STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	**Business Unit Number**	**Department**
FY 2026-27	4260	Health Care Services

Hyperion Budget Request Name	**Relevant Program or Subprogram**
4260-263-BCP-2026-MR	3960010

Budget Request Title
2027 Medi-Cal CalAIM Waiver Planning and Implementation

Budget Request Summary
The Department of Health Care Services requests contract authority of $17,500,000 ($8,750,000 General Fund; $8,750,000 Federal Fund) in fiscal year (FY) 2026-27. The Department also requests conversion of 10 limited-term funded positions to permanent in FY 2027-28. The resources are needed to support planning and ongoing implementation of the California Advancing and Innovating Medi-Cal 1115 demonstration and 1915(b) waivers, which expire on December 31, 2026.

Requires Legislation (submit required legislation with the BCP)	**Code Section(s) to be Added/Amended/Repealed**
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	**Department CIO**	**Date**

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.
Project No. **Approval Date:**
Project Approval Document: **Total Project Cost:**

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	**Date**	**Reviewed By**	**Date**
Raheem Muhammad-Terrell	5/14/2026	Lindy Harrington	5/14/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Michelle Baass	5/14/2026	Brent Houser for Kim Johnson, CalHHS Secretary	5/14/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	**Date submitted to the Legislature**
Natalie Griswold	5/14/2026

A. Problem Statement

The Department of Health Care Services (DHCS) requests contract authority of $17,500,000 ($8,750,000 General Fund (GF); $8,750,000 Federal Fund (FF)) in fiscal year (FY) 2026-27. The Department also requests conversion of 10 limited-term (LT) funded positions to permanent in FY 2027-28. The resources are needed to support planning and ongoing implementation of the California Advancing and Innovating Medi-Cal (CalAIM) 1115 demonstration and 1915(b) waivers, which expire on December 31, 2026.

Budget Change Proposal (BCP) cost per FY

BCP Cost	FY 2026-27	FY 2027-28	FY 2028-29 – FY 2030-31	FY 2031-32	FY 2032 and ongoing
GF	$8,750,000	$2,431,000	$2,772,000	$1,806,000	$791,000
FF	$8,750,000	$2,431,000	$2,771,000	$1,806,000	$791,000
Total BCP Cost	**$17,500,000**	**$4,862,000**	**$5,543,000**	**$3,612,000**	**$1,582,000**

*Please refer to BCP Fiscal Detail Sheet for more specific funding data.

The ongoing transformation of the Medi-Cal program is a testament to California's commitment to improving health outcomes and verifying equitable access to quality care for all its members. This vision for the next five years builds upon the significant progress made to date through the CalAIM initiative. Renewing the CalAIM Section 1115 demonstration and 1915(b) waiver will enable California to further embed and strengthen the CalAIM initiative, continuing to expand coverage and access to benefits for certain eligible, high-need, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal members across the state. In July 2025, California released a concept paper outlining DHCS's vision, principles, goals, and priorities for Medi-Cal in 2027 and beyond.

Since its inception, CalAIM has introduced transformative changes to the Medi-Cal program, including Enhanced Care Management (ECM), Community Supports, the Justice-Involved (JI) Reentry Initiative, managed care standardization, and numerous behavioral health reforms. These initiatives have been instrumental in addressing the physical, behavioral, and social needs of Medi-Cal members, fostering a more coordinated and person-centered health care system.

Since the initial launch of CalAIM four years ago, these initiatives continue to deliver value to Medi-Cal members across the state. ECM continues to provide equitable, person-centered care management for Medi-Cal's highest-need members. This benefit is delivered by community-based providers who build trusting relationships and coordinate physical health, behavioral health, and social services. Community Supports offer a range of services designed to address social determinants of health and improve Medi-Cal members' overall well-being. These services include medically tailored meals, asthma remediation, and housing stabilization supports, including the new Transitional Rent benefit. The JI Reentry Initiative is another pioneering effort, providing targeted Medi-Cal services for up to 90 days prior to release from incarceration. This initiative supports successful community reentry by addressing physical health, behavioral health, and social service needs.

