BH-CONNECT Workforce Initiative: Medi-Cal Behavioral Health Fellowship Training Program

HCAI Health Workforce Development

March 17, 2026

Agenda

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- Opening Remarks and HCAI Overview

- Medi-Cal Behavioral Health Fellowship Training Program: Webinar Objectives

- Overview of BH-CONNECT and the Workforce Initiative

- Medi-Cal Behavioral Health Fellowship Training Program Overview

- Questions and Answers (Q&A)

- Closing Remarks

Housekeeping and Introduction

Before we begin, just a few quick notes to help you get the most out of today's session:

1. Platform: This session is hosted on Zoom Webinar. Your controls are in the toolbar at the bottom of your screen.

2. Q&A: We're using the Q&A feature for all comments and questions. Please type your input at any time. Questions will be moderated before they appear publicly.

3. Recording: Today's session is being recorded. The recording will be available on our website within 5 business days

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Opening Remarks & HCAI Overview

Sharmil Shah, MA, PsyD, Behavioral Health and Policy Branch Chief
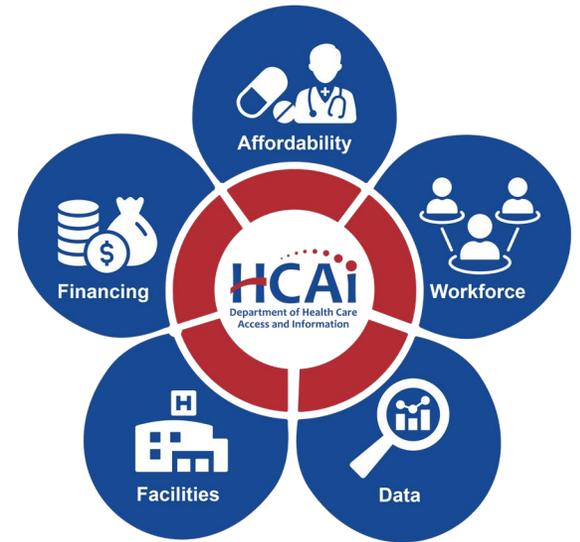
HCAI's Vision and Mission

Vision

A healthier California where all receive equitable, affordable, and quality health care.

Mission

HCAI expands equitable access to quality, affordable health care for all Californians through resilient facilities, actionable information, and the health workforce each community needs.

HCAI Program Areas

- **Facilities**: Monitor the construction, renovation, and seismic safety of California's hospitals and skilled nursing facilities.

- **Financing**: Provide loan insurance for non-profit healthcare facilities to develop or expand services.

- **Workforce**: Expand and diversify California's health workforce for underserved areas and populations.

- **Data**: Collect, manage, analyze, and report actionable information about California's healthcare landscape.

- **Affordability:** Improve health care affordability through data analysis, spending targets, and measures to advance value. Enforce hospital billing protections, and provide generic drugs at a low, transparent price.

Health Workforce Approach and Strategy

HCAI enables the expansion and development of a **health workforce that reflects California while addressing supply shortages and inequities.** We do this by administering programs and funding and publishing actionable data about California's health workforce and training.

BEHAVIORAL HEALTH

NURSING & MIDWIFERY

PRIMARY CARE

ORAL HEALTH

Our Programs Cut Across Four Areas

Develop, support and expand a health workforce that:

- Serves medically underserved areas
- Serves Medi-Cal members
- Reflects and responds to the needs of California's population

Offer programs that provide financial support for:

- Organizations building the workforce pipeline
- Organizations expanding educational capacity
- Individuals pursuing health careers
- Organizations supporting providers and addressing retention

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Medi-Cal Behavioral Health Fellowship Training Program: Webinar Objectives

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Webinar Objectives:

- Present high-level overview of the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration and the BH-CONNECT Workforce Initiative.
- Discuss new funding opportunity for existing Graduate Medical Education (GME) programs and provide potential applicants with:
  - Eligibility criteria
  - Program components
  - Funding and scoring methodologies
  - Application process
  - Q&A session

Overview of BH-CONNECT and the Workforce Initiative

Sharmil Shah, MA, Psy.D, Behavioral Health and Policy Branch Chief

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).

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Goals of BH-CONNECT

- **Expand the continuum of community-based services and evidence-based practices (EBPs)** available through Medi-Cal **for children, youth and adults living with mental health and substance use disorders (SUD)**.

- **Strengthen family-based services and supports** for children and youth living with significant behavioral health needs, including children and youth involved in child welfare.

- **Incentivize behavioral health plans (BHPs) to improve access, health outcomes, and invest in delivery system reforms** to better support Medi-Cal members living with significant behavioral health needs.

- **Strengthen the workforce** needed to deliver community-based behavioral health services and EBPs to members living with behavioral health needs.

