CardinalCare
Virginia's Medicaid Program

Redesign of Medicaid Behavioral Health Rehabilitative Services

Project Update
SEC 9/10/2026

DBHDS
Virginia Department of Behavioral Health and Developmental Services

DMAS

Behavioral Health Redesign

- Overview of Project
- Current Status
- Risks and Open Discussion

BH Redesign: Mandate (Authorized in 2024)

Budget Language Simplified:

- *Retire/redesign Intensive In Home Services, Therapeutic Day Treatment, Mental Health Skill Building, Psychosocial Rehabilitation, and Mental Health Case Management services in the Medicaid BH Benefit*
- *Focus on evidence-based, trauma-informed and cost-neutral alternatives*
- No overlap between new and old services and implement by ~~7/1/2026~~ 7/1/2027 ← *Date change in 2026 Appropriations Act*

Year 1 (July 2024-June 2025)

Services Being Retired:	*New Services:*
Therapeutic Day Treatment: School Based Youth Rehabilitative Treatment	Standardized Assessment for Rehab Services (CANS Lifetime)
Intensive In Home: Home Based Youth Rehabilitative Treatment	Community Psychiatric Support and Treatment (CPST)- adults, youth, and school based settings; Tier 1 and 2
Mental Health Skill Building: Intensive Home Based Adult Rehabilitative Treatment	Coordinated Specialty Care for First Episode Psychosis
Psychosocial Rehabilitation: Moderate Center Based Adult Rehabilitative Treatment	Clubhouse Model of Psychosocial Rehabilitation
Targeted Case Management- SMI and SED	Targeted Case Management- SMI and SED (with policy changes)

Year 1 Highlights:

Completed service research, stakeholder engagement, and surveys to inform rate study

Mercer served as contractor for rate study to develop rates for evidence based services

Mercer conducted state fiscal impact study to determine what could be implemented under budget neutrality

Service array announced July, 2025

Year 2 Highlights

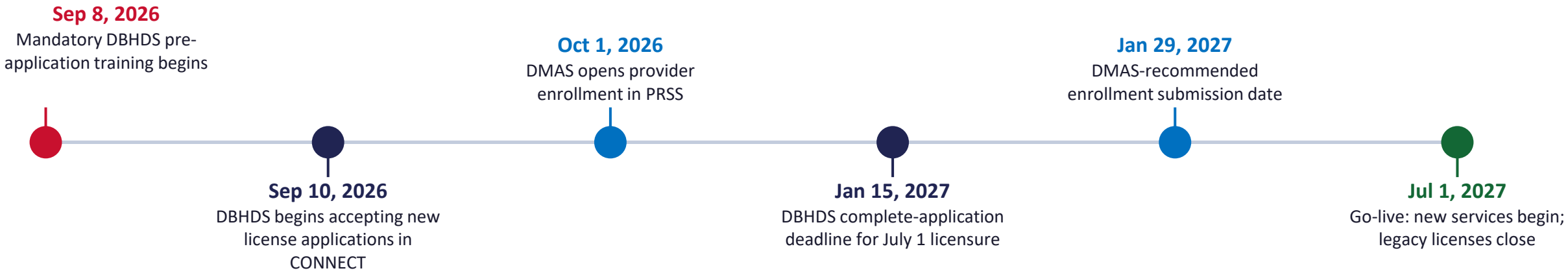
- DBHDS emergency regulations drafted and approved
- Policy Manuals drafted and posted for informal public comment for all new services; currently in second round of public comment with significant edits; Provider office hours held twice monthly
- State Plan Amendments drafted (will submit after budget is signed)
- Systems changes defined and work orders submitted for provider specialties and claims payments
- MCO implementation plans completed and initial readiness testing passed by all 5
- Provider and member analyses, letters of intent collected from interested providers
- Contracts with Praed Foundation to design CANS assessment and level of need algorithm
- Contract with VCU Center for Evidence based Partnerships to design statewide training
- DBHDS trained 200 clinicians in required youth approach (Managing and Adapting Practice)

Year 3 (Current)

- Policies currently being finalized in response to extensive feedback
- Training modules moving towards launch for use
- Working with Clubhouse International to develop Virginia training opportunities
- Member transition plan drafted
- Systems changes in process
- CANS level of need algorithm in development and testing with Virginia clinicians

Road to July 1, 2027

Legacy CMHRS services end and the new service array goes live on July 1, 2027. Readiness is a sequence of dated steps — several with their own clocks — that must all be complete before go-live.



Applications requiring resubmission may not be licensed in time — providers are strongly encouraged to submit early.

Biggest Changes for Youth Serving Agencies

For Current IIH & TDT Providers:

- 15 minute interval billing; weekly caps based on level of need
- Implementation of Tier 1 services (2-3 hrs/week version of support/treatment)
- Managing and Adapting Practice (MAP) model, Standardized training required, use of EBPs expected
- Standard 6 month authorizations; longer term treatment (18 months per level of need) supported and clinical progress also expected
- Clinical director oversees all services and agency accreditation required
  - Cadence of face time with clinician does not change; but supervision requirements and full time director requirement is new
- Caseload and billing limits for staff (including across agencies)
- Use of CANS and level of need model, including referral to wraparound EBPs
- Integrated crisis and psychotherapy supports for members in rehabilitative services (members still have *access* to crisis system and outside psychotherapy)

Biggest Changes for Youth/Families in Service

- Hours per week may change, although current time spent is not available
- Step down services will be available now (Tier 1 CPST), not just outpatient
- Time spent in service may feel more “active” or change focused (use of MAP Practice Guides, repetition of new skills in structured way), more use of measurement of progress
- Parents may be expected to be more involved, as most evidence based approaches for youth are heavily parent focused
- Subset of youth in IIH may be referred to MST or FFT
- CSC will be available for 16 and up; younger if needed under EPSDT
- Psychotherapy and crisis integrated vs. separated in many situations

Strengths and Risks

Strengths

- Year 3 timeline is tight but feasible
- Member transition plan involves transfer of service authorizations
- Funding recently identified for CANS training needed prior to Go Live
- Foundational and Intermediate Skills curriculums will be free of cost

Risks

- Go-Live with manual CANS/level of need will be an administrative burden and data won’t be accessible
- Clubhouse training costs and timing
- Clinician training costs and timing for CPST
- Local school district/individual school readiness
- CSC Fidelity plan

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Thank you!

Discussion

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