The behavioral health components of CalAIM include behavioral health payment reform, the No Wrong Door policy, implementation of standardized mental health screening and transition tools, and corresponding updates to delivery system access criteria for Specialty Mental Health Services (SMHS), as well as the continuation and expansion of the Drug Medi-Cal Organized Delivery System (DMC-ODS) and the launch of Recovery Incentives and Traditional Health Care Practices within the DMC-ODS. These reforms are designed to support whole-person, integrated care; move the administration of Medi-Cal behavioral health to a more consistent and seamless system by

reducing complexity and increasing flexibility; improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through improvements to behavioral health policies.

As California looks ahead, DHCS is poised to deepen its commitment to Medi-Cal members by consolidating and expanding the progress made via several existing CalAIM initiatives, requesting new authorities for new initiatives, and moving other existing CalAIM initiatives to alternative authorities. DHCS seeks to build on prior investments and sustain the unprecedented changes that have led to a more coordinated, person-centered, value-based and efficient health system for California's Medi-Cal members. DHCS will continue to focus on ECM, Community Supports, the JI Reentry Initiative, and strengthening behavioral health access and quality, and will also explore new initiatives that will advance DHCS' vision for a continued Medi-Cal transformation.

In the coming years, DHCS will be guided by the principles of:

- Centering Medi-Cal members across programs and initiatives.
- Strengthening and building on DHCS' current initiatives and accomplishments.
- Doubling down on initiatives backed by data and evidence.
- Improving program efficiency.
- Investing in initiatives that are scalable.

This strategic framework will enable DHCS to navigate the dynamic federal and state landscapes and verify sustainable progress in Medi-Cal's transformation.

Sustaining and expanding these initiatives over the next several years will require substantial investments in staff resources and contract funding. A well-supported workforce and adequate financial backing are important to support the services that are essential to DHCS' ability to execute on the principles and goals of CalAIM. As California renews its federal waivers and advances its vision for Medi-Cal in 2027 and beyond, these strategic investments will support the ongoing policy development, implementation activities, Technical Assistance (TA), and stakeholder engagement needed for an initiative of this scale. As such, securing these resources will be paramount to achieving the DHCS' vision of the Medi-Cal transformation.

Workload History

Behavioral Health Oversight and Monitoring Division (BHOMD)

Workload Measure	2020-21	2021-22	2022-23	2023-24	2024-25
Develop updated Member Handbook templates and Member Handbook Information Notices for Specialty Mental Health and Substance Use Disorder (SUD) services and perform compliance monitoring and TA. The Member Handbook integration went into effect in January 2025.	N/A	125	125	150	155
Perform Annual compliance monitoring of Behavioral Health	N/A	125	125	125	130

Workload Measure	2020-21	2021-22	2022-23	2023-24	2024-25
Delivery Systems (BHDS) provider directory and develop updated provider directory policy.					
Act as Subject Matter Expert (SME) performing TA for CalAIM initiative policies, including contract compliance and oversight of care coordination requirements under the No Wrong Door Policy, including conducting Managed Care Plan (MCP)/BHDS dispute resolution and compliance monitoring of MCP/BHDS Memoranda of Understanding (MOUs), and conducting TA calls.	N/A	250	116	116	116
Perform DMC-ODS TA, implementation plan compliance review, and readiness review process for the DMC-ODS opt-in.	N/A	230	230	230	230
Drafting, reviewing, and analyzing the CalAIM policy requirements for network adequacy. Provide TA for the network adequacy certification processes and enforce ongoing compliance monitoring.	N/A	400	400	400	400

B. Justification

<u>BHOMD (10 LT Funded Positions to Permanent)</u>

1 Supervisor II
3 Supervisor I
2 Health Program Specialist (HPS) I
4 Analyst II

BHOMD is requesting the conversion of 10 LT funded positions to permanent in FY 2027-28 and ongoing to preserve and strengthen the critical work established under the original CalAIM waiver package. These positions were initially approved as LT funded positions until December 31, 2027, through the 4260-068-BCP-2021-GB CalAIM Initiative BCP and remain vital for advancing system transformation efforts and verifying the effective implementation and ongoing quality oversight of CalAIM initiatives. These positions form the backbone of BHOMD's ability to operationalize CalAIM

initiatives, uphold regulatory standards, and effectively support counties. This work is ongoing, not time limited, and a permanent feature of Medi-Cal as a result of CalAIM; this is not tied to any new concepts or proposals in the CalAIM waiver renewal.