- **Access federal funds for short-term stays in facility-based care**, but only for BHPs that commit to providing robust community-based services and meeting quality of care standards for such stays.

- **Promote transitions out of facility-based care** and support successful transitions to community-based care settings and community reintegration.

- **Promote improved health outcomes**, community integration, treatment and recovery for individuals who are homeless or at risk of homelessness and experiencing critical transitions.

- **Improve stability** for members going through vulnerable periods (including but not limited to those living with significant behavioral health issues) through transitional rent services, reducing their risk of returning to institutional care or experiencing homelessness.

BH-CONNECT Workforce Initiative

- The Workforce Initiative will support the training, recruitment and retention of behavioral health practitioners to provide services across the continuum of care within the Medi-Cal safety net, serving Medi-Cal members and the uninsured.

- Between 2025 and 2029, the Department of Health Care Services (DHCS) and HCAI together will invest up to $1.9 billion in five workforce programs.

- Recipients of workforce funding will commit to serving Medi-Cal members living with significant behavioral health needs for 2-4 years.

- The state may carry unused workforce initiative expenditure authority from one year to the next. After Demonstration Year 2, the state may redistribute up to 30% of Workforce Initiative funding across programs.

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BH-CONNECT Workforce Initiative Programs

Medi-Cal Behavioral Health Student Loan Repayment Program

Medi-Cal Behavioral Health Scholarship Program

Medi-Cal Behavioral Health Recruitment and Retention Program

Medi-Cal Behavioral Health Community-Based Provider Training Program

Medi-Cal Behavioral Health Residency/Fellowship Training Program

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Medi-Cal Behavioral Health Fellowship Training Program Overview

Anne Powell, MSW, Health Program Specialist II, Behavioral Health and Policy

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Fellowship Training Program Purpose

The goal of the Medi-Cal Behavioral Health Fellowship Program (MBH-FTP)* is to increase the availability of Child and Adolescent Psychiatrists, Addiction Psychiatrists, and Addiction Medicine Physicians that are trained and serve in Medi-Cal safety net settings.

*This is the second cycle of the program previously known as the Medi-Cal Behavioral Health Residency Training Program (MBH-RTP). This second cycle is only available to fellowship programs.

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MBH-FTP: Funding

Approximately $27.5 million is available for the MBH-FTP for expansion of Graduate Medical Education (GME) program positions for:

- Child and adolescent psychiatry fellows
- Addiction psychiatry fellows
- Addiction medicine fellows

Funding Information:

- The maximum grant payment period for MBH-FTP is two years.
- Funds will be paid prospectively on an annual basis.

MBH-FTP: Awards

- **Award amount:** Eligible programs may receive up to $250,000 per **new** fellow, per year, **adjusted for percentage of time spent** in Medi-Cal safety net settings.

- **Non-supplantation:** Grants must be used to **supplement existing funds** and **not** to supplant (replace) funds the grantee has received from another source for the same purpose.

- **Unallowable costs include the following:**
  - Faculty* salaries or faculty benefits
  - Capital infrastructure (e.g., capital construction and/or remodeling)
  - Indirect costs (defined as overhead expenses, operating costs not related to trainee positions, or administrative costs that do not fall within the budget categories described in the draft grant agreement).

- **Award levels:** HCAI may award full, partial, or no funding to an applicant based on the applicant's evaluation score and the amount of available funds.

*Defined as employees involved in supervising and/or training fellows on an ongoing basis.

