

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

# 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

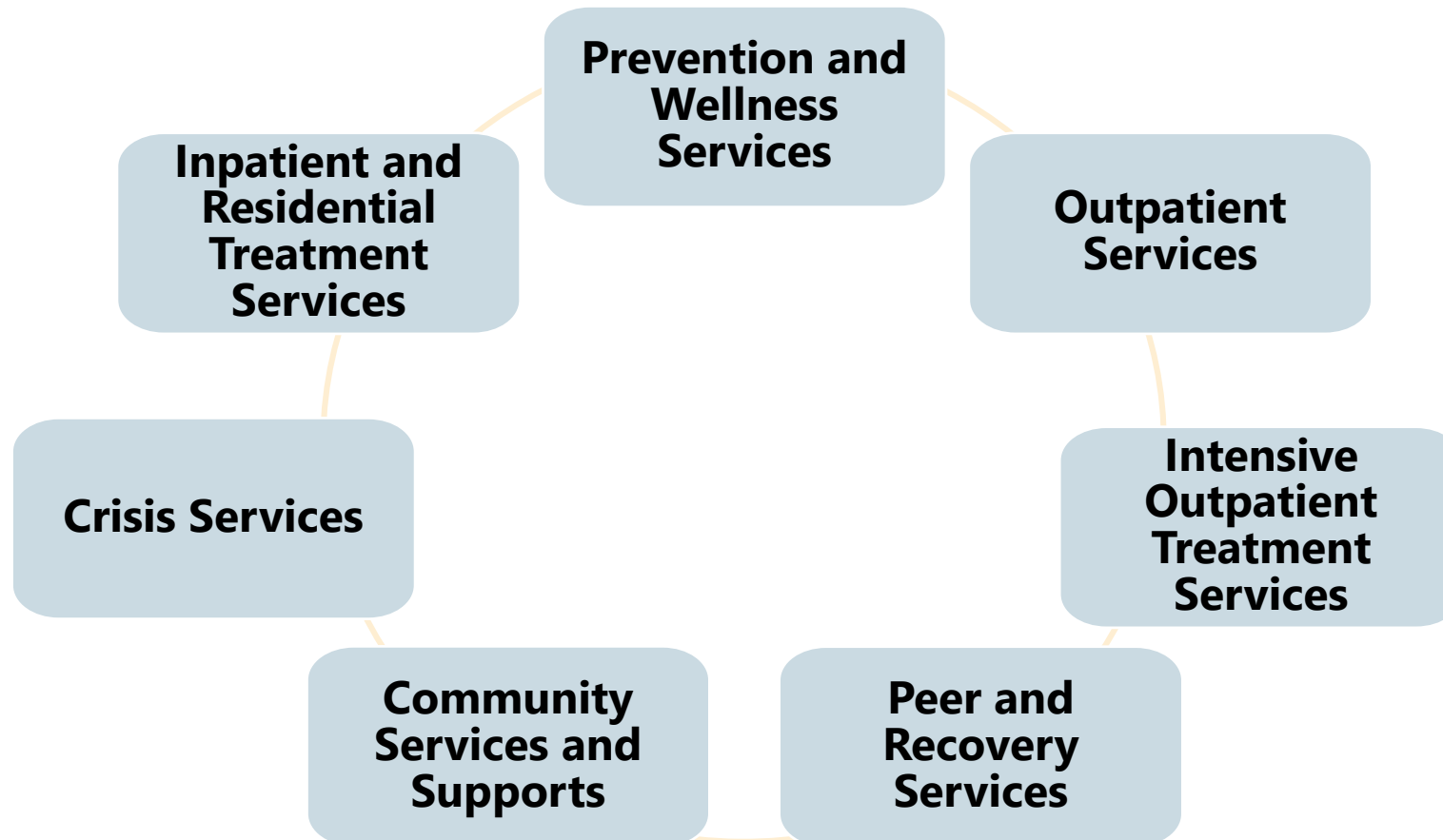
The BH-CONNECT demonstration will strengthen the continuum of community-based behavioral health services, while also taking advantage of CMS' opportunity to receive federal financial participation (FFP) for care provided during short-term stays in Institutions for Mental Diseases (IMDs).

