

## **Brief Overview of the Department of Health Care Services (DHCS)' California Advancing and Innovating Medi-Cal (CalAIM) CalAIM Justice-Involved Initiative**

[California Advancing and Innovating Medi-Cal](#) (CalAIM) is a multi-year initiative led by the California Department of Health Care Services (DHCS) to improve the quality of life and health outcomes of the entire Medi-Cal population by implementing broad delivery system, program and payment reforms.<sup>1</sup> Because many individuals transitioning from incarceration are eligible for Medi-Cal, CalAIM seeks to improve access to critical primary care and behavioral health services for this population. This document aims to educate state and county-level criminal justice system implementation partners on the CalAIM Justice-Involved Initiative, by highlighting the provisions of CalAIM that will impact individuals who are involved in the justice system, particularly those transitioning from jail/prison into communities across the State. Specifically, these initiatives are:

- Mandatory Pre-Release Medi-Cal Application Process in County Correctional Facilities
- Provision of Limited Services 90 Days Prior to Release from Jail/Prison (In-Reach)
- Enhanced Care Management (ECM)
- Community Supports (formerly known as “In Lieu of Services”)
- Updates to Drug Medi-Cal Organized Delivery System Eligibility Criteria
- Serious Mental Illness/Serious Emotional Disturbance Waiver
- Mandatory Facilitated Referral and Linkage to Behavioral Health Services at Release

This document provides a high-level description of each of these proposals, including the responsible lead entity, system implementation partners, and proposed implementation date.

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<sup>1</sup> Certain CalAIM provisions were submitted to the Centers for Medicare & Medicaid Services as part of the Section 1915(b) and Section 1115 Demonstration Waiver applications. The Section 1915(b) Waiver was fully approved on December 29, 2021, and the Section 1115 Demonstration Waiver was approved, in part, on December 29, 2021. Additional information on the submitted materials and CMS approvals can be found [here](#). The Enacted Budget includes \$3.1 billion (\$1.2 billion General Fund) in 2022-23 for the CalAIM initiative in general, which includes a wide variety of services provided to the Medi-Cal population as a whole. The cost decreases to \$1.9 billion (\$698.5 million General Fund) by 2024-25.

## Mandatory Pre-Release Medi-Cal Application Processes in County Correctional Facilities

Lead Entity: County Jails and Youth Correctional Facilities

System Implementation Partners: County Sheriff's Offices, County Probation Offices, and County Social Services Departments (SSDs)

Proposed Implementation Date: January 1, 2023

Many incarcerated individuals qualify for Medi-Cal, and the transition from incarceration is an opportunity to offer Medi-Cal enrollment support. California statute mandates all counties implement pre-release application processes in county jails and youth correctional facilities by January 1, 2023.<sup>2,3</sup> DHCS recommends that each county social service department (SSD), county sheriff, and county probation office collaborate with their county board of supervisors to identify the best way to implement a pre-release Medi-Cal application process in compliance with the state's mandate. The key steps of the pre-release Medi-Cal enrollment process include:

- Initial enrollment screening;
- Application submission and processing; and
- Eligibility determination.

Additionally, county SSDs, county sheriff's offices and county probation offices should work together to implement and monitor their pre-release Medi-Cal application process. Additional details on the pre-release Medi-Cal application mandate can be found here: [ACWDL 14-26](#); [ACWDL 22-27](#); [deck](#), [webinar recording](#), [webinar transcript](#), and [issue brief](#).

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<sup>2</sup> See [AB-133 Health; Chapter 143](#); [Cal. Pen. Code § 4011.11 AB-720 Inmates: Health Care Enrollment](#); [ACWDL 14-26](#); [ACWDL 14-24](#); [ACWDL 22-27](#)[ACWDL 14-26](#).