The 10 positions are particularly critical for ongoing oversight and monitoring of CalAIM requirements, as well as providing TA to BHDS. Key areas of responsibility include:

- Managing and overseeing the development of the annual integrated member handbook and other member informing materials to verify compliance and clarity for Medi-Cal members.
- Managing the DMC-ODS opt-in process to support counties in expanding SUD services and incorporating DMC-ODS policy improvements.
- Handling dispute resolution for coordination of care to safeguard member rights and continuity of services that will advance the CalAIM "No Wrong Door", Access Criteria, and Medical Necessity policies.
- Annual integrated provider directory monitoring to maintain accuracy and accessibility of provider information.
- Ongoing monitoring and TA of the 24-hour access line for members seeking either specialty mental health and/or SUD services.
- Continued monitoring for quality improvement of the Behavioral Health Plans (BHPs) as identified by the External Quality Review Organizations (EQRO).
- Network adequacy integrated oversight and monitoring of the certification processes.

Failure to secure these positions as permanent will significantly jeopardize BHOMD's capacity to meet CalAIM requirements and maintain compliance across BHDS. The risks include:

- Compliance Gap: Inadequate oversight could lead to noncompliance with state and federal mandates, exposing the Department to audit findings and Medi-Cal members not receiving the care they need.
- Operational Disruptions: Counties may lack receiving timely TA, resulting in delays, inconsistent implementation, and diminished quality of care to Medi-Cal members.
- Loss of Expertise: Current LT staff hold critical institutional knowledge to continue their efforts to confirm quality improvement and compliance.
- Impact on System Transformation: CalAIM's goals for integrated, equitable care depend on sustained ongoing monitoring and quality improvement. These functions cannot be maintained without these positions.

<u>1 Supervisor II</u>
The Supervisor II will report directly to the Behavioral Health County Support and Operations Branch Chief within BHOMD and lead the County Operations and Implementation Section. This position is critical to managing all aspects of BHOMD's role in the ongoing monitoring of the CalAIM initiatives, including overseeing and leading the DMC-ODS opt-in process. The Supervisor II will provide strategic leadership for county operational support, including TA and continuous monitoring of Behavioral Delivery Systems to certify compliance with the CalAIM requirements. Additionally, the position will review, approve, and deliver county training materials to clarify policy expectations and emphasize the importance of resolving identified issues and inquiries in a timely and appropriate manner. The Supervisor II will also serve as a key communicator in internal and external forums, assessing county performance and identifying opportunities for quality improvement in operationalizing the initiatives. By guiding implementation activities and confirming alignment with statewide goals, this position is essential to maintaining strong county partnerships, upholding compliance, and driving improvements that support the successful execution of CalAIM across all BHDS.

3 Supervisor I

Two of the Supervisor I's will report to the Supervisor II within the County Operations and Implementation Section and serve as a critical link in BHOMD's structure for overseeing CalAIM initiatives. These positions will provide leadership and direct supervision to the Analyst II's, who are responsible for monitoring BHDS directly and providing day-to-day TA to counties, including internal and external stakeholders. While the Analyst II's will conduct detailed compliance and quality reviews, data tracking, and issue resolution, the Supervisor I will verify their work is coordinated, consistent, and aligned with the CalAIM requirements and DHCS' goals.

One of the Supervisor I's will report directly to a Supervisor II within the Behavioral Health Network Adequacy Oversight Branch within BHOMD and will be responsible for providing direct supervision and leadership to the Unit, certifying alignment with program objectives. This role establishes and monitors unit goals, develops performance metrics, and oversees the quality, accuracy, and consistency of all work products. The Supervisor I reviews and approves reports, analyses, and correspondence with BHPs, verifying compliance with state and federal requirements. Additionally, the position collaborates closely with other Unit and Section managers to coordinate workflow, streamline procedures, and implement standardized review tools and practices. The Supervisor I plays a critical role in fostering accountability, improving operational efficiency, and supporting strategic initiatives that advance the Department's mission.

2 HPS I

The HPS I's are essential to BHOMD's ability to confirm compliance, quality, and operational integrity under CalAIM. These positions serve as SMEs on behavioral health policies and lead ongoing comprehensive compliance policy assessments to confirm alignment with the CalAIM requirements. Their work is highly analytical and involves supporting both internal and external stakeholders on operational quality improvement and compliance initiatives.

