

California's School-Based Mental Health Services

Multi-Payer Fee Schedule

Lessons from Early Implementers

August 2026



California Dared to Dream Big

California did something unprecedented at scale: It centered schools as the place for children to receive behavioral health services and built a mechanism for nearly every health insurance plan to help pay for it.

The **Children and Youth Behavioral Health Initiative (CYBHI) Multi-Payer Fee Schedule** is the closest thing to a single-payer behavioral health ecosystem for youth mental health services that exists nationwide. Families face no out-of-pocket costs. Schools and providers interact with a single administrative entity that enables reimbursement to flow directly to them from Medi-Cal managed care plans and commercial health plans for services delivered where students already are.

California's Health and Human Services Secretary Kim Johnson described the initiative as part of "turning a mental health moment into a mental health movement."

After years of building infrastructure, the second half of the 2025–26 school year saw reimbursement claims surge. If this trajectory continues, the fee schedule will be truly transformative for California's students.

KEY STATISTICS AS OF AUGUST 2026

700

Local Education Agencies (LEAs) & Public Institutes for Higher Education (IHEs) enrolled statewide

235

LEAs/IHEs with submitted claims

98%

of California counties represented

\$19M

Reimbursed to schools and providers

70,171

Unique students served

43

Health plans in the claims data

What is the CYBHI Fee Schedule?

The Multi-Payer Fee Schedule is a behavioral health care financing model built for California's public schools and colleges. Here's what makes it different from anything that has existed before:



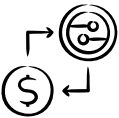
Available to nearly all students under age 26 at public schools and institutes of higher learning.

The fee schedule covers students with Medi-Cal, commercial insurance, or disability plans. A single statewide Third Party Administrator (TPA) manages the back-end logistics so schools and providers interface with only one entity.



Always free for families.

Families never receive a bill. State law prohibits the collection of co-pays. Health plans reimburse schools and providers directly through Carelon Behavioral Health, the TPA.



Fixed statewide rates.

Managed care plans and commercial insurers reimburse at standardized rates set by the state. There is no negotiating and no surprises.



Services delivered on campus or at school-linked sites.

Schools can provide services directly with their employees or contractors or designate affiliated community-based, private providers to deliver services.

Who is Involved

The Fee Schedule connects many actors. Understanding who does what is the foundation for navigating the system successfully.

ACTOR	ROLE IN FEE SCHEDULE
Students & Families	Receive services at no cost; must provide consent and give schools their insurance coverage information
Local Education Agencies (LEAs), County Offices of Education (COEs) & Institutes of Higher Education (IHEs)	Enroll in the fee schedule; employ or contract providers; submit claims
Providers/Community-Based Organizations	Deliver services (therapy, wellness coaching, screenings); must hold National Provider Identification (NPI) Number and be affiliated with an LEA
Health Plans (Medi-Cal & Commercial)	Reimburse claims via the TPA at fixed state rates; includes about 42 plans
Carelon (Third-Party Administrator - TPA)	Verifies student eligibility and health plan enrollment, processes all claims and reimburses providers, manages the provider network enrollment
California Department of Health Care Services (DHCS)	Sets policy, rates, eligibility rules; provides technical assistance; tracks program data, approves school and provider enrollment
Electronic Health Records (EHR) System vendors	Provide billing infrastructure; integrate with district systems; facilitate claim submission

The Program in Numbers

The data below shows the CYBHI Fee Schedule's reach as of August 2026. The acceleration in claims in 2026 is a signal that implementation is reaching critical mass.

CYBHI FEE SCHEDULE: REIMBURSED ENTITIES

~1,000

Entities participating in the fee schedule

235

LEAs/IHEs have submitted claims

64%

of California's 1,090 LEAs have enrolled

70.2K

Unique students have received services

98%

of California counties represented
(57 of 58)

\$19.03M in new revenue to LEAs/IHEs **100%** of Managed Care Plans represented in claims (43 of 43)

Source: DHCS CYBHI Fee Schedule as of August 3, 2026

According to the [CYBHI Legacy Report](#) released in June 2026: 626,524 school-linked service claims have been reimbursed through 43 health plans across 235 school districts and colleges.

The fee schedule builds on the infrastructure investment started with the Student Behavioral Health Incentive Program (SBHIP) that brought \$389 million in incentive payments to 147 interventions across all 58 counties. These interventions are estimated to have impacted an 1.3 million school-aged children, including at least 800,000 Medi-Cal beneficiaries.

