

**SEMI ANNUAL UPDATE TO THE LEGISLATURE**

**SENATE BILL (SB) 853 (STATUTES OF 2010)  
SECTION 173 CALIFORNIA'S MEDICAID WAIVERS**

**For the Report Period**

**October 2011**

**Department of Health Care Services  
Medi-Cal Benefits, Waiver Analysis, and Rates Division**

**California Department of Health Care Services  
Semiannual Update to the Legislature on  
California's Medicaid Waivers**

**Waivers By Type:**

1115	1
1915(b)	2
1915(c)	7
<b>Total</b>	<b>10</b>

<b>1115 Demonstration Project Waivers (1)</b>						
<i>Title of Waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of Waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of Waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the Waiver</i>	<i>Department administering the program</i>
<b><u>1115 Bridge to Reform Demonstration Waiver (successor to Medi-Cal Hospital/ Uninsured Care Demonstration which expired on October 31, 2010) and the Managed Care 1915 (b) Freedom of Choice Waivers.</u></b>	1902(a)(1) 1902(a)(5) 1902(a)(10)(B) 1902(a)(13) & (a)(30) 1902(a)(23)	The waiver expands health care coverage to more uninsured adults; provides support for uncompensated care; improves care coordination for vulnerable populations; and promotes public hospital delivery system transformation. To support these efforts, the waiver provides approximately \$7.9 billion in federal funds over five years. Additionally, the waiver provides the expenditure authority for a projected amount of \$2.3 billion for expanded coverage to uninsured adults.	<b><u>Low Income Health Program (LIHP)-</u></b> Eligible low income, uninsured adults with incomes at or below 200 percent of the federal poverty level, 19 to 64 years of age who are not eligible for Medicare or Medi-Cal.  LIHP enrollment: approximately 214,595  <b><u>California Children's Services (CCS)-</u></b> Children with special health care needs who are under 21 years of age and meet the medical and financial eligibility criteria for	Approved November 1, 2010 through October 31, 2015.  <b><u>Copayments</u></b> An amendment was submitted to CMS which would allow DHCS to impose mandatory copayments on Medi-Cal beneficiaries on June 6, 2011. Status is pending.	The SPAs listed below were associated with the predecessor Medi-Cal Hospital/ Uninsured Care Demonstration Project Waiver.  SPA 05-021 (Approved, April 25, 2006)  SPA 05-022 (Approved, May 5, 2006)  SPA 05-023 (Approved, December 21, 2007)	Department of Health Care Services

\*Description of the laws and regulations waived are provided as an attachment.

**California Department of Health Care Services  
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California's Medicaid Waivers**

