



California  
Health Care  
Foundation

# Behavioral Health Integration in Medi-Cal: A Blueprint for California

## At a Glance

July 2019



“

For many of us, there's medical care and there's mental health, and they're totally separate. But the body does not make that distinction.”

—Dr. Nadine Burke Harris, California Surgeon General

**PROBLEM:**  
**CALIFORNIANS ARE MISSING OUT ON ESSENTIAL PHYSICAL AND BEHAVIORAL HEALTH CARE SERVICES**

Comprehensive, patient-focused care should meet people’s physical and behavioral health conditions — a term that encompasses both mental health and substance use problems. Unfortunately, too many Californians who simultaneously have both behavioral and physical health challenges fail to get the whole-person care they need.

For Californians insured through Medi-Cal, receiving such comprehensive care can be extremely challenging. Medi-Cal enrollees must navigate three separate systems of care — one for physical conditions, such as diabetes; one for serious mental health issues, such as schizophrenia; and one for substance use disorders like alcoholism. These systems often do not communicate with one another about enrollees’ care, leading to poorly coordinated or duplicative services and worse health outcomes. This becomes even more serious for enrollees who suffer from interrelated physical and behavioral health conditions and require care from each of these separate systems. This is a frustrating experience for Medi-Cal patients and the providers who serve them. Most importantly, it means people miss out on needed care.

Counties across the state offer quality, innovative behavioral health service programs, but the administrative fragmentation and siloed financing in the Medi-Cal system create difficulties for patients to access the coordinated care they need. As a result, patients with significant and interrelated health burdens have to navigate three separate systems on their own, and often get bounced back and forth between these systems.