Additionally, these positions are responsible for project management activities, including planning, coordinating, and tracking complex initiatives to verify timely implementation, effective communication, and resolving issues that may impact compliance and program integrity. The HPS I's will review complex policy frameworks, identify gaps, and recommend corrective actions to maintain program integrity. They are responsible for verifying that numerous behavioral health policies remain consistent with CalAIM objectives, which require advanced knowledge of regulatory standards and strong analytical skills. Additionally, these positions oversee projects that involve collaboration with leadership and external partners, including drafting and delivering clear communications to address identified issues and mitigate compliance risks. The complexity of these responsibilities demands expertise in policy interpretation, compliance monitoring, and strategic problem-solving. These positions will report to the Supervisor I within the County Operations and Implementation Section.

4 Analyst II

The Analyst II's are crucial to the day-to-day oversight and monitoring of BHDS, confirming compliance with CalAIM requirements. These positions will report to the Supervisor I within the County Operations and Implementation Section. The positions will serve as the frontline analytical staff responsible for operationalizing compliance and quality monitoring activities. The Analyst II's will conduct detailed policy reviews and perform assessments to verify the counties meet CalAIM requirements, identifying gaps and recommending corrective actions where necessary.

In addition to compliance monitoring, these positions will provide consistent TA to counties, working collaboratively with partnering team members to address operational challenges and clarify policy expectations. Their responsibilities include analyzing data, preparing reports, and

engaging directly with counties to support ongoing quality improvement efforts. By serving as the primary point of contact for counties on compliance and operational issues, the Analyst II's will certify timely resolution of inquiries and promote statewide consistency in implementing CalAIM initiatives, including the DMC-ODS opt-in process. These positions are crucial for maintaining the infrastructure necessary to monitor compliance effectively, provide TA, and verify accountability across all BHDS.

CalAIM TA Contract (One-Year LT)
$15,000,000 ($7,500,000 GF; $7,500,000 FF) in FY 2026-27

DHCS requests funding for consultant support as part of its efforts to renew and subsequently implement the CalAIM Section 1115 and 1915(b) waivers, which expire on December 31, 2026. This work will support the efforts needed to develop and negotiate the proposals with the Centers for Medicare and Medicaid Services (CMS) in advance of the December 2026 expiration date, including identifying opportunities to strengthen key CalAIM initiatives as well as identifying new opportunities that require waiver authority. Following the approval of the CalAIM waivers by CMS, these funds will support Department-wide implementation efforts and compliance with new waiver requirements.

The funding received through this BCP will be utilized to extend an existing contract which has supported CalAIM since the beginning of the current waiver period. This contract provides in-depth expertise in waiver application development, negotiations with CMS, and post-approval implementation. The level of support obtained through this contract in previous years has played an important role in DHCS' successful implementation of CalAIM, engagement with stakeholders, and provision of external TA throughout the process. In the upcoming budget year, the contractor will build off the work done to develop the concept paper and waiver renewal applications, and support DHCS throughout the negotiations with CMS. Following approval of the new CalAIM waivers, the contractor will support DHCS with development of post-approval deliverables to CMS (e.g., waiver technical corrections, implementation plans, and monitoring protocols) as needed, and support with aspects of implementation of new waiver program requirements.

In support to DHCS throughout the budget year, the contractor will provide a core set of services for programs and policies included with the scope of the CalAIM Section 1115 and 1915(b) waivers, and other CalAIM authorities. These services include but are not limited to:

Policy Strategy, Design, and Implementation: The contractor will work with DHCS to support program and policy development, including identification and resolution of major design decisions. As initiatives new programs or program changes "go live," the contractor will provide implementation support to DHCS to verify success, including addressing issues as needed.

Oversight and Monitoring: The contractor will work with DHCS leads to establish an oversight and monitoring approach to each waiver program or policy. The approach recognizes that wherever a CalAIM initiative is in its lifecycle (program design, early deployment, or program operations/full deployment) there is value in planning for and implementing continuous monitoring against goals to allow for course correction (for example, through policy changes or TA) and enforcement action when necessary.

Project Management: Although DHCS teams and staff members facilitate the Department's overall project management functions, the contractor will continue to integrate all work completed within the scope of the contract with DHCS' project management infrastructure. These functions include workplan development and maintenance, agenda management,

facilitation, and support for status reporting via DHCS enterprise tools. The contractor will continue to manage regular meetings with DHCS Leadership to facilitate decision-making across the scope of their contract.

