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Department of Health Care Access and Information

OHCA Investment and Payment Workgroup

August 20, 2025

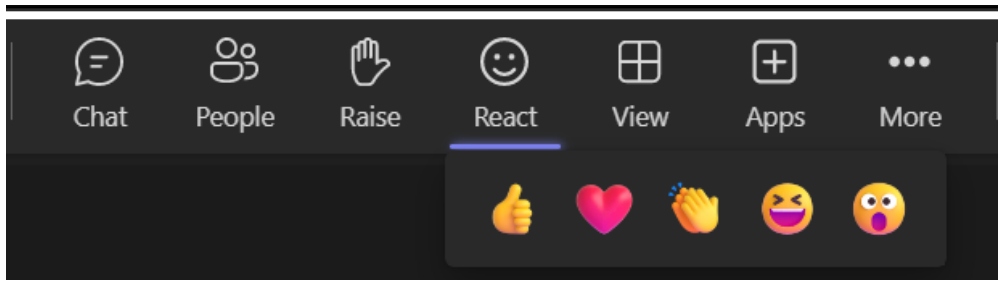
Agenda

9:00 a.m.	**1.**	**Welcome, Updates, and Introductions**
9:10 a.m.	**2.**	**Feedback from July Health Care Affordability Board Meeting**
9:25 a.m.	**3.**	**Revisiting the Behavioral Health in Primary Care Module**
9:45 a.m.	**4.**	**Mental Health and Substance Use Disorder Spending**
10:00 a.m.	**5.**	**Supplemental Behavioral Health Analyses**
10:15 a.m.	**6.**	**Future Workgroup Meetings and Activities**
10:30 a.m.	**7.**	**Adjournment**

Meeting Format

Reminder: Workgroup members may provide verbal feedback during the meeting. Non-Workgroup members are welcome to participate during the meeting via the chat or provide written feedback to the OHCA team after the meeting.

- Workgroup purpose and scope can be found in the Investment and Payment Workgroup Charter
- Remote participation via Teams Webinar only
- Meeting recurs the third Wednesday of every month
- We will be using reaction emojis, breakout rooms, and chat functions:



Date: August 20, 2025

Time: 9:00 am PST

Microsoft Teams Link
for Public Participation:
Join the meeting now

Meeting ID: 289 509 010 938
Passcode: r5gbsW

Or call in (audio only):
+1 916-535-0978

Conference ID:
456 443 670 #

Investment and Payment Workgroup Members

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Chief Executive Officer, California Academy of Family Physicians (CAFP)

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Chief Financial Officer, Inland Empire Health Plan (IEHP)

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Consumer Reps & Advocates

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Contract Lobbyist, Health Access California

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State & Private Purchasers

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Medical Consultant II, CalPERS

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Chief, Program Policy Section, Medical Behavioral Health Division, Department of Health Care Services

Jeffrey Norris, MD
Value-Based Care Payment Branch Chief, California Department of Health Care Services (DHCS)

Monica Soni, MD
Chief Medical Officer, Covered California

Dan Southard
Chief Deputy Director, Department of Managed Health Care

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Feedback from July Health Care Affordability Board Meeting

Margareta Brandt, Assistant Deputy Director

Board Feedback

- Support for removing mobile clinic services and long-term care from data collection reporting categories
  - Use HPD to analyze mobile clinic services and crisis care as care delivery changes
- Recommend including County claims from Medi-Cal specialty behavioral health services in spending measurement; request for timeline for next steps
- Expressed concern about undercounting behavioral health delivered in primary care settings
  - Consider whether including secondary behavioral health diagnoses in definition could support capturing integrated behavioral health spending
  - Interest in incentivizing behavioral health in primary care services
- Requested plan and timeline for alternate approach for supplemental analysis of out-of-plan, out-of-pocket spend

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Revisiting the Behavioral Health in Primary Care Module

Debbie Lindes, Health Care Delivery System Group Manager

Behavioral Health in Primary Care Module

- Designed to capture the overlap of behavioral health services with primary care and promote the further integration of behavioral health and primary care
- Capture as much behavioral health in primary care spending as possible given data collection constraints
- To be included in the behavioral health in primary care module, claims must have ***all*** these features:
  - Primary behavioral health diagnosis (required of all behavioral health claims)*
  - Primary care provider taxonomy
  - Primary care place of service
  - Primary care service code (Outpatient Professional Primary Care subcategory)
- Expansion of primary care taxonomies includes behavioral health professionals who commonly provide services in an integrated primary care setting
- Non-claims payments for primary care and behavioral health integration and portion of capitation will be included in the module

*Portions of claims for screening and assessment services also included, regardless of diagnosis, if provider and place of service criteria are met.

