



HEALTHY CALIFORNIA FOR ALL

Accessible, Affordable, Equitable, High Quality, Universal

Virtual Commission Meeting

August 25, 2021


Welcome and Introductions

Mark Ghaly, MD, Commission Chair and Secretary
of California Health and Human Services Agency

Virtual Meeting Protocols



HEALTHY CALIFORNIA FOR ALL

- This meeting is being recorded.
- Commissioners:
 - You have the ability to mute and unmute and the option to be on video.
 - Please mute yourselves when you are not speaking.
 - To indicate that you would like to speak, please use the “yes” feature 
 - When the facilitator calls your name, please unmute to speak and then mute again.
- Members of the public:
 - You can listen to and view the meeting.
 - For written public comment, please use the “chat” feature or email comments to HealthyCAforAll@chhs.ca.gov. Public comment will be solicited during the meeting.
 - Public comment provided during the meeting will be a part of the public record.

Roll Call

Introductory Comments

Upcoming Work



HEALTHY CALIFORNIA FOR ALL

- September 21: Healthy CA for All Commission Webinar on Community Engagement
- September 23: Healthy CA for All Commission Meeting
- September 28: Healthy CA for All Commission Special Meeting Regarding Racial Equity in Health Care

Goals/Values/Propositions



HEALTHY CALIFORNIA FOR ALL

- June and July meeting synopses are available at Commission website (www.chhs.ca.gov/healthycaforall/)
- In a shorter summary document, we have begun to capture the goals, values and propositions articulated through Commission discussion
 - Goals and Values: What we aim to achieve and why this work matters
 - Propositions: What a new system will look like, how to move toward it
- First draft will be shared with Commissioners, in a survey format, to gather input prior to September meeting
- Via an iterative process, the document will be expanded and improved to reflect discussions at subsequent meetings and Commissioner input

Feedback on Analytic Methods and Assumptions



HEALTHY CALIFORNIA FOR ALL

| Type of Feedback | Next Steps |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Concern that it is premature to estimate effects of Unified Financing (UF) when Commission continues to discuss how UF would be designed and implemented | Next steps are contingent on Commission's progress toward coalescing around design options that differ substantially from those previously considered |
| Requests that analysis make different assumptions about how UF would be designed and implemented | Consulting team will seek further clarification from Commissioners who made requests and will work with CHHS to determine next steps |
| Concerns or requests for further clarification about methods and assumptions used to estimate the effects of UF | Consulting team will prepare responses for posting by end of September |

Community Engagement Update



HEALTHY CALIFORNIA FOR ALL

- Purpose of community engagement activities
 - Gain input from Californians whose voices are often not heard during policy discussions
 - Learn from community residents and community-based organizations about the perspectives of those deeply impacted by potential unified financing proposals
 - Consider feedback in context of existing data and previous research

Community Engagement Timeline



HEALTHY CALIFORNIA FOR ALL

- Underway: Community engagement among Californians with low incomes using multi-method approach
 - Synthesis of existing research
 - Polling of diverse Californians with low incomes
 - Interviews and listening sessions with leaders in community-based organizations
- Sept 21: Webinar (advance materials and presentations to Commission)
- Sept 23: Follow-up discussion at Commission meeting

Systems of Accountability

Systems of Accountability



HEALTHY CALIFORNIA FOR ALL

- Two topics to cover for remainder of meeting
 - Systems of accountability to assure improved equity, quality and access
 - Systems to better integrate behavioral health and assure accountability
- Key questions:
 - Under unified financing, what dynamic will lead to improvements in equity, in access and in quality?
 - In the system of accountability you imagine, what would be done, by whom, if progress toward goals of equity, access and quality are not advancing as hoped?

Behavioral Health Integration and Accountability

Opening Remarks

Jacey Cooper

State Medicaid Director and Chief Deputy Director,
Department of Health Care Services

Will Lightbourne

Director, Department of Health Care Services

DHCS Behavioral Health Services



HEALTHY CALIFORNIA FOR ALL

- DHCS is California's Single State Agency for Medi-Cal, CA's Medicaid Program, and for federal behavioral health funding
- >\$125 billion annually in public funds, serving ~14 Million Californians
- Prior to the Affordable Care Act, mental health services were primarily “carved-out” and provided through the counties.
- In 2014, CA elected to adopt an optional benefit expansion, which expanded behavioral health services available in Medi-Cal.
- Multiple DHCS programs are responsible for behavioral health services and supports:
 - Health Care Delivery Systems: Medi-Cal Managed Care and Fee-for-Service
 - Medi-Cal Behavioral Health (Specialty Mental Health and Drug Medi-Cal)
 - Community Services (publicly funded, non-Medi-Cal programs)
 - Licensing and Certification (private and publicly funded facilities)

A Summary: Public Funding for Community Behavioral Health Services

(as of March 2020)



HEALTHY CALIFORNIA FOR ALL

- Local Realignment Revenue: \$2.7 billion
- MHSA/Prop 63: \$2.0 billion
- State General Fund: \$1.0 billion
- Federal Funds: \$5.0 billion

Total: \$10.7 billion

(\$8.8B for County Behavioral Health, \$1.9B for Medi-Cal Managed Care)

Note: 2017-18 LAO and 2019 CHCF Estimates. Includes SUD services. Does not include counties general funding spending, community clinic services, or Medi-Cal FFS spending due to data limitations.



Non-Specialty vs Specialty Mental Health Services

- As defined in State law, Medi-Cal MCPs are responsible for providing covered non-specialty mental health services to adult beneficiaries with mild to moderate distress or mild to moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders, as defined by the current Diagnostic and Statistical Manual of Mental Disorders, as well as beneficiaries with potential mental health disorders not yet diagnosed.
- Consistent with the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) mandate under Social Security Act (the Act) § 1905(r), Medi-Cal MCPs and County Mental Health Plans are responsible for providing all medically necessary mental health services for beneficiaries under the age of 21.