Strategic Communications, Stakeholder Engagement, and TA: The contractor will work with DHCS to develop and support plans for strategic communications, stakeholder engagement, and TA across the scope of their contract. This work will be done in close partnership with DHCS program leadership and with DHCS' Office of Communications.

Securing this funding is critical to preserving California's leadership in advancing integrated, person-centered care. Without continued consultant support, DHCS risks delays in renewing the CalAIM waivers and implementing programs that improve outcomes for individuals with the highest physical and behavioral health needs. By investing in these services now, DHCS will be best positioned for timely negotiations with CMS, uninterrupted implementation of CalAIM policy, and the successful expansion of innovative initiatives that strengthen the continuum of care for the most vulnerable Californians.

Medi-Cal Behavioral Health Policy Division (MCBH-PD) Training and Technical Assistance (TTA) Contract (Five-Year LT)
$861,000 ($431,000 GF; $430,000 FF) in FY 2027-28 through FY 2030-31
$430,000 ($215,000 GF; $215,000 FF) in FY 2031-32

MCBH-PD is requesting $3,874,000 in FY 2027-28 through FY 2031-32 to support the growing and specialized workload for implementing the Contingency Management (CM) benefit. Specifically, MCBH-PD requests resources to support continuation and expansion of TTA to counties and providers as new counties join the program.

DHCS contracts with the University of California, Los Angeles (UCLA) to deliver training, orientations, readiness reviews, and ongoing fidelity reviews for the CM benefit. Services include:

- Live and asynchronous web-based training
- In-person sessions when needed
- Individualized TA for counties and providers
- Pre-launch readiness reviews and post-launch fidelity assessments
    - Development and maintenance of complex, comprehensive fidelity monitoring tools used to assess CM protocol adherence across participating sites
    - Ongoing fidelity reviews using standardized monitoring tools to evaluate implementation quality, identify drift, and support continuous quality improvement

The funding request accounts for current training costs and consulting with UCLA on projected needs for onboarding additional counties and providers. Activities include training, readiness assessments, ongoing implementation coaching, and fidelity evaluations to verify program success statewide.

MCBH-PD Incentive Manager Vendor Services (Six-Year LT)
$1,000,000 ($500,000 GF; $500,000 FF) in FY 2026-27
$2,000,000 ($1,000,000 GF; $1,000,000 FF) in FY 2027-28 through FY 2030-31
$1,000,000 ($500,000 GF; $500,000 FF) in FY 2031-32

MCBH-PD is requesting $10,000,000 from FY 2026-27 through FY 2031-32 to continue use of the Incentive Manager vendor through the CalAIM renewal period. The vendor is critical for

administering the Recovery Incentives Program and confirming compliance with program requirements as the initiative expands.

The Incentive Manager vendor provides:

- Calculation, management, tracking, and distribution of incentives
- A secure, web-based incentive management system to certify centralized and standardized distribution consistent with evidence-based clinical protocols
- Controls to reduce the risk of fraud, waste, and abuse

The contract funding amount is based on a quote received from the current vendor and reflects the need for continuity throughout the CalAIM renewal period.

MCBH-PD Policy Consultation and TTA Contract (Five-Year LT)
$1,100,000 ($550,000 GF; $550,000 FF) in FY 2027-28 through FY 2030-31
$600,000 ($300,000 GF; $300,000 FF) in FY 2031-32

To certify successful implementation of CalAIM behavioral health policies and program updates, DHCS requires robust TTA for counties, providers, and stakeholders. These efforts must address both general CalAIM behavioral health policies and specific program updates such as Traditional Health Care Practices; American Society of Addiction Medicine (ASAM) 4th Edition Criteria implementation and follow-up support; follow-up support for Behavioral Health Administrative Integration after mandatory implementation on January 1, 2027; updates to the MOUs between BHPs and Medi-Cal MCPs; and the SMHS, DMC, and DMC-ODS programs. TTA will emphasize practical application of these policies, clarify operational requirements, and provide guidance on culturally responsive care to support system transformation. In addition, TTA will be critical for navigating complex policy changes, aligning workflows, and verifying compliance with CalAIM's overarching goals of improving access, equity, and quality of care for Medi-Cal members.