Behavioral Health in Primary Care Module: Proposed Approach

"Always" BH Services
w/ primary BH Dx and PC POS, Provider

- MH & SUD screening
- Integrated BH

"Sometimes" BH Services
w/ primary BH Dx and PC POS, Provider

Examples:
- Office visits
- Case management

Non-Claims BH

- BH integration (Cat. A2)
- Capitation (Cat. D)

Expand Primary Care Taxonomies
w/primary BH Dx and PC POS, Service

Examples include:
- Social workers
- Psychologists
- BH clinicians

Current Primary Care Definition

- BH in PC module would include certain PC services when a BH diagnosis is present.

Add BH Providers to Primary Care Definition

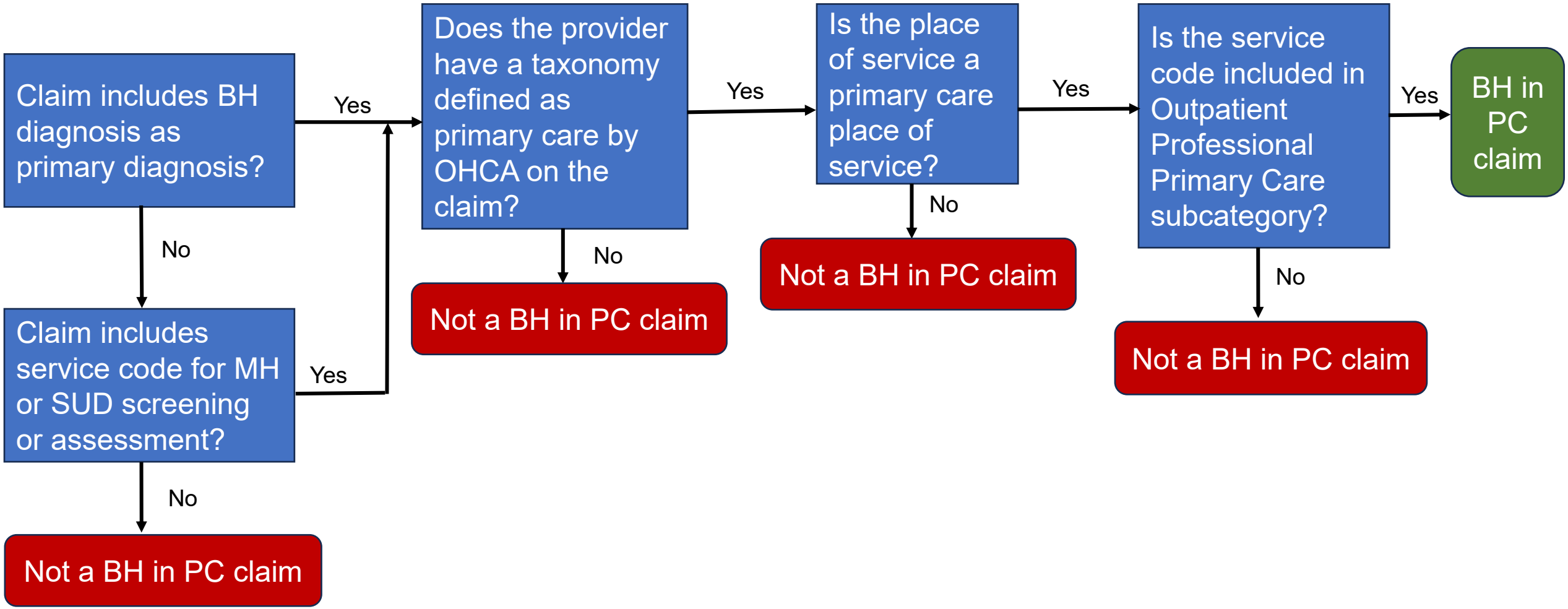
- To capture their spend for specific BH in primary care codes

Behavioral Health in Primary Care Module: Primary Care Provider Taxonomies

OHCA recommends expanding the list of primary care providers to capture integrated behavioral health services in the Behavioral Health in Primary Care module. Expansion of primary care provider taxonomies reflects the range of providers that may provide behavioral health care in an integrated primary care setting.

- Expansion of primary care provider taxonomies does not affect measurement of total behavioral health spending, which is not restricted by provider.
- Provider taxonomy is used to designate spending to be included in the Behavioral Health in Primary Care module and primary care spend.
- Consistent definitions of "provider" for primary spend measurement and the Behavioral Health in Primary Care module are required for a mutually exclusive, collectively exhaustive approach.

