

Medi-Cal Managed Care Rural Expansion

- Implementation of managed care expansion into 28 fee-for-service (FFS) only counties was changed from 6/1/2013 to 9/1/2013 to allow for the completion of all readiness activities and to provide the health plans with time to develop a sufficient provider network.
- For Del Norte, Humboldt, Lake, Lassen, Modoc, Shasta, Siskiyou, and Trinity will become a County Organized Health System (COHS) model under Partnership Health Plan (PHC) of California and all eligible beneficiaries, including seniors and Persons with Disabilities (SPDs) and beneficiaries who are both Medi-Cal and Medicare eligible (Duals) will be enrolled on 9/1/2013.
- In the 18 contiguous counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Imperial, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, San Benito, Sierra, Sutter, Tehama, Tuolumne and Yuba, beneficiaries will have a choice of Anthem Blue Cross (Anthem) or California Health and Wellness Plan (CHWP). On 9/1/2013, families and children and Healthy Families Program/Targeted Low Income Children will be mandatorily enrolled. SPD's will be voluntary at the time of implementation; however, they will become mandatory at a date yet to be determined. Duals will remain voluntary.
- On 9/1/2013, Imperial (CHWP) and San Benito (Anthem) will operate as one-plan counties. Both counties will follow the same eligibility and enrollment rules as the 18 contiguous counties.
- Healthy Families Program (HFP) beneficiaries will receive HFP transition notices. Health plans that are continuing to operate in the county will keep their current HFP members unless those members choose another plan, when available. Notices will be sent out approximately on June 1st, July 1st, & August 1st.
- For the 18 contiguous counties, FFS beneficiaries will receive a 60 day notice (July 1st) (including choice packet) followed up by a 30 day notice (August 1st). They will receive a phone call in August to assist in choice. The health plans will send welcome packets to new members within 7 days of September 1st.

- For Imperial and San Benito, beneficiaries will receive a 60 and 30 day notice. Mandatory beneficiaries will be automatically enrolled in the one available plan in each county.
- In COHS counties, beneficiaries will receive 60 day (July 1st) and 30 day (August 1st) notices and will be automatically enrolled in PHC on September 1st. PHC will send the beneficiaries welcome packets within 7 days of September 1st.
- The Department of Health Care Services (DHCS) is developing a FAQ document to provide more education and clarification, similar to HFP transition document, that will be provided for all 28 counties.

Coordinated Care Initiative

The following key dates are applicable to the three major components of the Coordinated Care Initiative (CCI), which includes:

1. **A three-year Duals Demonstration (called Cal MediConnect)** in specified counties for Duals. It will combine the full continuum of acute, primary, institutional, and home-and community-based services into a single benefit package, delivered through an organized service delivery system. Duals will be passively enrolled into the Cal MediConnect plans, but may choose to opt out.
2. **Mandatory enrollment of Duals** into a Medi-Cal managed care plan in the eight CCI counties.
3. **Inclusion of Managed Long-Term Services and Supports (MLTSS)** as Medi-Cal managed care benefits for Duals and Medi-Cal only SPDs in the eight CCI Demonstration counties.

CCI is applicable to the following eight counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, Alameda, Santa Clara, and San Mateo.

Key Milestones and Dates:

- The effective date for implementing the CCI was changed from October 1, 2013 to starting no sooner than January 1, 2014.
- Finalize Beneficiary and Provider Outreach Plan by June 2013.
- Conduct Beneficiary and Provider Outreach Activities starting June 2013 and on-going.
- Complete plan readiness review activities conducted by the Centers for Medicare and Medicaid Services (CMS) and DHCS by August 2013.
- Develop beneficiary notices and conduct stakeholder reviews by August 2013.

- Complete and sign three-way contracts between CMS, DHCS and participating Cal MediConnect plans by September 2013.
- Amend current Medi-Cal Managed Care contracts for coverage of MLTSS by September 2013.
- Begin mailing of beneficiary notices: 90-day informational notices (October 1st), 60-day choice packets (November 1st) and 30-day reminder notices (December 1st)
- Begin 12-month enrollment process for Cal MediConnect and MLTSS starting January 1, 2014. Enrollment strategy is specific to each county.

