

Introduction to CalAIM: A Fact Sheet by the Youth Law Center

What is CalAIM?

CalAIM is a California statewide multi-year initiative to transform and strengthen existing Medi-Cal, the statewide Medicaid health insurance system. Medi-Cal is run by the California Department of Health Care Services (DHCS) and covers numerous things including, but not limited to, adult health, dental, managed care, children's medical care, mental health, and substance abuse treatment.¹ For the purpose of this factsheet, we will focus on how CalAIM impacts current and former foster youth in California - in particular, the behavioral health services provided to this population.

CalAIM is a new initiative; the first changes² were rolled out in January 2022 and additional reforms will be phased in through 2027.³ DHCS' stated goals for the CalAIM program are to: (1) identify and manage comprehensive needs through "whole person care," (2) improve quality outcomes and reduce health disparities, and (3) make Medi-Cal more navigable for enrollees.⁴

Who will be impacted by CalAIM?

In general, all Medi-Cal enrollees⁵ should benefit from CalAIM initiatives, which include the creation of new [Enhanced Case Management \(ECM\)](#) and [supportive services](#) benefits, an initiative to help [reduce health inequities](#), an overhaul of the [mental health payment structure](#), and more. In addition, there are specific initiatives designed to help higher-needs youth populations and children and youth in foster care (including foster youth supervised by probation departments).

For youth under 21, CalAIM removes barriers to supportive services for those who have "involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness" as well as youth who are at a high risk for experiencing a mental health disorder due to the experience of trauma. Through CalAIM, the State has moved away from a diagnosis-driven approach to one that is trauma-based and, importantly, one that formally acknowledges that systems-involved youth have disproportionately experienced high levels of trauma and would benefit from therapeutic services and supports. As a result, systems-involved youth and

¹ <https://www.dhcs.ca.gov/services>

² The January 2022 changes outlined in [Behavioral Health Information Notice \(BHIN\) 21-073](#) primarily cover the medical necessity definition as well as access to and use of outpatient specialty mental health services.

³ <https://www.dhcs.ca.gov/CalAIM/Pages/timelines.aspx>

⁴ <https://www.dhcs.ca.gov/CalAIM/Pages/CalAIM.aspx>

⁵ As of March 2022, there were 14.6 million eligible Medi-Cal enrollees.

<https://www.dhcs.ca.gov/dataandstats/statistics/Documents/FastFacts-March2022.pdf>

other children under the age of 21 who have experienced trauma should be able to more easily receive the therapeutic services they need and to which they are legally entitled.

Are current foster youth eligible? What about former foster youth?

CalAIM should benefit all Medi-Cal beneficiaries, and all foster youth should be on some form of Medi-Cal. Current foster youth receive care with no share of cost and with no income or resource limits.⁶ Former foster youth may be eligible for Medi-Cal (and benefit from CalAIM) if they were in foster care at or above the age of 18 through the Former Foster Youth (FFY) program through DHCS. If eligible for FFY, the young person will be covered until age 26 regardless of income.⁷

Who is eligible for behavioral health services through CalAIM?

As part of the CalAIM program rollout, DHCS provided new guidance in a Behavioral Health Information Notice ([BHIN 21-073](#)) regarding who is eligible for specialty mental health services. The BHIN states that individuals under 21 are entitled to Specialty Mental Health Services if “the beneficiary has a condition placing them at high risk for a mental health disorder due to experience of trauma evidenced by any of the following: scoring in the high-risk range under a trauma screening tool approved by the department, involvement in the *child welfare system, juvenile justice involvement, or experiencing homelessness* (emphasis added).” For these youth, covered specialty mental health services shall be provided” by the county mental health plan.

If a youth with Medi-Cal who is under the age of 21 is not involved with child welfare, juvenile justice, or experiencing homelessness, they may qualify for specialty mental health services through another access route which requires either a “diagnosed mental health condition” **or** a trauma screening that shows they have experienced “significant trauma” **and** have been adversely impacted by that condition or trauma.⁸ Note that the trauma screening is a separate eligibility route and that a diagnosis is not required to obtain services. Guidance on the appropriate type of trauma assessment is still to be issued by the state, but BHIN 21-073 suggests that the “Adverse Childhood Experiences” (ACES) questionnaire may be appropriate.

