

Wendi Vargas
Contracts Director

March 19, 2026

Dear Alameda County Behavioral Health Department (ACBHD)-Contracted Mental Health or Substance Use Provider,

In the new Performance Contract between the County and the State, effective July 1, 2026, the California Department of Health Care Services (DHCS) has identified significant changes in insurance requirements. The new contract specifies that these requirements must also be reflected in ACBHD's contracts with its Community-Based Organization (CBO) providers.

What are the new insurance requirements for Fiscal Year (FY) 2026-27?

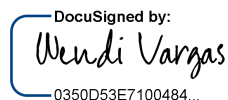
- Cyber Liability coverage, sometimes considered included under Professional Liability (PL), has been added as a separate requirement with higher minimum limits (\$2M per occurrence/\$4M aggregate) than our PL coverage (currently \$1M per occurrence/\$2M aggregate). A description of the required coverage as it relates to our human services contracts has also been added.
- An Additional Insured Endorsement is now required for PL, Auto Liability, and Cyber Liability. Only Workers' Compensation coverage does not require an Additional Insured Endorsement.
 - The language required on the Additional Insured Endorsement has been updated to include: "The State of California, its officers, agents and employees with respect to work performed under the contract."
 - ACBHD recommends Additional Insured Pages 'As Required by Contract' if possible
- Cancellation – Written notice of cancellation of a policy must now be sent to the State as well as the County.

You can view the updated Exhibit Cs for FY 2026-27 on the ACBHD Contracts Website at: <http://www.acbhcs.org/providers/network/forms.htm#contract>.

It is important that your organization confirm whether your existing insurance is sufficient and, if not, begin working on the required changes prior to the start of the new FY. The updated Certificates of Insurance will be required to establish Purchase Orders/Payments for the new FY.

If you have additional questions about the new requirements for FY 2026-27, please email Contracts@acgov.org.

Sincerely,

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Wendi Vargas
ACBHD Contracts Director



cc: Cecilia Serrano, ACBHD Finance Director
Rickie Michelle Lopez, ACBHD Assistant Finance Director
ACBHD Contracts Staff
Provider Contract File