Specialty Mental Health Services (SMHS)



HEALTHY CALIFORNIA FOR ALL

The county MHPs provide SMHS in the least restrictive community-based settings to promote appropriate and timely access to care for beneficiaries. The SMHS covered under the 1915(b) SMHS Waiver are defined in California's Medicaid State Plan and include a range of interventions to assist beneficiaries with serious emotional and behavioral challenges. These services are as follows:

- Mental Health Services;
- Medication Support Services;
- Day Treatment Intensive;
- Day Rehabilitation;
- Crisis Intervention;
- Crisis Stabilization;
- Adult Residential Treatment;
- Crisis Residential Treatment Services;
- Psychiatric Inpatient Hospital Services; and
- Targeted Case Management



SUD Services

- Covered services provided under a county Drug Medi-Cal Treatment Program or a Drug Medi-Cal organized delivery system (DMC-ODS) shall use criteria adopted by the American Society of Addiction Medicine (ASAM) to determine the appropriate level of care for substance use disorder treatment services.
- A full assessment utilizing the criteria adopted by ASAM shall not be required for a beneficiary to begin receiving services.
- Consistent with the EPSDT mandate under Social Security Act (the Act) § 1905(r), Medi-Cal MCPs and counties are responsible for providing all medically necessary SUD services for beneficiaries under the age of 21.

Health Care Delivery Systems



HEALTHY CALIFORNIA FOR ALL

Managed Care Plans (MCP) and Medi-Cal Fee-for-Service delivery systems are responsible for the provision of medical/surgical services, pharmacy benefits, preventative substance use disorder services, and non-specialty mental health services.

- Non-specialty mental health services
 - Individual and group mental health evaluation and treatment, including psychotherapy, family therapy and dyadic (July 2022);
 - Psychological testing, when clinically indicated to evaluate a mental health condition;
 - Outpatient services for the purpose of monitoring drug therapy;
 - Outpatient laboratory, drugs, supplies and supplements (excluding antipsychotics); and
 - Psychiatric consultation.
- Select substance use disorder (SUD) services delivered in primary care settings, such as tobacco cessation services, screening, brief interventions, and referral to treatment, and the primary care management of opioid use disorder
- Prescription Drugs
- Emergency Services, regardless of diagnosis, including mental health and SUD
- Transportation to all Medi-Cal services, including specialty mental health and SUD services

Medi-Cal Behavioral Health Delivery Systems

| <u>Managed Care Plans</u> | <u>Fee-for-Service</u> | <u>Specialty Mental Health</u> | <u>Substance Use Disorder</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Service Delivery: Contract with Medi-Cal Managed Care Plans (MCPs)</p> <p>Authority: At Risk Manage Care</p> <p>Financing: Actuarially sound capitation rates</p> <p>Provider Network: MCPs contract with providers to meet federal and state network adequacy requirements; some also subcontract to separate MH providers (e.g. Beacon)</p> | <p>Service Delivery: DHCS</p> <p>Authority: State Plan</p> <p>Financing: Fee-for-service</p> <p>Provider Network: All enrolled Medi-Cal providers</p> | <p>Service Delivery: Contract with 56 Counties</p> <p>Authority: Manage Care</p> <p>Financing: Cost Based Reimbursement</p> <p>Provider Network: Counties provide direct services and/or contract with providers to meet federal and state network adequacy requirements</p> | <p>Service Delivery: Contract with 56 Counties</p> <p>Authority: DMC – State Plan and DMC-ODS Manage Care</p> <p>Financing: Cost Based Reimbursement</p> <p>Provider Network: Counties provide direct services and/or contract with providers to meet federal and state network adequacy requirements</p> |

Other Community Based Behavioral Health Services



HEALTHY CALIFORNIA FOR ALL

- Mental Health Services Act (aka, Prop 63)
- Mental Health Block Grant
- Substance Abuse Prevention and Treatment Block Grant (SABG)

County Behavioral Health Financing



HEALTHY CALIFORNIA FOR ALL

- Bronzan-McCorquodale Act - Realigned responsibility to pay for community mental health services provided to indigent Californians from the State to the Counties.
- 1991 Realignment was a legislatively-driven effort initiated in 1991 that approved a half-cent increase in state sales tax and dedicated a portion of vehicle license fees to fund local community mental health services.
- 2011 Realignment codified the Behavioral Health Services Subaccount that currently funds SMHS, DMC, residential perinatal drug services and treatment, drug court operations, and other non-DMC programs.
- MHPSA revenues, established by Proposition 63, which passed in 2004 and is generated through a 1% surtax on personal income over \$1 million, are allocated directly to counties and have helped to significantly fund rehabilitative and preventive mental health services to underserved populations.
- A portion of local revenue generated from property taxes, patient fees, and some payments from private insurance companies is used to fund mental health services, referred to as a Maintenance of Effort (MOE).
- Title 42, USC §300x-21(b) authorizes the use of SABG funds only for the purpose of planning, carrying out, and evaluating activities to prevent and treat substance abuse.

Facilitated Commissioner Discussion

Commissioner Opening Remarks

Richard Scheffler, Professor, UC Berkeley School of Public Health
Sara Flocks, Partner, Union Made LLC

Facilitated Commissioner Discussion

Chair's Summary of Key Points

Public Comment

Adjourn



HEALTHY CALIFORNIA FOR ALL

- Next meeting: September 23, 2021