

# DHCS



California Department of  
**HealthCareServices**

## **IMPLEMENTATION PLAN**

### **MISSION**

To preserve and improve  
the health status of  
all Californians

### **CORE VALUES**

Service  
Accountability  
Innovation

### **VISION**

Quality health care will be  
accessible and affordable  
to all Californians



## Goal 1: Organize Care to Promote Improved Health Outcomes

- Objectives**
- A. Ensure every beneficiary has a medical home
  - B. Provide care in settings that promote community integration
  - C. Promote use of preventive, health improvement and wellness services/activities
  - D. Reduce disparities in health care delivery and health outcomes
  - E. Increase care management for those with the highest health burdens and costs
  - F. Promote quality improvement within the health care delivery system

## Goal 2: Promote Comprehensive Health Coverage

- Objectives**
- A. Enroll eligible individuals
  - B. Retain eligible persons in health coverage

## Goal 3: Measure Health System Performance and Reward Improved Outcomes

- Objectives**
- A. Measure health outcomes and provide information to providers, individuals and the public
  - B. Reward health plans, providers and business partners who are top achievers

## Goal 4: Increase Accountability and Fiscal Integrity

- Objectives**
- A. Establish and monitor performance metrics for DHCS
  - B. Identify and improve high priority business practices
  - C. Improve relationships with business partners, stakeholder groups and policymakers
  - D. Reduce waste and fraud
  - E. Act in accordance with state and federal statutes and regulations
  - F. Identify and secure federal policy and rule changes that support DHCS programs

## Goal 5: Ensure Viability and Availability of Safety Net Services

- Objectives**
- A. Identify mechanisms to maximize federal reimbursement for safety net services
  - B. Maintain availability of and access to safety net services

## Goal 6: Expand and Promote Use of Information Technology

- Objectives**
- A. Identify top priority systems for modernization and improvement
  - B. Establish governance for DHCS and the California Department of Public Health (CDPH) shared information technology infrastructure services
  - C. Transition the support and control of non-infrastructure information technology services to CDPH

## Goal 7: Recruit, Retain, Train and Nurture High Quality, Diverse Staff

- Objectives**
- A. Improve human resource processes and outcomes
  - B. Increase communication with employees about the impact of the DHCS' work
  - C. Promote worksite wellness
  - D. Support employee professional development and upward mobility
  - E. Participate in statewide and national policy organizations



## DHCS Division Key

Short Division Name	Full Division Name (if different from Short Title)
Administration	
Audits & Investigations	
Benefits	Medi-Cal Benefits, Waivers Analysis, and Rates
Civil Rights	Office of Civil Rights
Clinical Preventive Medicine <sup>1</sup>	Office of Clinical Preventive Medicine
Director's Office	
Eligibility	Medi-Cal Eligibility
Federal Policy Advisor	Director's Office
Fiscal Oversight	Fiscal Intermediary and Contracts Oversight
HIPAA Compliance	Office of HIPAA Compliance
Information Technology	Information Technology Services
Legal Services	Office of Legal Services
Legislative	Legislative & Governmental Affairs
Long-Term Care	
Managed Care	Medi-Cal Managed Care
Medi-Cal Procurement	Office of Medi-Cal Procurement
Multicultural Health <sup>1</sup>	Office of Multicultural Health
Pharmacy	Pharmacy Benefits
Primary and Rural Health	
Privacy Officer	Office of Legal Services
Provider Enrollment	
Public Affairs	Office of Public Affairs
Safety Net Financing	
Security Officer	Information Technology Services
Systems of Care	
Third Party Liability	Third Party Liability & Recovery
Utilization Management	
Women's Health <sup>1</sup>	Office of Women's Health

<sup>1</sup> Denotes a policy office.



## Goal 1: Organize Care to Promote Improved Health Outcomes

### A. Ensure every beneficiary has a medical home

Actions		Responsible Division(s)- Short Title <sup>2,3</sup>
1.	Use the ten Health Care Coverage Initiative sites to ensure medical homes for low-income, uninsured individuals, covered under the section 1115 hospital financing demonstration waiver.	<b>Safety Net Financing</b>
2.	Increase access to a medical home through geographic managed care expansion.	
a	San Luis Obispo County Expansion	<b>Managed Care</b>
b	Placer County Expansion	<b>Managed Care</b>
c	Sonoma, Lake and Mendocino Counties Expansion	<b>Managed Care</b>
d	Madera, Kings and Fresno Counties Expansion	<b>Managed Care</b>
e	Merced and Ventura Counties Expansion	<b>Managed Care</b>
f	San Benito, El Dorado and Imperial Counties Expansion	<b>Managed Care</b>
3.	Increase enrollment of seniors and persons with disabilities into Medi-Cal managed care by piloting targeted informational and educational outreach strategies in Alameda, Sacramento and Riverside Counties.	<b>Managed Care</b>
4.	Increase the number of Medi-Cal beneficiaries who make a proactive choice to join a managed health care plan to ensure that beneficiaries have an established medical home under the new Health Care Options (HCO) Enrollment Broker contract.	<b>Fiscal Oversight</b>
5.	Ensure beneficiaries enrolled in managed care plans have an established medical home.	<ul style="list-style-type: none"> <li>• <b>Managed Care</b></li> <li>• <b>Fiscal Oversight</b></li> <li>• Clinical Preventive Medicine</li> <li>• Multicultural Health</li> <li>• Women's Health</li> </ul>