Process Map for Identifying Behavioral Health in Primary Care Claims



Applying the Decision Process: Behavioral Health Integration Services

Codes	Include in Module?	Considerations
CPT 99492, 99493, 99494 Psychiatric collaborative care management, initial or subsequent, various lengths • Must be billed by a behavioral health care manager	Yes: behavioral health care manager is included in taxonomy list as a primary care provider	• In Collaborative Care Model, the behavioral health care manager must have formal education or specialized training in behavioral health (social work, nursing, or psychology) • These behavioral health clinicians must be included in the primary care taxonomy list for this spending to be included in the module

American Academy of Family Physicians, n.d.. Coding for Behavioral Health Integration Services. https://www.aafp.org/family-physician/practice-and-career/getting-paid/coding/behavioral-health-integration-coding.html

Applying the Decision Process: Psychotherapy

The 30-minute psychotherapy session is a critical tool in integrated, primary behavioral health care. OHCA reduces the likelihood of overcounting psychotherapy as behavioral health in primary care by including 30-minute sessions in the module and excluding 45- and 60-minute sessions.

CPT Code	Include in Module?	Considerations
90832: Psychotherapy, 30 minutes with patient	Yes	Potential for overcounting behavioral health in primary care
90833: Psychotherapy, 30 minutes with patient when performed with an E/M service (separate code)	Yes	Potential for overcounting, if evaluation and management service is not primary care
90834: Psychotherapy, 45 minutes with patient	No	Captured as behavioral health, but ***not*** behavioral health in primary care
90837: Psychotherapy, 60 minutes with patient	No	

Non-Claims Payments in the Behavioral Health in Primary Care Module

Only a portion of behavioral health non-claims payments will be included in the behavioral health in primary care module:

- Payments made for primary care and behavioral health integration will be included in full in the module
- Portions of professional, global, and behavioral health capitation, and payments made to integrated finance and delivery systems will be included in the module when encounters meet diagnosis, taxonomy, place of service, and service code criteria required for claims

Discussion

- Do you have remaining questions or concerns about the methods for assigning claims and non-claims spending to the behavioral health in primary care module?

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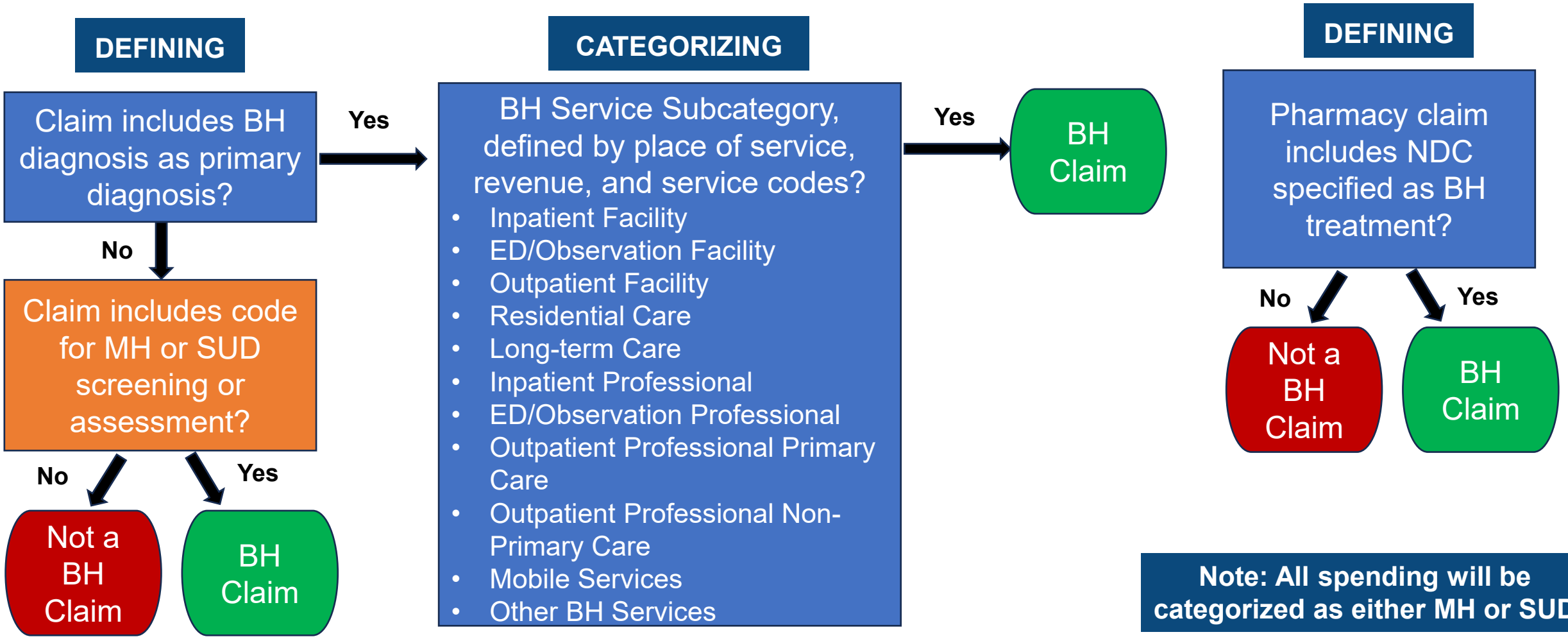
Mental Health and Substance Use Disorder Spending

