

**- MEMORANDUM -**

DATE: February 3, 2023

TO: Alameda County Behavioral Health (ACBH) Community-Based Organizations (CBOs)

FROM: Cecilia Serrano, Finance Director  
Karen Capece, LCSW, Interim Deputy Director, Plan Administrator  
Karyn Tribble, PsyD, LCSW, ACBH Director

SUBJECT: **CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL (CALAIM): Systemwide Transition to Fee-for-Service (FFS)**

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While ACBH is working to minimize changes to the provider payment structures for FY 2023-24 CalAIM, [Behavioral Health Payment Reform initiative](#) beginning on July 1, 2023, the State seeks to, “move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal beneficiaries.”<sup>1</sup> To inform the general process of transitioning **CBOs to FFS**, ACBH has piloted this transition with Full Service Partnership (FSP) Pilot Providers. These efforts have informed how to best refine our provider contracting process towards the systemwide implementation to FFS and strengthen ACBH’s overall delivery system for contracted mental health providers and beneficiaries.

Based on lessons learned from the FSP Pilot Program, ACBH currently plans to transition groupings of ACBH programs, such as School-Based Behavioral Health, from provisional rate-based reimbursement to FFS in three-year phased-in cycles. Such an approach has been found to be helpful with ACBH’s pilot transition towards FFS with FSP providers and assisted CBOs to have at least two years to adjust their operational practices to successfully conduct business under the new FFS reimbursement. ***Please note: the first fiscal year of this transition for new groupings of ACBH programs will be based upon an Information Only Rate. As a result, your current reimbursement methodology will not be immediately impacted.***

ACBH will be transitioning CBOs to FFS over a multi-year phased in approach and based on type of services provided. Throughout the duration of this multi-year phased approach, ACBH will communicate changes and provider training opportunities in multiple forums including but not limited to Memorandums, Spring Provider Meetings, Contract Renewal Documents, and Frequently Ask Questions (FAQ).

It is the intention of ACBH to set appropriate rates for the transition to FFS and CBOs should continue to carefully monitor and manage their costs and productivity to minimize financial risk.

Attached is the CalAIM Payment Reform FAQ. If you should have additional questions, please send to [contracts@acgov.org](mailto:contracts@acgov.org).

ACBH appreciates our continued partnership as we transition to the systemwide FFS.

cc: ACBH Executive Leadership Team  
ACBH Operational Leadership Team  
ACBH Finance Division

Enclosures: [FAQs for Payment Reform](#)

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<sup>1</sup> [CalAIM Behavioral Health Payment Reform, DHCS](#)