Behavioral Health System for Medi-Cal Patients




**Medi-Cal Managed Care Plans**  
Physical health services and mild-to-moderate mental health services



**County Mental Health Plans**  
Specialty mental health services for serious mental illness



**County Substance Use Disorder Services**  
Services to treat substance use and addiction

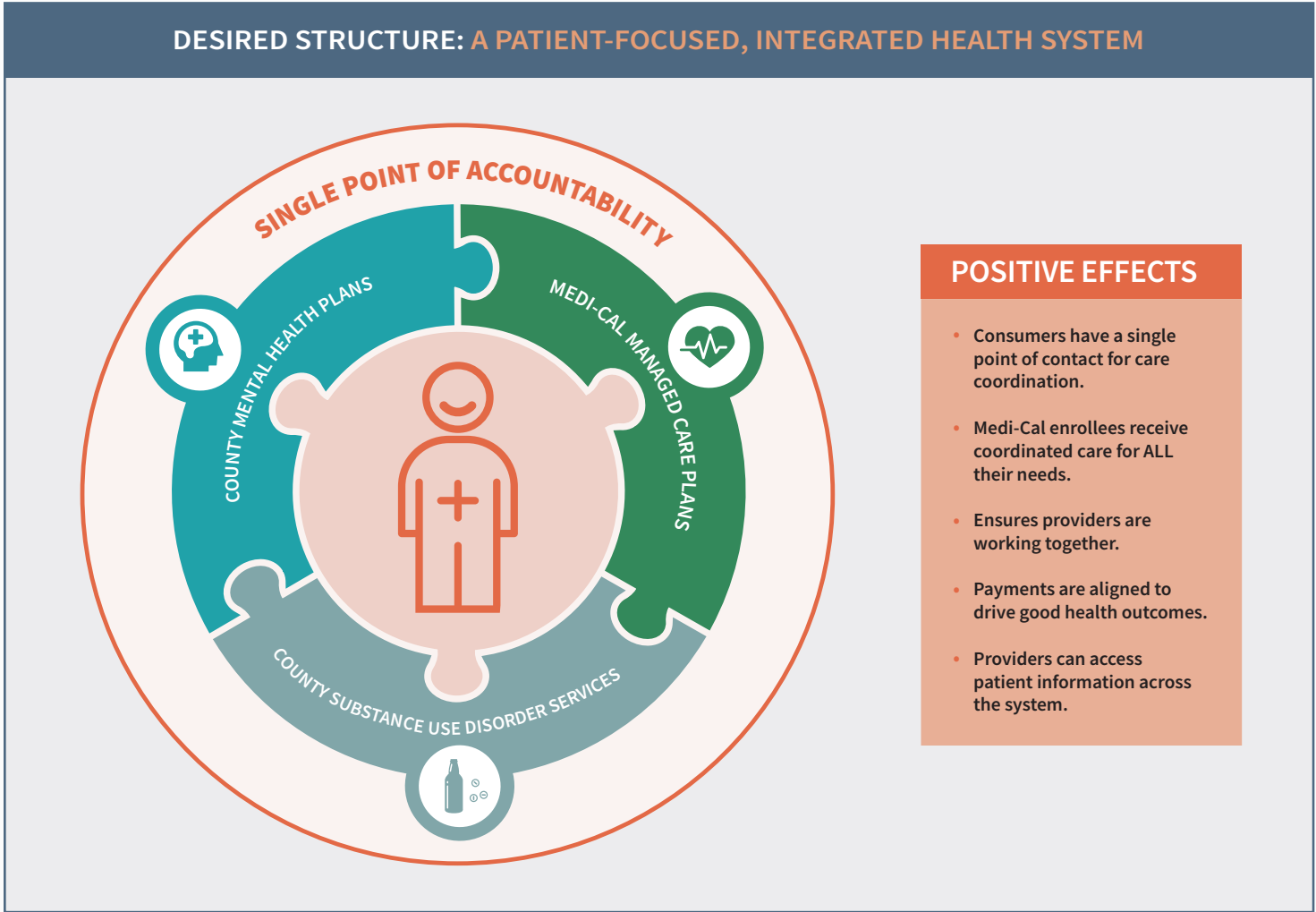
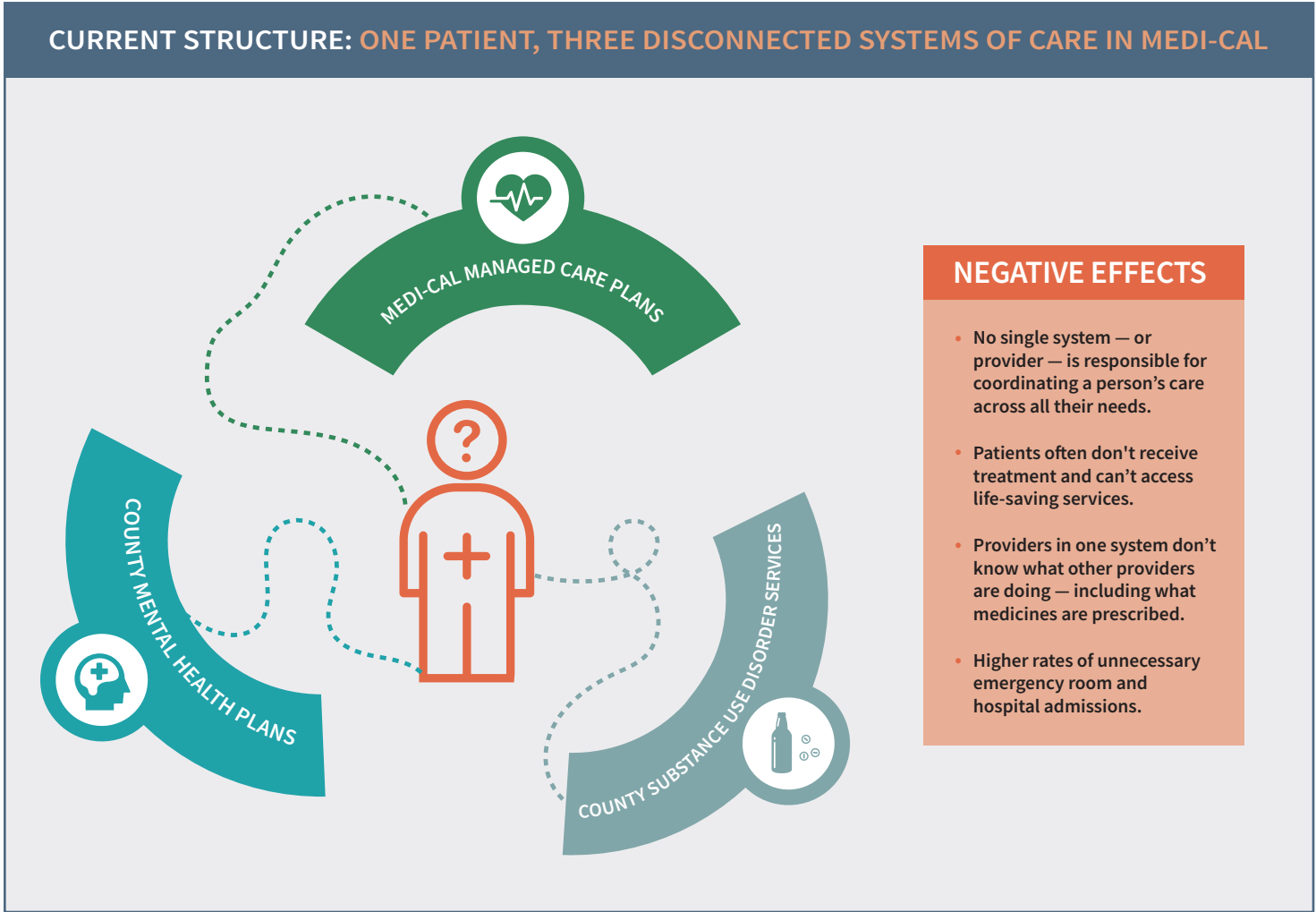