Debbie Lindes, Health Care Delivery System Group Manager

Mental Health (MH) & Substance Use Disorder (SUD) Breakdown Analysis

- **Purpose:** Compare mental health and substance use disorder spending for each service subcategory in commercial claims spending based on previous spending analysis.
- **Background:** This follow-up analysis used the HPD behavioral health spend analysis, which applied the Milbank methodology for capturing behavioral health spend.
  - As a reminder, claims are categorized as MH or SUD based on **primary** diagnosis code. Some claims may include both MH and SUD diagnosis codes.
- **Metrics:**
  - Percent Subcategory Spend = Total BH (or MH or SUD) Subcategory Spend / Total BH (or MH or SUD) Spend
  - Percent MH Spend = Total MH Spend / Total Behavioral Health Spend
  - Percent SUD Spend = Total SUD Spend / Total Behavioral Health Spend

Milbank-Freedman Process Map for Identifying Behavioral Health (BH) Claims



Note: All spending will be categorized as either MH or SUD

Analysis of Commercial Behavioral Health Subcategories – Key Takeaways

- For all commercial behavioral health spending, the outpatient professional (non-primary care), pharmacy, and inpatient facility subcategories account for the bulk of claims spending
- Mental health (MH) services account for about 88% of commercial behavioral health spending, and 12% is for substance use disorder (SUD) services
- The relative size of spending in each subcategory for MH services mirrors behavioral health spending overall
- From 2018 to 2023, mental health spending shifted significantly from inpatient and emergency department to outpatient and residential settings
- Outpatient professional spending for SUD claims declined from 2018 to 2023
- Most commercial spending for SUD services is in facilities: inpatient, residential, outpatient, and emergency departments
- Spending in the mobile services and long-term care subcategories is negligible for MH and SUD
- Spending in the outpatient professional primary care subcategory is low, particularly for SUD claims

Behavioral Health Spending in the Commercial Market by Service Subcategory, 2018-2023

Service Subcategory	2018	2019	2020	2021	2022	2023
Outpatient Professional Non-Primary Care	33.0%	36.9%	39.3%	37.9%	38.3%	42.7%
Pharmacy	22.5%	20.7%	18.1%	20.9%	20.4%	18.4%
Inpatient Facility	16.4%	15.3%	14.6%	13.0%	11.9%	10.4%
Other	8.2%	6.1%	6.1%	6.6%	7.2%	7.3%
Outpatient Facility Non-Primary Care	7.4%	7.1%	7.3%	7.5%	7.2%	6.9%
Emergency Dept/Observation	5.3%	5.2%	4.5%	4.2%	3.9%	3.4%
Residential Facility	4.4%	5.8%	7.5%	7.5%	8.4%	8.7%
Outpatient Professional Primary Care	1.7%	1.8%	1.7%	1.7%	2.0%	1.6%
Inpatient Professional	1.0%	0.9%	0.9%	0.7%	0.7%	0.6%
Mobile Services	0.1%	0.1%	0.1%	<0.1%	<0.1%	<0.1%
Long-Term Care	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	*

*Data not included to comply with de-identification requirements.

Mental Health Spending in the Commercial Market by Service Subcategory, 2018-2023

Service Subcategory	2018	2019	2020	2021	2022	2023
Outpatient Professional Non-Primary Care	36.5%	40.7%	44.0%	42.4%	43.0%	48.0%
Pharmacy	24.6%	22.7%	20.0%	23.0%	22.5%	20.2%
Inpatient Facility	14.2%	13.6%	12.8%	11.4%	10.3%	8.7%
Other Services	8.4%	6.1%	6.1%	6.2%	7.0%	7.3%
Outpatient Facility Non-Primary Care	6.5%	6.5%	6.6%	6.9%	6.6%	6.1%
Emergency Dep/Observation	4.1%	4.0%	3.5%	3.3%	3.0%	2.6%
Residential Facility	2.7%	3.5%	4.3%	4.2%	4.7%	4.7%
Outpatient Professional Primary Care	1.8%	2.0%	1.8%	1.9%	2.2%	1.8%
Inpatient Professional	1.0%	0.9%	0.9%	0.8%	0.7%	0.6%
Mobile Services	0.1%	0.1%	0.1%	<0.1%	<0.1%	<0.1%
Long-Term Care	*	<0.1%	*	<0.1%	*	*

*Data not included to comply with de-identification requirements.