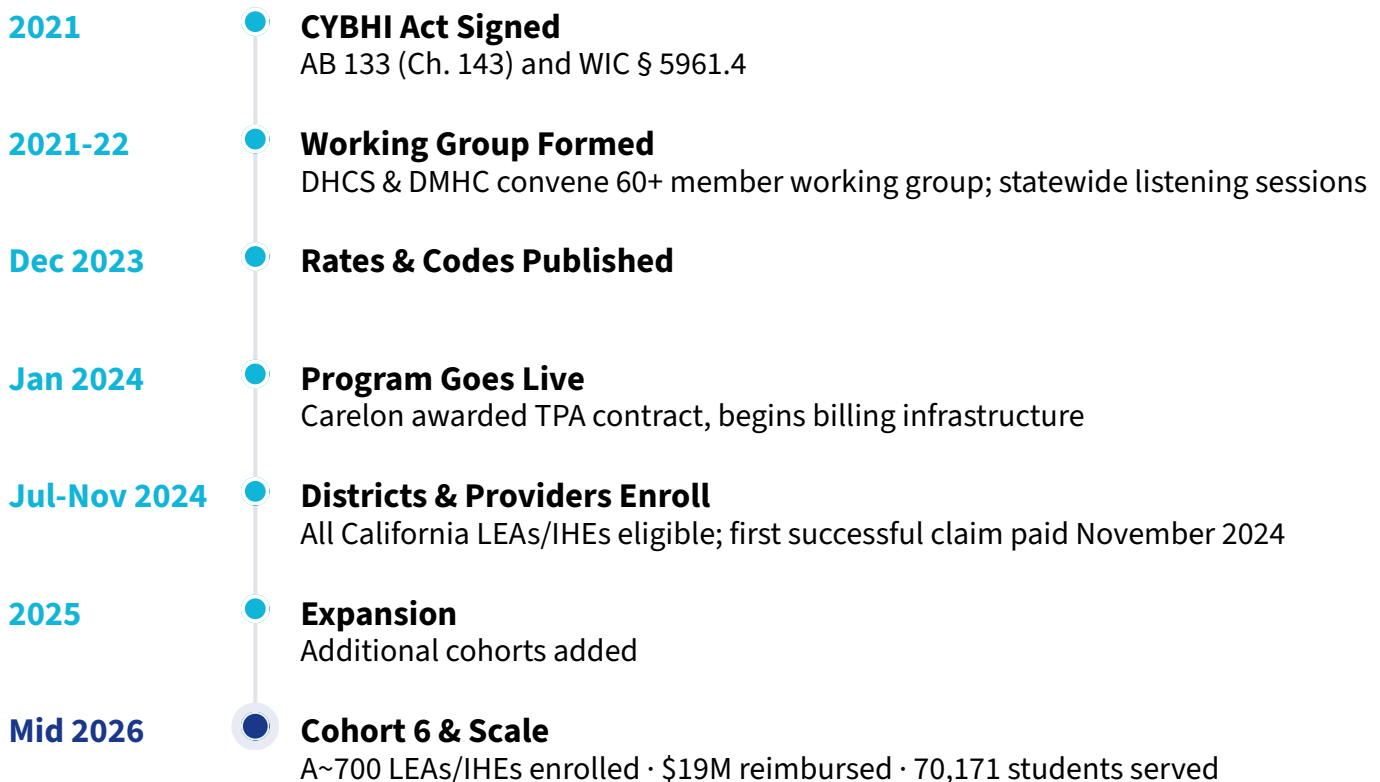
Implementation

First adopted into legislation at the height of the COVID-19 Pandemic in 2021, the CYBHI fee schedule seemed to get off to a slow start, but there was no blueprint for creating new infrastructure for something this large. California has more than 6 million students at more than 10,000 public K-12 school and charter school entities¹ and about 1.7 million at public institutes of higher education.² There are dozens of health insurance plans with tens of millions of enrollees.

Building the infrastructure for the fee schedule was no small task. It required designing policy and operation rules for information and data exchange and financial reimbursement architecture that had never previously existed. Then, DHCS and its subcontracted TPA, and dozens of health plans had to build the connections needed to enable that information to flow securely and accurately, ensuring compliance with relevant state and federal law.

Once the statewide policy and infrastructure was established, school districts and providers needed to understand it to set up systems to get reimbursed. This required learning new terminology, new business processes that were foreign to the education world.

CYBHI FEE SCHEDULE IMPLEMENTATION TIMELINE



Source: Overview of the CYBHI Fee Schedule Program & Claims

A note on sources: Citations appear as numbered links throughout the report. Select any numbered link to jump to the full citation in the Resources section.

Lessons Learned

In early 2026, we interviewed more than a dozen individuals who were early adopters of the fee schedule at school districts, county offices of education, providers, and state partners across California. Here is what they said about implementing the fee schedule.

