services amendment application, integrating stakeholder feedback, in fall 2023.
- **Submission to CMS.** DHCS intends to submit the final CalAIM transitional rent services amendment application for CMS review in late 2023.
- **Transitional Rent Services Community Support Go-Live.** Medi-Cal MCPs that elect to provide transitional rent services may provide this Community Support to qualifying individuals enrolled in their plans starting on January 1, 2025.
- **Ongoing Stakeholder Engagement.** DHCS is committed to engaging with stakeholders on an ongoing basis throughout the design and implementation of transitional rent services.

Find the draft CalAIM transitional rent services amendment application posted on https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx

Public Comment

Public Comments

The Department of Health Care Services (DHCS) will now take comments from stakeholders on the proposed BH-CONNECT demonstration and CalAIM Transitional Rent Services amendment.

- **Q&A Box.** All information and questions received through the Q&A box will be recorded as public comments
- **Spoken.** Participants must "raise their hand" for Zoom facilitators to unmute the participant to share their public comment

  If you logged on via phone-only
  - Press "*9" on your phone to "raise your hand"
  - Listen for your phone number to be called by moderator
  - After selected to share your public comment, please ensure you are "unmuted' on your phone by pressing "*6"

  If you logged on via Zoom interface and/or registered via email
  - Press "Raise Hand" in the "Reactions" button on the screen
  - After selected to share your public comment, please ensure you are "unmuted" on your audio

  Please limit comments to two minutes.

Thank You!

BH-CONNECT DIGITAL RESOURCES

Find more details about BH-CONNECT, including policy guides, and other guidance documents, on the DHCS website: BH-CONNECT Resources

Important Documents

- Enclosure: BH-CONNECT EBP Policy Guide (draft for public comment)
- CMS Approval Letter (December 2024)
- BH-CONNECT News Release (December 2024)
- BH-CONNECT Waiver Authority (December 2024)
- CalAIM Waiver Authority (December 2024)
- CalAIM Approval letter (December 2024)
- CalBH-CBC Demonstration Concept Paper (Updated November 2022)
- CalBH-CBC Demonstration Concept Paper Executive Summary (Updated November 2022)
- DHCS Medi-Cal Foster Care Strategies

Additional Resources

- DHCS submitted the following to CMS on October 20, 2023:
  - BH-CONNECT Section 1115 Demonstration Application
- DHCS submitted the following to CMS on July 26, 2024:
  - BH-CONNECT Addendum
- Proposed BH-CONNECT Addendum Application (June 2024)
- BH-CONNECT Addendum Public Notice (June 14, 2024)
- BH-CONNECT Addendum Abbreviated Public Notice (June 14, 2024)
- BH-CONNECT Addendum Public Hearing Slides
- Medi-Cal and Foster Care Updates (November 20, 2023)
- CMS State Medicaid Director Letter #18-011 (Updated November 2018)
- Assessing the Continuum of Care for Behavioral Health Services in California (Updated January 2022)
- CMS SMI and SED Demonstration Opportunity Technical Assistance Questions and Answers (Updated May 2019)
- CMS Qualified Residential Treatment Programs (QRTP) and SMI and SED Demonstration Opportunity Technical Assistance Questions and Answers (Updated September 2019)
- CMS SMI and SED Demonstration Opportunity Technical Assistance Questions and Answers (Updated November 2019)
- Qualified Residential Treatment Program (QRTP) Reimbursement: Family First Prevention Services Act (FFPSA) Requirements Q & A (October 2021)
- 1115 Demonstration State Monitoring & Evaluation Resources