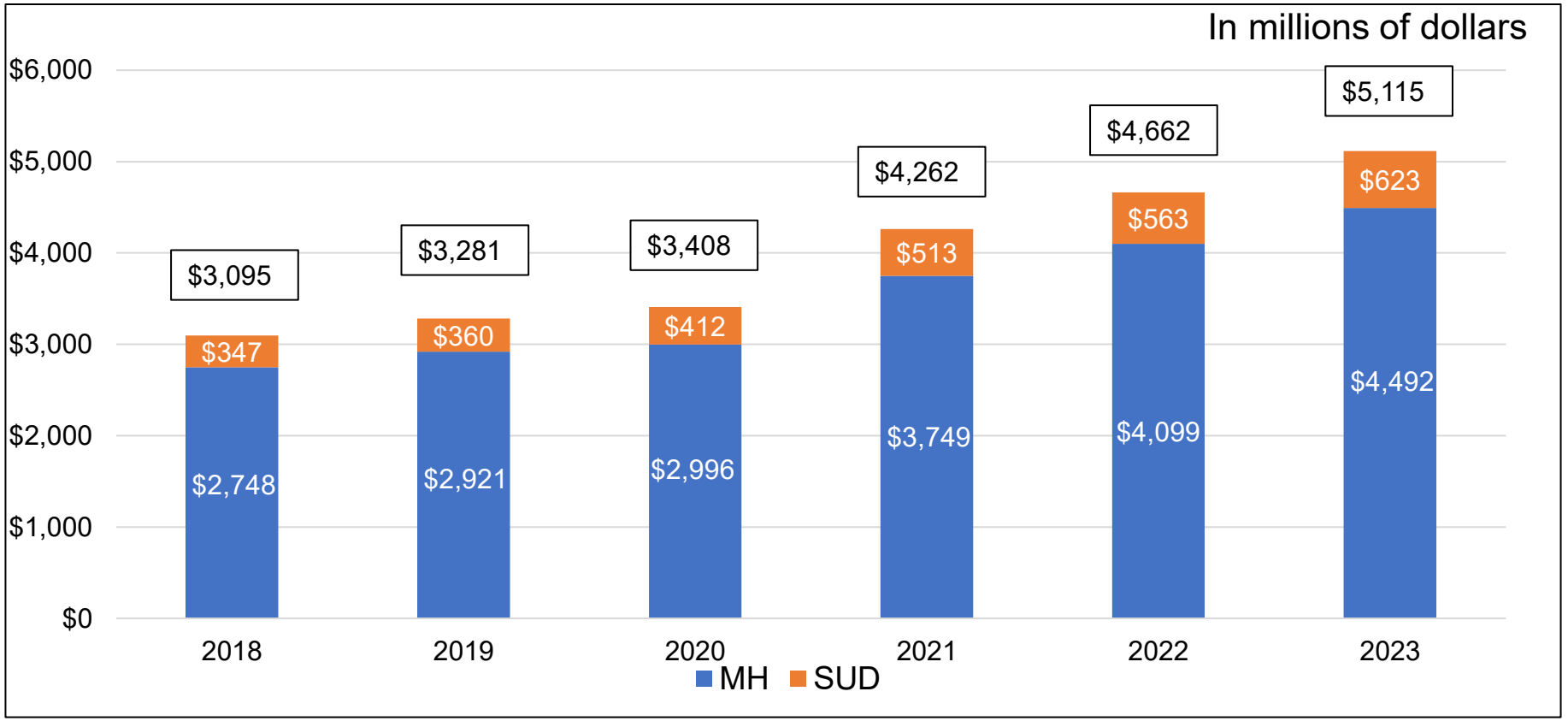
Substance Use Disorder Spending in the Commercial Market by Service Subcategory, 2018-2023

Service Subcategory	2018	2019	2020	2021	2022	2023
Inpatient Facility	33.0%	29.3%	27.9%	24.8%	23.2%	22.4%
Residential Facility	17.2%	24.7%	30.7%	31.6%	35.5%	37.6%
Emergency Dept/Obs	15.3%	15.5%	11.6%	11.1%	10.5%	9.3%
Outpatient Facility Non-Primary Care	15.1%	11.9%	12.3%	11.8%	11.0%	12.4%
Other	6.4%	6.3%	6.2%	9.3%	8.9%	7.7%
Pharmacy	6.0%	5.0%	4.4%	5.2%	5.3%	5.3%
Outpatient Professional Non-Primary Care	5.2%	5.6%	5.3%	4.6%	4.3%	4.3%
Outpatient Professional Primary Care	0.9%	0.8%	0.7%	0.7%	0.7%	0.5%
Inpatient Professional	0.9%	0.9%	0.8%	0.7%	0.6%	0.5%
Long-Term Care	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	*
Mobile Services	*	*	*	*	*	*

*Data not included to comply with de-identification requirements.

