

Systems and Medicaid Committee Agenda

Thursday, June 18, 2020

<https://dhcs.webex.com/dhcs/j.php?MTID=m3c4a2e03a45c3b80958b40cdfc965e4e>

Join by phone: 1-415-655-0001 **Access code:** 925 662 708

8:30 a.m. -10:20 a.m.

8:30 am	Welcome and Introductions <i>Liz Oseguera, Chairperson</i>	
8:35 am	Approve April 2020 Meeting Minutes <i>Liz Oseguera, Chairperson and All Members</i>	Tab 1
8:40 am	Review Talking Points Re: CalAIM Recommendation Letter <i>Liz Oseguera, Chairperson and All Members</i>	Tab 2
8:50 am	Public Comment	
8:55 am	DHCS Behavioral Health Stakeholder Advisory Committee Meeting Highlights <i>Ashneek Nanua, SMC Staff</i>	Tab 3
9:05 am	Governor's May Budget Revise Update (FY 2020-21) <i>Ashneek Nanua, SMC Staff</i>	Tab 4
9:15 am	Public Comment	
9:20 am	County Behavioral Health Directors Association Update Re: COVID-19 Impact on County Behavioral Health Services <i>CBHDA Staff</i>	Tab 5
10:00 am	Public Comment	
10:05 am	Wrap Up/Next Steps for October Meeting <i>Liz Oseguera, Chairperson and All Members</i>	Tab 6
10:15 am	Public Comment	
10:20 am	Adjourn	

The scheduled times on the agenda are estimates and subject to change.

Systems and Medicaid Committee Members

Liz Oseguera, Chairperson Karen Baylor, Chair-Elect

Veronica Kelley
Daphne Shaw
Cheryl Treadwell
Susan Wilson
Dale Mueller

Tony Vartan
Celeste Hunter
Walter Shwe
Deborah Pitts
Karen Hart

Noel O'Neill
Catherine Moore
Kathi Mowers-Moore
Hector Ramirez
Marina Rangel

Committee Staff

Ashneek Nanua and Jane Adcock

TAB 1

**California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020**

Agenda Item: Approve April 2020 Draft Meeting Minutes

Enclosures: April 2020 Draft SMC Meeting Minutes

Background/Description:

The Committee members will review the draft meeting minutes for the April 2020 Quarterly Meeting.

Motion: Accept and approve the April 2020 Systems and Medicaid Committee meeting minutes.

Members Present:

Liz Oseguera, Chairperson	Karen Baylor, Chair-elect	Karen Hart
Catherine Moore	Hector Ramirez	Cheryl Treadwell
Walter Shwe	Celeste Hunter	Dale Mueller
Noel O'Neill	Susan Wilson	Daphne Shaw

Staff Present:

Ashneek Nanua, Jane Adcock, and Jenny Bayardo

Meeting Commenced at 8:30 a.m.

Item #1 Approve January and February 2020 Draft Meeting Minutes

The Systems and Medicaid Committee (SMC) approved the January 2020 Meeting Minutes. Catherine Moore motioned approval. Noel O'Neill seconded the motion. Karen Hart and Cheryl Treadwell abstained.

The SMC approved the February 13, 2020 Meeting Minutes. Noel O'Neill motioned approval. Catherine Moore seconded the motion. Karen Hart and Cheryl Treadwell abstained.

The SMC approved the February 25, 2020 Meeting Minutes. Karen Baylor motioned approval. Catherine Moore seconded the motion. Daphne Shaw, Karen Hart, and Cheryl Treadwell abstained.

Action/Resolution

The January 2020 SMC Meeting Minutes are approved. Additionally, the February Meeting Minutes from February 13, 2020 and February 25, 2020 are approved.

Responsible for Action-Due Date

N/A

Item #2 DHCS Behavioral Health Stakeholder Advisory Committee (BH-SAC) and HHS Behavioral Health Taskforce Updates

SMC staff described the differences between the Department of Health Care Services (DHCS) Behavioral Health Stakeholder Advisory Committee (BH-SAC) and the recently formed Behavioral Health Taskforce under the CA Health and Human Services Agency (CHHS). Staff indicated that the BH-SAC is an advisory body to DHCS with the goal to generate strategies to reform the Medi-Cal system. The Behavioral Health Taskforce is an advisory group to the Governor and has specific populations of focus such as criminal justice, homeless, and children. The BH Taskforce will have subgroups to work towards a plan to reform California's public behavioral health system by 2025.

Liz Oseguera, Chairperson, added that the Behavioral Health Taskforce is a space for all behavioral health conversations to occur including the California Advancing and Innovating Medi-Cal (CalAIM) Initiative with the goal to move the behavioral health vision forward by 2025. She added that Taskforce members requested the population groups to expand beyond criminal justice, homeless, and youth to underserved and unserved individuals, cultural groups, and LGBTQ populations.

SMC staff reviewed key points from the BH-SAC meeting held on February 12, 2020 and notified committee members that the next BH-SAC meeting will be held virtually on Wednesday, May 27, 2020 from 9:30 a.m. – 12:30 p.m. The meeting will cover updates regarding CalAIM, the 1915(b) and 1115 Medi-Cal waiver renewals, flexibilities requested to CMS under the 1135 waiver, and the Governor's May Budget Revision.

Action/Resolution

- Provide committee members with the upcoming CHHS Behavioral Health Taskforce and BH-SAC meeting details via email.
- Attend the next BH-SAC meeting on Wednesday, May 27, 2020 and provide an update on the 1915(b) and 1115 waiver renewals at the June 2020 SMC meeting.