- » **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)

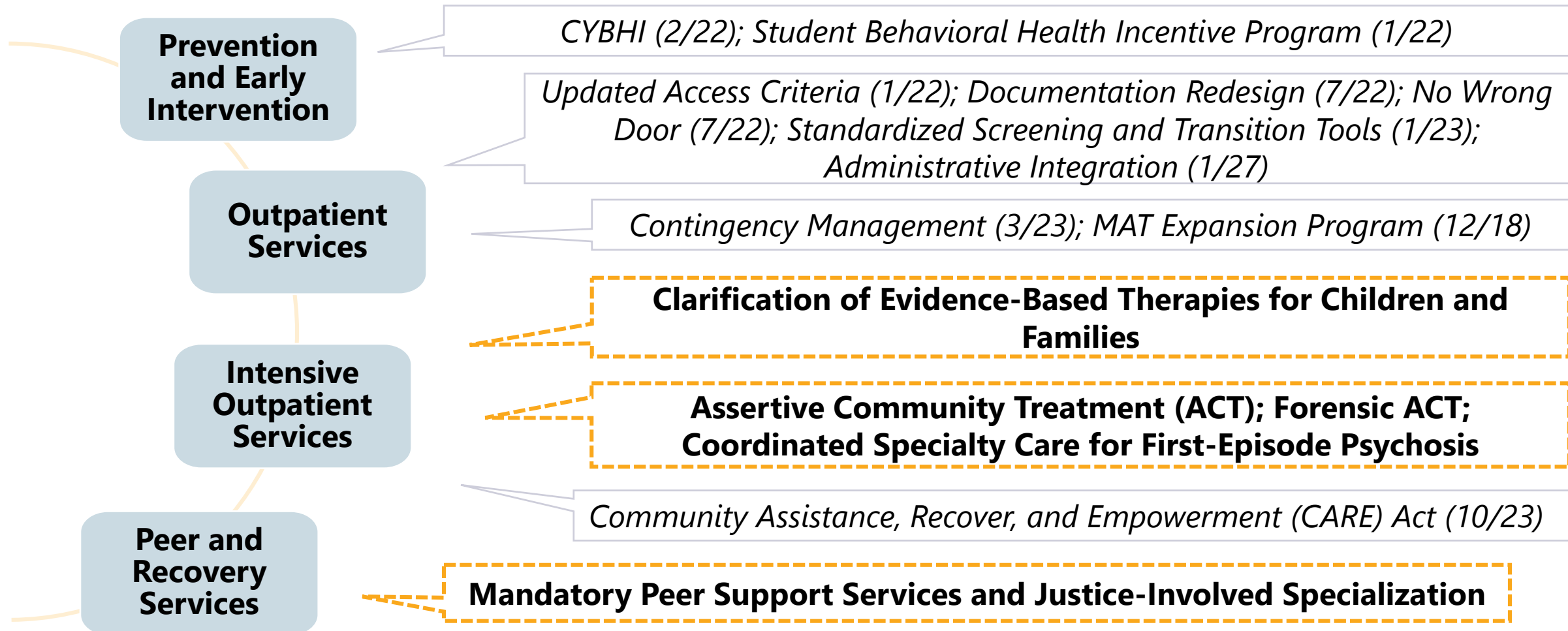
**BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.**



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)