<sup>3</sup> At the State level, the Department of Corrections and Rehabilitation (CDCR) has established the Transitional Case Management Program (TCMP) to provide pre-release benefit assistance, including Medi-Cal enrollment assistance, to all eligible incarcerated individuals approximately 90-120 days prior to release from prison.

## Provision of Targeted Set Services 90 Days Prior to Release From Jail or Prison

- Lead Entity: State Prisons, County Jails, and Youth Correctional Facilities working in partnership with and Community-Based Providers, as appropriate
- System Implementation Partners: State Prisons, County Sheriffs, County Probation, County Jails and Youth Correctional Facilities, CA Department of Corrections and Rehabilitation, CA Correctional Health Care Services,
- Proposed Implementation Date: Starting in the first half of 2024, date TBD (correctional facilities must go-live within 24 months of implementation date, based on readiness)

Many incarcerated people may qualify for Medicaid while they are in jail or prison. However, under federal law, individuals considered an “inmate of a public institution” are unable to access Medicaid services. Many people leaving jail or prison — often lacking a connection to community-based providers or a care plan — experience gaps in care despite their high needs. On January 26, 2023, the Centers for Medicare and Medicaid Services (CMS) approved California’s [Section 1115 Demonstration Waiver](#), authorizing DHCS to provide limited Medi-Cal services for eligible individuals for 90 days prior (or fewer days for people who may be released from incarceration earlier) to their release. The approved 1115 waiver also authorizes [Providing Access and Transforming Health Payments \(PATH\) funds](#) -- \$410 million that stakeholders may apply for to support capacity building to implement the pre-release services.

All children/youth who are enrolled in Med-Cal and in custody of a youth correctional facility may access pre-release services. Adults who are incarcerated must be enrolled in Medi-Cal and meet one or more of the following criteria:

- Mental illness
- Substance Use Disorder (SUD)
- Chronic Disease/Significant Clinical Condition
- Intellectual or Developmental Disability (I/DD)
- Traumatic Brain Injury
- HIV/AIDS
- Pregnant/Postpartum

Services that may be provided 90 days prior to release include:

- Reentry case management services;
- Physical and behavioral health clinical consultation services provided through telehealth or in-person, as needed, to diagnose health conditions, provide treatment, as appropriate, and support pre-release case managers' development of a post-release treatment plan and discharge planning;
- Laboratory and radiology services;
- Medications and medication administration;
- Medications for addiction treatment (MAT), for all Food and Drug Administration-approved medications, including coverage for counseling; and
- Services provided by community health workers with lived experience.

In addition to the pre-release services specified above, qualifying members will also receive covered outpatient prescribed medications and over-the-counter drugs (a minimum 30-day supply as clinically appropriate, consistent with the approved Medicaid State Plan) and durable medical equipment (DME) upon release, consistent with approved state plan coverage authority and policy.

## Enhanced Care Management (ECM)

Lead Entity:	Medi-Cal Managed Care Plans
System Implementation Partners:	County Behavioral Health, Support Services Providers (e.g., Housing), County Correctional Facilities, CDCR, Probation and Parole
Proposed Implementation Date:	January 1, 2022: ECM for the Individuals Transitioning from Incarceration Population of Focus (POF) went live in counties that operated Whole Person Care Pilots that served the Justice-Involved Population  January 1, 2024: ECM for the Individuals Transitioning from Incarceration POF goes live statewide

DHCS established a new Enhanced Care Management (ECM) benefit within the Medi-Cal Managed Care delivery system, which addresses the clinical and non-clinical needs of high-need, high-cost Medi-Cal Managed Care Members through systematic coordination of services and comprehensive care management.<sup>4</sup> ECM is available to individuals who are enrolled in managed care and meet the eligibility criteria for ECM Populations of Focus (POF). MCPs are required to contract with community-based providers with experience and expertise providing intensive, in-person care management services for Members in one or more of the ECM Populations of Focus.<sup>5</sup> Each Member receiving ECM will be assigned a Lead Care Manager, who can coordinate and help integrate care and services, bridging across delivery systems. ECM is the highest level of care coordination that MCPs offer.<sup>6</sup>

<sup>4</sup> Enhanced Care Managers will be responsible for coordinating services such as: primary care/physical and developmental health, mental health, substance use disorder treatment, community-based Long-Term Supportive Services, oral health, palliative care, trauma-informed care, necessary community-based and social services, Community Supports (detailed below), and housing. For more information, please reference the [DHCS ECM webpage](#).