Responsible for Action-Due Date

Ashneek Nanua – June 2020

Item #3 Review DHCS CalAIM Stakeholder Response Document

Committee members reviewed questions that SMC staff posed from the DHCS CalAIM Stakeholder Response Document derived from the Medical Necessity Workgroup meeting held in February 2020. The purpose of reviewing DHCS comments on stakeholder recommendations was to identify areas that the SMC can respond to at the May 2020 public hearings regarding the 1915(b) and 1115 Medi-Cal waiver renewals. Key items were highlighted from committee discussion:

- The SMC recommended that the ACEs screening tool be administered to adults and children. This service should expand to Managed Care Plans (MCPs) in addition to the Specialty Mental Health Services (SMHS) system. Karen Baylor indicated that this would align with the goal of CalAIM for integrating physical and behavioral health services. Catherine Moore added that the ACEs screening should not be mandated for SMHS.
- Committee members agreed that a method should be put in place to track how clients move between MCPs and SMHS when they require higher or lower levels of care. Since DHCS is not mandating a universal tracking tool, the SMC recommended the following:
 - Counties and MCPs collaborate to create a universal tracking tool.
 - DHCS identify key data elements for a tracking tool for counties and MCPs to use when developing the tool.
 - DHCS provide technical assistance to counties.
- The prior county of residence should be the entity financially responsible for a Medi-Cal beneficiary until their Medi-Cal is initiated in the county of service. This may incentivize the prior county of residence to expedite the process to transition a beneficiary's Medi-Cal benefit when transferring to a new county.
- Committee members discussed inpatient medical necessity and discussed the comments made by DHCS. Liz Oseguera directed the committee to email SMC staff if they have recommendations for this topic.

Action/Resolution

- Committee members will send staff additional comments through email.
- Staff will include committee comments and recommendations as talking points for the DHCS public hearings for the 1915(b) or 1115 Medi-Cal waiver renewals.

Responsible for Action-Due Date

Ashneek Nanua – May 2020

Item #4 COVID-19 Updates/Changes for Medicaid Behavioral Health

SMC staff reviewed key items regarding the impact of the COVID-19 pandemic on the behavioral health components of Medicaid. Staff then reviewed key items and policy considerations under the CARES Act and Families First Coronavirus Response Act.

Daphne Shaw sought clarification on whether Medi-Cal can reimburse Board and Care facilities and if this includes the Institutes for Mental Disease (IMD) Exclusion. Jane Adcock, Executive Officer, indicated that the Council's Legislative Committee signed a letter with the County Behavioral Health Directors Association (CBHDA) and Steinberg Institute requesting special funding for Board and Care facilities during the COVID-19 pandemic. SMC staff indicated that the CMS has not responded to DHCS' request to remove the IMD Exclusion.

Catherine Moore asked how the 42 CFR requirements have changed since providers already need client permission to share substance use disorder records. SMC staff indicated that the 42 CFR requirements are now aligned with the Health Insurance Portability and Accountability Act (HIPAA) requirements. Committee members clarified that 42 CFR requirements are more stringent than HIPAA requirements. Liz Oseguera stated that the added flexibilities under 42 CFR is a statutory change which will become legally binding even after the COVID-19 crisis subsides.

Action/Resolution

N/A

Responsible for Action-Due Date

N/A

Item #5 Public Comment

Steve Leoni suggested that the SMC set up a meeting to discuss the changes that DHCS is making to the CalAIM Initiative prior to the public hearing on May 18, 2020.

Action/Resolution

N/A

Responsible for Action-Due Date

N/A

Item #6 Wrap Up/Next Steps for Interim Meeting Re: CalAIM RFP

Liz Oseguera stated that the SMC will hold an interim meeting to discuss the redline CalAIM document once it is released by DHCS. She indicated that the committee will have a follow-up meeting to finalize their responses to the updated version of CalAIM.

SMC staff notified committee members that DHCS will hold stakeholder advisory committee meetings for the Medi-Cal 1915(b) and 1115 Medi-Cal waivers on May 18 and May 27, 2020, respectively. Liz Oseguera proposed that staff pull talking points from the committee's CalAIM Recommendation Letter for the meetings. Catherine Moore requested to include the SMC's recommendations in the talking points based on the CalAIM Medical Necessity Stakeholder Document.

Staff asked committee members if they would like to meet prior to the meetings to review the talking points. Committee members agreed to meet for this purpose and to discuss the changes that DHCS is making to the CalAIM Initiative if the updated version of CalAIM is available prior to the next SMC meeting. Committee members selected the date and time of the next SMC meeting.

Action/Resolution

- Compose talking points from the CalAIM Recommendation Letter and include committee recommendations for the Medical Necessity Stakeholder Response Document.
- Send committee members an invitation for the next SMC meeting to be held on Friday, May 15, 2020 from 1:00-2:30 p.m.

Responsible for Action-Due Date

Ashneek Nanua – May 2020

TAB 2

**California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020**

Agenda Item: Review Talking Points Re: CalAIM Recommendation Letter

Enclosures: Talking Points for DHCS Public Hearing Re: Medi-Cal Waiver Renewals
CalAIM Recommendation Letter

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides committee members the opportunity to review and approve talking points derived from the committee's letter of recommendations for the CalAIM Initiative. The talking points will be used to promote policy considerations for the Initiative at the Department of Health Care Services' meetings regarding the Medi-Cal 1915(b) and 1115 waiver renewals.