### B. Provide care in settings that promote community integration

Actions		Responsible Division(s)- Short Title
A.	Provide Home and Community Based Services (HCBS) through waivers and demonstration projects, allowing individuals to remain in their homes and promoting community integration.	
a	Establish additional sites for the Program for All-Inclusive Care for the Elderly (PACE).	<b>Long-Term Care</b>
b	Maintain and evaluate operations for the HIV/AIDS waiver.	<b>Benefits</b>
c	Maximize the effectiveness of the Nursing Facility/Acute Hospital (NF/AH) waiver by ensuring ongoing state budget neutrality requirements are met and federal flexibilities (i.e. the Deficit Reduction Act Home and Community-Based Services State Plan Option) are maximized.	<b>Long-Term Care</b>
d	Develop a 1915(c) Self-Directed Services Waiver for individuals with developmental disabilities.	<ul style="list-style-type: none"> <li>• <b>Long-Term Care</b></li> <li>• <b>Benefits</b></li> </ul>
e	Maintain waiver operations for the Multipurpose Senior Services Program (MSSP).	<ul style="list-style-type: none"> <li>• <b>Long-Term Care</b></li> <li>• <b>Benefits</b></li> </ul>
f	Maintain waiver operations for the In-Home Supportive Services Plus Program and assess the feasibility of converting the waiver to a 1915(j) Home and	<ul style="list-style-type: none"> <li>• <b>Long-Term Care</b></li> </ul>

<sup>2</sup> Divisions with primary responsibility are noted in **bold text**.

<sup>3</sup> See page 3 for full name of the responsible division/office.

Actions		Responsible Division(s)- Short Title
	Community-Based Services State Plan Option.	• <b>Benefits</b>
g	Fully implement the Assisted Living Waiver Pilot Project in the three selected counties.	<b>Long-Term Care</b>
B.	Restructure the Adult Day Health Care Benefit (ADHC) to comply with federal policy.	<b>Benefits</b>
C.	Ensure provision of health care services to former consumers of Agnews Developmental Center who have moved into community homes (in collaboration with Department of Developmental Services, Bay Area regional centers and three Medi-Cal managed care health plans).	<b>Managed Care</b>
D.	Develop a program to provide community-living support benefits to Medi-Cal beneficiaries who reside in the City and County of San Francisco (in collaboration with the City and County of San Francisco).	<b>Long-Term Care</b>
E.	Implement the Money Follows the Person Grant demonstration.	<b>Long-Term Care</b>
F.	Develop and implement the California Pathways Real Choice Systems Change Grant to develop and field test an assessment and transition protocol (Preference Interview Tool) for nursing home residents who choose to transition to community-placement.	<b>Long-Term Care</b>
G.	Provide oversight, monitoring and technical assistance to schools that provide assessments and direct health services to special education students.	<b>Safety Net Financing</b>

### C. Promote use of preventive, health improvement and wellness services/activities

Actions		Responsible Division(s)- Short Title
1.	Ensure all Health Care Coverage Initiative program enrollees have access to primary and preventative services as part of covered services provided under the Health Care Coverage programs.	<b>Safety Net Financing</b>
2.	Work with the federal government to ensure ongoing authorization of the Family Planning, Access, Care and Treatment (Family PACT) waiver.	<b>Benefits</b>
3.	Assess the feasibility of developing statewide programs to encourage Medi-Cal fee-for-service and managed care beneficiaries to receive medically appropriate vision services.	
a	Assess the feasibility of developing a statewide program promoting visits to an optometrist or ophthalmologist annually for a dilated eye examination and to educate primary care providers to make the necessary referrals for individuals diagnosed with diabetes.	<b>Pharmacy</b>
b	Assess the feasibility of developing a statewide program to increase the number of Medi-Cal preschool children ages 5 years and younger receiving a vision examination.	<b>Pharmacy</b>
c	Assess the feasibility of developing a statewide program to increase the use of low vision services and devices by Medi-Cal recipients with visual impairments.	<b>Pharmacy</b>
4.	Promote the use of clinical tools in Medi-Cal to raise awareness about effective prevention strategies.	
a	Staying Healthy Assessment, a behavioral risk assessment tool.	• <b>Clinical Preventive Medicine</b> • <b>Managed Care</b>
b	The California Food Guide, an electronic copyright free technical manual on nutrition for health care professionals.	<b>Clinical Preventive Medicine</b>
5.	Assess and improve the delivery of preventive services in Medi-Cal.	
a	Conduct a detailed assessment of preventive services provided in programs under DHCS to identify services and interventions designed to correct health disparities.	• <b>Clinical Preventive Medicine</b> • Women's Health • Multicultural Health
b	Convene a Prevention Forum to share knowledge and best practices on preventive services involving CDPH and other state departments.	<b>Clinical Preventive Medicine</b>

<b>Actions</b>	<b>Responsible Division(s)- Short Title</b>
6. Organize and convene an expert advisory group to assess the health education needs and materials for the Gynecological Cancer Information Project (GCIP); to make recommendations on updates for current materials; and to translate and produce materials in multiple languages.	<ul style="list-style-type: none"> <li>• <b>Women's Health</b></li> <li>• Clinical Preventive Medicine</li> <li>• Multicultural Health</li> </ul>
7. Conduct annual health education and awareness campaigns to highlight Women's Health.	<b>Women's Health</b>

