CalAIM

What Providers Need to Know About California's Innovative Approach to Balancing Documentation and Access to Care

Streamline Healthcare Solutions
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The California Advancing and Innovating Medi-Cal (CalAIM) initiative is 'AIMing' to, among other things, make it easier for Californians to access Behavioral Health and Human Services, better coordinate those services with physical healthcare, and rationalize the delivery and reimbursement of services. A number of CalAIM initiatives will have significant impact on the state's Behavioral Health and Human Services providers.

CalAIM is a Department of Health Care Services (DHCS) initiative to "strengthen the state's behavioral health continuum of care for all Californians and promote better integration with physical health care. CalAIM will streamline policies to improve access to behavioral health services, simplify how these services are funded, and support administrative integration of mental illness and substance use disorders treatment."

Important CalAIM Concepts

Several concepts are core to the CalAIM initiative. Social Determinants of Health refers to conditions in the environments where people are born, live, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks. There are considered to be 5 domains:

- Economic Stability
- Education Access & Quality
- Health Care Access & Quality
- Neighborhood & Built Environment
- Social & Community Context

Examples of social determinants of health include safe housing, ease of transportation, racial discrimination, education, job opportunities, access to nutritious foods, water and air quality, etc.

Population Health Management refers to the process of improving clinical health outcomes of a defined group of individuals through improved care coordination and patient engagement supported by appropriate financial and care models.

Enhanced Care Management (ECM) refers to the whole-person interdisciplinary approach to comprehensive care management that addresses the clinical and non-clinical needs of high-cost, high-need managed care members through systematic coordination of services that is community-based, interdisciplinary, high-touch, and person centered.

Value Based Care (VBC) is a reimbursement model that rewards health care providers with incentive payments for the quality of care they provide to clients. VBC differs from Fee-For-Service (FFS) in that providers are given fixed capitation rates to manage their services and costs, rather than receiving payments directly linked to services provided.

Three Key Initiatives That Will Impact Providers

Below are three key initiatives resulting from CalAIM based on direct announcements and documentation put forth from the California Department of Health Care Services (DHCS), County Behavioral Health Directors Association (CBHDA), and Child Welfare Directors Association (CWDA). These are in no way the only initiatives, but ones that will have a significant impact on behavioral health providers.

Promoting a Team Approach to Enhanced Care Management

Like many public health populations, MediCal beneficiaries often do not fit neatly into coverage buckets. At any given time, a MediCal beneficiary can access six or more separate service delivery systems based on need. These include managed care, fee-for-service, mental health, substance use disorder, dental, developmental, in-home supportive services and more.

The connective tissue between these service delivery systems is critical without a direct investment in care coordination or other integrated services, the system becomes siloed, fragmented, and complex.