<p><b><u>1115 Bridge to Reform Demonstration Waiver</u></b> <i>(continued)</i></p>			<p>CCS.</p> <p>CCS Enrollment: Pilot programs are in the procurement phase. Enrollment is expected to begin in 2012.</p> <p><b><u>Seniors and Persons with Disabilities (SPD)-</u></b> Persons who derive their eligibility from the Medicaid State Plan and are aged, blind, or disabled.</p> <p>SPD enrollment (for Two Plan/GMC Models): approximately 266,029</p> <p><b><u>Two Plan/Geographic Managed Care (GMC) Models-</u></b> Children and adults who qualified for Medicaid under Section 1931 of the Social Security Act, SPDs, foster care children, children with accelerated Medicaid eligibility, individuals enrolled in the Breast and Cervical Cancer Treatment Program (BCCTP), and adults and children eligible for enrollment in a dental managed care plan in Sacramento</p>			
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<p><b><u>1115 Bridge to Reform Demonstration Waiver</u></b> <i>(continued)</i></p>			<p>County.</p> <p>Qualifying Medi-Cal beneficiaries residing in the Two Plan counties of Alameda, Contra Costa, San Francisco, Kern, Tulare, Fresno, Stanislaus, Santa Clara, Riverside, San Bernardino, San Joaquin, and Los Angeles. Also covers beneficiaries in the GMC counties of Sacramento and San Diego.</p> <p>Two Plan/GMC enrollment (Non-SPDs): approximately 3,250,057</p>			
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<p><b><u>1115 Bridge to Reform Demonstration Waiver</u></b> <i>(continued)</i></p>			<p><b><u>County Organized Health Systems (COHS) – Health Insuring Organizations (HIO)</u></b>- Children and adults who qualified for Medicaid under section 1931 of the Social Security Act, SPDs, foster care children, children with accelerated Medicaid eligibility, and individuals in the BCCTP program.</p> <p>HIO enrollment by COHS:</p> <ol style="list-style-type: none"> <li>1) Cal OPTIMA: approximately 94,913</li> <li>2) Central CA Alliance for Health: approximately 186,838</li> <li>3) Partnership Health Plan: approximately 160,056</li> </ol>			
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<p><b><u>1115 Bridge to Reform Demonstration Waiver</u></b> <i>(continued)</i></p>			<p><b><u>COHS – Santa Barbara-San Luis Obispo Regional Health Authority (SBSLORHA or CenCal); Health Plan of San Mateo (HPSM); Gold Coast Health Plan- Ventura County-</u></b> Children and adults who qualified for Medicaid under section 1931 of the Social Security Act, SPDs, foster care children, children with accelerated Medicaid eligibility, and individuals in the BCCTP program.</p> <p>SBSLORHA enrollment: approximately 94,913</p> <p>HPSM enrollment: approximately 60,455</p> <p>Gold Coast enrollment: approximately 75,461</p>			
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Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(b) Freedom of Choice Waivers (2)</b>						
<b>Title of waiver</b>	<b>Federal laws or regulations waived*</b>	<b>Description of waiver</b>	<b>Population served and number of enrollees</b>	<b>Status of waiver</b>	<b>State plan amendment (SPA) number and date that is applicable to the waiver</b>	<b>Department administering the program</b>
<b><u>Specialty Mental Health Services (SMHS) Waiver</u></b>	1915(b)(4) 1902(a)(1) 1902(a)(10)(B) 1902(a)(23) 1902(a)(4) 42 CFR 438.10(f)(3)	Provides specialty mental health services for Medi-Cal beneficiaries with specified diagnosis requiring treatment by licensed mental health professionals through county Mental Health Plans (MHPs). This program is administered locally by each county's Mental Health Plan who provides, or arranges for, specialty mental health services.	SMHS Waiver is available to all Medi-Cal beneficiaries including children and adults who qualify for Medicaid under Section 1931 of the Social Security Act, SPDs, foster care children, and children with accelerated Medicaid eligibility.  SMHS enrollment: approximately 425,710	Approved July 1, 2011 through June 30, 2013	SPA 09-004— Submitted on March 30, 2009, proposes amendments to the reimbursement sections applicable to the services provided through the waiver to reflect current practice. The proposed amendments will also establish an upper payment limit which will allow for supplemental payments to be paid to the MHPs for their uncompensated care costs associated with Medi-Cal beneficiaries.	Department of Mental Health  Effective July 1, 2012, the Department of Health Care Services will administer the Specialty Mental Health Services Waiver.

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<b>1915(b) Freedom of Choice Waivers (2) (continued)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<u>Specialty Mental Health Services (SMHS) Waiver</u> <i>(continued)</i>					<p>Upon approval from CMS, preserved effective date: January 1, 2009.</p> <p>SPA 10-012B—amended Targeted Case Management (TCM) services for the Mentally Disabled target group. Approved: December 20, 2010.</p> <p>SPA 10-016—amended the descriptions for Rehabilitative Mental Health Services and Psychiatric Inpatient Hospital Services. Approved: March 21, 2011.</p>	

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<b>1915(b) Freedom of Choice Waivers (2) (continued)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Superior Systems (SS Waiver)</u></b>	1903(i)(4)	This waiver demonstrates that California has a utilization management plan in effect that is superior to federal requirements. Specifically, it enables DHCS to ensure 100 percent review of all acute hospital days, using statewide, standardized criteria. The SS Waiver also includes a streamlined appeal process for providers whose authorization requests have been modified or denied.	Fee-for-Service Medi-Cal beneficiaries served by approximately 230 acute care hospitals in California.	Current waiver expires June 8, 2013	Not a State plan service.	Department of Health Care Services

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**California Department of Health Care Services  
Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Acquired Immune Deficiency Syndrome (AIDS)</u></b>	1902(a)(1) 1902(a)(10)(B) 1902(a)(10)(C) (i)(III)	The Home and Community-Based Services waiver for persons living with AIDS and/or symptomatic HIV is an alternative for individuals who would otherwise qualify for institutional care. The waiver provides comprehensive and cost-effective services. Services include, but are not limited to, the following: intensive medical case management (nursing and psychosocial assessments), home delivered meals, attendant care, nutritional counseling, and Medi-Cal supplements for infants and children in foster care.	Eligible adults and children who are cognitively and functionally impaired with HIV disease or AIDS.  AIDS enrollment: approximately 2,200	Approved January 1, 2007 through December 31, 2011  Currently pending approval for January 1, 2012 through December 31, 2016	Not a State plan service.	California Department of Public Health

