

<b>To:</b>	<b>BHS Contracted Service Providers</b>
<b>From:</b>	<b>Behavioral Health Services</b>
<b>Date:</b>	<b>May 16, 2025</b>
<b>Title</b>	<b>Behavioral Health Payment Reform Updates for Fiscal Year 2025-2026</b>

This memo is intended to provide information and updates to Behavioral Health Services (BHS) contractors who are operating under CalAIM Fee-For-Service payment model.

### **New Fiscal Year (FY) 2025-2026 Contract Rates**

The new rates for FY 2025-2026 are now posted on the Optum website and can be accessed through the [CalAIM for BHS Providers](#) webpage. FY 2025-2026 Budget Templates were updated to reflect the new rates effective July 1, 2025.

### **Contract Maximums**

As mentioned in ADSPA, MHCA and the Contractor Financial Workgroup meetings, payment reform has fundamentally changed contract maximums that were previously established under a cost reimbursement payment structure. Due to payment reform, the contract maximum reflected on current contracts will be subject to change via an amendment based on increased service utilization and claims. Claims and service utilization are closely monitored by Contracting Officer Representatives (CORs) who will initiate amendments when necessary.

Please contact your CORs for any questions or concerns related to your specific contract maximum.

### **Year-End Invoicing Process**

Due to the transition to SmartCare, we anticipate the year-end process shifting slightly from past years. BHS will make every effort to ensure we have timely, accurate claims and reports to ensure invoices can be reconciled by year-end. We continue to identify and address the challenges with SmartCare data and reports. We anticipate the reconciliation process will continue into next fiscal year. A memo will follow providing some detailed instructions for your year-end invoicing process.

We recognize that providers are feeling a degree of uncertainty about the year-end reconciliation process, specifically whether costs paid based on *projected units* will align with *actual billed units* following year-end reconciliation. Throughout the year-end reconciliation process, BHS will work closely with individual providers to address overpayments or underpayments to determine the most effective and sustainable path forward. Our goal is to ensure continuity and financial sustainability of services.

Thank you for your patience as we continue to work through this process. If you have any questions, please contact your COR or your assigned Fiscal Analyst.

### **For More Information:**

- Contact your Contracting Officer's Representative (COR)