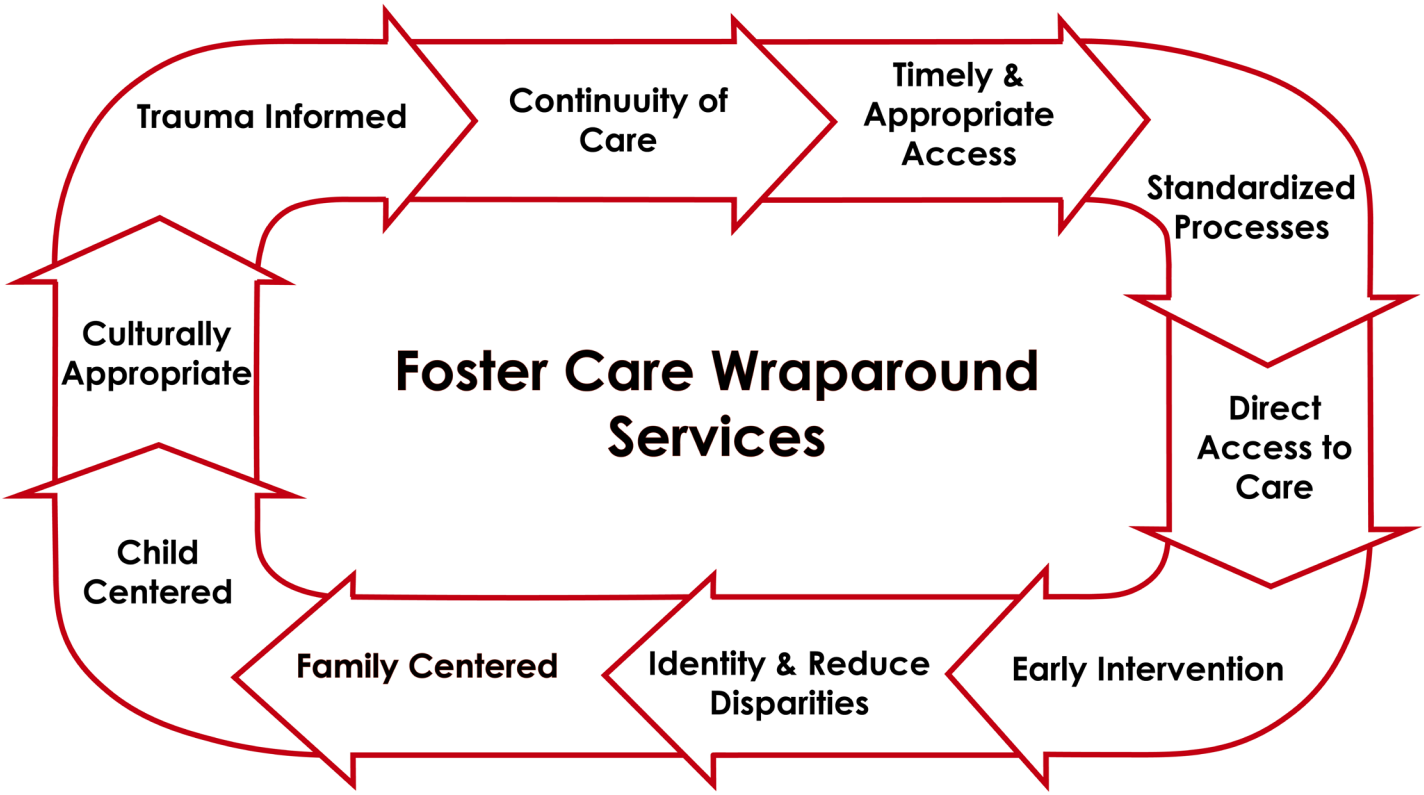
With this in mind, CalAIM is big on "Team Approach." Rather than multiple providers serving a client independently, under the Team Approach, a client's entry into certain programs would trigger a multi-faceted, coordinated team of social workers, care coordinators, therapists, and other clinicians specific to setting and need.

A particular area of focus for the Team Approach is with California's Child Welfare Services (CWS). A central goal of CalAIM is to have a child's entry into the CWS trigger a team-based approach including several clinicians and providers that holistically address the child and family's social determinants of health. This concept is a form of the 'Wraparound' model which works to surround or 'wrap around' a child and family with care coordination and environmental services to improve treatment effectiveness and outcomes.

Another initiative aimed at filling in service population gaps is the "No Wrong Door" initiative. This concept is derived from the differing criteria for youth that would qualify them for either managed care coverage and specialty mental health plan coverage. While both plans address slightly different populations, the No Wrong Door initiative aims to bridge the gap between these two plans.

Both plans could apply to at-risk youth if services were clinically appropriate and if the youth met the following criteria prior to determining the delivery system:

- History of trauma
- Child welfare involvement
- Juvenile justice involvement, or experience of homelessness during assessment



When Youth or Family Prefer One Delivery System

At the same time the child receives services from another delivery system—if services are coordinated and non-duplicative.

This initiative ensures that appropriate services are not being excluded from youth due to lapses in coverages. With No Wrong Door, youth and their families will have increased access and flexibility in the relevant services they receive.

Expanding Coverage for Children

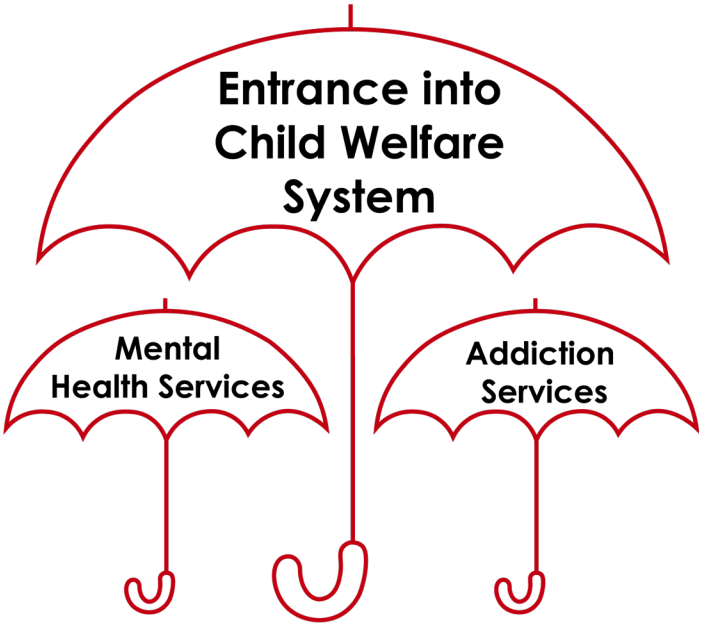
Another broadening of service eligibility is within the CWS. The County Behavioral Health Directors Association (CBHDA) and County Welfare Directors Association (CWDA) are proposing "automatic eligibility" for children who are served by the child welfare system to receive Specialty Mental Health Services (SMHS) and Substance Use Disorder (SUD) services.