Delivery System Reform Incentive Program (DSRIP) Update

- Pursuant to California's Section 1115 Medicaid "Bridge to Reform Waiver", the Delivery System Reform Incentive Program (DSRIP) supports the Designated Public Hospitals (DPH) as part of the safety net system. It is also a federal pay-for-performance initiative that provides supplemental federal funding of up to \$3.3 billion over 5 years to promote public hospital delivery system transformation. Seventeen DPHs are currently participating in DSRIP
- The five-year plans cover four inter-related areas of quality improvement:
 - 1) Infrastructure Development
 - 2) Innovation and Redesign
 - 3) Population-focused Improvement and
 - 4) Urgent Improvement in Care.
- Under Categories 1 and 2, DPHs have worked on primary care staffing, developing and enhancing medical home models, implementing or expanding electronic health records and improving access by opening new clinics. All hospitals have met virtually all of their performance milestones to date.
- As DSRIP-DPH moves forward with Categories 3 and 4, the DPHs will enhance their capacity to collect and monitor chronic disease management data and will advance patient safety through a series of evidence-based, quality improvement programs.
- *Category 4 Plan Modifications* - DPHs have submitted modifications for Category 4, Urgent Improvement in Care. These are currently being sent to CMS for final review.
- *Category 5-HIV Transition Projects* - Approved by CMS in June 2012 as an amendment to the 1115 Waiver, Category 5 establishes additional DSRIP projects that support the transition of Low Income Health Program (LIHP) enrollees with HIV. Category 5 Plan Modifications for DPHs have been approved by CMS.
- *DY 8 first Semi-Annual Report*-DPHs have submitted their first semi-annual report for DY 8.

- *DSRIP External Evaluation*-DHCS is moving forward to explore options for a DSRIP external evaluation focused on the patient experience, lessons learned and economic value.

Behavioral Health

- The 1115 Bridge to Reform Demonstration Waiver Special Terms and Conditions requires the completion of a behavioral health *Service Plan* which is intended to describe, at a high level, California's recommendations for serving the Medi-Cal expansion population as well as summarize and describe the State's readiness to meet the mental health and substance use disorder needs of this population.
- Last October 2012, the Department submitted to CMS the outline for this required work product that described the component pieces with the intent to submit the actual *Service Plan* on or before April 1st, 2013. However, since the Administration, Legislature, counties and stakeholders were exploring Medi-Cal expansion options until the May Revises, CMS understands that DHCS has been unable to finalize the behavioral health the *Service Plan* and appreciates the need to extend the due date for this work product.
- After discussions with CMS regarding an interim work product for the April 1st due date, CMS agreed to have DHCS submit the draft *Medicaid Alternative Benefit Plan (ABP) Options Analysis* prepared by Mercer with technical assistance from DHCS and funding support from the California HealthCare Foundation (CHCF) and the California Endowment.
- The *Options Analysis* was developed for the purpose of providing California decision makers and stakeholders information regarding the Medicaid expansion alternative benefit plan options. The final report will be shared in the near future. While not the *Service Plan*, CMS appreciated the Mercer analysis was an analytical component among many that will help inform the final behavioral health *Service Plan*.
- DHCS is committed to completing the *Service Plan* when there is resolution of Medi-Cal expansion policy issues. We have communicated to CMS that we plan to submit the *Service Plan* on or before October 1, 2013.
- Once decisions on pending expansion issues have been made, DHCS will incorporate the chosen direction into the behavioral health *Service Plan* which will provide a high-level overview of the selected benefit package, benefit delivery system(s), and projected costs and levels of utilization. DHCS will then require

several months to complete a reasonable stakeholder review, incorporate edits and receive final Administration sign off. The proper timing and forums for further stakeholder meetings are under active consideration.