Schools

The Onboarding Process is Hard but Manageable

- **Be patient.** Early on districts reported that guidance seemed to keep changing but over time settled. Steps like the Standard Provider Import (SPI) Roster required corrections and re-submissions, but with attention to detail were completed successfully.
- **Successful districts planned implementation over multiple years.** They started with the end goal in mind. They had one person dedicated to leading the implementation.
- **Use every available resource:** DHCS office hours, Caredon regional provider representatives, county consortium meetings, your electronic health record (EHR) vendor.

“

Think about a one-year trajectory. Invest the time and resources now, and you'll see the benefits a year from now.

— Stakeholder interview synthesis, Q2 2026

”

Lessons Learned

Staffing and Workload

- Districts need a dedicated person or a small team. Onboarding and then managing fee schedule billing works best when someone treats it like a full-time job. Districts can choose to partner with EHR vendors and then lean on them heavily to streamline and simplify this administrative burden.
- The one-time capacity-building grants were instrumental for creating positions and contracting EHR systems.
- Budget pressures are real: Some districts are cutting behavioral health positions at the same time they are trying to scale billing.
- Leveraging the affiliated provider mechanism is essential to scaling but is currently under used.
- Adding fee schedule billing into existing EHR workflows (e.g., LEA Medi-Cal Billing Option Program) can limit duplication.



IMPLEMENTATION INSIGHT

Districts that treat the fee schedule “like a full-time job” see the most growth. Those that add it onto overloaded staff roles without capacity tended to stall.

Collecting Student Insurance Information

- This was a stumbling block for many districts. Educating families why they needed the information requires ongoing attention. Families worry: Will this cost me money? Is my immigration status at risk? Why do you need this?
- Districts could not directly access Medi-Cal or other health insurance enrollment data. Families had to share it manually, creating friction.
- Some districts added insurance information collection into back-to-school paperwork, making it routine every year.
- Successful districts created a clear, multilingual community education campaign, emphasizing that the services are free, their information is protected, and the services help their children.
- Engaging district counsel early in the process to ensure they review all medical consent and data-sharing procedures is important to prevent delays.
- Collect information digitally and then follow up on paper or in person as needed.



IMPLEMENTATION INSIGHT

The fee schedule does not alter FERPA or HIPAA. Districts don’t need new protocols, but they should confirm existing processes with counsel before collecting insurance data.

Lessons Learned

Providers & Families

For Providers and CBOs

- Many providers still do not know this program exists. Outreach and education remain essential.
- Reaching “statewide affiliated provider” status is complicated, especially for CBOs serving many districts.
 - The multiple-county requirement disadvantages large-county CBOs who serve wide areas within a single county. Some CBOs contemplated opening an office in a neighboring county just to meet the definition.
 - Providers need a permission letter from every district they serve — even where services are already being delivered.
- Reimbursement rates can feel low, especially compared to Specialty Mental Health Services (SMHS) rates under Medi-Cal.

“

The CYBHI Fee Schedule has been instrumental in delivering timely, school-based behavioral health services. By funding on-campus care, the program removes barriers like transportation and stigma, improving equitable access, especially in rural areas where provider shortages and long travel distances often limit care.

— CBO Provider

”

For Families

- Families are the most essential and most sensitive group involved.
- Fear about costs, data privacy, and immigration status create barriers to consent.
- Communication must be multilingual, accessible, and built on the trust the district has established with families.
- Lead with the benefits:



This is **always free**.



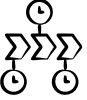
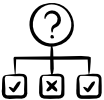
It's **confidential**.



It helps your student **thrive**
at school and at home

What Works: A Quick Reference

Here are the most common implementation challenges and the strategies that successful districts used to overcome them.

CHALLENGE		WHAT WORKS
	Onboarding takes longer than expected	Start 6 to 12 months before your target first-claim date. Use cohort resources and county consortia.
	Staff don't have capacity for more work	Dedicate at least one position. Integrate billing into EHR workflows already used for other programs.
	Families won't share insurance info	Add to back-to-school paperwork. Provide bilingual community education. Emphasize it is always free.
	Unclear which students are Medi-Cal eligible	Assume most low-income students are covered. Batch register through Caredon to check coverage for groups.
	Staff unsure about provider liability	Run through district counsel. The district generally acts as the liability shield for rendering providers.
	EHR selection is overwhelming	Prioritize platforms staff already use. Ask peers what's working. Compare flat-rate vs. percentage-of-claims pricing. Once you choose an EHR, have the vendor help you with all of the technical details.
	Guidance and processes keep changing	Stay connected with TPA regional provider representatives and attend office hours to ask questions. Flexibility and persistence are essential.
	Scaling faster	Bring on affiliate providers - even if your own school staff are not yet ready to bill. Community providers already have workflows linking service delivery to billing and already know how to submit claims. They are a key part of the delivery system that so far has not been sufficiently tapped.