#### **D. Reduce disparities in health care delivery and health outcomes**

<b>Actions</b>	<b>Responsible Division(s)- Short Title</b>
1. Assist the Language Access Taskforce in making recommendations to develop a model for the economical and effective delivery and reimbursement of translation services in Medi-Cal.	<b>Multicultural Health</b>
2. Assess the delivery of health education, cultural and linguistic services for Medi-Cal and other DHCS program beneficiaries.	<b>Multicultural Health</b>
3. Implement a Memorandum of Understanding (MOU) with the California Department of Corrections and Rehabilitation (CDCR) and county welfare departments to facilitate Medi-Cal eligibility determinations for youths and adults released from incarceration.	<b>Eligibility</b>
4. Implement SB 1469 which requires county juvenile detention facilities to provide specific information to the appropriate county welfare department for a ward who is to be released so that the county can establish Medi-Cal eligibility for the ward.	<b>Eligibility</b>
5. Update statewide resource guide on women's health services and programs.	<b>Women's Health</b>

#### **E. Increase care management for those with the highest health burdens and costs**

<b>Actions</b>	<b>Responsible Division(s)- Short Title</b>
1. Facilitate coordinated care and the use of evidence-based treatment guidelines in developing plans of care for beneficiaries with high health burdens and costs.	
a Fully implement the California Mental Health Care Management Program (CalMEND) which promotes access to, and integration of, mental health services across the continuum of care.	<b>Pharmacy</b>
b Implement programs to coordinate care and test the efficacy of providing disease management models in the Medi-Cal fee-for-service environment for seniors and persons with disabilities and individuals with chronic conditions/diseases.	
1 Disease Management I for Medi-Cal beneficiaries diagnosed with one of six specific diseases.	<b>Systems of Care</b>
2 Disease Management (DM) II for Medi-Cal beneficiaries diagnosed with HIV/AIDS.	<b>Systems of Care</b>
3 Develop the Coordinated Care Management Pilot that will maintain access to medically necessary and appropriate services, improve health outcomes, and provide care in a more cost effective manner for (a) seniors and persons with disabilities with chronic conditions or individuals with serious illnesses who may be at the end of life; and (b) seniors and persons with disabilities with chronic conditions and Serious Mental Illness (SMI).	<b>Systems of Care</b>
c Extend the HIV/AIDS Pharmacy Pilot Program, through which DHCS is assessing outcomes associated with medication therapy management services in 10 pilot pharmacies, until June 30, 2009.	<b>Pharmacy</b>
2. Collaborate with the California Department of Developmental Services (CDDS) to share data regarding regional center consumers enrolled in Medi-Cal managed care plans in order to facilitate the coordination of services for individuals who have a developmental	<b>Managed Care</b>

<b>Actions</b>	<b>Responsible Division(s)- Short Title</b>
disability.	
3. Begin modernization of the Medical Case Management (MCM) Program to identify high cost clients through a data-driven process using a predictive modeling strategy.	<b>Systems of Care</b>
4. Develop and implement the Pediatric Palliative Care Waiver to allow terminally ill children to receive palliative care services in addition to curative services.	<ul style="list-style-type: none"> <li>• <b>Systems of Care</b></li> <li>• <b>Benefits</b></li> </ul>
5. Administer the American Indian Infant Health Initiative (AIIHI) home visiting program for American Indian pregnant women and parenting families at high risk for infant mortality and late entry into prenatal care.	<b>Primary and Rural Health</b>
6. Provide oversight and monitoring to county providers that render targeted case management services to Medi-Cal eligible individuals in a defined target population to gain access to needed medical, social, educational, and other services.	<b>Safety Net Financing</b>

## **F. Promote quality improvement within the delivery system**

<b>Actions</b>	<b>Responsible Division(s)- Short Title</b>
1. Engage in state-level quality improvement projects.	
a   Expand the California Children's Services (CCS) Neonatal Quality Improvement (NQI) Project to include all CCS approved regional neonatal intensive care units.	<b>Systems of Care</b>
b   Conduct a statewide quality improvement collaborative in managed care to reduce avoidable emergency room visits.	<b>Managed Care</b>
2. Administer quality improvement projects for rural providers based on guidance and priorities from the federal government.	
a   Provide federal funds to enable eligible Critical Access Hospitals (CAH) and small rural hospitals to participate in federal quality improvement (QI) projects that measure patient outcomes.	<b>Primary and Rural Health</b>
b   Provide quality improvement training to assist rural providers i.e. physicians, hospitals and clinics in establishing/maintaining internal quality improvement systems/programs.	<b>Primary and Rural Health</b>
c   Award Federal Small Rural Hospital Improvement Grant Program (SHIP) funds to small rural hospitals to upgrade existing quality improvement programs.	<b>Primary and Rural Health</b>
3. Participate in national health care quality improvement collaboratives with public and private partners.	
a   Attend the U.S. Agency for Healthcare Research and Quality (AHRQ) workshop to obtain technical assistance and consultation regarding quality improvement strategies to increase the quality and value of health care services.	<ul style="list-style-type: none"> <li>• <b>Director's Office</b></li> <li>• <b>Various divisions</b></li> </ul>
b   Participate in Health Resources and Services Administration (HRSA) national quality faculty activities during 2008.	<b>Clinical Preventive Medicine</b>