Background/Description:

The SMC has created a letter of recommendations in response to the CalAIM Initiative in the effort to improve access and quality of care for individuals served by California's public behavioral health system. SMC staff have developed talking points to present at upcoming public hearings and related meetings focused on the CalAIM Initiative as well as the renewal of the 1915(b) and 1115 Medi-Cal waivers. The talking points are based on the committee's key recommendations provided in the CalAIM Recommendation Letter addressed to the Department of Health Care Services.

Committee members will review the talking points and provide feedback to staff to finalize a public comment statement for upcoming meetings regarding the CalAIM Initiative and Medi-Cal waiver renewals.

Please contact Ashneek Nanua at Ashneek.Nanua@cbhpc.dhcs.ca.gov for electronic copies of the meeting materials.

Hello, my name is Ashneek Nanua representing the Behavioral Health Planning Council's System and Medicaid Committee.

The Systems and Medicaid Committee, in collaboration from stakeholders across California, has written a letter to the department containing recommendations for Medical Necessity and the Administrative Integration of Mental Health and Substance Use Disorder Services. Key points from the letter include the committee's recommendations for Medical Necessity as follows: **(25 sec)**

Medical Necessity

- The SMC supports a No Wrong Door approach that permits service delivery through multiple entities simultaneously to ensure that all individuals have access to care wherever they present in the system. **(12 sec)**
- We believe the No Wrong Door approach is also tied to payment reform. The committee supports allowing payment before diagnosis as it incentivizes providers to deliver value-based care and reduces the back and forth effect of clients moving between Managed Care Plans and county systems. **(17 sec)**
- To improve client transitions, we recommend that DHCS create statewide standards to operationalize warm hand-offs and referrals to prevent individuals from getting lost in the system. **(10 sec)**
- DHCS should mandate a universal tracking tool to monitor clients' transition from MCPs and SMHS. **(8 sec)**
- The SMC supports the use of a lean standardized assessment tool and recommends that the tool has a section for providers to include additional elements to the assessment as needed. We request that DHCS field and compliance staff be trained to the assessment tool and hold entities accountable solely on the core standards of the tool. **(20 sec)**
- We recommend the ACES screening tool be administered to adults in addition to children. **(5 sec)**
- It currently takes 90 days for an individual's Medi-Cal to be active when they transfer to a new county. We would like to see this time be reduced by making the prior county of residence financially responsible for the Medi-Cal beneficiaries until their Medi-Cal is initiated in the county of service. **(15 sec)**
- Families should be considered as part of the treatment process to reduce potential feelings of isolation and trauma an individual experiences as they navigate multiple levels of care. **(10 sec)**

For the **administrative integration of mental health and substance use disorder services**, the Systems and Medicaid Committee recommends...

- The implementation of statewide peer specialist certification and training for community mentor programs as they are a cost-effective resource that embodies community-based recovery. **(18 sec)**
- Removing the primary diagnosis requirement so providers can deliver both mental health and SUD services if they have the education and training in both arenas. **(10 sec)**
- The provider enrollment process at DHCS be simplified to reduce the amount of time it takes to enroll and license providers. **(7 sec)**
- Last, we recommend streamlining the licensing review process for facilities that deliver mental health and substance use disorder services. **(8 sec)**

With these recommendations, we believe CalAIM has the potential to reduce the complexities of the behavioral health system and lead to better treatment outcomes for the individuals we serve. We thank you for the opportunity to speak today. Please feel reach out to our Executive Officer, Jane Adcock, if you have any questions. **(17 sec)**

Total Time: **Appx. 3 minutes**

California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020

Agenda Item: DHCS Behavioral Health Stakeholder Advisory Committee (BH-SAC) Meeting Highlights

Enclosures: CBHPC Overview of BH-SAC May 2020 Meeting
[SAC and BH-SAC Meeting PowerPoint Slides 5.27.20](#)

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides committee members with information regarding the status of the Medi-Cal 1915(b) and 1115 waiver renewals as well as the impact of COVID-19 on the Department of Health Care Services' state budget and activities. The SMC will use this information to plan future activities and advocate for policies that improve access to services and secure funding for individuals with behavioral health conditions.

Background/Description:

The Behavioral Health Stakeholder Advisory Committee (BH-SAC) was created as part of DHCS' ongoing effort to integrate behavioral health with the rest of the health care system, and incorporates existing groups that have advised DHCS on behavioral health topics. Following the model of the Stakeholder Advisory Committee, the BH-SAC advises the DHCS Director on the behavioral health components of the Medi-Cal program as well as behavioral health policy. The May 2020 BH-SAC meeting will focus on the COVID-19 pandemic.

Council staff will review highlights from the BH-SAC meeting held on May 27, 2020. Committee members will use this information to discuss ways to influence policy that ensures individuals with serious mental illness and substance use disorders have access to quality Medi-Cal funded services during and after the COVID-19 pandemic.

Details for next BH-SAC meeting is provided below:

Date: Thursday, July 16, 2020

Time: 1:30 – 4:30 p.m.

Location: TBD

The Behavioral Health Stakeholder Advisory Committee (BH-SAC) was created as part of the ongoing effort to integrate behavioral health with the rest of the health care system. The BH-SAC provides the Department of Health Care Services (DHCS) with coordinated input regarding behavioral health activities and is intended to be focused at a system-wide and policy level to improve the behavioral health system.

This document includes a high-level summary of the May 2020 BH-SAC Meeting.

Director's Update:

The Department of Health Services Director, Bradley Gilbert, provided an update on the following items:

- The Foster Care Workgroup will determine a long-term plan on how foster youth will receive health care services with the goal of developing an integrated system of care. The first workgroup meeting is scheduled for June 26, 2020.
- The Behavioral Health Taskforce is working towards the creation of a behavioral health plan for California to address urgent mental health and substance use disorder needs. Dr. Gilbert encouraged members to look at the mission and objectives of the Taskforce.