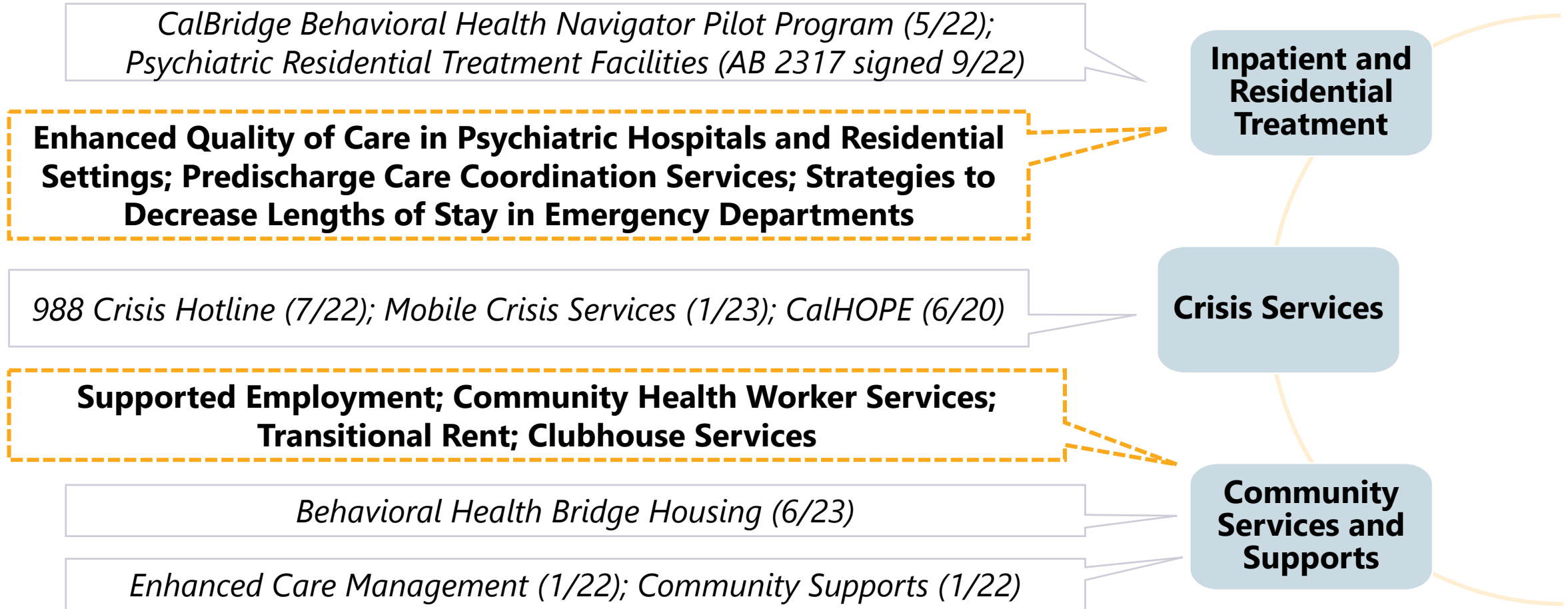
**BH-CONNECT will complement and further build out the continuum of care for Medi-Cal members living with significant behavioral health needs.**



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.

# Key Demonstration Components

**DHCS is requesting Section 1115 demonstration authorities for specific features of BH-CONNECT, 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.**

# Potential Impacts of BH-CONNECT to Community Health Centers

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**A primary goal of BH-CONNECT is to expand access to community-based behavioral health services for Medi-Cal members living with the most significant behavioral health needs.**

- » **Workforce Investments.** BH-CONNECT includes an initiative to make direct investments in the behavioral health workforce, which may support providers practicing within community health centers. The initiative would include both long- and short-term investments to ensure availability of a robust, diverse behavioral health workforce, including but not limited to programs to support availability of peer support specialists and CHWs; hiring and retention bonuses; and training investments for providers.
- » **Coverage of New Services.** As part of BH-CONNECT, DHCS intends to expand coverage of key community-based, evidence-based practices including ACT/FACT, CSC for FEP, IPS Supported Employment, CHW Services, and Clubhouse Services. DHCS also intends to clarify coverage of specific evidence-based practices for children, youth and family such as MST, FFT, PCIT. Community health centers may be equipped to help connect members they serve who are living with significant behavioral health needs to these more intensive outpatient services, when necessary.

**Note:** Counties will remain responsible for reimbursing FQHCs as described in BHIN [22-020](#) and BHIN [22-053](#). FQHCs in counties that opt-in to the BH-CONNECT demonstration may be able to provide new EBPs as covered SMHS and/or DMC-ODS services.