## Goal 2: Promote Comprehensive Health Coverage

### A. Enroll eligible individuals

Actions		Responsible Division(s)- Short Title
1. Implement revised joint Medi-Cal/Healthy Families application.		Eligibility
2. Ensure enrollment of Medi-Cal eligibles through the Medi-Cal Administrative Activities Program (MAA).		Safety Net Financing
3. Develop and implement gateway programs to facilitate Medi-Cal enrollment.		
a	Develop the AB 1948 Child Health and Disability Prevention (CHDP) gateway.	Eligibility
b	Develop the SB 24 Prenatal Gateways.	Eligibility
c	Develop the SB 437 Presumptive Eligibility (PE) processes.	Eligibility
4. Develop and implement a two-county income self-certification pilot program.		Eligibility

### B. Retain eligible persons in health coverage

Actions		Responsible Division(s)- Short Title
1. Conduct county eligibility performance reviews related to timeliness of making initial eligibility determinations, conducting annual redeterminations, processing worker alerts and bridging individuals to other public programs.		Eligibility
2. Expand the Health Insurance Premium Payment (HIPPP) program to ensure that low-income individuals are able to maintain other health insurance coverage with Medi-Cal wrap-around.		Third Party Liability
3. Evaluate the ability of each of the ten counties implementing Health Care Coverage Initiative programs to sustain the health care coverage expansion program to the target populations in those counties without reliance on continued state or federal funding.		Safety Net Financing



## Goal 3: Measure Health System Performance and Reward Improved Outcomes

### A. Measure health outcomes and provide information to providers, individuals, and the public

Actions		Responsible Division(s)- Short Title
1. Use Healthcare Effectiveness Data and Information Set (HEDIS) to measure beneficiary outcomes and produce reports on Medi-Cal managed care plan performance.		
a	Require all Medi-Cal managed care plans to submit to an External Accountability Set (EAS) compliance audit, which ensures that HEDIS performance measurement results for each health plan are accurate, reliable, and publicly reported so they can be used by providers, beneficiaries, health plans and the public.	Managed Care
b	Evaluate the 12 HEDIS measures currently reported by the Medi-Cal managed care plans to determine possible replacement with measures that focus on seniors and persons with disabilities.	Managed Care
c	Provide Medi-Cal beneficiaries with annual updates on plan performance, via the DHCS website or printed materials, to inform beneficiaries' managed care plan selection.	Managed Care
2. Participate in, and disseminate findings from, consumer satisfaction surveys.		
a	Conduct biennial Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey to determine Medi-Cal managed care beneficiaries' satisfaction with providers and assigned health plans.	<ul style="list-style-type: none"> <li>• Managed Care</li> <li>• Clinical Preventive Medicine</li> <li>• Multicultural Health</li> <li>• Women's Health</li> </ul>
b	Implement a pilot satisfaction survey for disabled individuals enrolled in home and community-based services waivers.	Long-Term Care
3. Implement enhanced performance standards and requirements for Medi-Cal managed care plans serving seniors and persons with disabilities to improve beneficiary health outcomes.		Managed Care
4. Measure and report women's health outcomes.		
a	Co-chair the California Women's Health Survey (CWHS) workgroup that develops and beta tests questions for the survey in order to assess women's health and their care within the health care system.	Women's Health
b	Coordinate the interagency analysis and publication of the CWHS findings, widely distribute the report, and conduct policy briefings.	Women's Health
c	Develop a women's health report card/consumer guide to inform consumer decisions about choice of health plans/providers and motivate improved plan/provider performance.	Women's Health
5. Develop and distribute the annual comprehensive report on rural health status to rural providers and stakeholders.		Primary and Rural Health
6. Evaluate the change in health care outcomes of individuals enrolled in the Health Care Coverage Initiative programs and provide the information, as a component of the overall program evaluation, to key stakeholder and control agencies.		Safety Net Financing

## B. Reward health plans, providers, and business partners who are top achievers

Actions		Responsible Division(s)- Short Title
1.	Maintain a default enrollment algorithm that rewards better performing Medi-Cal managed care plans with default enrollments.	<b>Managed Care</b>
2.	Convene the Annual Medi-Cal Managed Care Quality Conference to publicly recognize and reward plans for superior achievement based on Healthcare Effectiveness Data and Information System (HEDIS), Consumer Assessment of Healthcare Providers and Systems (CAHPS), and other quality measures.	<b>Managed Care</b>
3.	Ensure that all quality assessments, studies, and collaboratives include gender and race/ethnicity breakdowns to assess and eliminate health disparities by gender and race/ethnicity.	<ul style="list-style-type: none"> <li>• <b>Women's Health</b></li> <li>• <b>Multicultural Health</b></li> </ul>
4.	Implement pay-for-performance (P4P) programs within DHCS programs.	
a	Assess the feasibility of a P4P program for skilled nursing facilities.	<b>Benefits</b>
b	Develop a P4P program for managed care plans.	<b>Managed Care</b>



## Goal 4: Increase Accountability and Fiscal Integrity

### A. Establish and monitor performance metrics for DHCS

Actions	Responsible Division(s)- Short Title
1. Develop a Medi-Cal Performance Dashboard Report.	<ul style="list-style-type: none"> <li>• Director's Office</li> <li>• All divisions</li> </ul>
2. Develop a DHCS Internal Operations Performance Dashboard Report.	<ul style="list-style-type: none"> <li>• Director's Office</li> <li>• All divisions</li> </ul>
3. Establish a contractual relationship with University of California (UC) for research and evaluation services for the Medi-Cal program.	<ul style="list-style-type: none"> <li>• Director's Office</li> <li>• Various divisions</li> </ul>