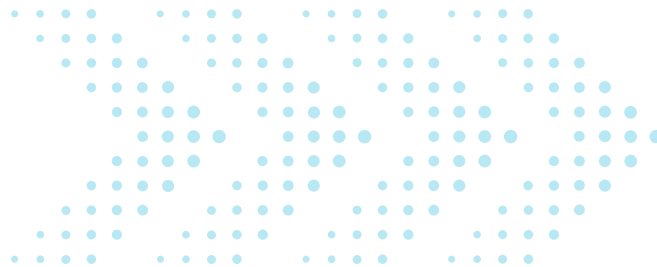
A Special Focus: Systems-Involved Youth

The CYBHI fee schedule has particular potential for children involved in the foster care and juvenile justice systems. These populations often have significant behavioral health needs and historically fragmented access to care.

- It is unclear whether service can be covered during the period of detention, but post-detention, ensure health coverage resumes immediately to take advantage of on-campus clinics, mobile counseling centers, and school-linked sites can serve recently confined youth.
- Youth in the foster care system may have access to specialty mental health services outside of schools, but may also find relief in connecting with a trusted source at school.

More than **65%** of youth who are arrested each year have mental health conditions.³

Most needs go untreated or misdiagnosed. Fee schedule services — delivered at school, at CBOs, or through mobile care — can act as both prevention and early intervention.

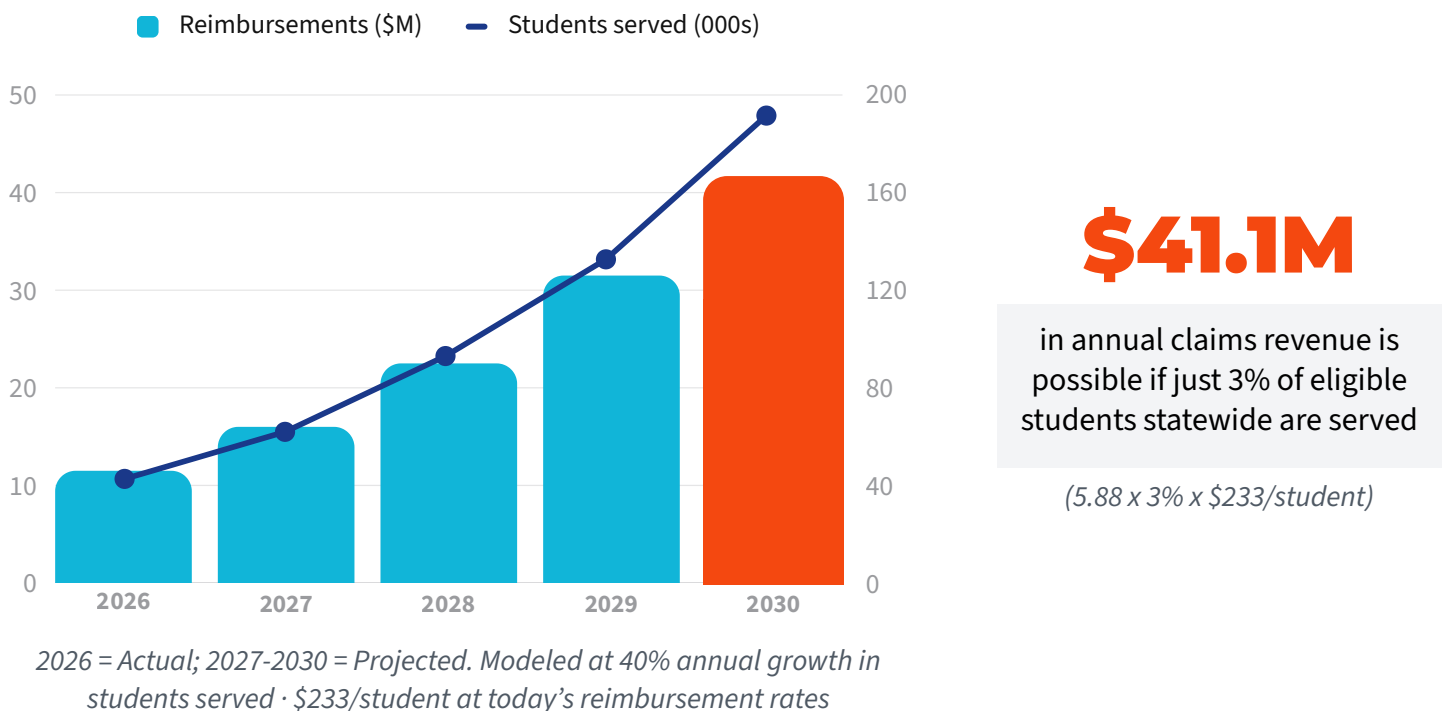


The Road Ahead

The momentum is real. The spring 2026 surge in claims shows that implementation is reaching critical mass. What happens next depends on whether districts, providers, policymakers, and advocates sustain the commitment.