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**California Department of Health Care Services  
Semiannual Update to the Legislature on  
California's Medicaid Waivers**

1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Assisted Living Waiver (ALW)</u></b>	1902(a)(1) 1902(a)(10)(B) 1902(a)(10)(C) (i)(III)	The ALW succeeds the Assisted Living Waiver Pilot Project. The waiver offers assisted living services in two settings: Residential Care Facilities for the Elderly and publically subsidized housing. Qualified participants have full-scope Medi-Cal benefits with zero share of cost and are determined to meet the Skilled Nursing Facility Level of Care, A or B.	Beneficiaries over the age of 21 who would otherwise be in a nursing facility.  ALW enrollment: approximately 1560	Approved March 1, 2009 through February 28, 2014	Not a State plan service.	Department of Health Care Services

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**California Department of Health Care Services  
Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Home and Community-Based Services Waiver for the Developmentally Disabled (DD Waiver)</u></b>	1902(a)(1) 1902(a)(10)(B) 1902(a)(10)(C) (i)(III)	Community-based services for individuals with developmental disabilities are provided through a statewide system of 21 private, non-profit corporations known as regional centers. Regional centers provide fixed points of contact in the community for persons with developmental disabilities and their families.	Persons with developmental disabilities.  DD enrollment: approximately 73,000	Approved October 1, 2006 through September 30, 2011.  Currently pending approval for October 1, 2011 through September 30, 2016.	Not a State plan service.	Department of Developmental Services

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Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>In-Home Operations (IHO)</u></b>	1902(a)(10)(B) 1902(a)(10) (C)(i)(III)	This waiver serves either 1) participants previously enrolled in the Nursing Facility A/B Level of Care (LOC) Waiver who have continuously been enrolled in a DHCS administered HCBS waiver since prior to January 1, 2002, and require direct care services provided primarily by a licensed nurse; or 2) those who have been receiving continuous care in a hospital for 36 months or greater and have physician-ordered direct care services that are greater than those available in the Nursing Facility/Acute Hospital Waiver for the participant's assessed LOC.	Aged population 65 and older, the physically disabled population under age 65, the medically fragile, and the technology dependent.  IHO enrollment: 143	Approved January 1, 2010 through December 31, 2014.	Not a State plan service.	Department of Health Care Services

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Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)</b>						
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<b><u>Nursing Facility / Acute Hospital (NF/AH)</u></b>	1902(a)(10)(B) 1902(a)(10)(C) (i)(III)	The NF/AH Waiver combined the previous Nursing Facility Level A/B, Nursing Facility Subacute, and In-Home Medical Care Waivers into one waiver. This combined waiver offers services in the home to Medi-Cal beneficiaries with a long-term medical condition for who, in the absence of this waiver, would otherwise receive care for at least 90 days in an intermediate care facility, a skilled nursing facility, a subacute facility, or an acute care hospital.	The NF/AH Waiver serves the aged population 65 and older, the physical disabled population under age 65, the medically fragile, and the technology dependent.  As of July 1, 2011, there were 2,014 participants enrolled in the NF/AH Waiver.  There were also 420 additional waiver applicants in various stages of waiver case development.	Approved January 1, 2007 through December 31, 2011.  The NF/AH Waiver renewal application is currently being reviewed by CMS.	Not a State plan service.	Department of Health Care Services

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1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Developmentally Disabled Continuous Nursing Care (DD-CNC) Waiver</u></b>	1902(a)(10)(B) 1902(a)(10)(C)(i)(III) 1902(a)(1)	The DD-CNC succeeds the 1915(b) Freedom of Choice Intermittent Care Facility/ Developmentally Disabled/Continuous Nursing waiver which expired on September 30, 2009. The waiver serves persons with severe developmental disabilities and the need for 24-hour continuous nursing care. The waiver is designed to meet the needs of a unique population of infants, children and adults with both developmental disabilities and a need for continuous skilled nursing. The waiver has its own unique level of care criteria to reflect the specific population which it serves. The criteria are similar to the sub-acute level of care but are inclusive of the developmental disability needs.	The waiver serves persons with severe developmental disabilities and the need for 24-hour continuous nursing care. DD-CNC does not have an age restriction.  The DD/CNC has a capacity of 46.  DD/CNC enrollment: 44	Approved October 1, 2009 through September 30, 2012.	Not a State plan service.	Department of Health Care Services