Status of Medi-Cal Waiver Renewals and CalAIM Update

State Medicaid Director, Jacey Cooper, provided an update on the status of Medi-Cal waiver renewals. She indicated that DHCS is working with the Centers for Medicare and Medicaid Services (CMS) for a one year extension of the 1115 waiver. The 1915(b) waiver is extended through December 31, 2021.

The CalAIM Initiative is postponed, as indicated in the Governor's May Revision. There are no dates or timelines to move forward at this time.

BH-SAC and SAC members were concerned with the budget neutrality aspect of the waivers but are hopeful that the HEROES Act will waive budget neutrality in the extension of the 1115 waiver.

State Budget Update: Governor's May Revise

State Medicaid Director, Jacey Cooper, provided an update on the Governor's May Revision. DHCS estimates spending \$106.6 billion (\$23.7 billion GF) in FY 2019-20 and \$115.7 billion (\$23.7 billion GF) in FY 2020-21. The May Revision includes \$890 million costs in FY 2019-20 and \$8.9 billion in 2020-21 in response to the COVID-19 pandemic. Key items contributing to this expenditure amount include:

- Increased average monthly Medi-Cal caseload by 2 million people totaling 14.2 million beneficiaries. Caseload projections stem from:

- Unemployment rates and historical analysis of decreased caseload from 2015.
- Financial projections from the Legislative Analyst's Office (LAO) and Department of Finance (DOF).
- Inclusion of 114,000 beneficiaries who would otherwise lose eligibility.
- Increased federal funding by \$4.9 million.
- Decreased service utilization due to non-pharmaceutical interventions for COVID-19 and budget reductions.
- Additional GF costs and federal funding for Medi-Cal response to COVID-19.

Proposed budget reductions include:

- \$50 million GF from reversion funding in the 2019 Budget Act.
- \$600 million GF savings from withdrawn proposals in the January budget.
- \$150 million GF savings from eliminating adult optional Medi-Cal benefits.
 - Includes dental benefit reversions to the 2014 level of service and eliminating the CBAS and Multipurpose Senior Services Program.
- \$1.2 billion GF savings from redirecting Prop 56 revenues to support Medi-Cal caseload growth.
 - Includes elimination of supplemental payments, value-based payments, and reductions to trauma screenings.
- \$90 million GF in Medi-Cal rate reductions and program efficiencies.
 - Includes reduction of Managed Care capitation rates to 2019-20 bridge period and elimination of carve-outs for FQHCs and other Medi-Cal services except for mental health and SUD services
- \$330 million GF from redirecting and transferring certain special funds including revenues from proposed e-cigarette tax to support Medi-Cal program growth.

Other budget items include decreasing \$1.7 billion GF from Managed Care Organization (MCO) tax to offset GF Medi-Cal costs in 2020-21 and increasing \$1.4 billion GF to return funds to federal government claimed for ineligible Medi-Cal services.

Family health program costs are \$200 million in the current year and \$268 million in the budget year with a \$78 million increase in the May Revision from FY 2019-20 to 2020-21. Caseloads are expected to remain stable or experience minor growth.

Additional Comments:

Increased Federal Medical Assistance Percentage (FMAP) will apply for SMHS waivers and Managed Care Plans (MCPs).

DHCS is exploring long-term care at home benefit to decompress hospitals/skilled nursing facilities and enable people to receive care safely in their homes.

Beneficiaries may not know how to access telehealth services or are uncomfortable with the technology. Non-English speakers prefer in-person visits but fear going in or unaware if offices are open. Many young individuals who are experiencing homelessness are facing challenges in accessing telehealth services.

A detailed version of DHCS highlights of the Governor's May Revision for FY 2020-21 is available [here](#).

COVID-19 Updates

Federal legislation such as the Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act provides additional Medicaid funding and gives states new options to address the COVID-19 pandemic.

1135 Waiver:

CMS approved select items in DHCS' request for additional flexibilities under the 1135 waiver including flexibilities to provider enrollment to allow additional providers to participate during the COVID-19 emergency, telehealth and telephonic services, payment rates, state fair hearings, and service authorization and utilization.

Home and Community Based Services (HCBS) Appendix K Waiver Flexibilities:

CMS approved the request for [Appendix K flexibilities](#) under the HCBS waiver including flexibilities for telehealth services, case manager assessments and level of care re-assessments, and administrative duties. Other flexibilities include:

- Permitting payment for services rendered by family caregivers.
- Modifying provider qualifications to include unlicensed waiver personal care service providers.
- Pausing waiver disenrollment beyond the 30 day limit for re-institutionalized participants.

1115 Waiver Request:

CMS has not yet responded to the [1115 waiver request](#) sent in April 2020. Requests include:

- Waiving the 16-bed limit under certain IMDs (mainly acute care settings).
- Reimbursing COVID-19 testing and treatment in jails and prisons for Medi-Cal eligible inmates.
- Extending COVID-19 treatment to optional uninsured category at 100% FMAP rate.
- Deeming COVID-19 testing and treatment provided in care settings outside of hospitals as emergency services.
- Reimbursing temporary emergency housing within Whole Person Care pilots.

- Waiving certain utilization limits to the residential treatment benefit in Drug Medi-Cal Organized Delivery System (DMC-ODS) pilots.
- Reimbursing retainer payments in specific HCBS programs.
- Authorizing DHCS and MCPs to adjust incentive payments for PRIME and QIP.

