

Agenda Item 9a:

Overview of Behavioral Health Services Act and BH-CONNECT

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Behavioral Health Workforce Development in BH-CONNECT and BHSA

February 2025

Behavioral Health Community-Based
Organized Networks of Equitable Care
and Treatment, or
BH-CONNECT:
Overview, Goals, and Components

Federal Approvals to Transform Behavioral Health Care in Medi-Cal

In mid-December, the Department of Health Care Services (DHCS) received approval from the Centers for Medicare & Medicaid Services (CMS) for the transformative BH-CONNECT initiative. BH-CONNECT grows out of our understanding of the lived experience of Californians with behavioral health needs and data-driven analysis of available services.

- » BH-CONNECT seeks to transform California's behavioral health delivery system by **expanding access to highly effective community-based services, strengthening the behavioral health workforce, and ensuring Medi-Cal members receive high quality care.**
 - CMS approved key elements of BH-CONNECT through a new Section 1115 demonstration and a series of new State Plan Amendments (SPAs).
- » As part of the BH-CONNECT Section 1115 approval, CMS also approved **Transitional Rent services** to ensure members going through vulnerable periods are stabilized, reducing their risk of returning to institutional care or experiencing homelessness.
- » California also received approval to ensure **eligibility for reentry services** conforms with new federal rules and to align the provision of several Community Supports with CMS' updated health-related social needs (HRSN) services framework through updates to the CalAIM Demonstration.

Why BH-CONNECT?

- » BH-CONNECT is at the center of an historic, multi-pronged initiative to **transform and improve behavioral health services for California residents living with significant behavioral health needs.**
- » Prior to BH-CONNECT approval, California already had **invested nearly \$15 billion in state funds** and launched **landmark policy reforms** to improve access and strengthen the continuum of care:
 - The **California Advancing and Innovating Medi-Cal** (CalAIM) includes policy and delivery system changes to transform Medi-Cal behavioral health to a more seamless system.
 - The **Children and Youth Behavioral Health Initiative** (CYBHI) is a historic investment to enhance, expand and redesign the systems that support behavioral health for children and youth.
 - The **Behavioral Health Transformation** (BHT) initiative, which Californians voted to pass in March 2024 as Proposition 1, works to modernize the broader public behavioral health delivery system, improve accountability and transparency, and expand the capacity of behavioral health care facilities.
 - The **Behavioral Health Continuum Infrastructure Program** (BHCIP) and the **Behavioral Health Bridge Housing** (BHBH) Program spur investments in infrastructure and new housing settings.
 - DHCS is strengthening the behavioral health crisis care continuum, including implementing **mobile crisis services** and the **988 Suicide and Crisis Lifeline**.
- » **BH-CONNECT is a linchpin for this broader effort**, offering sustainable financing for transformation initiatives through a combination of a Medicaid 1115 demonstration, new SPAs, and updates to state guidance.

Goals of BH-CONNECT

BH-CONNECT aims to:

Expand the continuum of community-based services and evidence-based practices (EBPs)

Strengthen family-based services and supports

Improve access, health outcomes, and invest in delivery system reforms

Strengthen the behavioral health workforce

Access federal funds for short-term stays in facility-based care

Support successful transitions to community-based care and reintegration

Promote improved health outcomes for individuals

Ensure stability for members going through vulnerable periods

Key BH-CONNECT Federal Approvals

Section 1115 Demonstration Approvals

- » Workforce Initiative
- » Activity Funds
- » Access, Reform and Outcomes Incentive Program
- » Community Transition In-Reach Services
- » Short-term Inpatient Psychiatric Care, including in Institutions for Mental Disease (IMDs)
- » Transitional Rent

SPA Approvals

- » Assertive Community Treatment (ACT)
- » Forensic ACT (FACT)
- » Coordinated Specialty Care for First Episode Psychosis (CSC for FEP)
- » Clubhouse Services
- » Individual Placement and Support (IPS) Model of Supported Employment
- » Enhanced Community Health Worker (CHW) Services

* *Transitional Rent coverage will be available in the Medi-Cal Managed Care delivery system.*