- DHCS greatly appreciates the continued flexibility and support of CMS in working with California to successfully plan for meeting the mental health and substance use disorder needs of the expansion population.

Section 2703 Health Home Option

The Affordable Care of Act (ACA), Section 2703, created an optional Medicaid benefit for states to establish specified health home services with a 90 percent federal match rate for two years. The focus of the health home benefit is to coordinate care for people who have chronic, complex conditions, including primary, specialty, behavioral health, long-term care, and social services.

Status

- The ACA Section 2703 is an optional benefit. DHCS is still considering this benefit and has not moved forward with a specific model or models at this time.
- DHCS is still very interested in this model, and has supported improved primary care and care coordination through several past and current initiatives.
- Much additional work would be required to analyze model options before we could select a model(s), develop the model(s).
- DHCS has not submitted and is not currently working on a State Plan Amendment (SPA) for this option.
- There is no deadline to apply for the enhanced funding, but once the program begins, the enhanced funding is only available for two years.
 - DHCS wants to make sure the timing of the program is right given the limited duration of the enhanced funding.
- DHCS is looking forward to continuing further assessment work after January 2014 and the implementation of the ACA.

Considerations

- The Health Homes option is a new Medicaid State plan benefit entitlement. The state is allowed to specify provider qualifications, geography, conditions and acuity. The very robust package of required services would be most appropriate for a high-cost, high-need population.
- The right model(s) would provide:

- Effective care management and coordinate services to an appropriate population;
- Sufficient provider capacity and readiness;
- Cost neutral model; and be fiscally sustainable beyond the two years of enhanced funding.

Other Work/Considerations

- The California Endowment (TCE) has offered to provide the 10% state match funding to draw down the 90% federal match for the Health Home option for two years, as allowed by the ACA, starting in fiscal year 2014-15.
- DHCS received approval for a planning grant from CMS. TCE provided the required state matching funds. DHCS used a portion of the money for an initial assessment of viability and fiscal effect in several systems of care - Managed Care, FFS, Specialty Mental Health and others. If you would like a copy of the assessment materials, please contact Marin Deen at marin.deen@dhcs.ca.gov.
- DHCS has provided technical assistance to Assemblymember Mitchell's office for AB 361, which would authorize the State to adopt the Section 2703 Health Home option.

California Children's Services Demonstration Project

- In response to a Request For Proposals to develop organized health care delivery models for children with special health care needs in the California Children's Services Program (CCS), five entities were selected by the Department of Health Care Services (DHCS). These entities and their respective models are listed below.
 - Health Plan of San Mateo (HPSM): a full risk managed care model.
 - Alameda County: an Enhanced Primary Care Case Management model.
 - L.A. Care Health Plan: a Specialty Health Care model.
 - Children's Hospital Orange County: an Accountable Care Organization model; and
 - Rady Children's Hospital: an Accountable Care Organization model.
- On April 1, 2013, the first CCS Demonstration Project (DP), HPSM, became operational under the California Bridge to Reform 1115 Waiver. Under the Demonstration, HPSM will provide CCS eligible children with comprehensive health care including services related to the child's CCS health condition as well as providing primary and preventive health services.
- Under the Demonstration, children and their families will continue to see their existing health care providers and receive all of their health care under the umbrella of a single health care delivery system which will also serve as the child's medical home.
- The remaining proposed DP contractors and DHCS are actively in communication to address a number of unresolved issues. These issues include the exchange of information / data within the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules; development of reimbursement rates specific to each Demonstration population; and ensuring compliance with the Centers for Medicaid and Medicare Services. DHCS anticipates implementation of the remaining Demonstration Project pilots to be implemented during the summer of 2013 through fall of 2013.

- In compliance with the CMS 1115 Waiver Standard Terms and Conditions as well as Senate Bill 208, DHCS is currently developing an interagency agreement to perform an evaluation of the Demonstration Project. This program evaluation will examine patient, family and physician satisfaction and the financial impacts of the pilot programs.