<sup>5</sup> MCPs will be required to offer ECM to both Adult and Children/Youth Populations of Focus. The Adult Populations of Focus include 1) Individuals and Families Experiencing Homelessness; 2) Individuals at Risk for Avoidable Hospital or ED Utilization; 3) Individuals with Serious Mental Health and/or Substance Use Disorder needs; 4) Individuals Transitioning from Incarceration; 5) Individuals Living in the Community at Risk for Institutionalization who are eligible for Long-Term Care services; and 6) Nursing Facility Residents Who Want to Transition to the Community. The Children/Youth Populations of Focus include: 1) Individuals and Families Experiencing Homelessness; 2) High Utilizers; 3) Individuals at Risk for Avoidable Hospital or ED Utilization; 3) Individuals with Serious Mental Health and/or Substance Use Disorder needs; 4) Individuals Transitioning from Incarceration; 5) Individuals enrolled in CCS/CCS Whole Child Model (WCM) with Additional Needs beyond CCS; and 6) Individuals Involved in Child Welfare. An additional adult and children/youth Population of Focus of Birth Equity will go live in January 2024. Please see page 7 of the [ECM Policy Guide](#) for the ECM Implementation Timeline across the various POFs.

<sup>6</sup> MCPs will offer a range of basic population health management, complex care management, and enhanced care management. ECM is part of MCPs' broader Population Health Management Strategy, which aims to improve outcomes through high-quality, coordinated care administered based on risk stratification of beneficiaries.

One of the ECM Populations of Focus is Individuals Transitioning from Incarceration who meet the eligibility criteria (see below). Note that the ECM eligibility criteria align with eligibility criteria to receive pre-release services, so all individuals who are eligible to receive pre-release services will also be eligible to receive ECM. Please see the [ECM Policy Guide](#) (updated December 2022) for additional details.

**ECM Eligibility Criteria:**

**Adults Transitioning from Incarceration**

Adults who:

- (1) Are transitioning from a correctional facility (e.g., prison, jail or youth correctional facility) or transitioned from a correctional facility within the past 12 months; and
- (2) Have at least one of the following conditions<sup>7</sup>:
  - Mental illness
  - Substance Use Disorder (SUD)
  - Chronic Condition/Significant Clinical Condition
  - Intellectual or Developmental Disability (I/DD)
  - Traumatic Brain Injury (TBI)
  - HIV/AIDS
  - Pregnancy or Postpartum

**Children and Youth Transitioning from a Youth Correctional Facility**

Children and youth who are transitioning from a youth correctional facility or transitioned from being in a youth correctional facility within the past 12 months. No further criteria are required to be met for Children and Youth to qualify for this ECM Population of Focus.

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<sup>7</sup> Definitions of conditions are listed in the [ECM Policy Guide](#).

## Community Supports (formerly called “In Lieu of Services”)

Lead Entity: Medi-Cal Managed Care Plans

System Implementation Partners: County Behavioral Health, Service Providers (e.g., Housing), Probation and Parole

Implementation Date: January 1, 2022

Individuals transitioning from incarceration have a wide variety of needs at reentry, and there is an opportunity to leverage Medi-Cal funds to address clinically linked needs through non-clinical services. DHCS received CMS approval for 14 Community Supports (listed below), which were launched statewide on January 1, 2022. According to federal Medicaid program rules, Community Supports are lower-cost alternative services that can substitute for, or reduce the use of, higher-cost health care services and/or settings such as inpatient hospital services and emergency department services. MCPs are encouraged, but not required, to offer Community Supports. Availability of Community Supports may vary by county; DHCS publishes a list of all [Community Supports offerings by MCP and county](#) every six months.