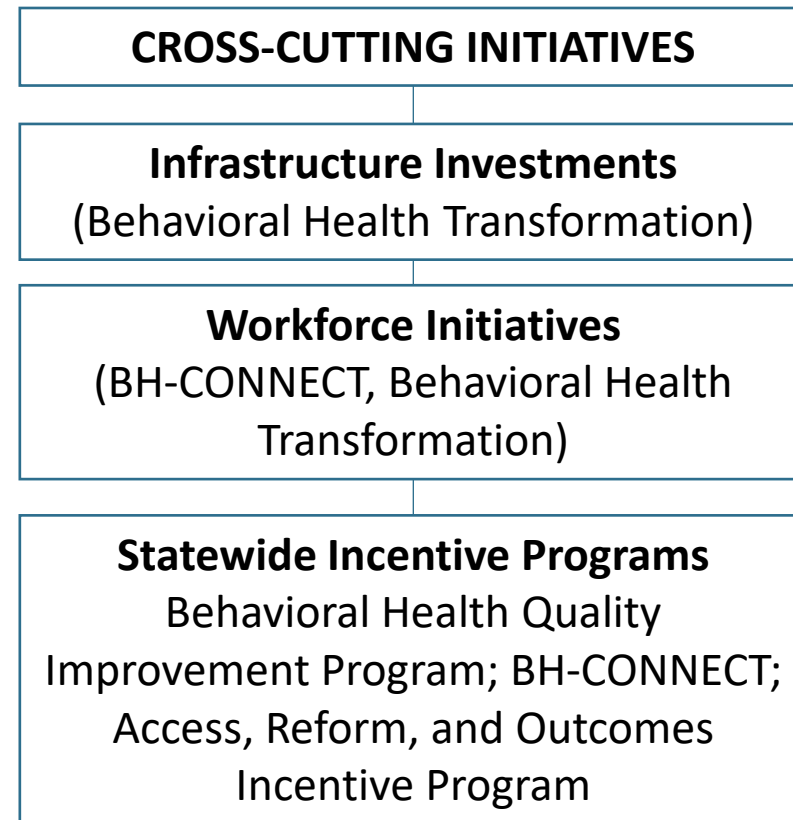
Other Components of BH-CONNECT

Leveraging Existing Authorities & State-Level Guidance

- » Centers of Excellence to support fidelity implementation of EBPs
- » Clarification of coverage of evidence-based child and family therapies, including Multisystemic Therapy, Functional Family Therapy, Parent-Child Interaction Therapy, and High-Fidelity Wraparound
- » Initial joint child welfare/specialty mental health visit
- » County Child Welfare Liaison role within Medi-Cal Managed Care Plans (MCPs)
- » Implementation of CMS milestones related to quality of care for patients of inpatient and residential facilities

Enhancing the Continuum of Care (1/3)

BH-CONNECT builds upon other investments to strengthen the continuum of behavioral health care in California.



Enhancing the Continuum of Care (2/3)

On this slide and the next, BH-CONNECT initiatives are in **bold**

» **Prevention and Wellness Services**

Activity Funds; Children and Youth Behavioral Health Initiative; Student Behavioral Health Incentive Program; Dyadic Services; Wellness Coaches

» **Outpatient Services**

Updated Access Criteria; Documentation Redesign; No Wrong Door; Payment Reform; Standardized Screening and Transition tools; Administrative Integration; Justice-Involved Initiative; Contingency Management; DHCS Opioid Response

» **Intensive Outpatient Treatment Services**

Clarification of Evidence-Based Therapies for Children and Families
Assertive Community Treatment (ACT); Forensic ACT; Coordinated Specialty Care for First-Episode Psychosis; Community Assistance, Recovery and Empowerment (CARE) Act

Enhancing the Continuum of Care (3/3)

- » Inpatient Residential Treatment Services
 - » **Enhanced Quality of Care in Psychiatric Hospitals and Residential Settings; Predischarge Care Coordination Services; Strategies to Decrease Lengths of Stay in Emergency Departments**
- » Crisis Services
 - » Psychiatric Residential Treatment Facilities; Mobile Crisis Services; CA Bridge Program; CalHOPE; 988 Lifeline
- » Community Services & Supports
 - » **Supported Employment; Clubhouse Services; Transitional Rent; Community Health Worker Services**
Behavioral Health Bridge Housing
Enhanced Care Management; Community Supports;
Traditional Healers
- » Peer & Recovery Services
 - » **Peer Support Services**

Implementation Timeline

DHCS will implement the BH-CONNECT demonstration using a phased approach beginning January 2025. BHPs and MCPs may opt in to participate in select initiatives on a rolling basis.



January 2025 (*Demonstration Effective*)

- » BHPs opt-in on a rolling basis: IMD opportunity, BH-CONNECT EBPs, Community Transition In-Reach Services
- » Launch Access, Reform and Outcomes Incentive Program
- » Develop guidance on evidence-based family therapies
- » Identify Centers of Excellence to support training and fidelity monitoring

July 2025

- » Launch Activity Funds
- » Launch Workforce Initiative
- » Implement initial joint child welfare/behavioral health visit
- » MCPs may cover Transitional Rent as an optional benefit

January 2026

- » MCPs must cover Transitional Rent as a mandatory benefit for Behavioral Health Population of Focus. Coverage for other eligible populations remain optional

December 2026

- » Implement service to track availability of inpatient and crisis stabilization beds

Behavioral Health Services Act (BHSA): Workforce Investments

Interaction Between BHSA and BH-CONNECT on Workforce

- » The BH-CONNECT Workforce Initiative is designed to work alongside other DHCS initiatives such as the [Behavioral Health Services Act \(BHSA\)](#). The BHSA, which was passed by California voters in March 2024, includes two mechanisms to support building a pipeline of behavioral health professionals:
 - » **Statewide Investment:** Effective July 1, 2026, 10% of BHSA funding is directed to statewide investments. A portion of this (minimum 3% of total BHSA funds) will be available to HCAI for workforce investments, including the **non-federal share** of the BH-CONNECT Workforce Initiative¹
 - » **County-Directed Investments:** In addition to the state-wide investment, counties may use their Behavioral Health Services and Supports (BHSS) allocation on **Workforce Education and Training activities**² (see next slide)

¹ W&I Code Section 5892, subdivision (f). Prior to July 1, 2026, BHSA also allocates workforce funds that are available for BH-CONNECT.

² W&I Code Section 5892, subdivision (a)(3)

BHSA Workforce Education and Training

- » **Beginning July 1, 2026**, counties are required to spend 35% of their BHSA funding allocation on Behavioral Health Services and Supports (BHSS), which includes **Workforce Education and Training (WET)**
- » BHSS WET policy is designed to address the needs of the county behavioral health delivery system by **supplementing workforce activities funded through BH-CONNECT** and other state-administered programs
- » Counties should prioritize workforce funds available through BH-CONNECT before using BHSS WET funds for similar programs

BHSS WET allowable activities include:

- Workforce recruitment, development, training, and retention
- Professional licensing and/or certification testing and fees
- Loan repayment
- Retention incentives and stipends
- Internship apprenticeship programs
- Continuing Education
- Efforts to increase the racial, ethnic, and geographic diversity of the behavioral health workforce

Note: BHSS policy is not final and subject to change.

BHSA funding is not time bound and will extend beyond the BH-CONNECT demonstration period.

Questions?

Thank You!