### B. Identify and improve high priority business practices

Actions	Responsible Division(s)- Short Title
1. Implement quality assurance activities to improve the consistency and timeliness of treatment authorization request (TAR) adjudication within Medi-Cal field offices and pharmacy sections.	
a. Improve consistency of hospital inpatient TAR decisions.	Utilization Management
b. Improve timeliness of pharmacy TAR adjudications.	Utilization Management
2. Ensure major procurements and contracts are developed in accordance with established timelines.	
a. California Medicaid Management Information System (CA-MMIS) procurement.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Fiscal Oversight</li> </ul>
b. Fiscal Intermediary (FI) reprocurement.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Fiscal Oversight</li> </ul>
c. Health Care Options (HCO) contract.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Fiscal Oversight</li> </ul>
d. External Quality Review Organization (EQRO) reprocurement.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Managed Care</li> </ul>
e. Other Healthcare Coverage (OHC) contractor reprocurement.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Third Party Liability</li> </ul>
f. Hearing aid contracting.	<ul style="list-style-type: none"> <li>• Medi-Cal Procurement</li> <li>• Benefits</li> </ul>
g. Durable Medical Equipment (DME) contracting.	Benefits
h. Medical supply/enteral supply contracting.	Pharmacy

### C. Improve relationships with business partners, stakeholder groups, and policymakers

Actions		Responsible Division(s)- Short Title
1.	Meet regularly with business partners and stakeholder groups to provide technical assistance and develop effective resolutions to program policies that create barriers to access and/or reimbursement.	<ul style="list-style-type: none"> <li>• Director's Office</li> <li>• All divisions</li> </ul>
2.	Calculate Medi-Cal managed care rates on new rate methodology and distribute to participating plans in a timely manner.	
a	Disseminate capitation rates for FY 2008-09 rate periods.	Managed Care
b	Secure approval for proposed annual rate process for FY 2009-10 and beyond.	Managed Care
3.	Expand Medi-Cal outreach to over 1,100 stakeholders on departmental activities where input is desired from a broad diverse group of individuals using ListServ distribution lists.	<ul style="list-style-type: none"> <li>• Information Technology</li> <li>• Director's Office</li> </ul>
4.	Monitor and improve response time to requests for public information.	Legal Services
5.	Publicly report on innovative programs.	
a	Use the DHCS website to update the public.	<ul style="list-style-type: none"> <li>• Public Affairs</li> <li>• Various divisions</li> </ul>
6.	Procure contractor services to develop and implement an automated provider enrollment process.	Provider Enrollment
7.	Establish a Data and Research Committee to develop overarching principles for data release/sharing and departmental research priorities.	<ul style="list-style-type: none"> <li>• Director's Office</li> <li>• Clinical Preventive Medicine</li> </ul>

### D. Reduce waste and fraud

Actions		Responsible Division(s)- Short Title
1.	Implement the Medi-Cal Fraud Control Strategic Plan.	
a	Conduct the annual Medi-Cal Payment Error Study (MPES) to detect, identify and prevent fraud and abuse in the Medi-Cal Program, gauge the seriousness of the problem and develop appropriate fraud control strategies.	<ul style="list-style-type: none"> <li>• Audits &amp; Investigations</li> <li>• Eligibility</li> <li>• Fiscal Oversight</li> </ul>
b	Continue strategic planning fraud efforts with other state departments on crosscutting issues.	Audits & Investigations
c	Conduct site visits to counties and schools that administer the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) programs to detect, identify, and prevent fraud and abuse.	<ul style="list-style-type: none"> <li>• Safety Net Financing</li> <li>• Audits &amp; Investigations</li> </ul>
2.	Participate in the Federal Payment Error Rate Measurement (PERM) reviews and report findings as required to the selected federal contractors.	<ul style="list-style-type: none"> <li>• Audits &amp; Investigations</li> <li>• Eligibility</li> <li>• Fiscal Oversight</li> </ul>
3.	Review provider payment litigation cases brought against a state entity to identify and correct inefficiencies in the claims processing system and inadequate billing instructions found during these reviews.	Fiscal Oversight
4.	Require Medi-Cal providers to periodically re-enroll to prevent fraud.	Provider Enrollment
5.	Complete Therapeutic Category Reviews (TCR) of pharmaceuticals to identify and eliminate costly duplicate drugs and to modify procedures in order to streamline the process.	Pharmacy
6.	Provide education, training, and technical assistance to providers and the public on matters related to fraud and abuse.	
a	Provide program integrity training and guidance to contracted health plans on suspected fraud and abuse.	<ul style="list-style-type: none"> <li>• Managed Care</li> <li>• Audits &amp; Investigations</li> </ul>
b	Inform the public of the mechanism for referring potential fraudulent activities to A&I.	Audits & Investigations