Since Community Supports only exist within the Managed Care delivery system, individuals must be enrolled in an MCP in order to receive them. Community Supports are optional for the member to receive, and MCPs may not require members use a Community Support instead of a service or setting listed in the Medicaid State Plan. Using the service definitions for each Community Support, which are detailed in the [Community Supports Policy Guide](#), MCPs are responsible for determining if Members meet the eligibility criteria, and if the services are medically-appropriate and cost-effective substitutes or settings for State Plan service. Community Supports may not be duplicative of other received services. The menu of currently approved Community Supports is:

- ✓ Housing Transition Navigation Services
- ✓ Housing Deposits
- ✓ Housing Tenancy and Sustaining Services
- ✓ Short-Term Post-Hospitalization Housing
- ✓ Recuperative Care (Medical Respite)
- ✓ Respite Services
- ✓ Day Habilitation Programs
- ✓ Nursing Facility Transition/Diversion to Assisted Living Facilities
- ✓ Community Transition Services/Nursing Facility Transition to a Home
- ✓ Personal Care and Homemaker Services
- ✓ Environmental Accessibility Adaptations (Home Modifications)
- ✓ Medically Tailored Meals/Medically Supportive Foods
- ✓ Sobering Centers
- ✓ Asthma Remediation

MCPs are required to contract with qualified providers or community-based Community Supports providers to deliver Community Supports services.

## Updates to Drug Medi-Cal Organized Delivery System Eligibility Criteria

Lead Entity:	County Behavioral Health Agencies
System Implementation Partners:	N/A
Proposed Implementation Date:	January 1, 2022

The majority of individuals transitioning from incarceration in both prisons and jails in California have identified substance use disorder (SUD)<sup>8</sup> and are required to manage their SUD prior to release. DHCS expanded access to Drug Medi-Cal Organized Delivery System (DMC-ODS) services by clarifying that individuals leaving incarceration are eligible to receive DMC-ODS services if they had at least one diagnosis of SUD prior to being incarcerated or during incarceration.<sup>9</sup>

In addition, DHCS included DMC-ODS policy and programmatic changes<sup>10</sup> designed to expand access to evidence-based care and improve outcomes (such as a reduction in criminal justice system involvement), including:

- Clarifying that DMC-ODS assessment and treatment services are reimbursable prior to establishing a diagnosis for Substance-Related and Addictive Disorders for up to 30 days (or 60 days for beneficiaries under age 21, or if a provider documents that the client is experiencing homelessness).
- Requiring DMC-ODS providers to directly offer or have effective referral mechanisms for Medications for Addiction Treatment (MAT).
- Removing the annual quantitative treatment limitation on residential treatment stays
- Covering contingency management for individuals with stimulant use disorder in DMC-ODS counties that choose to cover this service.
- Clarifying the allowable components of recovery services, in addition to specifying that justice-involved individuals can access recovery services immediately after incarceration with a prior diagnosis of SUD.

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<sup>8</sup> According to a 2018 [report](#), it has been estimated that the prevalence of SUD among the CDCR population is approximately 80 percent. There is currently no comparable statewide statistic for California jails as not all jails systematically collect SUD data or report SUD data to the State.