In addition to these TTA needs, DHCS requires clinical consultant support for both CalAIM and the Recovery Incentives Program. Consultants will play an essential role in supporting DHCS by developing policy and implementation strategies, supporting stakeholder engagement, and creating clear guidance materials such as Behavioral Health Information Notices (BHINs) and Frequently Asked Questions (FAQs).

Quality and Health Equity Division CalAIM Waiver Renewal Evaluation Design Contract (One-Year LT)
$1,500,000 ($750,000 GF; $750,000 FF) in FY 2026-27

These resources are needed to contract with an external evaluator to develop the CMS-required Evaluation Design, which will be due to CMS six months after CMS approves the CalAIM waiver renewal. Given that the current CalAIM 1115 waiver expires at the end of December 2026, the CalAIM waiver renewal may be approved by CMS at approximately the same time, leading to an Evaluation Design due date around June 2027. CMS requires an extensive, externally contracted evaluation of all 1115 waivers. Evaluation goals, logic model, hypotheses, and outcome measures, especially around health care access, utilization, outcomes and cost, are required to be developed by the external evaluator and described in the Evaluation Design. These resources will fund the Evaluation Design contract only. Contract resources to support the evaluation itself (Interim Evaluation Report and Final Summative Evaluation Report) will be requested in a subsequent year.

C. Departmentwide and Statewide Considerations

This proposal is consistent with the Department's purpose and goals to transform Medi-Cal by continuing, expanding and strengthening CalAIM initiatives to verify Medi-Cal members can access person-centered care that meets their physical, behavioral, and social needs and receive care in an integrated system that focuses on value and outcomes. DHCS is the single state agency responsible for financing and administering the Medi-Cal program. DHCS' requested resources will be used to certify DHCS meets federal requirements for the CalAIM 1115, and 1915(b) waiver renewals set forth by CMS. Non-compliance with federal regulations will jeopardize federal funding.

D. Outcomes and Accountability

Approval of these resources will allow the Department to further build its capacity and resources to successfully develop and operationalize the new program-related responsibilities associated with increased funding and changes related to DHCS-offered programs and benefits associated with the CalAIM waiver renewals.

Resources will be used to support the development of processes and procedures, stand up workflows and other planning activities associated with implementing, operationalizing, and sustaining the new programs and procedures related to the CalAIM waiver renewals.

If approved, the following outcomes will ultimately be achieved:

- Supports advanced and innovative solutions to support the stability of the Medi-Cal program.
- Expands the coordination and delivery of quality care to all Medi-Cal beneficiaries.
- Allows DHCS to meet the new requirements imposed as part of the CalAIM 1115 demonstration and 1915(b) waiver renewals.
- Improve oversight and monitoring of the respective programs, and alignment to broader Medi-Cal goals and objectives related to financial policy, strengthening waiver financial reporting and oversight associated with the CalAIM waiver renewal, and ongoing operations and oversight for Transitional Rent as a mandatory Medi-Cal benefit.
- Increase member access to care, improve health outcomes, and address social determinants of health.
- Strengthen relationships and communication with MCPs and other stakeholders by providing timely responses, clear guidance, and consistent TA.
- Enhanced compliance with regulatory requirements, safeguarding program integrity and protecting federal financial participation.

Projected Outcomes

BHOMD

Workload Measure	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Develop policy for integrated member informing materials, including the provider directory and annual integrated Member Handbook templates and member handbook policy,	250	250	250	250	250	250

Workload Measure	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
perform compliance monitoring and TA.						
Perform compliance monitoring to deficiencies and quality issues identified in the EQRO.	125	125	125	125	125	125
Act as SMEs performing TA for CalAIM initiative policies, including contract compliance and oversight of care coordination requirements under the No Wrong Door Policy, including conducting MCP/BHDS dispute resolution and compliance monitoring of MCP/BHDS MOUs and TA calls.	400	400	400	400	400	400
Perform DMC-ODS TA, implementation plan compliance review and readiness review process for the DMC-ODS opt-in.	230	230	230	230	230	230
Provide TA for the network adequacy certification processes and enforce ongoing compliance monitoring.	400	400	400	400	400	400

E. Implementation Plan

Positions will be established in alignment with effective dates. All positions will be recruited and filled according to DHCS' standard recruitment processes, which are outlined in both internal DHCS produced and external California Department of Human Resources-produced policies, procedures, and requirements for hiring qualified state staff.