Disaster State Plan Amendment (SPA) 20-0024:

CMS approved [SPA 20-0024](#) to be effective March 1, 2020 through the end of the COVID-19 emergency period. Provisions include the following:

- Expanding presumptive eligibility (PE) to cover uninsured individuals and allowing hospital PE for certain eligibility groups for two PE periods within a year.
- Expanding telehealth to have full flexibility across delivery services including FQHCs and behavioral health.
- Expanding certain home health benefits.
- Removing prescription limits and extending the maximum length of prescriptions.
- Increasing payment for COVID-19 testing at 100% Medicare rate.
- Allowing paid sick leave for IHHS and personal care service workers.
- Waiving the county interim rate setting methodology for SMHS, DMC-ODS, and Drug Medi-Cal.

Governor Executive Order N-55-20:

The Governor signed [Executive Order N-55-20](#) to give DHCS and providers flexibility for fair hearings, signature requirements for certain drug deliveries, SUD residential treatment authorizations to operate beyond license limitations, audit delays, risk assessment timeline extensions, and medical exemption request extensions for fee-for-service providers. DHCS was approved to reimburse county behavioral health departments for administrative costs up to 30% of the total actual cost of client services.

Additional items affected by COVID-19:

Eligibility: DHCS took the following actions in response to COVID-19:

- Released guidance to delay processing annual redeterminations and negative actions for the Medi-Cal and CHIP programs.
- Permitted enrollment over telephone for Family Planning, Access, Care, and Treatment (PACT) and Every Woman Counts services.
- Expanded hospital PE to include individuals over 65 as well as aged and disabled populations.
- Provided guidance for applications received without signatures.
- Waived share-of-cost for COVID-19 testing and all treatment thereafter if an individual tests positive (awaiting CMS approval).

Jacey Cooper added that 1,579 individuals are enrolled for uninsured aid which covers testing and testing-related services for COVID-19. This includes individuals who are underinsured and not eligible for COVID-19 related services. DHCS issued guidance on how clinics and physician offices can bill for these services.

Providers: DHCS notified providers to contact their Third Party Liability and Recovery Division if they have an overpayment debt due to an audit or retroactive rate adjustment and are currently experiencing a hardship related to COVID-19. DHCS released guidance on shifting to telehealth services and minimizing administrative burdens by allowing flexibilities in deadlines and conducting virtual audits.

Jacey Cooper added that DHCS is interested in finding out what is working and what is not working in telehealth to ensure quality health care. She indicated that this would help determine how these services will exist after the COVID-19 public emergency.

Behavioral Health: DHCS issued multiple information notices and FAQs for behavioral health including the following flexibilities:

- DUI programs and opioid treatment.
- The way counties are paid for SMHS, DMC State Plan, and DMC-ODS.
- Streamlining processes for provider enrollment, licensing, application fee waivers, virtual background checks, and extensions related to counselor certification timelines.

DHCS also launched an [emotional support and well-being and managing stress for health webpage](#) for hotlines and additional resources related to COVID-19.

Managed Care: DHCS issued guidance to MCPs on mitigating secondary health effects and reducing negative impacts of isolation for at-risk individuals. DHCS is also monitoring plan networks through daily plan reports.

MCPs have given support to providers by providing advances, accelerating incentive payments for performance, advancing capitation or claims payments, waiving public hospital rate range fees and expediting intergovernmental transfer (IGT) payments, enhancing rates or expanding incentives for skilled nursing facilities, providing grants, and funding personal protective equipment (PPE).

Crisis Counseling Program – FEMA Grant: Awarded 1.7 million for 60 days and requested \$84.6 million in grant funding for larger counseling and assistance training program (Regular Services Program). Target populations for the RSP include African Americans, Hispanics, middle-aged white men with gun access, youth, isolated seniors, and at-risk populations. Elements of the program include expanding media campaign to promote CalHOPE website and warmline, expanding the CalHOPE website to create a human centered resource for information and connection, and enabling supports to connect individuals to a crisis counselor when needed.

Medi-Nurse: DHCS launched a 24-hour nurse advice line for Medi-Cal Fee-For-Service beneficiaries and uninsured individuals. Individuals can receive information on whether they should self-isolate and employ home self-care techniques or see a health care practitioner for COVID-19 testing. The nurse can also provide callers with county-level resources.

Beneficiary Outreach/Notice: DHCS began the process of mailing notices with an FAQ to beneficiaries in order to address concerns they may have related to the COVID-19 pandemic. This includes information about eligibility, benefits, COVID-19 testing, resources on where to receive mental health services, and expectations for telehealth.

Childhood Immunization Rates: CDPH recently reported that immunization levels have dropped in March and April 2020 by 40% for children 0-18 year olds in March and 50-55% in April.

Well-Child Visits: DHCS is engaging with health plans for best practices and interventions related to childhood immunizations and visits. Guidance was issued to providers to inform parent caregivers of their options to complete some elements of a well-child visit through telehealth.

Please visit the [DHCS COVID-19 Response webpage](#) to view full details regarding all guidance and letters in regards to the COVID-19 public emergency.

California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020

Agenda Item: Governor's May Revise Update (FY 2020-21)

Enclosures: CBHPC Overview of Governor's 2020-21 May Budget Revision
[Health and Human Services May Revise Summary](#)
[DHCS Budget Highlights of 2020-21 May Revision](#)

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides committee members with information regarding the impact of COVID-19 on the Governor's state budget and activities. The SMC will use this information to plan future activities and advocate for policies that improve access to services and secure funding for individuals with behavioral health conditions.

