



OFFICE OF THE GOVERNOR

October 20, 2023

The Honorable Xavier Becerra
Secretary of the U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

RE: REQUEST FOR NEW DEMONSTRATION UNDER SECTION 1115 AUTHORITY

Dear Secretary Becerra:

I am pleased to submit the enclosed request for a new demonstration project under Section 1115 of the Social Security Act, entitled the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration.

With this application, California is seeking to enter into a new five-year demonstration agreement with the Centers for Medicare & Medicaid Services (CMS) to expand access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs. Through the BH-CONNECT demonstration, California seeks to leverage the 2018 guidance from CMS that describes how states can use Section 1115 demonstration authority to secure federal financial participation for care provided during short-term stays in Institutions for Mental Diseases (IMDs), as long as they meet certain standards. The BH-CONNECT demonstration is integral to the State's broader efforts to transform and strengthen the Medi-Cal program, offering Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectories. Further, BH-CONNECT is a key component of my Administration's broader, multi-year behavioral health agenda and historic transformation of behavioral health services in California.

Building upon CMS' approval of the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration in December 2021, the BH-CONNECT



demonstration will directly address the need to expand and strengthen the continuum of care specifically for Medi-Cal members living with significant behavioral health needs. The BH-CONNECT demonstration includes elements designed particularly for Medi-Cal members experiencing the greatest disparities in behavioral health care and outcomes, including children and youth involved in child welfare; individuals and families who are experiencing or at risk of homelessness; and those who are justice-involved.

The enclosed includes all information and content required for a demonstration request under Section 431.412 of Title 42 of the Code of Federal Regulations, including a description of the public and Tribal stakeholder processes that the California Department of Health Care Services has conducted over the last few months as we developed this request.

California's BH-CONNECT application aligns with the Biden Administration's priorities to advance health equity and to expand access to and strengthen the continuum of behavioral health services in Medicaid. We look forward to working with CMS to realize these goals.

Thank you for your consideration. If you have any questions, please contact Tyler Sadwith, California's Deputy Director of Behavioral Health, at Tyler.Sadwith@dhcs.ca.gov.

Respectfully,



Gavin Newsom
Governor of California

Enclosures

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