



2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov



NOTICE OF PUBLICATION
OFFICE OF HEALTH CARE AFFORDABILITY
PROPOSED BEHAVIORAL HEALTH SPENDING DEFINITION AND
MEASUREMENT METHODOLOGY

To All Interested Parties:

NOTICE IS HEREBY GIVEN that the Department of Health Care Access and Information (HCAI or Department), Office of Health Care Affordability (OHCA or Office) published its Proposed Behavioral Health Spending Definition and Measurement Methodology on August 04, 2025. The text of the proposal is available at: <https://hcai.ca.gov/affordability/ohca/#office-updates> or from the Contact person listed at the end of this Notice.

COMMENT PERIOD

The Office shall receive and consider public comments received on, and for **30** days after, publication of this Notice on August 04, 2025. Written comments relevant to the Proposed Behavioral Health Spending Definition and Measurement Methodology may be submitted, either by mail or e-mail to the address listed under Contact in this Notice, to be received by the Office by 5:00 p.m. on **September 03, 2025**.

POLICY STATEMENT OVERVIEW

The California Health Care Quality and Affordability Act (hereinafter, the "Act") was enacted by Senate Bill (SB) 184 (Chapter 47, Statutes of 2022), and became effective June 30, 2022. It added Chapter 2.6 (commencing with Section 127500) to Part 2 of Division 107 of the Health and Safety Code.

Pursuant to Health and Safety Code section 127505(a)(1), [t]he office shall measure and promote a sustained systemwide investment in primary care and behavioral health. In furtherance of this goal, the office shall measure the percentage of total health care expenditures allocated to primary care and behavioral health and set spending

benchmarks.

Health and Safety Code section 127505(a)(3) further specifies:

(3) [P]ublic reporting developed pursuant to this article shall consider differences among payers and fully integrated delivery systems, including factors such as plan or network design or line of business, the diversity of settings and facilities through which primary care can be delivered, including clinical and nonclinical settings, the use of both claims-based and non-claims-based payments, and the risk mix associated with the covered lives or patient population for which they are primarily responsible.

Health and Safety Code section 127505(a)(4) (C-G) requires the following:

(4) [T]he office shall promote improved outcomes for primary care and behavioral health, including, but not limited to, health care entities making investments in, or adopting models that do, any or all of the following:

.....

(C) Integrate primary care and behavioral health services, including screenings for behavioral health conditions in primary care settings or delivery of behavioral health support for common behavioral health conditions, such as anxiety, depression, or substance use disorders.

(D) Leverage alternative payment models that provide resources at the practice level to enable improved access and team-based approaches for care coordination, patient engagement, quality, and population health. Team-based approaches support the sharing of accountability for delivery of care between physicians and nurse practitioners, physician assistants, medical assistants, nurses and nurse case managers, social workers, pharmacists, and traditional and nontraditional primary and behavioral health care providers, such as peer support specialists, community health works, and others.

(E) Deliver higher value primary care and behavioral health services with an aim toward reducing disparities.

(F) Leverage telehealth and other digital health solutions to expand access to primary care and behavioral health services, care coordination, and care management.

(G) Implement innovative approaches that integrate primary care and behavioral health with broader social and public health services.

Health and Safety Code section 127505(b) and 127505(c) require the following:

(b) The office shall include an analysis of primary care and behavioral health spending and growth, and relevant quality and equity performance measures, in the annual report required pursuant to Section 127501.6.

(c) In implementing this section, the office shall consult with state departments, external organizations promoting investment in primary care and behavioral health, and other entities and individuals with expertise in primary care, behavioral health, and health equity.

Pursuant to Health and Safety Code section 127501(c)(9), OHCA shall:

(9) Measure and promote sustained systemwide investment in primary care and behavioral health.

Any interested person may submit written comment as detailed above.

CONTACT

Megan Brubaker
2020 West El Camino Avenue, Suite 1200, Sacramento CA 95833
OHCA@hcai.ca.gov