Background/Description:

California Governor, Gavin Newsom, provided the Administration's May Budget Revision on Thursday, May 14, 2020. The COVID-19 pandemic has significantly impacted the state budget as California faces a projected \$54.3 billion deficit in the remainder of fiscal year 2019-20 and throughout 2020-21. The state is mandated to submit a balanced budget proposal which will result in several budget cuts to state and local programs and eliminates the ability to create or expand programs that were proposed in the January budget.

Additionally, the Medi-Cal population is projected to grow by 2 million beneficiaries without additional county funding to support this increased caseload. This will significantly impact the public behavioral health system's capacity to deliver services to its most vulnerable populations including individuals with serious mental illness and substance use disorders.

Committee staff will provide highlights from the Governor's May Budget Revision as it pertains to agencies that serve populations with behavioral health needs. Committee members will use this information to discuss ways to influence policy that ensures that individuals with behavioral health conditions have access to services and supports during and after the COVID-19 pandemic.

Governor Gavin Newsom announced California's May Budget Revision on May 14, 2020. He expressed the desire to protect four core values which include public health, public education, public safety, and individuals who have been most affected by the COVID-19 pandemic.

The pandemic has driven California into a financial crisis and contributed to a projected \$41 billion General Fund (GF) revenue decrease leading to a \$54.3 billion deficit. The state budget is now \$203 billion (133.9 billion GF), which falls \$19 billion short of the January proposal (\$222 billion). Despite this shortfall, California is mandated to submit a balanced budget proposal. The budget deficit will be balanced by using CARES Act funding, drawing over \$16 billion from reserves (\$8.8 billion in FY 2020-21), borrowing and transferring \$4.1 billion from special funds, cancelling \$6.1 billion in program expansions, and implementing significant budget cuts across programs. The Governor also plans to close the budget gap by temporarily limiting the amount of credits that taxpayers can use to \$5 million in any given year.

The following monies will be drawn from California's reserves over a number of fiscal years:

- \$16 billion from the Rainy Day Fund over three years
 - \$7.8 billion for year 1, \$5.4 billion in year 2, and \$3.9 billion in year 3
- \$900 million from the Safety Net Reserve over two years
 - \$450 million for each year
- \$524 million from Public School System Stabilization Account to support K-14 education

The significant changes to the state budget proposal will affect billions of Californians who rely on the public system, particularly adults and children with severe behavioral health conditions who may rely on multiple systems of care. A summary of the Governor's budget as it pertains to behavioral health is provided below.

[Health and Human Services](#)

Department of Health Care Services

The May budget proposal will make significant changes to the Medi-Cal program. The caseload is projected to increase by an additional 2 million people, totaling 14.5 billion Medi-Cal beneficiaries. Governor Newsom stated that current Medi-Cal eligibility will stay in place, however, the state will no longer be able to expand programs that were proposed in January. Programs that will no longer move forward under the Department of Health Care Services (DHCS) include:

- The implementation of the CalAIM Initiative. This will achieve a savings of \$695 million (\$347.5 million GF) in FY 2020-21.
- Expansion of coverage to undocumented older adults to achieve \$112.7 million (\$87 million GF) in savings.

- The proposal to expand coverage to implement the 2019 Budget Act expansion to post-partum individuals with health coverage and diagnosed with a mental health disorder. This will achieve \$34.3 million GF savings in FY 2020-21.
- Payments to non-hospital clinics for 340B pharmacy services for a savings of \$52.5 million in FY 2020-21.
- Expansion of Medi-Cal to aged, blind, and disabled individuals with incomes 123%-138% of the federal poverty line (earning between \$16,332 and \$17,609 per year) for a savings of \$135.5 million.

To support the anticipated increase in Medi-Cal enrollment and provide services to individuals affected by the COVID-19 pandemic, the Medi-Cal budget in FY 2019-20 is \$99.5 billion (\$22.7 billion GF) in FY 2019-20 and \$112.1 billion (\$23.2 billion GF) in 2020-21. Key items from the May Budget Revision include the following:

- \$45.1 million GF in FY 2020-21 and \$42 million GF in FY 2021-22 will be removed from the Behavioral Health Quality Incentive Program.
- 2019 Budget Act Reversions will include adjustments for behavioral health providers in ERs, Medi-Cal enrollment navigators, and Medi-Cal Interpreters Pilot Project. It will also eliminate the augmentation for caregiver resource centers and CA Health Information Exchange Onboarding Program (CalHOP).
 - Savings will be \$25 million in FY 2019-20 and 2020-21 and \$10 million in FY 2021-22.
- \$1.2 billion of Proposition 56 funds for physician, dental, developmental screenings, non-emergency medical transportation, and value-based payments will be redirected to support growth in Medi-Cal program.
- \$5.1 billion GF decrease associated with Federal Medical Assistance Percentage (FMAP) through June 2021.
- \$10 million GF decrease in 2020-21 and \$33 million GF ongoing beginning in FY 2021-22 of unallocated revenues from e-cigarette tax to support growth in Medi-Cal costs.
- 10% rate increase for Skilled Nursing Facilities for four months during COVID-19 at GF cost of \$72.4 million in 2019-20 and \$41.6 million in FY 2020-21. This proposal is contingent on federal approval.