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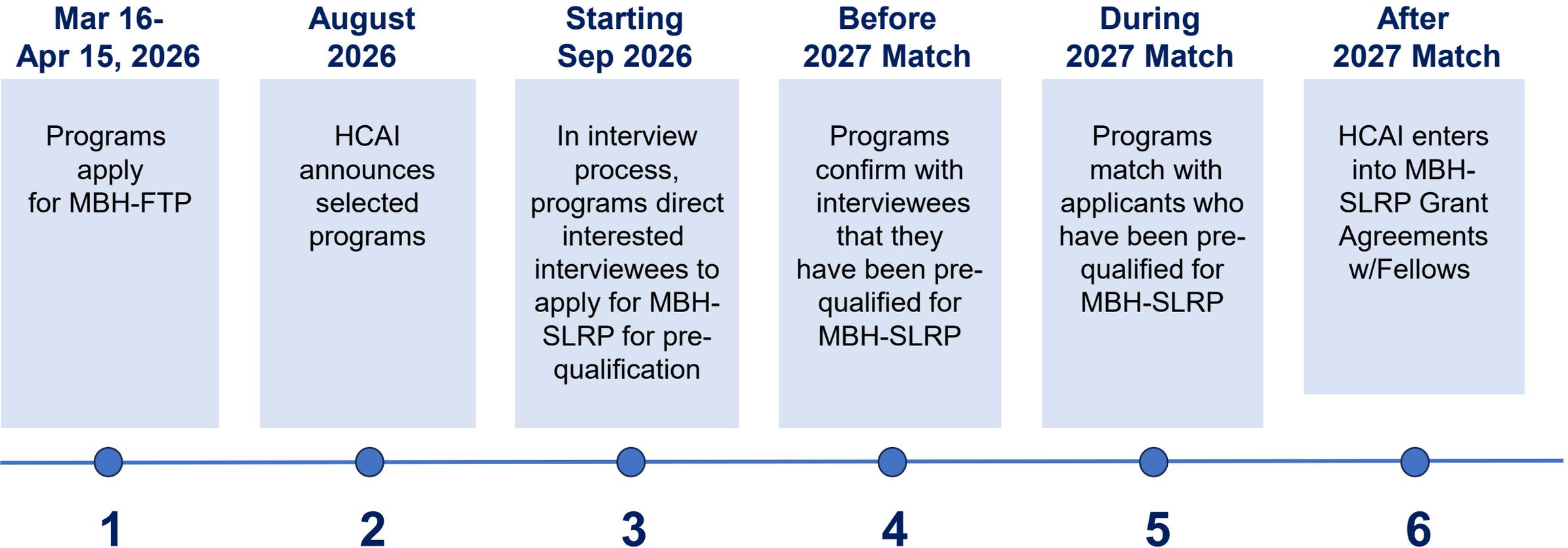Access and Information

MBH-FTP: Eligibility

To be eligible, programs must:

- Be an existing ACGME-accredited Child and Adolescent Psychiatry Fellowship, Addiction Psychiatry Fellowship, or Addiction Medicine Fellowship program

- Secure ACGME approval (or submit proof of approval request) for new positions and submit the approval letter as a part of the grant application

- Submit a sustainability plan (letter) for maintaining new positions post-grant period, as a part of the grant application

- For positions funded by this grant, trainees must spend at least 75% of rotation time in Medi-Cal safety net settings; awards will be adjusted to reflect percent of time spent in qualifying safety net settings

- Attest that positions funded by this grant will be filled with trainees who participate in HCAI's Medi-Cal Behavioral Health Student Loan Repayment Program (via special fall 2026 cycle)

Additional eligibility note:

- Applicants that do not own or operate a safety-net setting, as defined in the applicable Special Terms and Conditions (Section 6.1), are not eligible to receive awards through the fellowship training program.

MBH-FTP: Loan Repayment Component Flow

Mar 16- Apr 15, 2026	August 2026	Starting Sep 2026	Before 2027 Match	During 2027 Match	After 2027 Match
Programs apply for MBH-FTP	HCAI announces selected programs	In interview process, programs direct interested interviewees to apply for MBH-SLRP for pre-qualification	Programs confirm with interviewees that they have been pre-qualified for MBH-SLRP	Programs match with applicants who have been pre-qualified for MBH-SLRP	HCAI enters into MBH-SLRP Grant Agreements w/Fellows
1	2	3	4	5	6

Medi-Cal Safety Net Settings

All service obligations must be served in a Medi-Cal safety net setting which is defined as one of the following:

- Federally Qualified Health Centers (FQHC)

- Community Mental Health Centers (CMHC) as defined and certified by the [California Department of Public Health (CDPH)](#)

- Rural Health Clinics (RHC)

- Settings with the following payer mix:

  - Hospitals with 40% or higher Medicaid and/or uninsured population

  - Rural hospitals with 30% or higher Medicaid and/or uninsured population

  - Other behavioral health settings (e.g., certified treatment programs) with 40% or higher Medicaid and/or uninsured population

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*Other Behavioral Health Settings

• Community Treatment Facilities – Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval	• Crisis Stabilization Unit (CSU)[1]
• Independent licensed practitioners contracted with a behavioral health plan or managed care plan for specialty or non-specialty behavioral health services	• Indian Health Care providers[2]
• Mental Health Rehabilitation Center (MHRC) as licensed by DHCS	• Narcotic Treatment Programs (NTP) as licensed by DHCS
• Outpatient behavioral health clinics (other than certified outpatient Substance Use Disorder facility)[2]	• Primary care or other clinic setting with co-located behavioral health services[2]
• Psychiatric Health Facility (PHF) as licensed by DHCS	• Qualifying provider organizations that deliver primarily field-based or telehealth Medi-Cal behavioral health services[2]
• School-based behavioral health setting[2]	• Short-Term Residential Therapeutic Program/Children's Crisis Residential Program (Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval)
• Skilled Nursing Facility with a Special Treatment Program for mental health (Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval)	• Social Rehabilitation Facility/Program (Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval)
• Substance Use Disorder Treatment Facilities (residential; licensed by DHCS)	• Substance Use Disorder Treatment Program (outpatient; certified by DHCS)
• Psychiatric Residential Treatment Facilities (licensed by DHCS)	

*Other Behavioral Health Settings must deliver Medi-Cal behavioral health services and must meet the payor mix requirements in the BH-CONNECT STCs. All Medi-Cal safety net settings will go through a verification process

[1] Crisis Stabilization Units provide Medi-Cal Crisis Stabilization services, as defined in Supplement 3 to Attachment 3.1-A of California's Medicaid State plan. Medi-Cal Crisis Stabilization services must be delivered at a provider site certified by the State Department of Health Care Services or a county mental health plan.