Entry into the child welfare system are qualified as follows:

- Youth who are in the foster care system
- Youth who are 6 months post-permanency
- Candidates for foster care, under 'imminent risk'
- Families and Caregivers of these children

To decrease systematic division, this proposal will weld together the foster care and child welfare services with the behavioral health and substance abuse service functions, which is already occurring to some degree.

An initiative like this will further formalize this relationship and allow organizations to grow their child and family service agencies in both service industries and serve a larger population. Not only will children in the welfare system be automatically eligible for comprehensive behavioral health and substance use disorder (SUD) services, but families and caregivers are to be included in order to address the system around the child. This is a common theme for CalAIM: Tackle the problem across multiple variables to improve the outcome for clients.



Rationalizing Reimbursements

In recent years, behavioral health and human services providers have been focusing on initiatives to improve operational and financial efficiency and, most importantly, outcomes for clients. While progress has been made, an unwanted consequence of these efforts is the proliferation of additional metrics, requirements, and documentation—sometimes to the point of hindering the delivery of care rather than expanding and improving it. Among the ways CalAIM is addressing this is a major eligibility and reimbursement innovation.

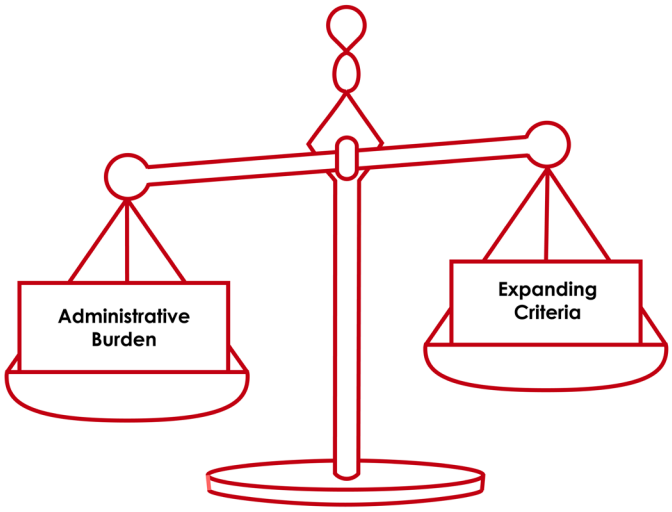
Assembly Bill (AB) 133, which was signed into law in 2021, advances the CalAIM initiative by, among other things, expanding the reimbursable service range for providers.

Payment for services will no longer be denied due to:

- Services being provided prior to diagnosis or assessment period
- A service not being included in an individual treatment plan

A Beneficiary Having a Co-occurring Disorder

As clinicians and providers well know, services and support are often given to clients prior to diagnosis or assessment period, outside of their treatment plan,



and while they have a co-occurring disorder. Receiving fair reimbursement for time and services rendered will help organizations project costs and revenues more accurately in the future, and could lead to internal improvements in compensation and workplace quality.

How Will Providers Respond?

CalAIM is tackling the California human services system division by broadening medical necessity inclusion criteria, creating more practical reimbursement models, and improving standardization and coordination across geographic regions.

The result for behavioral health providers? Expect to see a shift toward organizations adding service lines and serving new populations. Organizations that previously offered child and family mental health services may now be incentivized to add personnel to offer a team-based approach, or to add foster care and child welfare services, which beneficiaries would be eligible to receive all of the above. Organizations whose service mixes were 90% mental health and 10% SUD, for example, might invest more in diversifying their service mix—moving toward a 50/50 split.

In sum, CalAIM is encouraging service diversification. They are attempting to bring barriers down on providing all of these different services and getting reimbursed for them. Large human service organizations in California will begin to follow that trend—offering and adding more integrated and environmentally relevant care to their beneficiaries.

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