Healthy Families Program Transition

- To date, approximately 660,000 children have been successfully transitioned to Medi-Cal; there are approximately 150,000 children statewide remaining in HFP.
- Released Phase 3 Implementation Plan and Network Adequacy Assessment on May 1, 2013.
- Similar to prior phases, based on findings from the network adequacy reports, DMHC and DHCS will continue with their due diligence in following up assessments with plans who are not able to demonstrate network adequacy at the time of the initial assessment and will provide updated assessments to both the legislature and CMS prior to the effective date of the transition.
- Work continues on the development of notices to further inform families of changes they can anticipate with the transition; the notices have undergone stakeholder review and work is underway to update based on the feedback received – primary concerns raised include clarity on changes, letters targeted for individuals who will/will not have to select new health plans; who to contact for questions and how to better address the issues/concerns specific to autism and the provision of ABA/ABT services.
- Continue to engage stakeholders on matters specific to the transition via webinars, monthly/weekly meetings/calls; conduct weekly meetings with CMS and host stakeholder listening sessions post each transition phase.
- Phase 4 Implementation Plan is currently out for stakeholder review and input, comments are due on Friday, May 24th and the network analysis is under development by DMHC and DHCS.
- For the Phase 3 and 4 planning efforts, working with MRMIB and the health plans to share information between the HFP and Medi-Cal plan, to further assist in matters pertaining to active treatment plans and transitions to help ensure minimal disruption to care for affected children.

- For Phase 3 and 4, to the extent a current HFP plan, either via a direct or indirect contractual arrangement, participates in Medi-Cal, efforts will be undertaken to keep their currently enrolled children unless the family makes an active choice to change prior to their effective transition date.
- Continue to work on securing new dental providers and streamlining enrollment processes.
- Working collaboratively with MRMIB regarding the transition of program staff and the HFP Advisory Panel to DHCS.
- Working with physician groups and in the process of developing FAQs specific for pediatricians/primary care providers to further inform them of the transition; this document will be posted on our website once finalized. DHCS staff will also participate in webinars/telecasts, as requested, with the physician groups to discuss the HFP transition and to respond to questions.
- Updating FAQs for general stakeholders who will be posted online once finalized based on stakeholder input.
- Notifications and Welcome Packets
 - For Phase 3, the 90 Day Notices were sent to the children on May 1, 2013; the Enrollment Choice Packet will be sent on June 1, 2013 with the final Reminder Notices schedule to be sent on July 1, 2013.
 - For Phase 4, the 90 Day Notices will be sent to the children on June 1, 2013, and the Enrollment Choice Packet will be sent on July 1, 2013 with the final Reminder Notices on schedule to be sent on August 1, 2013.
- Welcome Packets and Beneficiary Identification Cards (BICs) are mailed to the HFP children and their families approximately 30 days prior to each transitioning phases/sub-phases. Draft Evaluation Design
 - Continued federal approval is contingent upon compliance to the Special Terms and Conditions (STC) as detailed in the 1115 waiver amendments. The STCs specified DHCS must submit to CMS for approval a draft evaluation design for the Demonstration Waiver.

- The evaluation will determine the extent to which CHIP eligible children successfully transition from HFP to Medi-Cal without loss of coverage, and maintain access to primary, specialty, and oral health care.
 - DHCS has submitted the first draft of the evaluation design on February 7, 2013. Subsequently, a revised draft was submitted to CMS on April 24, 2013.
- Public Reporting
 - The following reports are similar to the style of reports produced by MRMIB but DHCS will include additional pertinent information. These are the first of many reports they will be going on the website. Additionally, DHCS is working to obtain this same information from the counties (excluding premium information):
 - Premium Processing Performance Report is targeted to be available on the DHCS HFP website on May 29, 2013. The report will communicate the metrics on the Administrative Vendor's quality timeliness and accurateness of the premium processing services for the Optional targeted Low Income Children's Program.
 - Call Center Statistics and Performance report is targeted to be available on May 29, 2013. The report will communicate the metrics collected on the timeliness and quality telephone assistance the Administrative Vendor is providing to the beneficiaries and their ability to maintain a Call Center System in accordance with the contractual requirements.
 - Application processing performance report is targeted to be available on May 29, 2013. The report will communicate the metrics collected on the timeliness and thoroughness the Administrative Vendor is conducting to complete each beneficiary application received in accordance with contractual standards. In addition this measure will ensure the vendor will properly identify incomplete applications for transmission and adjudication by the county offices.

