

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 11, 2025**

MINUTE ORDER NO. 15

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

OVERVIEW

In December 2024, the Centers for Medicare & Medicaid Services approved a Section 1115 demonstration project submitted by the California Department of Health Care Services (DHCS) entitled Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), which establishes a robust continuum of evidence-based community services for people with significant behavioral health needs. BH-CONNECT is comprised of a new five-year Medicaid section 1115 demonstration, State Plan Amendments to expand coverage of Evidence-Based Practices (EBPs) available under Medi-Cal, and complementary guidance and policies to strengthen behavioral health services statewide.

By expanding community-based services and integrating EBPs, BH-CONNECT aims to reduce costly emergency department visits, hospitalizations, and institutional stays, including within carceral settings. The initiative will help Medi-Cal members with behavioral health conditions, including children and youth involved in child welfare, individuals and families experiencing or at risk of homelessness, and people involved in the justice system.

BH-CONNECT aligns with the County of San Diego (County) Health and Human Services Agency (HHS) Behavioral Health Services (BHS) Optimal Care Pathways (OCP) efforts by providing opportunities to improve quality of care, enhance service capacity, invest in the development and retention of the behavioral health workforce, and optimize new revenue opportunities to expand the continuum of community-based care. BH-CONNECT represents a strategic shift in how California addresses behavioral health care. In partnership with county behavioral health plans throughout the state, BH-CONNECT is a multi-year initiative that aims to strengthen the workforce, incentivize measurable outcomes, and fill critical service gaps to create a more equitable and effective system of care.

Implementing BH-CONNECT, including EBPs, the Access, Reform, and Outcomes Incentive Program, and the Mental Health Institution of Mental Disease Federal Financial Participation Program, and future components, will expand the portfolio of covered benefits that Medi-Cal members have access to. BH-CONNECT utilizes proven treatment methods to improve outcomes through standardized high-fidelity EBPs and leverages additional federal revenue for essential care.

Today's actions request the San Diego County Board of Supervisors (Board) authorize agreements and documents required to implement BH-CONNECT, receive additional Medi-Cal funding through BH-CONNECT, and pursue additional funding opportunities to support successful BH-CONNECT implementation. Today's actions also request the Board to issue a letter to DHCS requesting the issuance of final guidance associated with the implementation of BH-CONNECT.

These actions support the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished through further strengthening the continuum of behavioral health services by expanding critical care in San Diego County.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency (HHSA), or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing for Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) implementation, including BH-CONNECT Evidence Based Practices, the Access, Reform, and Outcomes Incentive Program, and the Mental Health (MH) Institution of Mental Disease (IMD) Federal Financial Participation (FFP) Program.
2. Authorize the Deputy Chief Administrative Officer, HHSA, or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing to allow the County to be reimbursed for behavioral health services that are or will become eligible for Medi-Cal reimbursement under BH-CONNECT.
3. Authorize the Chief Administrative Officer, or designee, to apply for any additional funding opportunities to ensure successful BH-CONNECT implementation in San Diego County.
4. Request the Board of Supervisors to issue a letter to the State of California, Department of Health Care Services requesting the issuance of final guidance associated with the implementation of BH-CONNECT to ensure the County can implement enhanced services for Medi-Cal beneficiaries and receive timely Medi-Cal reimbursement for the new benefits.

EQUITY IMPACT STATEMENT

The County of San Diego (County) Health and Human Services Agency, Behavioral Health Services (BHS) serves as the specialty mental health plan for Medi-Cal eligible residents within San Diego County who are experiencing serious mental illness (SMI) or serious emotional disturbance. BHS is also the service delivery system for Medi-Cal eligible residents with substance use care needs. In 2024, nearly one in three San Diegans were eligible for Medi-Cal, with Hispanic and Latino residents having the highest percentage of Medi-Cal eligibility at 44%.

For these Medi-Cal eligible residents who experience SMI or have a substance use care need, BHS offers County-operated and BHS-contracted programs that address the social determinants of health by being accessible, capable of meeting the needs of diverse populations, and culturally responsive, with the intent to equitably distribute services to those most in need. BHS strives to reduce behavioral health inequities by identifying needs and designing services to yield meaningful outcomes for those served. BH-CONNECT will help to further the development of behavioral health services that support access to treatment and care for populations who are underserved by social and behavioral health resources.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services and Sustainability Goal #4 to protect the health and well-being of everyone in the region. These goals will be accomplished by providing a wider availability and range of supportive, inclusive, and stigma-free options to those in need of behavioral health services. Access to a comprehensive continuum of behavioral health services will improve the overall health of communities.

FISCAL IMPACT

Funds for these requests are included in the Fiscal Years 2024-25 Operational Plan in the Health and Human Services Agency. If approved, today's recommendations will result in no new costs in both Fiscal Year (FY) 2024-25 and FY 2025-26. There will be new revenue estimated at up to \$3.0 million in 2024-25 and \$18.5 million in FY 2025-26, due to services becoming eligible for Medi-Cal reimbursement under the BH-CONNECT initiative. This will allow HHS to reinvest funding sources, such as Realignment, general purpose revenue, and MHS back into the behavioral health system. The funding source will be Short-Doyle Medi-Cal and Drug Medi-Cal. There may be additional fiscal impacts associated with implementation of BH-CONNECT components in subsequent years and funding requests. Staff will return to the Board with mid-year action to adjust the budget, if necessary, and/or into future budgets as funding becomes available. There will be no change in net General Fund cost and no additional staff years.

It is anticipated that opting in to the BH-CONNECT waiver will improve the quality of care, enhance member outcomes, and result in savings to local funds for programs that become eligible for Medi-Cal reimbursement through the 1115 demonstration project. The breadth of local savings will not be fully known until final guidance has been issued by the California Department of Health Care Services and subsequent analytic work is completed to establish reimbursement rates for services newly eligible for under reimbursement under BH-CONNECT. Savings resulting from the implementation of BH-CONNECT must be reinvested to support services that benefit Medi-Cal members served by BHS.

Additionally, impending federal policy changes that are being proposed may have significant impacts on the implementation of the BH-CONNECT initiative, a federal waiver, and the financial sustainability of existing and future local mental health and substance use treatment programs funded through Medicaid, or Medi-Cal in California. Any significant Medicaid policy changes will impact the County's ability to financially sustain behavioral health programs funded by Medi-Cal. Additionally, growth in realignment funding has not kept pace with the increased costs for services, which is utilized as a local match for Medi-Cal programs.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Desmond, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended, on Consent.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: (District 1 Seat Vacant)

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter