

SEMI ANNUAL UPDATE TO THE LEGISLATURE

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

For the Report Period

October 2012

Department of Health Care Services

**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)	9
Total	12

1115 Demonstration Project Waivers (1)						
<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>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>	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.	<u>Low Income Health Program (LIHP)-</u> 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 552,553 (cumulative unduplicated) <u>California Children's Services (CCS)-</u> Children with special health care needs who are under 21 years of age and meet the	Approved November 1, 2010 through October 31, 2015. <u>Copayments</u> An amendment was submitted to CMS which would allow DHCS to impose mandatory copayments on Medi-Cal beneficiaries on June 6, 2011. DHCS received notification on February 6,	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,	Department of Health Care Services

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<p>1115 Bridge to Reform (continued)</p>			<p>medical and financial eligibility criteria for CCS.</p> <p>Awardees were issued letters of intent to award; however, no contracts have been "fully executed". Enrollment is expected to begin in Fall 2012.</p> <p><u>Seniors and Persons with Disabilities (SPD)-</u> 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 591,660</p> <p><u>Two Plan/Geographic Managed Care (GMC) Models-</u> 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</p>	<p>2012 that CMS was unable to approve the State's request to implement copayments because the request was not consistent with the federal provisions of the Section 1916(f).</p> <p><u>Community Based Adult Services (CBAS) Program</u> An amendment was submitted to CMS on January 10, 2012, which would provide an additional Community Based Adult Services benefit to Seniors and Persons with Disabilities (SPD) who are enrolled in managed care</p>	<p>December 21, 2007)</p>	
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<p>1115 Bridge to Reform (continued)</p>			<p>adults and children eligible for enrollment in a dental managed care plan in Sacramento County.</p> <p>Qualifying Medi-Cal beneficiaries residing in the Two Plan counties of Alameda, Contra Costa, San Francisco, Kern, Kings, Madera, 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 3,236,349 (includes CBAS enrollees)</p>	<p>and meet additional eligibility criteria. The CBAS Program provides additional benefits to many of the individuals who had formerly received Adult Day Health Care (ADHC) services under the State Plan. The amendment was approved by CMS on March 30, 2012.</p> <p>HCCI Rollover amendment/D SRIP-HIV Transition Projects was submitted to CMS on July 22, 2011, requesting that \$176 million of Health Care Coverage Initiative funding for</p>		
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<p>1115 Bridge to Reform (continued)</p>			<p><u>County Organized Health Systems (COHS) – Health Insuring Organizations (HIO)</u>- 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"> 1) Cal OPTIMA: approximately 386,224 2) Central CA Alliance for Health: approximately 221,773 3) Partnership Health Plan: approximately 196,572 	<p>Demonstration Year 6 be rolled over into the SNCP uncompensated Care Limit. DHCS requested on December 20, 2011 that this amendment be considered at the same time as the CBAS amendment. This amendment was resubmitted to CMS for approval on June 22, 2012, along with an amendment request to establish Category 5 HIV Transition Projects for eligible Designated Public Hospitals participating in the Delivery System Reform Incentive Pool</p>		
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<p>1115 Bridge to Reform (continued).</p>			<p><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> 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 /CenCal enrollment : approximately 93,745 HPSM enrollment: approximately 62,363</p> <p>Gold Coast enrollment: approximately 103,690</p>	<p>(DSRIP) Program. The amendment package was approved by CMS on June 28, 2012.</p> <p>NDPH-DSRIP / SNCP increase amendment on June 29, 2012, DHCS submitted an amendment to increase Safety Net Care Pool Uncompensated Care and to operate Delivery System Reform Incentive Pool Programs in 46 non-designated public hospitals. Status is pending.</p>		
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1915(b) Freedom of Choice Waivers (2)						
<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>	1915(b)(4) 1902(a)(1) 1902(a)(10)(B) 1902(a)(23) 1902(a)(4) 42 CFR 438.10(f)(3) 42 CFR 438.56 42 CFR 438.52	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, who meet medical necessity, 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 453,079	Approved July 1, 2011 through June 30, 2013 A waiver amendment was submitted to CMS on March 30, 2012 for an effective date of July 1, 2012. An amendment was necessary to reflect the transfer of the waiver administration from the Department of Mental Health to DHCS as well as the realignment of funds to the counties. The amendment also	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 Health Care Services

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1915(b) Freedom of Choice Waivers (2) (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>
<u>Specialty Mental Health Services (SMHS) Waiver</u> (continued)				<p>updates expenditure projections and member months for the cost effectiveness section.</p> <p>The amendment was approved by CMS on June 29, 2012 and the operation of the waiver will continue through June 30, 2013.</p>	<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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1915(b) Freedom of Choice Waivers (2) (continued)						
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<u>Superior Systems (SS Waiver)</u>	1903(i)(4)	<p>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.</p> <p>Additionally, the waiver includes language that requires by June 8, 2013, the transition of California's 21 designated public hospitals from submitting requests for approval of acute hospital days to the Medi-Cal Field Office to using nationally recognized, evidence-based standardized</p>	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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<p>Superior Systems (SS Waiver) (Continued)</p>		<p>medical review criteria. Currently, 6 of the 21 designated public hospitals have made the transition, with the remaining 15 scheduled to transition by June 8, 2013.</p>				
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1915(c) Home and Community-Based Services (HCBS) Waivers (9)						
<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>Acquired Immune Deficiency Syndrome (AIDS)</u>	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: <u>2,242</u>	Approved January 1, 2012 through December 31, 2016	Not a State plan service.	California Department of Public Health

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1915(c) Home and Community-Based Services (HCBS) Waivers (9) (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>
<u>Assisted Living Waiver (ALW)</u>	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 1840	Approved March 1, 2009 through February 28, 2014	Not a State plan service.	Department of Health Care Services

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1915(c) Home and Community-Based Services (HCBS) Waivers (9) (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>
<u>Home and Community-Based Services Waiver for the Developmentally Disabled (DD Waiver)</u>	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 98,851. CMS approved enrollment up to 120,000 individuals by the 5 th waiver year.	Approved March 29, 2012 through March 28, 2017.	Not a State plan service.	Department of Developmental Services

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1915(c) Home and Community-Based Services (HCBS) Waivers (9) (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>
<u>In-Home Operations (IHO)</u>	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: 134	Approved January 1, 2010 through December 31, 2014.	Not a State plan service.	Department of Health Care Services

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1915(c) Home and Community Based Services (HCBS) Waivers (9) (continued)						
Title of waiver	Federal laws or regulations waived*	Description of waiver	Population served and number of enrollees	Status of waiver	State plan amendment (SPA) number and date that is applicable to the waiver	Department administering the program
<u>Nursing Facility / Acute Hospital (NF/AH)</u>	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. NF/AH Enrolment: 2,220	Approved January 1, 2012 through December 31, 2016. DHCS has submitted an application to CMS for an amendment that will merge the NF/AH and Developmentally Disabled Continuous Nursing Care (DD/CNC) Waivers. DHCS is currently working with CMS to address their questions.	Not a State plan service.	Department of Health Care Services

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1915(c) Home and Community-Based Services (HCBS) Waivers (9) (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>
<u>Developmentally Disabled Continuous Nursing Care (DD-CNC) Waiver</u>	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 who have the need for 24-hour continuous nursing care. There is no age restriction. The current capacity is 84. DD/CNC enrollment: 44	Approved October 1, 2009 through September 30, 2012. This waiver will be merged with the NF/AH Waiver. The DD/CNC Waiver has been extended from October 1, 2012 to December 31, 2012. DHCS is currently working with CMS to address questions identified during this merger.	Not a State plan service.	Department of Health Care Services

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1915(c) Home and Community-Based Services (HCBS) Waivers (9) (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>
<u>Pediatric Palliative Care Waiver (PPC)</u>	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: 1800 PPC enrollment : 86	Approved April 1, 2009 through March 31, 2012. A waiver renewal application for waiver term April 1, 2012 – March 31, 2017 was submitted. The waiver is currently under temporary extension until 12/31/12 to address issues raised 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 (9) (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>
<u>Multipurpose Senior Services Program (MSSP)</u>	1902(a)(10)(B) 1902(a)(10)(C) (i)(III) 1902(a)(1)	Provides home and community-based services in 39 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 capacity: 16,335 MSSP enrollment is 8,987	Approved July 1, 2009 through June 30, 2014.	Not a State plan service.	California Department of Aging

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<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>Operating Entity administering the program</i>
San Francisco Community Living Support Benefit Waiver	1902(a)(1) 1902(a)(10)(B) 1902(a)(10)(C) (i)(III)	Eligible individuals can move into licensed Community Care Facilities (CCFs) and Direct Access to Housing (DAH) sites. Services consist of care coordination, community living support benefits, and behavior assessment and planning in both CCFs and DAHs; and home delivered meals and environmental accessibility adaptations in DAH sites.	Residents of the city and county of San Francisco who are at least age 21 years, determined to meet nursing facility level of care, are homeless and at imminent risk of entering a nursing facility, or, reside in a nursing facility and want to be discharged to a CCF or DAH. Approved to serve up to 486 participants.	Approved July 1, 2012 through June 30, 2017	Not a State Plan service	San Francisco Department of Public Health

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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.
- **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.
- **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.

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- **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).
- **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.
- **42CFR Section 438.56**: Disenrollment – This section establishes the requirements and limitations of disenrollment.
- **42CFR Section 438.52**: Choice of MCOs, PIHPs, PAHPs and PCCMs – this section establishes the requirement that recipients must have a choice of at least two entities.