The May Revision also proposes to eliminate or modify optional services in Medi-cal. Programs including:

- Community-Based Adult Services (CBAS) and Multipurpose Senior Services Program (MSSP) programs. Eliminating CBAS will result in a GF savings of \$106.8 million in FY 2020-21 and \$255.8 million in FY 2021-22.
- Special carve outs for Federal Qualified Health Centers (FQHCs) for \$100 million savings (\$50 million GF).
- Supplemental payments to Martin Luther King Jr. Community Hospital for \$65.3 million (\$17.2 million GF) savings.

- Health Insurance Premium Payment Program (HIPP) to save \$0.7 million (\$0.4 million GF)

A full list of optional services proposed to be modified or eliminated is available on Page 8 of DHCS' [2020-21 May Revision Highlights](#). These optional benefits do not apply for Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services, individuals receiving long term care in nursing facilities, pregnancy-related services, emergency services, and dental surgery.

Additional Impacts to County Behavioral Health:

County behavioral health systems act as a public safety net for all Californians regardless of insurance status. Counties receive Mental Health Services Act (MHSA) funds from taxing individuals who earn an income of over \$1 million. Counties also fund specialty services from 1991 and 2011 Realignment derived from sales tax and vehicle license fees. The COVID-19 pandemic has driven the unemployment rate up to 18% with an anticipated increase to 25%, which impacts the amount of funding to county behavioral health departments and spikes an increase in Medi-Cal enrollment. Impacts to county revenues include:

- Projected decrease in 1991 and 2011 Realignment funds by 13% in FY 2019-20.
- Decline of personal income taxes by 25.5% which contributes to MHSA funding.
- Shift \$50 million of County Medical Services Program (CMSP) reserves over the next four fiscal years to offset GF CalWORKs costs.
- Freeze funding to county administration at the 2019 Budget Act level for a savings of \$31.4 million (\$11 million GF).
- Eliminate of county allocation for Child Health and Disability Prevention Program Case Management to save \$18.7 million (\$6.6 million GF)

There will also be impacts to the way Managed Care capitation rates are determined to generate a GF savings of \$91.6 million in FY 2020-21 and \$179 million in FY 2021-22. There will be a 1.5% rate reduction for July 2019-December 2020 for a GF savings of \$182 million in FY 2020-21. Additional savings will incur from a decrease of \$1.7 million GF in 2020-21 from the April 2020 federal approval of revised MCO tax.

\$327.2 million will be transferred from various DHCS Funds to support funding to the Medi-Cal program.

Department of Social Services

The May Revision includes \$32.1 billion (\$13 billion GF) for DSS programs in FY 2020-21. Program impacts are described in the categories below.

In Home Support Services (IHSS)

The May Revision includes \$14.7 billion (\$4.3 billion GF) for the IHSS program in FY 2020-21. Despite the estimated average monthly caseload of 581, 901 individuals, the

budget is a 0.4% decrease from the January budget proposal. Reductions will include a 7% decrease of service hours provided to IHSS beneficiaries beginning in January 2021 for \$205 million GF savings. Additionally, IHSS county administration funding will freeze to the 2019-20 level to generate \$12.2 million GF savings.

Supplemental Security Income/State Supplementary Payment (SSI/SSP)

The May Revision includes \$2.7 billion GF in FY 2020-21 for this program, which reflects a 0.4% increase from the January budget proposal to support a 0.7% anticipated increase in the average monthly caseload (1.2 million recipients). Without additional federal funding, the SSP grant will be equivalent to the federal cost of living adjustment (COLA) for January 2021 to the SSI portion of the grant. This will save \$33.6 million GF in 2020-21. No reductions will be made to overall SSI/SSP grants compared to the prior year.

Department of Public Health

The May Revision includes \$3.2 billion (\$209.1 million GF) in FY 2020-21. The department has been active in planning and responding to the COVID-10 pandemic. The budget includes \$5.9 million GF in FY 2020-21 and \$4.8 million GF ongoing to support increasing testing capacity and purchasing equipment and laboratory supplies utilized for COVID-19 testing.

Department of State Hospitals

The May Revision includes \$2.1 billion (\$1.9 billion GF) with an anticipated patient population of 6,791 individuals in FY 2020-21. The budget includes investments in community program directors for the Conditional Release Program, pharmacy modernization, protective services staff, violent incident response peer-support network, and statewide roof repairs. The following proposals are withdrawn from the budget:

- Increased treatment team ratios and implementation of trauma-informed care as well as a comprehensive discharge planning program to save \$22.6 million GF.
- Investments in operational and administrative activities including quality improvement and internal auditing and electronic document management system to save \$7.7 million GF.
- Community Care Collaborative Pilot Program to treat and serve individuals incompetent to stand trial in the community and increase local investments to strategize the reduction of arrests and cycling of institutions for this population. Elimination of this program will save \$24.6 million GF.

Other Policy Proposals Related to Behavioral Health

- The Mental Health Services Act Reform and Office of Health Care Affordability proposals have been deferred.
- The California Cognitive Care Coordination has been eliminated to generate \$3.6 million in savings.

- Expanded subsidies in the Covered California Marketplace for individuals between 400-600% of poverty will be maintained. However, a decrease of \$164.2 million GF in 2019-20 and \$90.3 million GF in 2020-21 is reflected in the budget to reflect low enrollment in state subsidies. An increase of \$15 million GF revenues in FY 2020-21 will reflect increased penalty revenues associated with higher uninsured rates due to the COVID-10 Recession.
- DHCS received \$1.6 million from the Federal Emergency Management Agency (FEMA) for CalHope, a social media campaign to provide education and resources on feelings of anxiety and depression during the COVID-19 pandemic.