⁶ <https://www.dhcs.ca.gov/provgovpart/Documents/Children-and-Youth-in-Foster-Care-Landscape-Overview.pdf>; see also <https://casala.org/wp-content/uploads/2016/10/Medi-Cal-for-Children-in-Foster-Care.pdf>

⁷ <https://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/FFY.aspx>; Note: As of January 1, 2023, youth formerly in foster care will be eligible for Medicaid until age 26 regardless of the state in which they currently reside (this resource will be updated in 2023 accordingly). https://www.childwelfare.gov/pubpdfs/health_care_foster.pdf.

⁸ [Behavioral Health Information Notice \(BHIN\) 21-073](#): WIC §14184.402(f)(1)(A).

Why is this exciting?

The changes made as a result of CalAIM implementation mean that *all* youth with involvement in the child welfare system, juvenile justice system, or who are experiencing homelessness now automatically meet access criteria for specialty mental health services. From there, the type of service is determined based on a medical necessity assessment.⁹ Once the youth is matched with a provider, that provider will determine what type or types of services the youth should receive (and not whether they should receive a service) to help with their condition – including behavioral health conditions arising due to the experience of significant trauma. Importantly, CalAIM removes the requirement for diagnosis for youth involved in the foster, juvenile justice, or youth homelessness systems or who are impacted by significant trauma.

What are Medi-Cal “Specialty Mental Health Services” (SMHS)?

The Medi-Cal Specialty Mental Health Services (SMHS) program is carved out of the broader Medi-Cal program and operates under the authority of a waiver approved by the federal Centers for Medicare and Medicaid Services under Section 1915(b) of the Social Security Act. DHCS is responsible for administering and overseeing the Medi-Cal SMHS Waiver Program, which provides SMHS to Medi-Cal beneficiaries through county mental health plans (MHPs). MHPs are required to provide or arrange for the provision of outpatient and inpatient SMHS to beneficiaries in their counties who meet SMHS medical necessity criteria, consistent with the beneficiaries’ mental health treatment needs and goals, as documented in their client plans.¹⁰ In accordance with Medicaid Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) provisions, the intervention criteria for beneficiaries under the age of 21 are less stringent than they are for adults.”¹¹

⁹ Pursuant to BHIN-21-073: Under “Welfare and Institutions Code section 14184.402(a), for individuals 21 years of age or older, a service is “medically necessary” or a “medical necessity” when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain as set forth in Welfare and Institutions Code section 14059.5. For individuals under 21 years of age, a service is “medically necessary” or a “medical necessity” if the service meets the standards set forth in Section 1396d(r)(5) of Title 42 of the United States Code. This section requires provision of all Medicaid-coverable services necessary to correct or ameliorate a mental illness or condition discovered by a screening service, whether or not such services are covered under the State Plan. Furthermore, federal guidance from the Centers for Medicare & Medicaid Services makes it clear that mental health services need not be curative or restorative to ameliorate a mental health condition. Services that sustain, support, improve, or make more tolerable a mental health condition are considered to ameliorate the mental health condition and are thus medically necessary and covered as EPSDT services. Services provided to a beneficiary must be medically necessary and clinically appropriate to address the beneficiary’s presenting condition.”

¹⁰ <https://www.dhcs.ca.gov/services/MH/Pages/Specialty-Mental-Health-Services-for-Children-and-Youth.aspx>

¹¹ <https://www.dhcs.ca.gov/services/MH/Pages/Specialty-Mental-Health-Services-for-Children-and-Youth.aspx>; DHCS received approval on December 29, 2021 from CMS for the [CalAIM Section 1915\(b\) waiver](#), effective through December 31, 2026.

What kinds of SMHS are there?

Specialty Mental Health Services are varied and will depend on the individual's needs. They include all of the following: mental health services, crisis intervention services, crisis stabilization services, day treatment intensive services, day rehabilitation services, adult residential services, crisis residential services, medication support services, psychiatric health facility services, psychiatric inpatient hospital services, targeted case management services, therapeutic behavioral services, intensive care coordination services, intensive home based services, and therapeutic foster care.¹² In addition, for beneficiaries under the age of 21, Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services include anything necessary to correct or ameliorate identified mental health needs and conditions "whether or not such services are covered under the State plan."¹³

What's Next?

CalAIM will continue to be rolled out over the coming years. The changes are exciting and can be complicated. Please contact YLC with any questions or requests for individual technical assistance.

¹² [Medi-Cal Manual for ICC, IHBS, and TFC Services for Medi-Cal Beneficiaries](#), Third Ed., at 7.

¹³ "Such other necessary health care, diagnostic services, treatment, and other measures ... to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State plan."

42 U.S.C. § 1396d(r)(5).