F. Supplemental Information

- Attachment A: Workload Standards
- Attachment B: Fiscal Detail Sheet

G. Workload Standards

WORKLOAD STANDARDS
Behavioral Health Oversight and Monitoring Division
1 Supervisor II
806-473-4801-XXX
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Serve as the section manager with responsibility for direct supervision of the Supervisor I and staff members responsible for monitoring compliance with CalAIM initiatives requirements, including the DMC-ODS opt-in process, integrated member informing materials such as the provider directory and member handbook, BHDS adherence to EQRO recommendations, and contract requirements.	27	25	675
Review and approve TA materials, trainings, and behavioral health policies pertinent to implementing CalAIM policies.	45	10	450
Collaborate with internal and external stakeholders to certify alliance with CalAIM policy initiatives across the BHDS.	45	10	450
Assists in the development of contract integration, verifying that integrated contracts comply with CalAIM initiative requirements.	45	5	225
Total hours worked			**1,800**
1,800 hours = 1 Position			
Actual number of Positions requested			**1**

Attachment A

WORKLOAD STANDARDS
Behavioral Health Oversight and Monitoring Division
1 Supervisor I
806-472-4800-XXX
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Perform onboarding, training and direct supervision of Analyst II's, and oversee the oversight of compliance monitoring and TA processes.	53	4	212
Oversee development of behavioral health policy guidance, and documents necessary for TA such as, FAQs, trainings, and TA calls.	225	6	1,350
Participate in various internal and external meetings with stakeholders, other DHCS Units/Divisions, and BHPs; offering guidance and solutions to verify implementation of CalAIM policy initiatives.	24	3.5	84
Collaborate with other Unit and Section Managers to verify efficient workflow coordination. Develop and implement standardized policies, procedures, and review protocols to maintain consistency across operations.	52	3	156
Total hours worked			**1,802**
1,800 hours = 1 Position			
Actual number of Positions requested			**1**

Attachment A

WORKLOAD STANDARDS
Behavioral Health Oversight and Monitoring Division
2 Supervisor I
806-473-4800-XXX
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Perform onboarding, training and direct supervision of Analyst II's, and oversee the oversight of compliance monitoring and TA processes.	104	4	416
Oversee development of behavioral health policy guidance, and documents necessary for TA such as, FAQs, trainings, and TA calls.	450	6	2,700
Participate in various internal and external meetings with stakeholders, other DHCS Units/Divisions, and BHPs; offering guidance and solutions to verify implementation of CalAIM policy initiatives.	48	3.5	168
Collaborate with other Unit and Section Managers to verify efficient workflow coordination. Develop and implement standardized policies, procedures, and review protocols to maintain consistency across operations.	104	3	312
Total hours worked			**3,596**
1,800 hours = 1 Position			
Actual number of Positions requested			**2**

Attachment A

WORKLOAD STANDARDS
Behavioral Health Oversight and Monitoring Division
2 Health Program Specialist I
806-473-8338-XXX
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Perform ongoing analytical activities providing high-level technical expertise, coordination, training, and leadership for the development and implementation of complex policy recommendations and program monitoring activities related to the CalAIM initiatives.	120	10	1,200
Perform advisement, SME, and program consulting.	50	5	250
Lead, organize, and facilitate highly sensitive and complex external and internal stakeholder workgroups and training to support ongoing quality and compliance monitoring.	50	5	250
Oversee the development and implementation of new and revised behavioral health policy guidance to certify Behavioral Health Plan compliance.	50	8	400
Track compliance across all behavioral health programs; analyze performance trends; provide reports to management, and other divisions and units, as needed.	120	4	480
Monitor the status of Corrective Action Plans (CAPs) and make recommendations to management regarding any monetary enforcement.	89	10	890
Implement ongoing TA provided to internal and external stakeholders to establish understanding of the requirements and confirm quality improvement and compliance.	13	10	130
Total hours worked			**3,600**
1,800 hours = 1 Position			
Actual number of Positions requested			**2**

