

California has undertaken efforts that seek to improve services to Medi-Cal beneficiaries with behavioral health needs – mental health conditions and/or substance use disorders – by promoting and seeking increased “behavioral health integration.” Behavioral health integration, however, may encompass several objectives and, in order to properly assess the virtues and defects of these proposals, it is helpful to consider integration on different levels. Any Medi-Cal waiver or State Plan authority that includes a specific transition toward behavioral health integration must ensure that beneficiaries have timely access to all the Medi-Cal covered services they need. To accomplish this, any proposal or implementation plan for integration should include the following elements across these four main domains¹:

Administrative

- DHCS should spearhead efforts to transition towards full integration of behavioral health services with physical health services. In order to achieve full integration, DHCS should move to contract with managed care entities with demonstrated capacity to provide all physical health and behavioral health services available to Medi-Cal beneficiaries in a county or region.
- A choice of managed care plans (MCPs) that provide the full array of Medi-Cal covered services should continue to be available to beneficiaries, unless federal approval authorizes a single plan (e.g. County Organized Health System).
- MCPs that delegate to other managed care plans or entities should retain responsibility and accountability for monitoring delegated entities and ensuring their compliance with all state and federal laws and regulations.
- Any integration of physical and behavioral health must include both mental health, including specialty mental health services (SMHS), and substance use disorder (SUD) services, and the community-based services needed to support these beneficiaries.

Fiscal

- Funding streams should be integrated, to the extent possible, and, to the extent that separate delivery systems remain in place, MCPs, county mental health plans (MHPs), and SUD managed care plans should have more compatible payment methodologies and rate structures.

¹ Please see the accompanying document, “Consumer Protections and Safeguards for Behavioral Health System Integration Redesign”

- Authorization, billing processes, claim submission systems, and coding systems for all mental health and SUD services should be aligned in order to enable behavioral health providers to provide services and receive reimbursement for services in a seamless way.
- Medicaid protections must be adhered to when plans or counties use local matching funds (non-federal share) to obtain Medicaid federal financial participation to provide Medi-Cal covered services. For example, the fact that a county MHP uses Mental Health Services Act (MHSA) funds to match federal Medicaid funds does not negate the MHPs requirements to comply with Medicaid laws, regulations and policies.

Providers

- An integrated service delivery system must include a comprehensive and expansive network of qualified mental health (including SMHS) and SUD providers that is adequate to meet the specialty care needs of beneficiaries in a timely manner and accounts for geographic, linguistic and cultural accessibility. To the extent that MCPs and MHPs continue to be jointly responsible for providing mental health services, both plans should have aligned and overlapping mental health provider networks.
- The service delivery system must maximize the flexibilities afforded to providers under the Health Insurance Portability and Accountability Act (HIPAA) and 42 C.F.R. Part 2 in order to enable providers to share patient information and data and to improve care coordination between physical health providers and behavioral health providers and amongst behavioral health providers, while maintaining patient autonomy over their medical records and protecting confidentiality.
- Program integration efforts should recognize the expertise of current SMHS and SUD providers and must build upon the experiences of county-contracted providers/clinics that have integrated SMHS and SUD care, as well as the expertise of providers utilizing the Rehabilitation Option offering home and community-based services.

Services

- California should ensure that standard-of-care SUD services are available statewide through the Medi-Cal State Plan. There are many services currently provided through the DMC-ODS waiver that may be provided through a State Plan Amendment without limiting the availability to participating counties.
- DHCS should work with plans to provide “in lieu of” services in ways that build upon best practices from Whole Person Care pilots.

- The system should encourage integration at the delivery level by requiring health care homes, behavioral health homes, and a care planning team for each member that will enable beneficiaries to receive different services in a seamless and coordinated manner.

Acronyms Table

DMC-ODS	Drug Medi-Cal Organized Delivery System
HIPAA	Health Insurance Portability and Accountability Act
MCP	Managed Care Plan
MHP	Mental Health Plan
SMHS	Specialty Mental Health Services
SUD	Substance Use Disorder