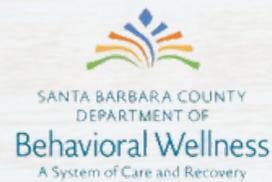


# Behavioral Health CONNECT and 1115 Waiver Demonstration February 2026



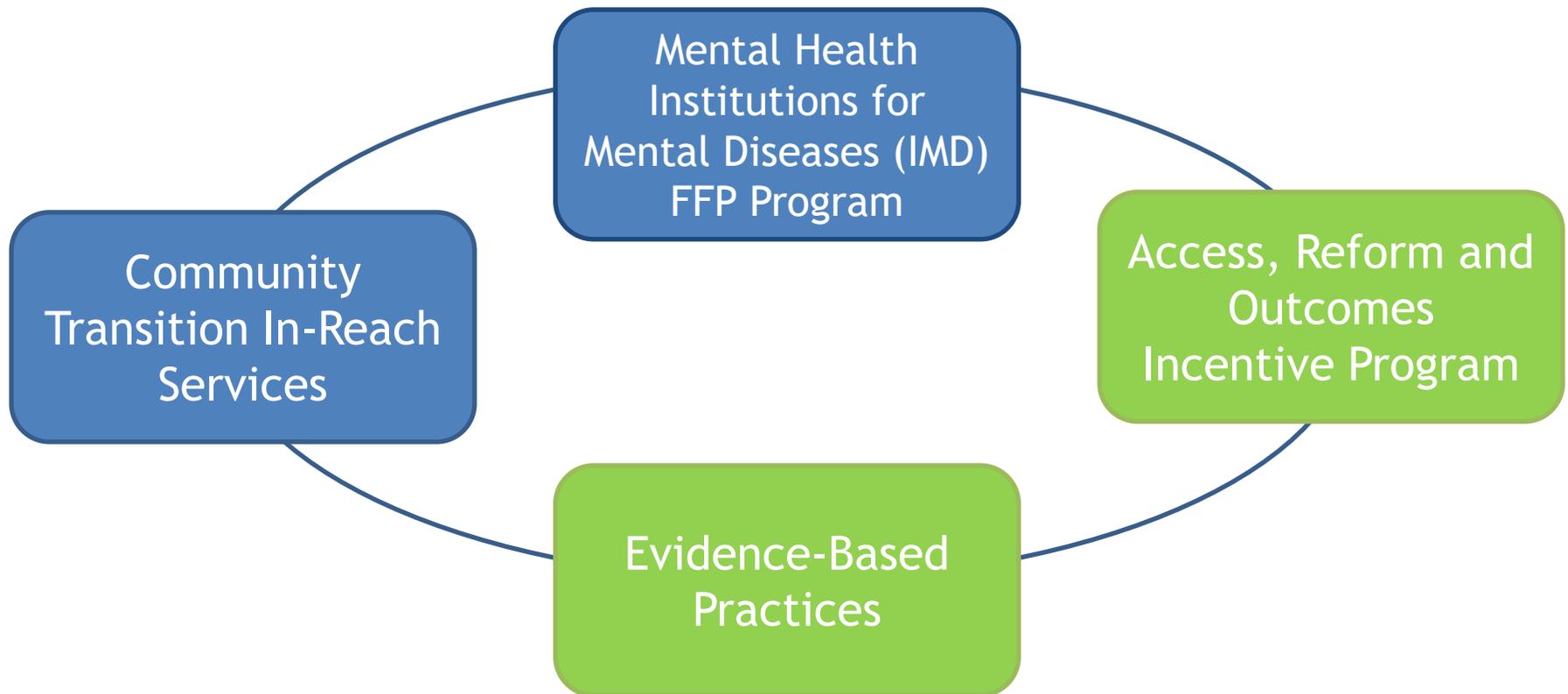
## The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative is:

- ❑ An opt-in initiative that was designed to provide possibilities for program flexibility for Medi-Cal members living with significant behavioral health needs.
- ❑ A multi-year Medicaid Section 1115 Demonstration with an opt-in period that spans from calendar year 2025 to 2029



# Services and Program Options Available

## Components of BH-CONNECT:



# Access, Reform, and Outcomes Incentive Program

Behavioral Health Plans (BHPs) may opt-in to earn incentive dollars by improving performance on:

Access to behavioral health services

Targeted delivery system reforms

Outcomes and quality of life among Medi-Cal members



# Community Transition In-Reach Services

This new Medi-Cal benefit supports members' transition from long-term inpatient, residential, or subacute stays to lower levels of care.

**Community in-reach services can be provided up to 180 days before institutional discharge. Services cover:**

Ongoing, regular assessment of individual needs to determine the need for any medical, education, social or other services

Regular in person visits and coordination with care team

Collaboration with expanded care continuum to overcome barriers and move towards successful community reintegration



# Evidence-Based Practices Initiative\*

Optional programs that a county may add to their system of care at a bundled rate:

- Assertive Community Treatment (ACT)
- Forensic ACT (FACT)
- Coordinated Specialty Care for First Episode Psychosis (CSC for FEP)
- Individual Placement and Support (IPS)  
Supported Employment
- Clubhouse Services

\*All EBPs above except Clubhouse Services are required under Prop 1 starting July 1. Without opting in to the BH-CONNECT EBPs, these EBPs will continue to be billed as Fee For Service.



# Mental Health IMD Federal Financial Participation Program

Allows BHPs to expand capacity in specific IMD settings which include psychiatric health facilities and acute care psychiatric hospitals

Able to receive FFP for facilities over 16 beds for stays under 60 days

EBPs required to expand capacity will have staggered implementation timelines



# IMD Waiver in Santa Barbara County

## Institutions for Mental Diseases (IMD) Waiver

Allows for states to receive federal funding for inpatient settings with more than 16 beds  
Santa Barbara County has one IMD, Crestwood Champion Healing Center.



### Crestwood Champion Healing Center

IMD located in SBC  
40 contracted beds; 4 additional  
beds funded through CCP  
Lower level of care than the PHF  
and stays are expected to be over  
60 days



### Psychiatric Health Facility

Not an IMD currently; 16  
beds that are reimbursed via  
Medi-Cal

# Considerations for Santa Barbara County PHF

## Facility

- Existing space will only accommodate 2 additional beds
- There is no plan to expand the PHF beyond 2 additional beds before the waiver ends in 2029

## Programmatic

- Community Health Worker position must be in place
- IMD stays cannot be longer than 60 days
- Must implement technical solutions for referral and follow up

# Additional Considerations for Santa Barbara County

Average Length of Stay at the PHF: 9 days



There have been 17 stays over 60 days at the PHF, ranging from 63 days to 200 days, since 7/1/24  
Under the MH IMD FFP, these stays could result in approximately \$1.1 million in lost revenue



Any stays over 60 days are 100% unfunded if BWell opts into the Mental Health IMD FFP Program

# Fiscal Considerations: Budget Impacts 2025-2029



If BWell opted into the Mental Health IMD FFP program, there would be a net loss of approximately \$776,456 annually. This does not include one-time costs of facility upgrades to meet the requirements.

# Recommended Action

- a) Receive and file a presentation on the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative; and
  
- b) Determine that the above action is not a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(4) and (b)(5), finding that the actions are governmental funding mechanisms and/or administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

