Many times, we hear colleagues make statements about being a Medi-Cal provider as, “too much work paperwork for such a low reimbursement rate or not worth the time and effort.” What if health insurance worked the way it was intended to, especially for the most vulnerable among us? What if all required physical and mental health services were covered, network adequacy existed, and Californians could access care? What if documentation was less of a burden, provider rates provided more of a livable wage, and interdisciplinary coordination and treatment between behavioral health, substance use, and physical health happened? Fortunately, for California providers and residents alike, the California Department of Health Services (DHCS) imagined that such a world could be possible and said, “Challenge accepted!”

**A Series of Healthcare Revolutions**

The date was March 23, 2010. To some it was a random Tuesday, but to the 12.5 million Californians (and counting) who found themselves newly eligible for healthcare coverage through Medi-Cal it was the historic day that, the Patient Protection and Affordable Care Act (ACA) was signed into law. The ACA was, and continues to be, a pivotal movement in healthcare reform. Since its full implementation in California in 2014, Covered California (Medicaid health care exchange in California) helped decrease the uninsured rate in CA from 17% to 7.1%. This resulted in an additional 3.7 million children and adults having healthcare coverage through ACA expansion in California (California Health Care Foundation, 2020). Significantly, since the implementation of ACA, racial disparities in healthcare coverage have declined. Further, due to changes brought on by ACA, DHCS recognized the gap in service and has had the fortitude to take the next step to implement necessary systemic-wide changes in Medi-Cal.

As momentous as the ACA has been, the changes it sparked have inspired subsequent waves of healthcare revolution in California. The next wave of healthcare transformation in California was the advent of Drug Medi-Cal Organized Delivery System (DMC-ODS) in 2017. In short, DMC-ODS set about to...
ensure full scope coverage of substance use disorders (SUDs) for all Medi-Cal recipients and modernize the way providers treat individuals with SUDs. It also recognized that the SUD treatment system, literally a central part of the Diagnostic and Statistical Manual of Mental Disorders but a historically under-invested part of healthcare, needed an overhaul by way of updating overall access and increasing reimbursement rates. California became the first state in the nation (California Health Care Foundation, 2018) to receive a Medicaid (referred to as Medi-Cal in California) Section 1115 waiver to implement a SUD demonstration (DMC-ODS) pilot program in August 2015 (Department Health Care Services [DHCS], n.d.-f).

As of August 2020, 37 of California’s 58 counties were actively implementing DMC-ODS, representing 96% of the Medi-Cal population statewide. DMC-ODS has been described as a once-in-a-generation opportunity to invest in and advance SUD treatment by organizing care, expanding services, and integrating treatment into the larger health care system (Valentine et al., 2020). This expansion of SUD services came at a time of greatest need, as more potent opioids (i.e., fentanyl) as well as stimulants (i.e., methamphetamine) claimed the lives of more Californians.

However, DHCS did not stop there. DHCS conceived of the California Advancing and Innovating Medi-Cal (CalAIM) program to advance the long-standing goal and desired outcome of modernizing Medi-Cal; to meet the broad physical and behavioral health needs of Californians.

What is CalAIM?

Established in 2021, the CalAIM Initiative is a five-year mission to orient all services covered by Medi-Cal to whole-person care, recognize, address social determinants of health (SDOH) and an overall reduction of health disparities. CalAIM’s intent is to fix the processes needed to navigate and address California’s complex system for financing, delivering and better integrating all healthcare services, including behavioral health services.

Fragmentation between the physical health, mental health, and SUD systems of care cause barriers to access and poor health outcomes, especially to Medi-Cal members who are more likely to be affected by serious behavioral health conditions (Finnochio et al., 2021). Many individuals with comorbidities of serious mental illness and physical health conditions have complex social needs that impact health consequences, often needing to access six or more separate delivery systems, e.g. managed care, fee-for-service, SUDs, Dental, In-Home Supportive Services, etc. (DHCS, n.d.-c). Beneficiaries in this space may experience higher rates of chronic physical health conditions, homelessness, greater morbidity, and often early mortality. Which also leads to higher rates of co-occurrence between mental health and SUDs and very few (1 in 13) receiving treatment for either condition (Anthony et al., 2021). One key feature and method of patient access to treatment is “no wrong door” approach to delivery of behavioral healthcare (DHCS, n.d.-e).

