



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	June 7, 2024
Title	Behavioral Health Payment Reform – Fiscal Year 2024-2025 Revised Rates

This memo is intended to inform Behavioral Health Services (BHS) contractors that provide Medi-Cal eligible services of updates to State rates for Fiscal Year (FY) 2024-25.

Overview

On May 20, 2024, the State Department of Health Care Services (DHCS) released **updated Medi-Cal Behavioral Health Fee Schedules for FY2024-25**: [Medi-Cal Behavioral Health Fee Schedules FY24-25](#).

These rates apply to the nearly 200 programs that provide Medi-Cal services. As a reminder, contractors receive payments based on a portion of the State rate, referred to as the baseline rate.

New Fiscal Year 2024-25 State Rate Schedule

The FY 2024-25 State rates will be applied beginning July 1, 2024, for Medi-Cal programs that have transitioned to the fee-for-service (FFS) payment structure and to contracts that will transition after July 1, 2024.

- There will be **no change in the baseline rate percentages or modifiers** previously established.
- The **State rate increase of 3.08%** will be passed on to contracted providers.
- The State rates and County of San Diego baseline FFS rates for FY 2024-25 will be available on the **BHS Payment Reform website**: [CalAIM for BHS Providers \(optumsandiego.com\)](#)
- **Example:**

<i>Fiscal Year</i>	<i>State Rate</i>	<i>San Diego Baseline Percentage:</i>	<i>San Diego Base Rate:</i>	<i>% Increase Over Previous FY Rate</i>
FY23-24	\$100.00	75%	\$75.00	-
FY24-25	\$103.08	75%	\$77.31	+3.08%

Contract Amendments

Contract amendments reflective of the FY2024-25 rates will be executed early in the new fiscal year and will be dated with a 7/1/24 start date, even if amendments are done later in the FY.

- A **supplemental invoice** will be issued since the updated rates will be applied beginning 7/1/24.
- Since State rates will likely be adjusted annually, specific rates will be removed from *Exhibit C*.
 - *Exhibit C* will be amended to include only the **baseline rate percentage, plus modifier percentage(s)** (if applicable) and point to the San Diego County baseline rates and modifiers posted on the Optum website referenced above.

Rates in Requests for Proposals (RFPs)

Rates established for new RFPs will be adjusted to reflect the updated FY 2024-25 rates.

For More Information:

- Contact your Contracting Officer’s Representative (COR)



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Future Rate Adjustments

FFS rates in the initial year of payment reform were developed based on actual utilization and billing by contracted programs to preserve continuity of care without any significant financial impact to contracted providers during the transition. Baseline rates may be adjusted in future years as the system matures within the new payment structure and as contracted providers optimize services and increase billable units of service provided.

Updated Timeline for Payment Reform Implementation*

Baseline rates for Phases 1 through 5 of Behavioral Health Payment Reform have been established with most contracted programs transitioning to the FFS payment structure by July 1, 2024. Planning and analyses are still underway for several programs. The table below outlines the FFS rate implementation:

Phase	Services	Implementation Date*	Status
Phase 1	Opioid Treatment Programs (OTPs)	Mid-Jul 2023	Rates developed
Phase 2	Substance Use Residential Programs	Nov 1, 2023	Rates developed
Phase 2	Mental Health Residential, Crisis Residential Programs	April 1, 2024	Rates developed
Phase 3	Day Treatment Services	January 1, 2024	Rates developed
Phase 3	Mental Health Crisis Stabilization Units	April 1, 2024	Rates developed
Phase 4	Substance Use Outpatient Services	July 1, 2024*	Rates developed
Phase 5	Mental Health Outpatient Services	July 1, 2024*	Rates developed
Phase 6	Mobile Crisis Response Teams	TBD	Rates under development

* Anticipated dates, subject to change

Ongoing Communication & Training

The BHS team will provide training and technical assistance to contractors as needed. BHS will continue providing communication and updates to contractors via memos, the website, and in existing forums, including the provider organization and contractor financial workgroup meetings. The BHS Fiscal team will also offer training.

Information regarding rate reform will also continue to be posted on the Optum BHS Providers website: <https://www.optumsandiego.com/content/SanDiego/sandiego/en/county-staff---providers/calaim-for-bhs-providers.html>

Please continue to communicate any ongoing challenges and concerns to your COR.

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