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Semiannual Update to the Legislature on  
California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)</b>						
<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>	<i>Status of waiver</i>	<i>State plan amendment (SPA) number and date that is applicable to the waiver</i>	<i>Department administering the program</i>
<b><u>Pediatric Palliative Care Waiver (PPC)</u></b>	1902(a)(1) 1902(a)(10)(B)	This waiver offers children with life limiting conditions a range of home-based hospice-like services while they maintain the option of receiving curative treatment. According to diagnosed need and an approved plan of care, services include: concurrent provision of the hospice-like services and therapeutic state plan services, care coordination, expressive therapies, family training, individual and family caregiver bereavement services, and respite care.	Children with life limiting conditions.  PPC capacity: 47  PPC enrollment: 44	Approved April 1, 2009 through March 31, 2012.	Not a State plan service.	Department of Health Care Services

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California's Medicaid Waivers**

<b>1915(c) Home and Community-Based Services (HCBS) Waivers (7) (continued)</b>						
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<b><u>Multipurpose Senior Services Program (MSSP)</u></b>	1902(a)(10)(B) 1902(a)(10)(C) (i)(III) 1902(a)(1)	Provides home and community-based services in 41 sites statewide to Medi-Cal beneficiaries who are age 65 or over and disabled as an alternative to nursing facility placement. The goal of the program is to arrange for and monitor the use of community services to prevent or delay premature institutional placement of frail clients. MSSP provides comprehensive care management to assist frail elderly persons to remain at home.	Medi-Cal beneficiaries who are 65 or over and disabled.  MSSP enrollment: approximately 16,335	Approved July 1, 2009 through June 30, 2014.	Not a State plan service.	California Department of Aging

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Semiannual Update to the Legislature on  
California's Medicaid Waivers**

**Attachment A: Description of the laws and regulations being waived.**

- **1902(a)(1):** Statewideness- To enable California to operate the Demonstration and implement coverage for new eligibles on a county-by-county basis and to provide managed care plans only in certain geographical areas.
- **1902(a)(4)**—To permit the State to mandate beneficiaries into a single Prepaid Inpatient Health Plan (PIHP), and restrict disenrollment from them.
- **42CFR Section 438.10(f)(3)**—Information requirements—This section establishes specific requirements for the types, content and distribution of information describing the waiver program. Information requirements are waived.
- **1902(a)(5):** Single State Agency- To enable the California Medical Assistance Commission to conduct contract negotiations with health care providers.
- **1902(a)(10)(B):** Amount, Duration, and Scope of Services – To enable the State to offer a different benefit package to individuals in the seniors and people with disabilities (SPD) program that includes benefits that are not available to all categorically needy individuals.
- **1902(a)(10)(C)(i)(III):** Income and resource rules applicable in the community – Pursuant to Section 1902(a)(10)(C)(i)(III) of the Social Security Act, allows states to provide Medicaid to persons who would otherwise be eligible only in an institutional setting, often due to the income and resources of a spouse or parent.
- **1902(a)(13) and 1902(a)(30):** Payment to Providers - To enable the State through the California Medical Assistance Commission to negotiate rates with providers on an individual or class basis without regard to the rates currently set forth in the approved State Plan, and to allow the State to set rates for hospitals without using a public process.
- **1902(a)(23):** Freedom of Choice - To enable the State to require participants to receive benefits through certain providers and to permit the State to require that individuals receive benefits through managed care providers.

**California Department of Health Care Services  
Semiannual Update to the Legislature on  
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- **1903(i)(4)**: Requirement for hospitals or skilled nursing facilities that participate in Medicaid to have utilization review plans in effect that meet certain requirements. This section also states that these requirements can be waived when a State Medicaid Agency shows that it has utilization review procedures in place that are superior to the federal requirements.
- **1915(b)(4)**: The state requires enrollees to obtain services only from specified providers who undertake to provide such services and meet reimbursement, quality, and utilization standards which are consistent with access, quality, and efficient and economic provisions of covered care and services. Enrollment is mandated into a single Prepaid Inpatient Health Plan (42 CFR 438.52).