Homelessness

Homelessness

The May Revision proposes the following:

- \$1.5 million GF ongoing and 10 permanent Homeless Coordinating and Financing Council (HCFC) positions to carry out statutory mandates.
- \$750 million in federal funds to purchase motels and hotels to support Project RoomKey.
- Eliminate the proposal to develop the California Access to Housing Fund.

Public Safety

Department of Corrections and Rehabilitation

The May Revision includes \$13.4 billion (\$13.1 billion GF and \$311 million other funds) in FY 2020-21.

The budget proposes to close two state prisons and set parole terms to a maximum of 2 years. The budget will sustain academic, vocational, and rehabilitative program investments to support inmates for release. The budget also plans to sustain the following proposals related to behavioral health:

- Expansion of statewide Telepsychiatry Program (\$5.9 million GF)
- Mental Health Psychiatry Registry (\$13.3 million)
- Intake cell retrofits for suicide prevention (\$3.8 million)
- Medical guarding and transportation (\$14.8 million)

The following proposals related to behavioral health have been removed:

- Training for correctional officers and counselors (\$21.4 million)
- Quality management and patient safety to evaluate risk and implement best practices to improve the health care delivery system (\$9.9 million)
- Maintenance projects related to health care facilities at the California Rehabilitation Center (\$5.9 million)

- Parole outpatient clinics that would give parolees access to mental health services through Medi-Cal.
- Integrated Services for Mentally Ill Parolee Program that would provide wraparound services and transitional housing to nearly 1,500 parolees.
- Ability to draw down federal funds for health care in community reentry programs.

Juvenile Justice

The May Revision proposes to transfer responsibility to manage all juvenile justice individuals to counties. The budget includes \$2.4 million GF in FY 2020-21 increasing to \$9.6 million ongoing for competitive grants under the Board of State and Community Corrections (BSCC). These grants will be granted to probation departments to meet specific treatment needs of juvenile justice youth.

[Saving Lives and Emergency Response](#)

COVID-19 Emergency Response

The May Revision reflects \$1.8 billion GF expenditures for the state's direct emergency response efforts for the COVID-19 pandemic which includes \$716 million GF as a set-aside contingency for additional response activities in FY 2020-21. This funding supports the procurement of personal protective equipment (PPE) and medical supplies, hospital surge preparation, hotels for health care workers and support staff, supporting the needs of vulnerable populations, and state response operations.

Federal Assistance

The federal government has provided funding to support the state's response to COVID-19 through the following bills:

- *HR 6074 - Coronavirus Preparedness and Response Supplemental Appropriations Act*: provides emergency funds to public health and health care.
- *HR 6201 – Families First Coronavirus Response Act*: provides assistance to families and temporarily increases the federal match for Medi-Cal and IHSS.
- *HR 748 – Coronavirus Aid, Relief, and Economic Security (CARES) Act*: provides assistance for the state, local governments, education, child care, businesses, and SSI recipients.
- *HR 266 – Paycheck Protection Program and Health Care Enhancement Act*: extends funding for small businesses, hospitals, community and rural health centers, and testing and contract tracing.

Direct Assistance

Over \$71 billion in federal funds will support state programs and safety net services. In addition to federal funds allocated to the state budget, over \$115 billion will support individuals and families, small businesses, hospitals and providers, rural and community clinics, schools, local housing authorities, airports, and local government.

The CARES Act allocated \$15.3 billion in Coronavirus Relief Funds (CRF) to state and local governments for expenditures incurred between March through December 2020 in response to COVID-19. \$9.5 billion was paid to the state. Cities and counties with over 500,000 residents received \$5.8 billion which was deducted from the county share. The CRF allocations are estimated to offset nearly \$3.8 billion in state GF costs.

CARES Act funding will be allocated accordingly to local governments:

- \$1.3 billion to counties for public health, behavioral health, and health and human services programs.
- \$450 million to cities for public safety and supporting homeless.

To see all summaries for the 2020-21 Budget, please visit <http://www.ebudget.ca.gov/>.

California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020

Agenda Item: County Behavioral Health Directors Association Update Re: COVID-19 Impact on County Behavioral Health Services

Enclosures: None

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides committee members with information regarding the impact of COVID-19 on county level behavioral health service delivery. The SMC will use this information to plan future activities and advocate for policies that improve access to services and secure funding for individuals with behavioral health conditions.

Background/Description:

The County Behavioral Health Directors Association of California (CBHDA) is a nonprofit advocacy association representing the behavioral health directors from each of California's 58 counties, as well as two cities (Berkeley and Tri-City). Through advocacy, lobbying and education efforts, CBHDA promotes the reduction of individual and community problems related to unaddressed behavioral health issues. CBHDA regularly brings together behavioral health professionals to discuss ways to inform public policy and improve the delivery of behavioral health services.

The COVID-19 pandemic has significantly impacted state and local programs. CBHDA will provide an overview of the COVID-19 pandemic impact on the county behavioral health system including elements such as funding, service delivery and utilization, and barriers to care such as workforce challenges and transitions to telehealth.

Committee members will use this information to discuss ways to influence policy that ensures access and service delivery to individuals with serious mental illness and substance use disorders during and after the COVID-19 pandemic.

TAB 6

**California Behavioral Health Planning Council
Systems and Medicaid Committee
Thursday, June 18, 2020**

Agenda Item: Wrap Up/Next Steps for October Meeting

Enclosures: None

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides the System and Medicaid Committee the opportunity to plan next steps for the upcoming October Quarterly Meeting.

Background/Description:

Committee members will discuss the next steps to plan and execute the October 2020 Quarterly Meeting. The meeting is anticipated to be held at the Hilton Oakland Airport Hotel on October 22, 2020.