More than \$40 million in annual claims revenue could be achieved if 3% of California's roughly 6 million K-12 public education students received services at the volumes in Spring 2026. Factor in California's 3 million public higher education students, and the potential grows further. Reaching these numbers by 2030 requires 40% year-over-year growth in the total number of students served.

PROJECTED GROWTH: CYBHI FEE SCHEDULE TO 2030



This was the vision: a sustainable funding source for school-based behavioral health where all payers contribute. The policy is in place. The tools exist. What remains is scaling implementation — one district, one provider, one student at a time.

What Needs to Happen

1

More districts must submit their first claims.

About half (44%) of California LEAs are enrolled but far fewer have billed. Converting enrolled-but-not-billing districts into active billers is the next growth lever.

2

Providers need access and awareness.

LEAs need to open up billing to their community providers. Many are limiting the mechanism to their own staff. It is not a zero sum calculation. Adding affiliate providers to their rosters is additive to their own staff - not competition. Further, many CBOs and school-linked providers still don't know this program exists or how to advocate to be included. Coordinated outreach through county offices and advocacy organizations is essential. Districts need to work with community providers to get them onboard and able to bill.

3

Policy barriers must be addressed.

The statewide affiliated provider requirements, multiple-county rule is a real constraint for many providers and districts. A provider in a large county, for example, may serve numerous districts but must enroll individually with each district. The multi-county requirement should be replaced with a multi-district requirement. PAVE enrollment is also a barrier for statewide affiliated providers that are nonprofit organizations, which do not have a PAVE enrollment pathway.

4

Capitalizing start-up costs is a barrier.

The capacity-building grant got districts started, but that money is no longer available. It takes six months to a year to get close to sustainability. Providers and districts without strategic reserves will struggle to bear those costs in the interim. The key barrier districts reported is lack of staff capacity. They need someone - either internal or a contractor - to shepherd the onboarding process. This may be a good short-term role for philanthropy to kickstart the ability to access an ongoing funding source. Districts also need to lean heavily on contracted EHR vendors to support their success.

Acknowledgements

This document was prepared by YLC and PWA in partnership with school districts, county offices of education, institutions of higher education, and community providers participating in the CYBHI Multi-Payer Fee Schedule. Stakeholder interviews were conducted in Q2 2026.

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Amador County Office of Education	Mariposa Unified School District
Anaheim Elementary School District	Palm Springs Unified School District
Butte County Office of Education	San Luis Coastal Unified School District
Carelon Behavioral Health	Santa Barbara County Office of Education
CA Department of Health Care Services (DHCS)	Santa Clara Unified School District
5 Peaks Youth Solutions	Santee School District
Fresno Unified School District	Siskiyou County Office of Education
Hazel Health	

Resources

Numbered citations throughout the report link directly to the primary sources listed below.

1. California Department of Education. [Fast Facts 2025–26 \(Fingertip Facts on Education in California\)](#). July 2026. Accessed July 2026.
2. Legislative Analyst’s Office. [Enrollment by Higher Education Segment](#). June 2024. Accessed July 2026.
3. Council of State Governments Justice Center. [How to Use an Integrated Approach to Address the Mental Health Needs of Youth in the Justice System](#). June 2002. Accessed July 2026.

About Us



Public Works Alliance (PWA) is a national nonprofit collaborative of policy and systems leaders, researchers, providers, and advocates operating at the nexus of healing and economic opportunity.

We partner with change makers within the public systems and mission-driven organizations to reimaging who does healing work, where it happens, and who gets paid to do it.



www.publicworksalliance.org



The Youth Law Center is a national legal advocacy nonprofit that has spent over four decades pushing for reform in foster care and juvenile justice systems. Since 1978, YLC has used litigation, policy advocacy, and public education to reduce reliance on out-of-home care and incarceration, improve conditions in placements, and keep children out of adult jails.

Its current policy work centers on ensuring youth transitioning out of these systems have access to housing, mental health care, and postsecondary education.



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