

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Department of Health Care Finance



Office of the Senior Deputy Director/State Medicaid Director

MDL #21-06

**MEDICAID DIRECTOR LETTER**

To: All Interested Parties  
Date: December 2, 2021  
Re: Behavioral Health Transformation: Updated Timeline

---

**Purpose**

The purpose of this MDL is to inform all interested parties of updates to the District's progress Transforming and Integrating Behavioral Health.

**Background**

Two years ago, in November of 2019, the District of Columbia began its journey of Behavioral Health Transformation. Led by the Department of Health Care Finance (DHCF) and partner, the Department of Behavioral Health DBH), a multi-year phased approach was established encompassing behavioral health service expansion (Phase I), managed care integration (Phase II), and integrated care payment models (Phase III).

In Phase I, through the Section 1115 Waiver Demonstration, the District enhanced Substance Use Disorder treatment through introduction of new services, funding extended care in inpatient and residential settings, and eliminating co-pays for approved prescription drugs. All waiver services were implemented by October 2020. The District shifted to Phase II with the focus on managed care integration. The first major milestone was accomplished in October of 2020, when the District transitioned 17,000 individuals to the Medicaid managed care program, DC Healthy Families Program, with the aim of organized, accountable, data-driven, and person-centered care.

Part Two of Phase II is whole person care, through the integration of the continuum of behavioral health services to the managed care program, DC Healthy Families. This effort is often referred to as the "carve-in". DHCF and DBH formally kicked-off stakeholder engagement efforts in January 2021 with the integration of services to be effective October 1, 2022.

A Stakeholder Advisory Group, comprised of Individuals with Lived Experience, Advocates, Community Members, Provider Organizations, Managed Care Organizations, and Government Agency Staff, was convened and work groups were established. These work groups addressed core elements of a successful transition including the service array, contract considerations, beneficiary and provider engagement, quality and oversight, and rate enhancements. Updates and recommendations were presented by the work groups to the

Stakeholder Advisory Group, in meetings open to the Public, as well as to DHCF and DBH Leadership for final consideration.

On August 27, 2021, DHCF announced its intent to reprocure the managed care contracts to allow for the inclusion of the full complement of behavioral health services and to establish flexibility in the payment methodology applied to the managed care plans. The Stakeholder Advisory Group discussion and recommendations were considered by DHCF and DBH and they informed the development of the behavioral health components of the solicitation for managed care services.

### **Updated Timeline for Behavioral Health Integration – Phase II**

DHCF, DBH, the Stakeholder Advisory Group, behavioral health providers, and other stakeholders have been engaged and working towards the October 1, 2022, implementation date for integrated behavioral health services in the managed care program. Efforts underway include but are not limited to stakeholder engagement; behavioral health services rate study; development of new services; targeted technical assistance to behavioral health providers and the development of the managed care solicitation that incorporates the full continuum of behavioral health services.

DHCF and DBH have considered the impact of the managed care procurement on the implementation of the carve-in of behavioral health services. DHCF and DBH believe it is critical to have the managed care plans engaged in the development and implementation of the carve-in and to be an active partner with the agencies, providers, and other stakeholders to ensure its success. The managed care contract awards are not anticipated until June 2022, resulting in approximately three months to collaborate with the selected plans on the carve-in. The carve-in will not be the singular focus of DHCF or the managed care plans as readiness activities must be conducted to ensure continuity of care and a seamless transition for plans, beneficiaries, and providers.

To address this issue, the full integration of the continuum of behavioral health services will be effective October 1, 2023. The development and planning for the carve-in of services is on-going and will continue over the next twenty-two months. The time will be divided to focus on planning / development and readiness:

November 2021 – December 2022: Planning and Development

Complete rate study; develop Medicaid state plans and corresponding DHCF and DBH regulations for new / revised services; on-going provider technical assistance; ARPA EHR/HIE initiative; managed care solicitation, readiness, and implementation; DHCF-DBH MOU development; drafting of the behavioral health manual for managed care.

January 1, 2023 – September 30, 2023: Formal Readiness Period

Routine agency, provider, managed care plan collaboration; provider accreditation; provider and managed care plan contracting; claims system testing; data sharing; outreach and communication with beneficiaries

The next Behavioral Health Stakeholder Advisory Group meeting is on December 8, 2021. Individuals interested in joining the Stakeholder Advisory Group Meeting can find Meeting Announcements and other materials at the following site:

[Medicaid Behavioral Health Integration Stakeholder Advisory Group | dhcf \(dc.gov\)](#)

Additional resources can be found at the following sites:

[Medicaid Reform | dhcf \(dc.gov\)](#)

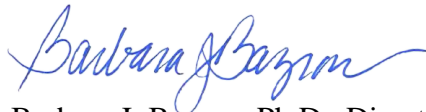
[Transition to Managed Care | dhcf](#)

DHCF and DBH look forward to continued collaboration with beneficiaries, providers, and other stakeholders as we work to improve health outcomes, so District residents can live their best lives.

Sincerely,



Melisa Byrd, Senior Deputy Director/State Medicaid Director  
Department of Health Care Finance



Barbara J. Bazron, Ph.D., Director  
Department of Behavioral Health