- Applied Behavior Analysis (ABA)
 - Stakeholders had expressed critically that DHCS must ensure continuity of care and network adequacy for individuals with autism receiving medically necessary, standard of care behavioral health/Applied behavior analysis (ABA) treatment.
 - Stakeholders indicated more than 200 children receiving ABA/BHT services through Healthy Families lost the services on April 1st when they transitioned to Medi-Cal. The stakeholders contend that these services are medically necessary and urgent and any delay or lack of access to these services causes imminent and serious harm to the individual.
 - Commercial plans, including HFP plans, pay for some level of these behavioral services. The HFP plans have only been providing ABA services for the last 6 months of 2012, more specifically around Oct or later.
 - Medi-Cal was exempt from any legislative requirements related to including ABA services among plan benefits and does not currently have a set of services designated as “ABA”. ABA as a discrete service is not covered under Medi-Cal per se via the current State Plan; and today are not covered services that Medi-Cal managed care plans are authorized to provide. Medi-Cal pays for behavioral services under the Department of Developmental Services’ HCBS waiver through regional centers for eligible clients who meet eligibility requirements for such services.
 - When adding covered program services under Medi-Cal, deliberate processes are employed including seeking control agency review/approval, legislative review/input/approval and the Governor’s Office approval and projecting effective implementation dates for making such service available to covered individuals.
 - For any newly covered benefit, DHCS would need to seek federal approval and a budget augmentation for the additional services.
 - For services provided under health plans, DHCS would need to develop appropriate plan rates for the Medi-Cal health plans.

Background Information on HFP Transition

- Transitioning Children in Four Phases
 - Transitioning children have aid codes of 5C or 5D once they transition into Medi-Cal, and will continue to have these aid codes until their respective Annual Eligibility Redetermination. .
 - Phase 1 - Individuals enrolled in a Healthy Families Program health plan that is a Medi-Cal managed care health plan, except for Health Net) shall be enrolled in the same plan.
 - Phase 1A – 178,113 children transitioned on January 1, 2013
 - Phase 1B – 106,443 children transitioned on March 1, 2013
 - Phase 1C (April) – 42,156 children transitioned on April 1, 2013
 - Phase 1C (May) – 59,077 children transitioned on May 1, 2013
 - Phase 2 – Individuals enrolled in a Healthy Families Program health plan that is a subcontractor of a Medi-Cal managed health care plan, to the extent possible, shall be enrolled into a Medi-Cal managed care health care plan that includes the individuals' current plan. 228,152 children transitioned on April 1, 2013.
 - Phase 3 – Individuals enrolled in a Healthy Families Program plan that is not a Medi-Cal managed care plan and does not contract or subcontract with a Medi-Cal managed care plan shall be enrolled in a Medi-Cal managed care plan in that county. Approximately 112,000 children will transition on August 1, 2013.
 - Phase 4 – Individuals residing in a county that is not a Medi-Cal managed care county shall be provided services under the Medi-Cal fee-for-service delivery system. Approximately 37,500 children will transition will transition on September 1, 2013.
- Monthly Monitoring Report & Summary
 - The report is due the 15th of each month starting February 15, 2013 with the final Monitoring Report to be submitted 90 days after the last phase's implementation, currently scheduled for September 1, 2013.

- On May 16, DHCS submitted the report covering the reporting period of April 1 – April 30, 2013 for Phase 1C and Phase 2 Transition.
- Next General HFP Transition Stakeholder Webinar is scheduled for July 10, 2013.