<sup>9</sup> [BHIN 23-001](#)

<sup>10</sup> [BHIN 23-001](#)



## California Behavioral Health Community-Based Continuum Demonstration

Lead Entity: County Behavioral Health Agencies  
System Implementation Partners: To Be Determined  
Proposed Implementation Date: TBD, will be submitted to CMS for approval in 2023

Individuals with serious mental illness (SMI) and serious emotional disturbance (SED) will have improved health outcomes if they receive community-based treatment rather than being incarcerated in prison/jail. To remain stable in the community, individuals with SMI/SED may require short-term residential and/or inpatient mental health treatment. Short-term crisis stabilization, residential, and inpatient psychiatric resources can function as alternatives to incarceration, and increasing the availability of crisis stabilization, residential and inpatient treatment options can reduce the number of incarcerated individuals with SMI and justice-involved youth with SED. In 2023, DHCS will apply for a new Medicaid Section 1115 Demonstration, known as the [California Behavioral Health Community-Based Continuum Demonstration](#), which will take advantage of the [2018 guidance from CMS](#) that allows states to secure federal funding for care provided during short-term stays in Institutions for Mental Disease (IMD). Generally, an IMD is a hospital, nursing home, residential facility, or other institution with more than 16 beds that is primarily engaged in treating persons with mental diseases. The Demonstration aims to expand access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with SMI or SED. To participate in the demonstration opportunity, states must meet a series of quality and access milestones identified by CMS. DHCS will also require county behavioral health agencies to reinvest any new funds that become available as a result of the demonstration in activities that expand access to, and improve the quality of, their local continuums of community-based behavioral health care.

## Peer Support Specialists

Lead Entity:	County Behavioral Health Agencies
System Implementation Partners:	N/A
Effective Date:	July 1, 2022 <sup>11</sup>

Many individuals transitioning from incarceration have significant behavioral health needs. Senate Bill 803 created the opportunity for California counties to opt into providing peer support specialist services. This pilot program presents an important opportunity to expand the utilization of peers, including but not limited to Forensic Peer Support Specialists. Forensic Peers have lived experience in both the criminal justice and behavioral health systems, as well as specialized training to assist with service navigation. As such, they are able to gain the trust and respect from the individuals they serve and effectively prepare individuals for reentry into their community, assist with activities of daily living, and help with navigation through, and engagement in, complex State and local public service delivery systems. The peer support specialist workforce will also be critical to the success of other federal and State initiatives aimed at eradicating homelessness in California as many justice-involved individuals with behavioral health needs require medically necessary support services in order to ensure that their housing placements are successful.

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<sup>11</sup> Medi-Cal Peer Support Specialists services launched on July 1, 2022. Medi-Cal Peer Support Specialist Certification Programs for participating counties must offer a specialized certification program for Forensic (Justice-Involved) Peer Support Specialists by July 1, 2023. See [BHIN 22-061](#).

## Behavioral Health Linkages

Lead Entities: Correctional Facilities, County Behavioral Health Agencies, and Medi-Cal Managed Care Plans

System Implementation Partners: Behavioral health service providers

Effective Date: April 1, 2024

The CalAIM justice-involved (JI) initiative supports JI individuals by enrolling them in Medi-Cal coverage prior to release, providing key services pre-release, and connecting them with behavioral health, social services, and other providers that can support their re-entry to the community. One key component of this initiative is implementing linkages to behavioral health providers to achieve behavioral health care initiation or continuity through warm hand-offs as set forth in California Penal Code section 4011.11(h)(5) and consistent with the CalAIM Behavioral Health Linkages initiative. Through CalAIM JI, DHCS will require state prisons, county jails, youth correctional facilities, county behavioral health departments, and Medi-Cal managed care plans to implement processes for facilitated referrals and linkages to continued behavioral health treatment in the community for individuals who receive behavioral health services while incarcerated.

## Next Steps

DHCS recognizes that the success of this demonstration initiative rests on close collaboration with multiple stakeholders across delivery systems, State prisons, county jails, youth correctional facilities, probation and parole offices. DHCS is committed to working with stakeholders on all aspects of design and implementation planning across all these initiatives including, but not limited to, establishing clear roles and responsibilities, ensuring continuity of service provision, and ensuring smooth transitions to community-based providers and resources upon release.