



January 6, 2020

Secretary Mark Ghaly, MD, MPH
California Health and Human Services
1600 Ninth Street, Room 460
Sacramento, CA 95814

Dear Secretary Ghaly,

We greatly appreciated the opportunity to meet with your staff – Daphne Hunt and John Connelly – on December 13 and receive their helpful feedback on how AB 898 (Wicks) and CalAIM might be synergized. Your interest and engagement in our efforts have been graciously offered and gratefully received, and we are grateful to know that our priorities are aligned. As requested by your staff, we are pleased to provide some background on the need for AB 898 and a summary of the key components of AB 898 that must be carried forward with urgency, regardless of the vehicle or mechanism to do so.

Need for AB 898

AB 898 was crafted to ensure a statewide, cross-sector response to the youth mental health crisis facing California. The need for this legislative effort was driven by the broad consensus that California's child-serving systems are failing to uphold the spirit and the law of the EPSDT entitlement, and are unnecessarily fragmented, ineffective, and under-resourced in providing care and support to children and families. When AB 898 was initially conceived, it was clear that stakeholders did not have alignment with DHCS regarding the striking increase in acuity and utilization across the state, the challenges faced by the child-serving systems, and the unique financing opportunities available to state and county systems.

Fortunately, the landscape around children's behavioral health in California has changed over the past year. National media coverage of the children's crisis, CDC data, and the collaborative advocacy of the California Children's Trust (representing over 400 stakeholders) and many others have helped change the narrative and sense of urgency at the local, state, and national levels. Most importantly, under your leadership, HHS has shown more significant and authentic interest in addressing the crisis.

We sincerely believe that the current CalAIM process is a significant opportunity for the state, but despite this growing consensus and interest in children's behavioral health, we remain concerned there is no unified forum or process that will allow us to effectively address these concerns. As the sponsor of the bill, the California Children's Trust believes that a fundamental lack of sophistication about how the EPSDT entitlement is defined and financed cannot be overcome without a well-defined process that leverages the experience and insight of multiple child-serving systems, safety net leaders, providers, and those with lived experience. For this reason, we appreciate this opportunity to share the key elements of AB 898 that remain unaddressed by current state workgroups/processes and that must be addressed with urgency if we are to be successful in ensuring children and youth receive the services they deserve.

Key Elements of AB 898

Focus on Financing Strategies and Equity Across Child-Serving Systems

AB 898 is grounded in the practical realities of safety net administration and financing, and the belief that such a solution lies within our reach. AB 898 was designed to creatively and collectively work across child-serving systems to identify existing expenditures eligible for federal matching funds—while concurrently increasing and ensuring transparency and accountability in those systems. AB 898 also directly and honestly names equity and justice as central considerations to any reform, and is guided by the simple belief that behavioral health is not simply a response to pathology—it is a tool for healthy development, equity, and justice. It is critical that any alternative to AB 898 brings together all of the child-serving systems in the design of a solution, particularly partners in education, who have not been adequately included in reform efforts to date and who have a significant role to play in the design and implementation of any effective solution.

Differentiate Between Children and Adults in System Reform Efforts

As we all know and agree, and state and federal law codifies, children are not just little adults. We appreciate that the current CalAIM proposal includes some of the foundational components of our proposed solution. However, we are concerned that it makes no provision for the unique status that children in Medicaid enjoy, the reality that traditional medical models offer limited impact, and the important and often ignored role of other child serving systems (education, child welfare, probation, developmental services) in the delivery and administration of the benefit.

What we currently have in California are important arenas where children's needs are not differentiated from those of adults (e.g. Behavioral Health Stakeholder Advisory Committee, CalAIM), alongside many fragmented subgroups all attempting to address the unique needs of children (e.g. Foster Care CalAIM workgroup, Master Plan for Early Childhood, California Child Welfare Council Behavioral Health Committee, etc.). These subgroups have arisen from the well intentioned desire to fill the vacuum, but ultimately cannot design or direct a truly cross-sector and impactful reform effort. Moreover, such fragmentation obscures the essential nature of the entitlement as specified in the amendment to the Social Security Act in 1967 and litigated numerous times in California (Tl vs Belshe, Emily Q, Katie A., etc.).

Simply put, there is no dedicated table where the unique and specific needs and status of children, as well as the financing opportunities we have identified, are being considered or pursued. Your team asked us to identify the alternative approaches that we would consider, and our response and the response of the bill's author is that we do not care what it is called, or if AB 898 is the vehicle, but we are steadfast in our belief that such a cross-sector, child-focused table must be formed with great urgency. This forum could leverage or enhance an existing entity (Child Welfare Council Behavioral Health Committee, DHCS Behavioral Health Stakeholder Advisory Committee), or could be a new umbrella entity such as the one proposed under AB 898.

Such a table/discussion should include, at a minimum:

- Clarification of the unique definition of medical necessity that children enjoy under EPSDT.
- How California can maximize federal, state, and local funding for EPSDT, across multiple child-serving systems.
- How California can address gaps in access to behavioral health supports for children, specifically how it can include and expand social models and peer-to-peer supports.
- Identification of alternative contracting and payment arrangements that improve access to coordinated and integrated care for children and youth.

- The role of Medi-Cal Managed Care Organizations
- Specific guidance to MCOs and MHPs regarding reimbursement for dyadic and family systems modalities.
- Standardization of screening, referral assessment, and outcome measured for social and emotional development across child serving systems.
- The development of an implementation plan laying out strategies to address these findings, providing a roadmap for the state to maximize its investment in children's health and well-being.

We have deeply appreciated Assemblymember Wicks' leadership with AB 898 and her clear role as a champion for youth mental health in the state. The Legislature has a critical role to play in helping to devise solutions, holding stakeholders accountable and underscoring the urgency of the crisis. We are honored and privileged to be supporting Assemblymember Wicks' efforts, and look forward to continuing to work with her office and yours as discussion about AB 898 continues.

Thank you for your leadership in ensuring California's young people are given every opportunity to grow and thrive. We would welcome further discussion and dialogue with you and your team about any next steps.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Briscoe', enclosed in a thin black rectangular border.

Alex Briscoe, Principal
California Children's Trust