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CalAIM’s three primary goals (DHCS, n.d.-c):

1. Identify and manage member risk and needs through Whole Person Care Approaches and addressing SDOH.
2. Move Medi-Cal to a more consistent, seamless system by reducing complexity and increasing flexibility.
3. Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

The transformation of Medi-Cal into a more person-centered, equitable healthcare system is conducted through initiatives which go beyond clinics and hospitals and into the community, addressing SDOH in addition to physical and men-
The benefit standardization takes root in the Delivery System Transformation by introducing (or piloting) a streamlined universal release of information consent process across systems of care and adding trained health educators and other community-based health workers who can provide services such as care coordination, referrals, and connection to health and social services (DHCS, 2023-a). These services assist healthcare providers in engaging and meeting the complete healthcare needs of their patients in ways that psychologists haven’t been able to effectively in a strictly clinic-based model.

The following are the three main areas that CalAIM is revolutionizing the behavioral health space:

**Documentation Reform**

For many of us who learned to document in publicly funded behavioral health systems or in agencies with Medi-Cal contracts, we may have memories of hours spent with tedious documentation, ensuring that each patient encounter was carefully documented to meet requirements. The guidelines, rules, timeframes for all aspects of patient charting became cumbersome to the point where you may have felt like there so little time for actual patient care. Additionally, failure to meet these stringent requirements would put claims at risk for recoupment. Starting July 1, 2022, DHCS streamlined documentation for SUD and Specialty Mental Health Services (SMHS) as well as treatment plan requirements, with some exceptions (DHCS, n.d.-b). Like physical health, an up-to-date problem list, including the full range of mental health, SUD, physical health and SDOH became the primary means of focusing on patients’ holistic needs. Lastly, most of the more tedious timeliness and signature requirements that previously put providers at risk for recoupment have been removed.

**Payment Reform**

Starting in fiscal year 2023-2024, DHCS implemented a CalAIM behavioral health payment reform initiative that means to significantly modernized the Medi-Cal payment processes to be in better alignment with other systems of health-
Streamlining the Beneficiary Experience

1. Establishing single county-operated 24/7 access line for MH and SUD services
2. Integrate screening, assessment, treatment planning processes for MH and SUD services
3. Integrate beneficiary materials, appeals & grievance processes for MH and SUD services

Integrating County Structures and Processes

4. DHCS issues single contract to counties for MH and SUD services
5. Requires greater data sharing for MH and SUD services, when permissible.
6. Requires integrated cultural competence plan for MH and SUD systems
7. Better coordination of quality improvement initiatives between MH and SUD systems

Integrating DHCS Oversight Functions

8. DHCS conduct integrated external quality reviews
9. DHCS compliance reviews will simultaneously consider MH and SUD services
10. Network adequacy for MH and SUD systems
11. Provider oversight processes for MH and SUD systems

(Adapted from DHCS, 2023, January 23)

How Psychologists can Contribute to the CalAIM Revolution!

The first step to joining the revolution is understanding what you can do. The following are some concrete and practical steps psychologists can take to support the CalAIM movement.

1. Become a Medi-Cal provider: Are you in clinical practice and interested in working with patients who have Medi-Cal coverage? If so, maybe now is the time! Healthcare coverage does not automatically equal access. For access to happen, more providers need to be willing and able to treat Medi-Cal beneficiaries.

2. If you are a Medi-Cal provider, contact your managed care plan to learn how to access the new CalAIM services that can help you provide better care: While these services are required to be provided by managed care plans, we as psychologists need to make ourselves familiar with how to request and access these services to better help the patients we serve.

3. Ensure the promised benefits of CalAIM are being realized: CalAIM holds great promise, we need to ensure that these benefits are realized by the Medi-Cal beneficiaries they are intended for and the providers who serve them.

DHCS states, CalAIM “...is a long-term commitment to transform Medi-Cal, making the program more equitable, coordinated, and person-centered to help people maximize their health and life trajectory.” (DHCS, n.d.-d). With this groundbreaking approach to transforming the Medi-Cal system, Californians seeking Medi-Cal services and the psychologists who serve them are part of a truly unique time in California healthcare.

Complete references for this article can be found at www.cpapsych.org – select The California Psychologist from the Professional Resources menu.