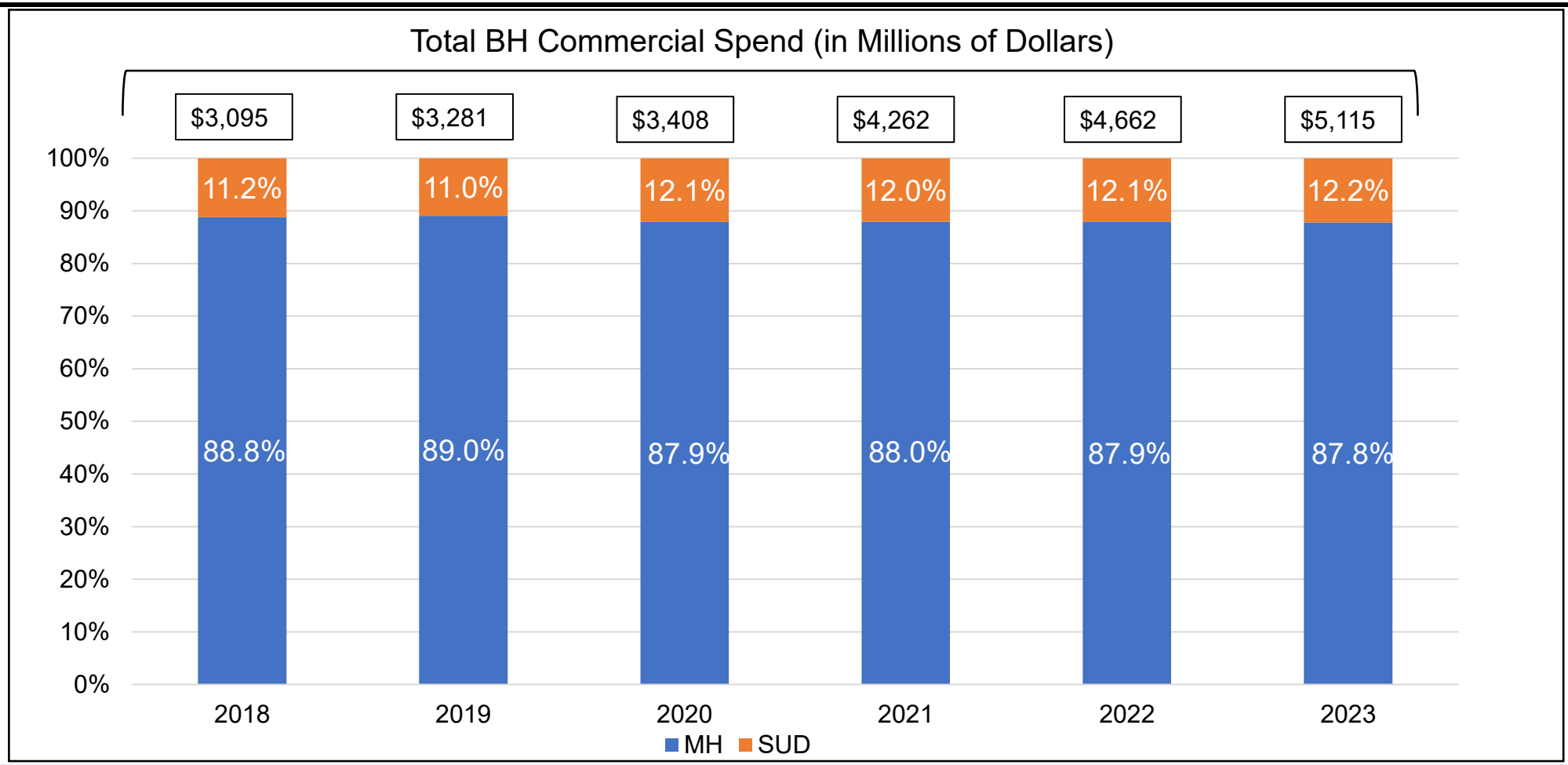
MH and SUD Components of Total Commercial BH Spend Change, 2018-2023

Total commercial behavioral health spend increased about 2 billion dollars from 2018 to 2023. MH spend increased ~63% and SUD spend increased ~80% from 2018 to 2023.



