



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 26-363**

**May 19, 2026**

**Introduced:** 4/13/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Approve the incorporation of Exhibits J through J-18: Behavioral Health Services Act Eligibility and Compliance Requirements and Exhibit K: Individual Service Level Compliance Requirements as standard exhibits into the Behavioral Health Bureau's standard agreement templates for use in contracted service agreements as applicable; and
- b. Authorize the Director of Health Services or designee to make modifications to these exhibits as necessary to comply with future requirements issued by the California Department of Health Care Services (DHCS), subject to review and approval by County Counsel.

### RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

- a. Approve the incorporation of Exhibits J through J-18: Behavioral Health Services Act Eligibility and Compliance Requirements and Exhibit K: Individual Service Level Compliance Requirements as standard exhibits into the Behavioral Health Bureau's standard agreement templates for use in contracted service agreements as applicable; and
- b. Authorize the Director of Health Services or designee to make modifications to these exhibits as necessary to comply with future requirements issued by the California Department of Health Care Services (DHCS), subject to review and approval by County Counsel.

### SUMMARY:

The Behavioral Health Services Act (BHSA), enacted pursuant to Proposition 1 (March 2024), establishes new reporting mandates applicable to county behavioral health programs. In response, the County of Monterey Health Department's Behavioral Health Bureau is seeking Board approval to incorporate Exhibit J through Exhibit J-18 as standard exhibits into the County's approved Standard Agreement and other approved Behavioral Health agreements.

These exhibits address multiple funding categories under BHSA and are not intended to be applied in their entirety. Rather, specific exhibits will be incorporated selectively based on the contracted services being provided and the applicable BHSA requirements associated with those services.

The proposed exhibits establish uniform compliance requirements for contracted service providers, including eligibility requirements, service delivery expectations, documentation standards, billing practices, and reporting obligations.

The exhibits also introduce Individual Service Log (ISL) data collection and reporting requirements to support new State mandates for tracking non-Medi-Cal behavioral health services and expenditures.

This action is being brought forward to align Behavioral Health Bureau agreements initiating on or after July 1, 2026, with the California Department of Health Care Services (DHCS) implementation requirements, including ISL reporting requirements that take effect January 1, 2027. Early adoption of these exhibits will ensure that agreements executed in advance of these deadlines are compliant, provide sufficient time for contractor training and system readiness, and reduce the risk of disruption to funding or reporting compliance.

Approval of these exhibits will ensure that all contracted providers operate under consistent, state-aligned requirements and will support the County's ability to meet evolving reporting, fiscal accountability, and program compliance obligations established by DHCS.

DISCUSSION:

Background and Need

The BHSA introduces significant changes to how counties administer, fund, document, and report behavioral health services, including expanded eligibility criteria, new service delivery expectations, and enhanced data reporting requirements at both the State and federal levels.

In response to these changes, the Bureau has developed standardized agreement exhibits to clearly define service delivery and reporting expectations for all contracted providers. Exhibits J through J-18 and K are intended to be incorporated into all applicable agreements funded as a whole or in part with BHSA funds or other County behavioral health funds. Establishing these requirements within all applicable agreements ensures consistency across providers and strengthens the County's ability to monitor compliance and performance.

Exhibits J through J-18 - BHSA Eligibility and Compliance Requirements

Exhibit J through J-18 establishes a comprehensive framework governing eligibility, service delivery, billing practices, documentation, and reporting requirements for BHSA-funded services. These exhibits align contractor responsibilities with State guidance and mandates, including DHCS-issued policies and the BHSA County Policy Manual, and incorporates program-specific expectations for evidence-based and specialty service models to ensure consistency and fidelity across the system of care.

The range of services covered in Exhibits J through J-18 reflect the service requirements covered and/or required under the BHSA. The inclusion of these exhibits standardizes requirements across all applicable service agreements, reduces variability in service delivery and documentation practices, and ensures that contracted providers operate in alignment with State policy and funding requirements.

Exhibit K - ISL Compliance Requirements

Exhibit K establishes requirements for ISL data collection and reporting, which are mandated by DHCS as part of BHSA implementation. These requirements expand reporting beyond Medi-Cal claims to include person-level encounter data for County-funded services and expenditures that are not otherwise reflected in Medi-Cal claims data.

Exhibit K requires contractors to collect, maintain, and submit detailed service and expenditure data in accordance with DHCS guidance and County specifications, including compliance with Behavioral

Health Information Notices and reporting timelines. These requirements will become effective January 1, 2027, with contractors expected to participate in implementation and data readiness activities in advance of that date.

Adoption of Exhibit K ensures that the County is positioned to meet new State reporting mandates and accurately capture the full scope of behavioral health services delivered across the continuum of care.

**Operational Considerations**

The adoption of Exhibits J through J-18 and K will establish a consistent and enforceable framework for contractor performance, strengthen accountability and audit readiness, and enhance transparency of service delivery and funding utilization. Adoption of these Exhibits also positions the County to effectively implement BHSA reforms and adapt to ongoing updates in State guidance, as both Exhibits allow for incorporation of future DHCS requirements as they are issued.

This work supports the following County of Monterey Health Department 2025-2028 Strategic Plan Goal(s): 4. Deepen Organizational Effectiveness and Support Long-Term Sustainability. It also supports one of the ten essential public health services, specifically: 5. Develop policies and plans that support individual and community health efforts.

**OTHER AGENCY INVOLVEMENT:**

The development of these Exhibits J through J-18 and K was led by the Bureau in coordination with County Counsel to ensure alignment with fiscal, legal, and policy requirements.

**FINANCING:**

Approval of Exhibits J through J-18 and K does not create a direct fiscal impact. The Exhibits establish compliance and reporting requirements for services funded through existing and future behavioral health funding sources, including BHSA and other County-administered funds.

Implementing the utilization of these Exhibits will require administrative coordination, contractor training, and system readiness efforts, which will be managed within existing departmental resources and incorporated into future budget planning as needed.

Failure to adopt these updates may result in noncompliance with State requirements, which could impact the County's ability to meet reporting obligations and place associated funding at risk.

**BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:**

The recommended action supports the Board of Supervisors' Strategic Plan Goals of Well-Being and Quality of Life and Sustainable Infrastructure for the Present and Future by strengthening the County's behavioral health system of care through standardized agreement terms, conditions and requirements that enhance service quality, consistency, and accountability. By aligning provider expectations with BHSA mandates and establishing a sustainable compliance and reporting framework, this action supports the delivery of effective health programs while ensuring the County maintains the infrastructure, policies, and systems necessary to meet State requirements, preserve funding eligibility, and implement ongoing system improvements.

Mark a check next to the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy

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Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Exhibit J through J-18: BHSA Eligibility and Compliance Requirements

Exhibit K: ISL Compliance Requirements