## E. Act in accordance with state and federal statutes and regulations

Actions		Responsible Division(s)- Short Title
1. Comply with state and federal reporting requirements.		
a	Complete legislatively mandated reports on DHCS activities.	<b>Legislative</b>
b	Complete federally required reports on waiver/demonstration and grant funded projects.	<ul style="list-style-type: none"> <li>• <b>Applicable divisions</b></li> <li>• <b>Safety Net Financing</b></li> </ul>
2. Comply with state statutory requirements for developing regulations.		<ul style="list-style-type: none"> <li>• <b>Legal Services</b></li> <li>• <b>Applicable divisions</b></li> </ul>
3. Identify and evaluate the merits of continuing programs with a legislative sunset date.		<ul style="list-style-type: none"> <li>• <b>Legislative</b></li> <li>• All divisions</li> </ul>
a	Extend state legislation for skilled nursing facility reimbursement.	<b>Benefits</b>
b	Extend sunset date via legislation for telemedicine (teleophthomology and teledermatology services-store and forward) program.	<b>Benefits</b>
c	Extend the HIV/AIDS Pharmacy Pilot Program.	<b>Pharmacy</b>
d	Extend sunset date for 250 percent Working Disabled Program (WDP).	<b>Eligibility</b>
e	Eliminate the sunset date for Intermediate Care Facility/Developmental Disabilities-Continuous Nursing Pilot Project	<b>Long-Term Care</b>
4. Comply with required provisions of the Deficit Reduction Act (DRA) 2005.		
a	Develop a State Plan Amendment to comply with the DRA requirements on the implementation of Employee Education Requirements on the False Claims Act.	<ul style="list-style-type: none"> <li>• <b>Provider Enrollment</b></li> <li>• <b>Fiscal Oversight</b></li> </ul>
b	Collect National Drug Codes from physicians and hospitals in order to meet DRA requirements.	<ul style="list-style-type: none"> <li>• <b>Fiscal Oversight</b></li> <li>• <b>HIPAA Compliance</b></li> </ul>
c	Monitor implementation of DRA citizenship and identity verification requirements.	<b>Eligibility</b>
d	Monitor implementation of DRA citizenship and identity verifications in the Health Care Coverage Initiative programs.	<b>Safety Net Financing</b>
e	Implement the transfer of asset provisions for seeking skilled nursing facility and home and community-based services.	<ul style="list-style-type: none"> <li>• <b>Eligibility</b></li> <li>• <b>Long-Term Care</b></li> </ul>
f	Implement the home equity provisions for seeking skilled nursing facility and home and community-based services.	<ul style="list-style-type: none"> <li>• <b>Eligibility</b></li> <li>• <b>Long-Term Care</b></li> </ul>
g	Implement the DRA Targeted Case Management regulations.	<ul style="list-style-type: none"> <li>• <b>Safety Net Financing</b></li> <li>• <b>Legal Services</b></li> <li>• <b>Systems of Care</b></li> <li>• <b>Benefits</b></li> </ul>
h	Implement the managed care rate for non-contract providers of emergency services.	<b>Managed Care</b>
5. Conduct Medicaid Eligibility Data System (MEDS) remediation to meet Social Security Administration requirements for authorized access to confidential federal information.		<ul style="list-style-type: none"> <li>• <b>Eligibility</b></li> <li>• <b>Information Technology</b></li> </ul>
6. Comply with required provisions of the Health Insurance Portability and Accountability Act (HIPAA) pertaining to use of industry standards for codes, transactions, provider identifiers, privacy, and security.		
a	Conduct HIPAA compliance audits, in conjunction with California Office of HIPAA Implementation (CalOHI), and other state departments that administer portions of the Medi-Cal program.	<ul style="list-style-type: none"> <li>• <b>HIPAA Compliance</b></li> <li>• <b>Privacy Officer</b></li> <li>• <b>Security Officer</b></li> </ul>
b	Increase monitoring and oversight of business partners for regulatory compliance with HIPAA and DHCS data use requirements.	<ul style="list-style-type: none"> <li>• <b>Privacy Officer</b></li> <li>• <b>HIPAA Compliance</b></li> </ul>
c	Continue transition to industry standard, HIPAA-compliant billing codes.	<b>HIPAA Compliance</b>
7. Implement contract pricing for medical supplies.		<b>Fiscal Oversight</b>
8. Implement system to obtain rebates for physician injectable drugs.		<b>Fiscal Oversight</b>
9. Implement contract pricing for hearing aids.		<b>Fiscal Oversight</b>

## F. Identify and secure federal policy and rule changes that support DHCS programs

Actions	Responsible Division(s)- Short Title
1. Utilize California's Congressional leadership role to ensure California receives equitable treatment relative to the federal programs administered by DHCS.	<ul style="list-style-type: none"> <li>• <b>Director's Office</b></li> <li>• <b>Various divisions</b></li> </ul>
2. Develop timely and effective data-driven arguments in response to federal regulatory, legislative, and administrative changes which significantly impact program operations.	<ul style="list-style-type: none"> <li>• <b>Federal Policy Advisor</b></li> <li>• <b>Various divisions</b></li> </ul>
3. Actively participate in national Standards Development Organizations (SDOs) and workgroups that advise the federal government on the development of new or revised laws and regulations for HIPAA technical and policy requirements. Such SDOs and workgroups include: <ul style="list-style-type: none"> <li>• Accredited Standards Committee X12</li> <li>• Health Level Seven</li> <li>• National Council for Prescription Drug Programs</li> <li>• Workgroup for Electronic Data Interchange (EDI)</li> <li>• National Medicaid EDI Healthcare Workgroup</li> </ul>	<b>HIPAA Compliance</b>