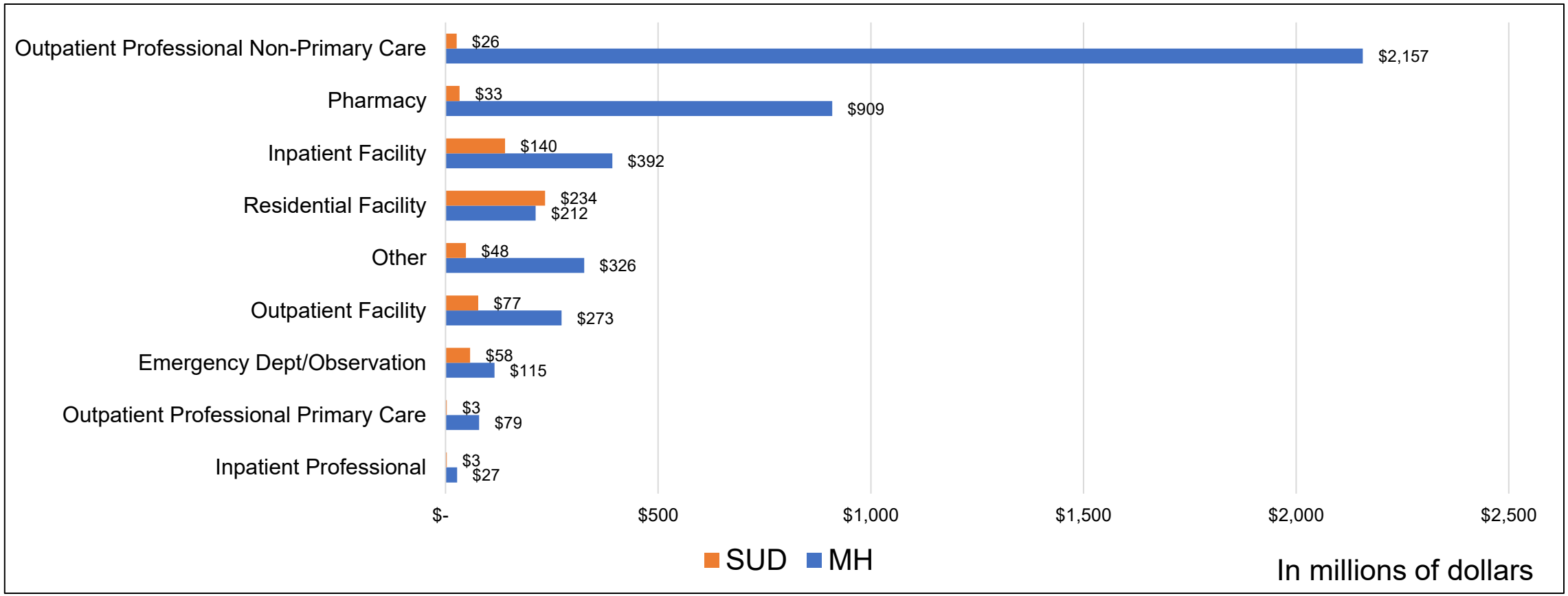
MH and SUD Percentage Distribution in the Commercial Market, 2018-2023

The MH and SUD shares of total commercial behavioral health spend remained fairly stable, with the SUD share of spending increasing by one percentage point from 2018 to 2023.



2023 MH and SUD Spend (in Millions of Dollars) in the Commercial Market by Service Subcategory

In 2023, the largest share of commercial MH spend was in Outpatient Professional Non-Primary Care and Pharmacy. The largest share of SUD spend was in Residential Facility.



Note: Subcategories do not sum to the total behavioral health figures in prior slides because the Mobile Services and Long-Term Care subcategories, for which spend was negligible in 2023, are excluded.

Discussion

- What do you find interesting or surprising about the analysis of spending by subcategory?

- What do you find interesting or surprising about the analysis of the distribution of mental health and substance use disorder spending?

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Supplemental Behavioral Health Analyses

Margareta Brandt, Assistant Deputy Director

Overview of Supplemental Behavioral Health Analyses

Following the analysis of behavioral health spend in the HPD, OHCA and stakeholders delayed setting a behavioral health investment benchmark until further analyses could inform benchmark structure and service category focus.

- OHCA has identified analyses to support refinement of the behavioral health spending measurement methodology for 2026 data collection.
- OHCA has also compiled a list of analyses that could support development of a recommendation for an investment benchmark.

