



COUNTY OF SANTA CLARA
Behavioral Health Services
 Supporting Wellness and Recovery

MEMORANDUM

TO: Mental Health and Substance Use Treatment Services (SUTS) Outpatient County Contract Providers (CCPs)

FROM: Sherri Terao, Director, Behavioral Health Services Department
 Megan Wheelahan, Deputy Director, Behavioral Health Services Department

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Sherri Terao

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Megan Wheelahan

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RE: Fiscal Year (FY) 2025-26 Rates

DATE: April 17, 2025

We appreciate your continued partnership as we move beyond the initial transition period into fuller implementation of the CalAIM Payment Reform. Over the past year, providers have made significant progress adapting to the operational and financial shifts required under CalAIM, and we recognize the dedication and resilience it has taken to get to this point. Your efforts have been instrumental in ensuring ongoing access to care for our communities throughout this transition. While we have made meaningful progress over the past year adapting to this new structure, prioritizing timely and accurate billing in day-to-day operations is a long-term effort that requires continued coordination and discipline. As we move forward, it is critical that we maintain momentum while making thoughtful adjustments that support system sustainability. The purpose of this memo is to summarize the Department's proposed FY 2026 rates for mental health (MH) and substance use treatment services (SUTS).

During this third year of CalAIM Payment Reform implementation, we are transitioning from foundational planning and system restructuring into operational integration. This includes aligning with the next phase of Medi-Cal Behavioral Health Transformation, including the BH-CONNECT demonstration waiver and making rate adjustments that reflect the changing nature of service delivery for County Behavioral Health Plans. While both MH and SUTS providers have made significant progress, further adjustments and continued effort will be needed in the years ahead and with each new initiative.

FY2026 Outpatient Rates

In line with the direction of CalAIM and the evolving BH-CONNECT framework:

1. **CODB Adjustment**: A 3.09% Cost of Doing Business (CODB) will be applied to outpatient rates across both MH and SUTS to account for rising costs and support ongoing operational capacity.
2. **Mental Health (MH) Intensive Differential**: The Department will remove the intensive service differential for MH outpatient services, reducing it to 0% effective FY 2026. MyAvatar billing data demonstrates that intensive MH providers have adapted to Payment Reform and are generating sufficient revenue to sustain operations without the differentials. We understand



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providers may have questions about this and are reaching out to impacted providers to schedule meetings to discuss.

3. Children Youth and Family (CYF) Differentials: The Department will remove the intensive service differential for CYF services, reducing it to 0% effective FY 2026. MyAvatar billing data demonstrates that CYF providers have adapted to Payment Reform and are generating sufficient revenue to sustain operations without the differentials. The Department acknowledges the recent concerns raised by CCPs related to the recent CYF Outpatient Services RFSQ process. Those concerns will be addressed individually with impacted providers.
4. ACT/FACT Bundled Rate: The Department will implement a bundled rate for Assertive Community Treatment (ACT) and Forensic Assertive Community Treatment (FACT) programs, with 70% of the DHCS published rates passed through to CCPs. This model aims to simplify reimbursement and better align incentives with service delivery expectations. We will be moving toward a bundled rate for ACT/FACT and will be scheduling individual meetings with current FSP providers to gauge each agency’s interest in moving toward adopting the ACT/FACT fidelity model.
5. Substance Use Treatment Services (SUTS) Differential: The service differential for SUTS will be reduced to 10% in recognition of some progress made toward increased engagement of clients with treatment needs and with more work still to accomplish in that area.
6. SUTS Intake Coordinators: The Department will continue to provide cost reimbursement for SUTS Intake Coordinator services to assist CCPs during this ongoing ramp-up for FY 2026.

DIRECT SERVICE STAFF	FY26 FINAL RATES	FY25 FINAL RATES	FINAL RATE CHANGE
PSYCHIATRIST/ CONTRACTED PSYCHIATRIST	1,180.40	1,145.02	3.09%
PHYSICIANS ASSISTANT	\$639.02	\$619.87	3.09%
NURSE PRACTITIONER	\$708.52	\$687.29	3.09%
RN	\$578.74	\$561.39	3.09%
CERTIFIED NURSE SPECIALIST	\$708.52	\$687.29	3.09%
LVN	\$304.03	\$294.92	3.09%
PHARMACIST	\$682.02	\$661.58	3.09%
LICENSED PSYCHIATRIC TECHNICIAN	\$260.64	\$252.82	3.09%
PSYCHOLOGIST/PRE-LICENSED PSYCHOLOGIST	\$628.30	\$609.47	3.09%
LPHA (MFT, LCSW, LPCC)/ INTERN OR WAIVERED LPHA (MFT, LCSW, LPCC)	\$406.59	\$394.40	3.09%
OCCUPATIONAL THERAPIST	\$493.61	\$478.81	3.09%
MENTAL HEALTH REHAB SPECIALIST	\$362.45	\$351.58	3.09%
PEER RECOVERY SPECIALIST	\$380.57	\$369.16	3.09%
AOD COUNSELOR	\$362.45	\$351.58	3.09%
OTHER QUALIFIED PROVIDERS - OTHER DESIGNATED MH STAFF THAT BILL MEDICAL	\$362.45	\$351.58	3.09%



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Other FY2026 Rates

Providers of residential services and other non-outpatient services will receive an individual rate sheet via email to review.

These changes aim to provide a measured, sustainable path forward that recognizes the realities of limited resources while supporting key areas of need.

We remain committed to reviewing rates annually in collaboration with our provider network. While there is limited room for additional increases at this time, we continue to welcome data-informed feedback on financial and operational barriers to care delivery. We strongly encourage CCPs to focus efforts on improving productivity, refining administrative structures, and aligning internal operations with the requirements and goals of the BH-CONNECT framework.

We thank you for your continued collaboration as we work toward a system that is both fiscally sustainable and client centered. As mentioned in our Revised Timeline for FY26 Renewals memo, please reach out to BHSD Provider Relations at BHSDPR@hhs.sccgov.org by April 23, 2025 with any questions or concerns related to the FY 2026 rates.

cc: James R. Williams, County Executive
Greta Hansen, Chief Operating Officer
Tony LoPresti, County Counsel
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Courtney Gray, Quality Management Director
Stephanie Macwhorter, Substance Use Treatment Services Director