## Goal 5: Ensure Viability and Availability of Safety Net Services

### A. Identify mechanisms to maximize federal reimbursement for safety net services

Actions:		Responsible Division(s)- Short Title
1. Implement and monitor the effectiveness of federally-approved funding methodologies in State Plan Amendments and federal waivers that maintain/increase federal reimbursements to safety net providers.		
a	Implement and administer the section 1115 demonstration hospital financing waiver in accordance with the federally approved Special Terms and Conditions for the waiver.	<b>Safety Net Financing</b>
b	Implement the Tribal Medi-Cal Administrative Activities program to reimburse tribes and tribal organizations.	<b>Safety Net Financing</b>
2. Continue to utilize allowable federal funding reimbursement methodologies to support safety net health systems: <ul style="list-style-type: none"> <li>Federally permissible intergovernmental transfers and certified public expenditures by local governments.</li> <li>Federal Small Rural Hospital Improvement Grant Program (SHIP) which provides small rural hospitals funds to update Prospective Payment Reimbursement systems.</li> <li>Federal Medicare Rural Hospital Flexibility (FLEX) program to pay for financial consultation, economic analysis consultation, and attendance at financial management training to maintain and increase the availability of Critical Access Hospitals in rural areas.</li> </ul>		<ul style="list-style-type: none"> <li><b>Safety Net Financing</b></li> <li><b>Primary and Rural Health</b></li> </ul>
a	Administer the federal SHIP program, which provides small rural hospitals with funds to update prospective payment reimbursement systems.	<b>Primary and Rural Health</b>
b	Administer the federal FLEX program to pay for financial consultation, economic analysis consultation, and attendance at financial management training to maintain and increase the availability of Critical Access Hospitals (CAH) in rural areas.	<b>Primary and Rural Health</b>
3. Continue to administer state and federal reimbursement programs to sustain safety net clinic operations including:		
a	Administer the state-funded Expanded Access to Primary Care (EAPC) program that reimburses clinics for uncompensated care.	<b>Primary and Rural Health</b>
b	Administer the state funds to support salary and operational costs for community based primary care clinics serving underserved populations to increase the number of annually reported visits.	<b>Primary and Rural Health</b>
c	Administer the "Grants in Aid" which provides one-time grant funding to sustain critical levels of primary care services in clinics.	<b>Primary and Rural Health</b>
4. Provide supplemental/enhanced payments to the following eligible safety net providers: <ul style="list-style-type: none"> <li>Public freestanding, non hospital-based clinics</li> <li>State Veteran's Homes</li> <li>Government-operated hospitals or governmental entities</li> <li>Private trauma hospitals in Los Angeles and Alameda Counties</li> <li>Hospital distinct-part nursing facilities</li> <li>Specific hospitals for partial reimbursement of debt service costs for construction, renovation, and replacement or retrofitting facilities</li> <li>Eligible public hospitals for outpatient services</li> </ul>		<b>Safety Net Financing</b>
5. Identify additional or new, allowable federal funding reimbursement methodologies to support safety net health systems.		<b>Safety Net Financing</b>

## B. Maintain availability of and access to safety net services

Actions:	Responsible Division(s)- Short Title
1. Support the safety net infrastructure using Medi-Cal managed care plan subcontracting requirements with safety net community clinics and hospitals.	<b>Managed Care</b>
2. Maintain the use of inpatient and outpatient safety net providers in the Medi-Cal managed care annual default algorithm for assignment of beneficiaries who fail to self-select a managed care plan.	<b>Managed Care</b>
3. Place 30 new foreign-born primary care physicians in safety net delivery systems in underserved areas through administration of the State J-1 Visa Waiver Program on an annual basis.	<b>Primary and Rural Health</b>
4. Develop and monitor emergency preparedness in tribal communities through continued work with the California Department of Public Health (CDPH) Emergency Preparedness Office (EPO).	<b>Primary and Rural Health</b>
5. Develop and implement the California Prescription Drug Discount Program.	<b>Pharmacy</b>
6. Encourage contracting for the Subacute Care Program.	<b>Safety Net Financing</b>