# Timeline & Next Steps

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# 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

- » **Response to Stakeholder Feedback.** DHCS will address questions and comments submitted by stakeholders and members of the public on the BH-CONNECT application during the public comment period that occurred from August 1 – August 31, 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>***

**Questions? Email BH-  
CONNECT@dhcs.ca.gov**



# Appendix

# 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.***

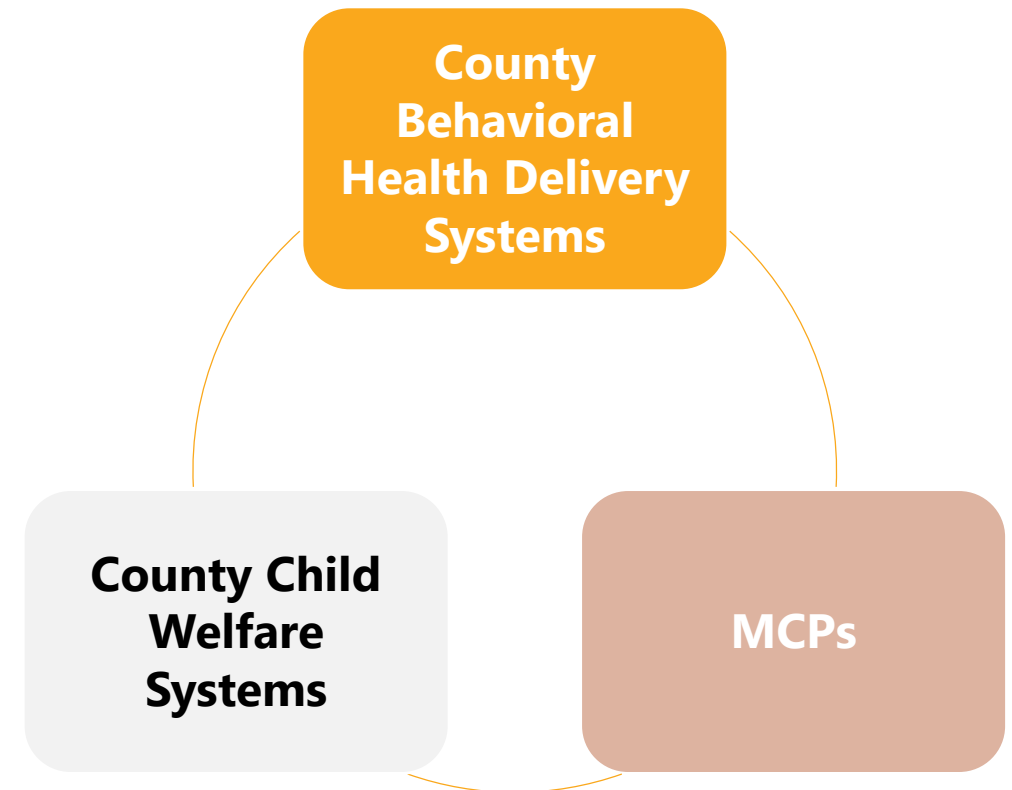
# Statewide Feature: Cross-Sector Incentive Program for Children Involved in Child Welfare



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
<ul style="list-style-type: none"><li>Participate in opt-in county incentive program</li><li>Begin training and technical assistance for ACT/FACT</li></ul> <p><b>Begin providing:</b></p> <ul style="list-style-type: none"><li>Peer Support Services, including forensic specialization</li><li>Community Health Worker services</li></ul>	<ul style="list-style-type: none"><li>Fully implement ACT</li></ul> <p><b>Begin providing:</b></p> <ul style="list-style-type: none"><li>Transitional Rent Services</li></ul>	<ul style="list-style-type: none"><li>Fully implement FACT</li></ul> <p><b>Begin providing:</b></p> <ul style="list-style-type: none"><li>CSC for FEP</li></ul>	<p><b>Begin providing:</b></p> <ul style="list-style-type: none"><li>IPS Supported Employment</li></ul>

*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 one or more 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.