Analyses Related to Behavioral Health Measurement

Types of Analyses	Timeline	Goal
• Identify top diagnoses contributing to mental health and substance use disorder spending • Review changes in spending within service subcategories by top care settings and services	Fall/Winter 2025	• Ensure accurate categorization of spend • Incorporate analysis results into measurement methodology for collection of behavioral health data in 2026

Analyses Related to Behavioral Health Investment Benchmark

Types of Analyses	Timeline	Goal
Understand drivers of behavioral health spending, and variation over time: • Across individual payers • By demographic characteristics • Price vs. utilization	Summer 2026	Inform OHCA on benchmark structure, including statewide vs. payer-type specific, scope of services, and care settings to include

Analyses to Further Understand Behavioral Health Spending

Types of Analyses	Timeline	Goal

• Proportion and trends in behavioral health spending in certain modalities or settings (e.g., telehealth, schools)
• Impact of increased primary care investment on behavioral health spend and utilization
• Analyses requiring additional time, data sources, or implementation of benchmarks
  ○ Spending in correctional facilities
  ○ Variation by ethnicity and socioeconomic status
  ○ Impact of increased spending and access on outcomes
  ○ Effect of benchmark category investments on equity
	2026 and beyond	Investigate the impact of policy changes on behavioral health spend

Discussion

- Are there any other analyses you think would support OHCA in refining its behavioral health spend measurement methodology?

- Are there any other analyses you think are key to setting a benchmark in 2026?

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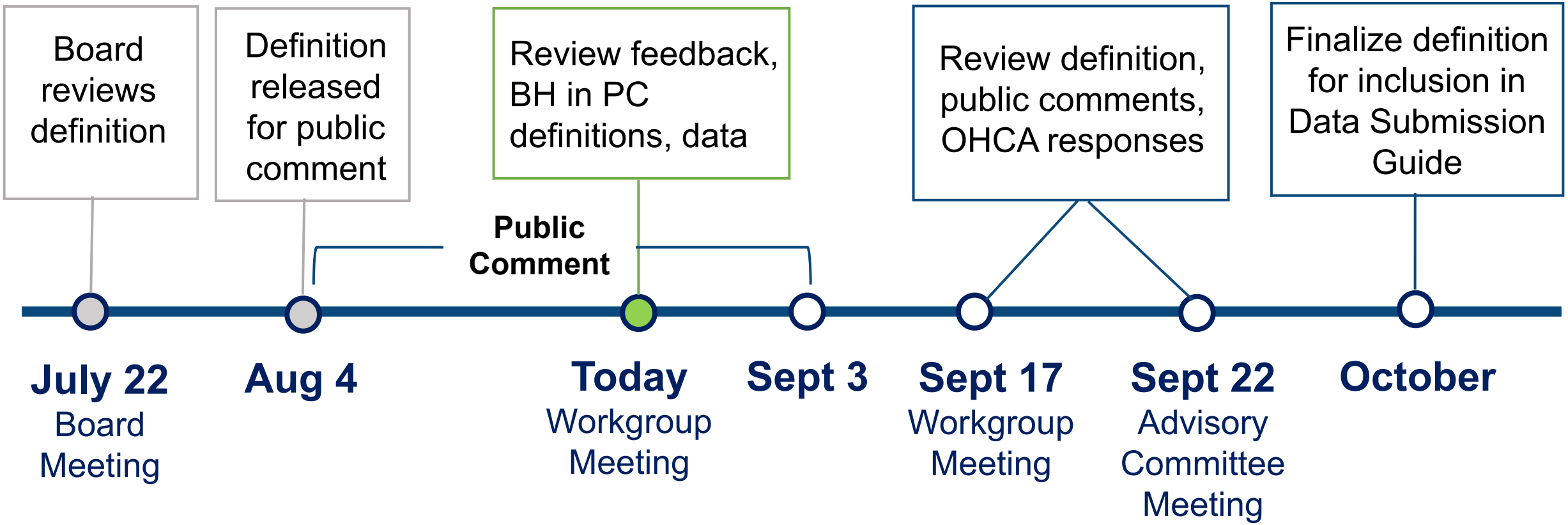
Future Workgroup Meetings and Activities

Margareta Brandt, Assistant Deputy Director

Detailed Timeline for Finalizing Behavioral Health Measurement Definition



Future Workgroup Structure and Approach

- Quarterly convening, beginning in December
- Broad range of topics
- Refreshed membership
  - Current members have opportunity to continue
  - Re-engage members from Primary Care and Alternative Payment Model workstreams
  - Agendas distributed well in advance to support member's attendance based on the agenda topics and their expertise and interests; not all members expected to attend all meetings

Quarterly Workgroup Meetings: Potential Topics

- Introduce HCAI primary care dashboard project including vision, purpose, and timeline
- Discuss behavioral health in 2026 OHCA Data Submission Guide
- Preview of primary care and alternative payment model (APM) data analyses
- APM adoption and primary care investment best practices
- Additional behavioral health spending analyses
- Discuss recommendations to Board for behavioral health investment benchmark

Discussion

- What are your thoughts about the proposed changes to the Workgroup's structure and meeting schedule?

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Adjournment