## Goal 6: Expand and Promote Use of Information Technology

### A. Identify top priority systems for modernization and improvement

Actions		Responsible Division(s)- Short Title
1. Replace current legacy systems with new technology that is flexible, scalable, and able to support business programs.		
a	Replace the California Medicaid Management Information System (CA-MMIS) – see Goal 4.B.2.a.	<b>Fiscal Oversight</b>
b	Assess the feasibility of replacing the Medi-Cal Eligibility Data System (MEDS).	<ul style="list-style-type: none"> <li>• <b>Information Technology</b></li> <li>• <b>HIPAA Compliance</b></li> </ul>
c	Replace the Short-Doyle Medi-Cal (SD/MC) claims system for behavioral health services to meet HIPAA compliance.	<ul style="list-style-type: none"> <li>• <b>HIPAA Compliance</b></li> <li>• Information Technology</li> <li>• Benefits</li> </ul>
d	Complete revisions to the Rebate Accounting Information System which collects and processes all Medi-Cal drug manufacturers' rebate invoices and claims.	<ul style="list-style-type: none"> <li>• <b>Fiscal Oversight</b></li> <li>• Pharmacy</li> </ul>
2. Update the Agency Information Management Strategy (AIMS) document to ensure Department compliance in meeting statewide information technology (IT) project planning and prioritization requirements.		<b>Information Technology</b>
3. Develop and Implement a new DHCS IT Governance Process to guide the application of IT resources throughout the department.		<ul style="list-style-type: none"> <li>• <b>Information Technology</b></li> <li>• All divisions</li> </ul>
4. Maximize reusability and interoperability of IT applications and increase IT agility through the use of Service Oriented Architecture (SOA).		<b>Information Technology</b>
a	Undertake the Medicaid Information Technology Architecture (MITA) self-assessment to identify all business processes and associated key systems and to establish desired future information technology capabilities for Medi-Cal.	<b>HIPAA Compliance</b>
b	Develop and implement a new case management system capable of capturing call volume, client information, state hearing information and producing meaningful reports for managed care plans.	<ul style="list-style-type: none"> <li>• <b>Managed Care</b></li> <li>• Information Technology</li> </ul>
c	Replace the manual managed care plan capitation process with an automated process using current industry standards.	<b>HIPAA Compliance</b>
5. Work with providers and stakeholder groups to develop policies to support increased adoption of health information technology (HIT) and health information exchange (HIE) solutions to improve access and health care quality.		
a	Prepare systems for delivery of formulary, eligibility and medication history data to practice management tools at the point-of-care.	<b>Fiscal Oversight</b>
b	Enhance the telemedicine benefit.	<b>Benefits</b>
5. Develop, maintain, and test an enterprise-wide Operational Recovery Plan (ORP) and the Disaster Recovery Plan.		<ul style="list-style-type: none"> <li>• <b>Information Technology</b></li> <li>• <b>HIPAA Compliance</b></li> </ul>
6. Implement effective strategies through the Information Security Office (ISO) to ensure data availability, confidentiality and integrity to mitigate accidental or deliberate unauthorized change, destruction or disclosure.		
a	Encrypt all hardware and portable storage devices including desktops, laptops, PDAs and removable storage media such as thumb drives, CDs, DVDs, and portable hard drives.	<b>Information Technology</b>
b	Transition from tape-based data transmissions.	<b>Information Technology</b>
c	Secure tape-based data backups done by DHCS staff.	<b>Information Technology</b>
d	Secure tape-based data backups of DHCS data done by DTS and sent offsite, including Disaster Recovery and Operational Recovery data.	<b>Information Technology</b>

**B. Establish governance for DHCS and the California Department of Public Health (CDPH) shared information technology infrastructure services**

Actions	Responsible Division(s)- Short Title
1. In collaboration with CDPH, develop a governance process to oversee the provision of shared IT infrastructure services for CDPH and DHCS.	Information Technology

**C. Transition the support and control of non-infrastructure information technology services to CDPH**

Actions	Responsible Division(s)- Short Title
1. Collaborate with CDPH to plan the transition of non-infrastructure services from DHCS control to CDPH.	Information Technology
2. Collaborate with CDPH to transition the support and control of non-infrastructure services and applications from DHCS to CDPH. Services will be transitioned using a phased in approach over 2 years to leverage on existing staff and replacement purchases for equipment.	Information Technology



## Goal 7: Recruit, Retain, Train and Nurture High Quality, Diverse Staff

### A. Improve human resources processes and outcomes

Actions	Responsible Division(s)- Short Title
1. Identify priorities for Work Force Planning and Development Office (WFPDO).	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> </ul>
2. Establish Work Force Planning and Development Office (WFPDO).	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> </ul>
3. Reduce vacancy rates each quarter and year-to-year.	All divisions
4. Retain contract services for an independent Business Process Improvement/Process Flow analysis for internal hiring practices.	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> </ul>
5. Retain top Equal Employment Opportunity (EEO) rating from the State Personnel Board.	Civil Rights

### B. Increase communication with employees about the impact of the Department's work

Actions	Responsible Division(s)- Short Title
1. Hold bi-monthly meetings with all DHCS managers and supervisors to discuss department priorities including information about major projects and initiatives underway in DHCS divisions.	<ul style="list-style-type: none"> <li>Directors Office</li> <li>All divisions</li> </ul>
2. Require all managers and supervisors to conduct regularly scheduled staff meeting.	All divisions
3. Develop and disseminate Department newsletter or similar document to provide periodic updates on Department activities.	Public Affairs
4. Promote the use of "Information Boards" to be displayed in the lobby to showcase accomplishments.	Public Affairs
5. Conduct annual employee satisfaction survey.	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> <li>Information Technology</li> </ul>
6. Increase DHCS participation in the <i>Superior Accomplishment Award</i> program.	
a Increase awareness and participation in the <i>Superior Accomplishment Award</i> (SAA) program, including field office staff.	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> </ul>
b Establish and communicate an expectation that managers use the <i>Superior Accomplishment Award</i> program to recognize outstanding employee performance.	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Administration</li> </ul>

### C. Promote worksite wellness

Actions	Responsible Division(s)- Short Title
1. Develop and implement a worksite wellness program.	<ul style="list-style-type: none"> <li>Director's Office</li> <li>Clinical Preventive Medicine</li> <li>Administration</li> </ul>

#### D. Support employee professional development and upward mobility

Actions	Responsible Division(s)- Short Title
1. Ensure that all division chiefs are responsible for, and compliant with, departmental Individual Development Plan (IDP) policies.	<ul style="list-style-type: none"><li>• <b>Director's Office</b></li><li>• <b>All divisions</b></li></ul>

#### E. Participate in statewide and national policy organizations

Actions	Responsible Division(s)- Short Title
1. Identify national health policy organizations for executive participation.	<ul style="list-style-type: none"><li>• <b>Director's Office</b></li><li>• <b>Various divisions</b></li></ul>
2. Nominate senior DHCS managers to statewide or national committees as vacancies arise.	<ul style="list-style-type: none"><li>• <b>Director's Office</b></li><li>• <b>Various divisions</b></li></ul>