[2] Not all Indian health care providers, primary care sites, school-based sites, or outpatient clinics will automatically qualify as behavioral health sites. Additional verification will be required to confirm that the site is actively providing behavioral health services.

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MBH-FTP: Key Dates

Event	Date
Application Available	March 16, 2026, at 3:00 p.m.
Technical Assistance Webinar	March 17, 2026
Application Submission Deadline	April 15, 2026, at 3:00 p.m.
Anticipated Award Notice Dates	August 2026
Grant Agreement Start Date	August 2026

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Medi-Cal Behavioral Health Fellowship Training Program Application Process

Daniela Perez, Program Officer

Application Components

The application has 12 sections:

1. General Information
2. Profile Information
3. Program Information
4. Contract Administration
5. Program Data
6. Rotation Sites

7. Time Spent
8. Budget
9. Languages
10. Strategies
11. Upload Letters
12. Assurances

Grant Application Upload Requirements

Applicants will be required to upload the following:

- Letter of sustainability committing the sponsoring organization to support new or additional training positions when the HCAI grant term ends.

- Accreditation Council for Graduate Medical Education (ACGME) approval letter for new positions (or proof of request to ACGME).
    - If applicant submits "proof of request" at time of application, the official ACGME approval letter must still be submitted to HCAI prior to receiving an award.

- Rotation Schedule for your fellowship positions to be funded by this grant.

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Grant Application Rotation Site Details

- For the track funded by this grant, applicants must add each rotation site used by fellows to fulfill ACGME requirements for serving a dedicated panel of patients.

- ALL rotation sites to be used by positions funded through this grant must be listed.

- Applicants must report the percentage of time spent by trainees in each rotation, by year.

- Qualification for this program requires that over the course of the full fellowship program, trainees spend at least 75% of their rotation time in Medi-Cal safety net settings.

- HCAI will provide, as part of the application, an optional worksheet for calculating time spent in each rotation.

- Award amounts will reflect the percentage of time (75% or greater) spent at qualifying Medi-Cal safety net settings.

Scoring

Scoring methodology:

- Rotation site(s) located in an HCAI-identified shortage area.

- Language fluency pertaining to the total number of fellowship program participants enrolled in your previous cohort.

- Program strategies used to encourage fellowship program graduates to practice in Medi-Cal safety net settings.

- Strategies used to implement culturally responsive care training into the program's curriculum.

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Post-Award and Payment Provisions (1 of 2)

- HCAI expects the grantee will begin performance of their obligations on the start date in the grant agreement.

- HCAI cannot provide tax advice to grantees. HCAI staff are not tax professionals and tax consequences may vary depending on the grantee. For this reason, grantees should seek professional tax advice.

- HCAI reserves the right to recover monies for a grantee's failure to perform service and other grant agreement obligations.

Post-Award and Payment Provisions (2 of 2)

- HCAI will release annual payments upon receipt and review of Annual Reports 1 through 3.

Report	Reporting Period	Report Due Date
Annual Report 1	July 1, 2027 – June 30, 2028 (Prospective Report for AY 2027-28)	July 31, 2027
Annual Report 2	July 1, 2027 – June 30, 2029 (Expense Report for AY 2027-28; Prospective Report for AY 2028-29)	July 31, 2028
Annual Report 3	July 1, 2028 – June 30, 2030 (Expense Report for AY 2028-29; Prospective Report for AY 2029-30)	July 31, 2029
Annual Report 4	July 1, 2029 – June 30, 2030 (Expense Report for AY 2029-30)	July 31, 2030

MBH-FTP Application Resources

Please visit our website to see all the resources that are available:

[Medi-Cal Behavioral Health Fellowship Training Program (MBH-FTP)](#)

By clicking the link, you will be able to see the following:

- MBH-FTP Grant Guide

- MBH-FTP Technical Assistance Guide

- A recording of this webinar when it is uploaded

- Award notifications after award decisions have been made

For more information about BH-CONNECT, please see:
[BH-CONNECT Workforce Initiative](#)

Questions and Answers

Chris Roina, Lead Communications Analyst

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