**SOLUTION:**  
**A SINGLE POINT OF ACCOUNTABILITY**

**Medi-Cal can take practical steps toward integrated care by creating a “single point of accountability” — or a main body responsible for bringing the three systems of care together — to drive greater system integration.**

This single entity should provide administration and oversight of the full spectrum of health care needs for each patient, including administering payment for all care to appropriate providers. Under this approach, providers collaborate to develop a comprehensive, integrated treatment plan and receive payment based on the quality of care provided. Finally, outcomes are monitored and measured. With 80% of Medi-Cal enrollees in managed care plans, these plans are positioned to serve as that single point of accountability in many cases, but other arrangements at the county or regional level could also work.

- WHAT DOES INTEGRATION MEAN AT A SYSTEMS LEVEL?**
- ▶ **Integration** facilitates collaboration between counties and health plans, enabling them to coordinate care so patients get the care they need.
  - ▶ **Payment reform** ensures Medi-Cal providers are reimbursed for quality of care tied to key patient goals and outcomes (known as value-based payment).
  - ▶ **Standard process and patient outcome measures** require transparent systems to monitor and evaluate the ongoing impact of integration across the state.
  - ▶ **Integration must provide a clear mechanism for engaging stakeholders** and responding to individual, family, and community needs.
  - ▶ Integration and a single point of accountability **do not require a “one size fits all” model** that all 58 counties in California must implement.



## THE PATH TO INTEGRATION: HOW DO WE MOVE FORWARD?

This type of system transformation will take time, but California can take important steps now to move us closer to achieving integrated care in Medi-Cal.

- ▶ **Create the flexibility to innovate.**

Counties, regions, and health plans, together with community providers, should be given the flexibility to implement integrated approaches. Local communities must be empowered to determine how best to use available assets to address the full spectrum of people's health needs. The Medicaid waivers that will be negotiated in 2020, as well as other state and local funding mechanisms and policies, should explicitly permit development of integrated care models.

- ▶ **Reform the payment system.**

California should adopt a value-based payment system that provides greater flexibility and that rewards wellness and outcomes.

- ▶ **Develop performance standards.**

The state should work with managed care plans and counties to determine consistent, transparent, and trackable quality measures that will identify improvement in patient health outcomes, and then implement a reporting system to ensure that people are receiving effective, consistent, and evidence-based care.



What people really desperately need is one entity responsible for the whole person.”

—Christopher Reilly, Chief of Behavioral Health Development  
and Strategic Partnerships, Clinica Sierra Vista

The California Health Care Foundation convened leading experts, including county representatives, advocates, consumer groups, health plans, and providers, to develop recommendations to improve the Medi-Cal system's ability to treat patients with behavioral health needs. The workgroup spent more than six months developing recommendations and in February 2019 produced a final report, *Behavioral Health Integration in Medi-Cal: A Blueprint for California*. For more information, visit

[www.chcf.org/publication/behavioral-health-integration-medi-cal-blueprint](http://www.chcf.org/publication/behavioral-health-integration-medi-cal-blueprint).



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