























March 30, 2023

Brian Fitzgerald, Chief, Local Government Financing, DHCS Michelle Cabrera, Executive Director, CBHDA Amie Miller, Executive Director, CalMHSA

RE: Coalition Letter to DHCS - Follow up from March 9, 2023 Meeting

Dear Brian, Michelle, and Amie:

Thank you for meeting with us on March 9, 2023 and reviewing the steps that you all have been engaged in as the Department of Health Care Services (DHCS) and County Mental Health Plans (MHPs) have moved forward with CalAIM payment reform efforts.

It was helpful to get more information about the rate methodology. However, the State Plan Amendment (SPA) that is available for public comment provides very limited information regarding the methodology for how county rates have been established, which will of course ultimately affect provider rates. It seemed that more details would be furnished to the public on this methodology.

We continue to be concerned about how the rates process is unfolding at the county level, with wide variation amongst county MHPs. We will keep DHCS, the County Behavioral Health Directors Association (CBHDA), and California Mental Health Services Authority (CalMHSA) informed on how various MHPs are communicating and developing rates in hopes that we can together uplift those processes that are collaborative and reflect an understanding of how critical contracted providers are to network adequacy and service delivery.

As we discussed in the meeting, we continue to have concerns about the length of time it has taken to share the county rates publicly. Withholding these rates results in a lack of trust among MHPs and their contracted providers, impacting rate negotiations today and contracting processes at the county level for years to come.

Additionally, we continue to be concerned that the rate structure is disincentivizing home-based and field-based care, as well as incentivizing professionally trained staff rather than lived expertise and paraprofessionals. This dynamic goes counter to the vision for CalAIM to "meet people where they are in life, address social drivers of health, and break down the walls of health care" and to "offer Medi-Cal enrollees coordinated and equitable access to services that address their physical, behavioral, developmental, dental, and long-term care needs, throughout their lives, from birth to a dignified end of life."

Finally, we request that DHCS clearly communicate in writing to MHPs that they must negotiate with contracted providers to ensure that the cost of service provision is paid for. Many counties are simply telling their providers what their rate/s will be without any discussion (we have sent previous examples of this kind of communication). We would also like to see provider trainings offered that will ensure that organizations fully understand and are prepared for the changes taking place on July 1, 2023, including, but not limited to CPT training (list of most commonly use codes, definitions, use cases), preparing for value-based contracting, and the rate setting methodology of MHPs.

As our coalition of providers works together to support our member organizations in the transition to payment reform, we are committed to partnering with DHCS, CBHDA, CalMHSA to ensure that MHPs and their providers are able to maintain a strong network in service to Medi-Cal beneficiaries.

Sincerely,

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