



## **CalAIM Payment Reform Operational Implementation Updates & Frequently Asked Questions**

As we enter the CalAIM Payment Reform Soft Operational Implementation period of January 1, 2026 through May 31, 2026, the Department of Behavioral Health (DBH) will publish Updates & Frequently Asked Questions (FAQs) as available and appropriate, to our DBH programs and contracted provider partners based on the ongoing collaborations and feedback to ensure that the partnerships are in alignment.

The Updates & FAQs will be in addition to the ongoing support during DBH programs meetings with their contracted provider partners, DBH general meetings with Association of Community Based Organization and Community Based Organizations (CBOs), and DBH Revenue Cycle Claiming Office Hour and Administrative & Fiscal Service Office Hour.

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### **Status of the Fee-for-Service (FFS) Budget Schedules**

- Mental Health (MH)
  - The budget schedules require additional customizations and validations with DBH programs for their respective applications, which are being finalized. They and their instructions should be ready for distribution to CBOs by January 30, 2026. As per the soft operational implementation timeline, CBOs have until May 31, 2026 to finalize the budget schedules.
- Substance Use Disorder (SUD)
  - The budget schedules have been sent to CBOs. As per the soft operational implementation timeline, CBOs have until May 31, 2026 to finalize the budget

### **Status of the FFS Invoice Templates**

- MH & SUD
  - The invoice templates and their instructions should be ready for distribution to CBOs by January 30, 2026, and will require accompanying and matching revenue report for FFS data, as applicable. The revenue report is undergoing customizations and validations with DBH programs for their respective applications and should be ready for CBOs utilization by March 2026.

### **Invoice Submission on February 10, 2026**

- MH & SUD
  - As many CBOs would not have FFS data for services provided starting January 1, 2026 reflected in myAvatar by the end of January due to the file imports or 837 submission process, DBH is requesting that on February 10, 2026, CBOs submit invoices using the 1/12th of their current contract amount for payments.

### **Invoice submission on March 10, 2026, April 10, 2026 and May 10, 2026**

- MH & SUD
  - As many CBOs should have FFS data for services provided starting January 1, 2026 reflected in myAvatar by the end of February, DBH is requesting that on March 10, 2026, April 10, 2026 and May 10, 2026, CBOs submit invoices with FFS data that match the accompanying revenue reports generated in March, April and May, respectively.



- Payments for invoices with January 2026 FFS data will be made after reconciliation against the 1/12th of the current contract amount that was previously paid for invoices submitted on February 10, 2026. If invoices with January 2026 FFS data is higher, then payments for the difference will be made. If the 1/12th is higher, then no payments will be made.
- Payments for invoices with February 2026 FFS data onwards, will be made based on the reconciliation of the monthly FFS data against the 1/12th of the current contract amount, whichever is higher.

### **Invoice submission on June 10, 2026 onwards**

- MH & SUD
  - Updates and additional details, instructions, etc. will be forthcoming for full operational implementation as we enter the period of no reconciliation to the 1/12th of the current contract amount and reimbursement based on services in myAvatar billed to and reimbursed by DHCS, and services deemed by DHCS to be DBH responsibility.

### **Reminder of mode/type of service under FFS reimbursement**

- MH
  - Modes 5, 10 and 15 will require accompanying and matching revenue report.
- SUD
  - Applicable Level of Care will require accompanying and matching revenue report.

### **Reminder of mode/type of service under cost-based reimbursement**

- MH
  - Modes 45 and 60 will require accompanying and supporting general ledger.
- SUD
  - Any non-hybrid, non-DMC services will require accompanying general ledger.

### **Crisis and/or Residential FFS rates**

- MH & SUD
  - Program will be reaching out to the applicable CBOs on the rates, if hadn't already.

### **Service Entry**

- MH & SUD
  - CBOs who utilize direct entry into myAvatar will have their service data reflected in the following month's revenue report, without the one-month delay. For example, February services will be available on the revenue report run in March.
  - CBOs who utilize the file imports or 837 submission process to submit services to myAvatar will experience a one-month delay. For example, February services will not be available on the revenue report until April.