WORKLOAD STANDARDS
Behavioral Health Oversight and Monitoring Division
4 Analyst II
806-473-5393-XXX
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Perform ongoing evaluations and monitoring of counties' compliance with federal and state requirements, including statutes, regulations, contracts, and BHINs, including policies pertaining to member informing materials. including integrated handbooks and provider directories.	104	35	3,640
Research and analyze laws, rules, policies, and other information necessary to provide TA to behavioral health programs, assisting them with understanding and implementing the CalAIM requirements.	75	40	3,000
Provide ongoing TA to behavioral health programs through webinars, TA calls, researching and responding to questions, and developing supplementary resources and training, as needed.	92	5	460
Conduct compliance reviews, including desk reviews and site reviews to support compliance with CalAIM requirements and issues identified in EQRO reports, conduct reviews of implementation plans and readiness reviews for the DMC-ODS opt-in process and oversee compliance with CAPs.	20	5	100
Total hours worked			**7,200**
1,800 hours = 1 Position			
Actual number of Positions requested			**4**

H. BCP Fiscal Detail Sheet

BCP Title: 2027 Medi-Cal CalAIM Waiver Planning and Implementation

BR Name: 4260-263-BCP-2026-MR

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Permanent	0.0	0.0	10.0	10.0	10.0	10.0
Total Positions	**0.0**	**0.0**	**10.0**	**10.0**	**10.0**	**10.0**
Earnings - Permanent	0	0	453	906	906	906
Total Salaries and Wages	**$0**	**$0**	**$453**	**$906**	**$906**	**$906**
Total Staff Benefits	0	0	228	456	456	456
Total Personal Services	**$0**	**$0**	**$681**	**$1,362**	**$1,362**	**$1,362**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	0	40	40	40	40
5302 - Printing	0	0	20	20	20	20
5304 - Communications	0	0	20	20	20	20
5320 - Travel: In-State	0	0	30	30	30	30
5322 - Training	0	0	10	10	10	10
5324 - Facilities Operation	0	0	90	90	90	90
5340 - Consulting and Professional Services - External	0	17,500	3,961	3,961	3,961	3,961
5344 - Consolidated Data Centers	0	0	10	10	10	10
Total Operating Expenses and Equipment	**$0**	**$17,500**	**$4,181**	**$4,181**	**$4,181**	**$4,181**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$17,500**	**$4,862**	**$5,543**	**$5,543**	**$5,543**

Fund Summary
Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0001 - General Fund	0	8,750	2,431	2,772	2,772	2,772
State Operations - 0890 - Federal Trust Fund	0	8,750	2,431	2,771	2,771	2,771
Total State Operations Expenditures	**$0**	**$17,500**	**$4,862**	**$5,543**	**$5,543**	**$5,543**
Total All Funds	**$0**	**$17,500**	**$4,862**	**$5,543**	**$5,543**	**$5,543**

Program Summary
Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3960010 - Medical Care Services (Medi-Cal)	0	17,500	4,862	5,543	5,543	5,543
Total All Programs	**$0**	**$17,500**	**$4,862**	**$5,543**	**$5,543**	**$5,543**

Personal Services Details
Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
4800 - Supervisor I (Eff. 01-01-2028)	0.0	0.0	3.0	3.0	3.0	3.0
4801 - Supervisor II (Eff. 01-01-2028)	0.0	0.0	1.0	1.0	1.0	1.0
5393 - Analyst II (Eff. 01-01-2028)	0.0	0.0	4.0	4.0	4.0	4.0
8338 - Hlth Program Spec I (Eff. 01-01-2028)	0.0	0.0	2.0	2.0	2.0	2.0
Total Positions	**0.0**	**0.0**	**10.0**	**10.0**	**10.0**	**10.0**

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
4800 - Supervisor I (Eff. 01-01-2028)	0	0	145	290	290	290
4801 - Supervisor II (Eff. 01-01-2028)	0	0	53	106	106	106
5393 - Analyst II (Eff. 01-01-2028)	0	0	166	332	332	332
8338 - Hlth Program Spec I (Eff. 01-01-2028)	0	0	89	178	178	178
Total Salaries and Wages	**$0**	**$0**	**$453**	**$906**	**$906**	**$906**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150350 - Health Insurance	0	0	108	218	218	218
5150600 - Retirement - General	0	0	120	238	238	238
Total Staff Benefits	**$0**	**$0**	**$228**	**$456**	**$456**	**$456**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$0**	**$681**	**$1,362**	**$1,362**	**$1,362**