



**SEMI-ANNUAL REPORT  
TO THE LEGISLATURE**

**MANDATORY ENROLLMENT OF SENIORS AND  
PERSONS WITH DISABILITIES INTO  
MEDI-CAL MANAGED CARE**

**July through December 2013  
FINAL REPORT**

**Department of Health Care Services  
Medi-Cal Managed Care Division**

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## **MANDATORY ENROLLMENT OF SENIORS AND PERSONS WITH DISABILITIES INTO MEDI-CAL MANAGED CARE**

*NOTE: All updates since the last semi-annual report are in italics for ease of reference.*

### **I. INTRODUCTION**

Senate Bill (SB) 208 (Steinberg, Chapter 714, Statutes of 2010) permits the Department of Health Care Services (DHCS) to mandatorily enroll Medi-Cal eligible seniors and persons with disabilities (SPDs) into Medi-Cal managed care health plans (MCPs). This mandatory enrollment of SPDs does not apply to SPDs with Medicare coverage, SPDs with other health coverage, or SPDs in fee-for-service (FFS) Medi-Cal with a share-of-cost.

By delivering health care services to this high-risk population through MCPs, DHCS is able to provide SPD members with a high-quality system of care that improves access and care coordination.

Welfare and Institutions (W&I) Code Section 14182(s)(1) requires DHCS to provide semi-annual reports to the Legislature that provide details of the activities undertaken for the identification, notification, education, and enrollment of SPDs into MCPs. These reports include key milestones for mandatory SPD enrollment into MCPs, DHCS's progress toward the objectives of SPD enrollment, and issues related to the care management and care coordination of SPDs. This report is the *seventh* semi-annual report to the Legislature covering the period of *July through December 2013*.

### **II. BACKGROUND**

DHCS contracts with MCPs to arrange for the provision of health care services for approximately *6.9 million* Medi-Cal members in all *58 California* counties.

### **III. KEY MILESTONES FOR MANDATORY SPD ENROLLMENT**

<b>Key Milestone</b>	<b>Completion Dates</b>
Plan Readiness	January 2011
Sensitivity Training	January 2011
Access/Facility Site Review	January 2011
Outreach and Education	February 2011
Risk Assessment and Stratification	April 2011
Federal Approval of Waiver, Rates, and Contract Language	May 2011
SPD Mandatory Enrollment	June 2011 – May 2012

### State Fair Hearings and Medical Exemption Requests:

There were 918 SPD State Fair Hearing (SFH) requests between the months of *July and December 2013*. This was a *decrease* from the previous *two reporting periods*. *January through June 2013* had 1,410 SPD SFH requests and the last two quarters of 2012 had 1,038 SPD SFH requests.

There were 6,088 SPD Medical Exemption Requests (MERs) processed by DHCS between the months of *July through December 2013*. Of the 6,088 SPD MERs processed during the reporting period, 3,011 were processed during the *July through September 2013* quarter and 3,077 were processed during the *October through December 2013* quarter. Both of these quarters reflect an increase from the previously reported *April through June 2013* quarter, which had 2,524 SPD MERs. *The increases are mostly the result of the number of MERs that became eligible for renewal during the reporting period (DHCS approves MERs up to 12 months).*

DHCS continues to monitor MER and SFH requests. Any health care issues that arise are resolved as expeditiously as possible at the MCP level and in collaboration with DHCS staff, when necessary. To date, DHCS has not identified any unresolvable medical care situations related to the implementation of mandatory enrollment of the Medi-Cal only SPD population into MCPs.

## **IV. PROGRESS TOWARD OBJECTIVES OF SPD ENROLLMENT**

### **A. Risk Assessment and Stratification**

W&I Code Section 14182(c)(12)(A) requires MCPs to conduct risk stratifications and risk assessments of new SPD members. The risk stratification determines a member's health status as either high-risk or low-risk followed by a 45 or 105 day requirement to conduct the risk assessment of the new SPD member. The risk assessment allows the MCP to determine the health care management needs of its members.

DHCS approves all MCP risk stratification and risk assessment tools developed by the MCPs. These tools must comply with current contractual requirements and Policy Letter (PL) 12-004, which can be found at the following link: <http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/PL2012/PL12-004.pdf>.

Risk assessments can take up to 105 days to complete. Because of this, statistics on completed assessments are currently available through the end of the *first* quarter of 2013. According to the data reported by Two-Plan and Geographic Managed Care (GMC) health plans, MCPs newly enrolled 59,564 SPDs between *September 2012* and *March 2013*. Of those SPDs, MCPs stratified 19,202 (32 percent) as high-risk and 40,362 (68 percent) as low-risk. Of the high-risk SPDs, MCPs contacted 83 percent, and, of those contacted, 31

percent completed a risk assessment survey. *High risk means new SPDs with a higher risk of having an adverse health outcome or worsening of their health status.* Of the low-risk SPDs, MCPs contacted 63 percent, and, of those contacted, 66 percent completed a risk assessment survey. After the risk assessment surveys were completed, MCPs determined 7,106 SPDs to be in the other risk category, which is 12 percent of new enrollees during the quarter. *The other risk category covers the SPDs who completed the risk assessment survey and who were determined to be in a different risk category (higher or lower) than had been established during the risk stratification process.*

## **V. SUBMITAL OF FEDERAL SPAs and WAIVERS**

*On December 24, 2013, DHCS received approval from the Centers for Medicare and Medicaid Services (CMS) for the “California Bridge to Reform Demonstration (No. 11-W-00193/9) Amendment Medi-Cal Expansion to Newly Eligible Individuals/Integration of Medi-Cal Outpatient Mental Health Services” waiver amendment.*

*This waiver amendment allows the State to extend Medicaid services to childless adults as described in Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act. Many of these individuals were already enrolled through the existing Demonstration Waiver’s Low Income Health Programs (LIHPs). This waiver amendment also allows for a seamless transition of LIHP-Medi-Cal Expansion program beneficiaries into the Medi-Cal managed care delivery system. Further, this waiver amendment provides DHCS with the federal authority to enroll a newly eligible population, that can now qualify for Medi-Cal, based on expanded income eligibility criteria, as described in Assembly Bill (AB) X1-1 (Perez, Chapter 3, Statutes of 2013). Specifically, AB X 1-1 expands Medi-Cal eligibility to certain adults with annual incomes up to 133 percent of the federal poverty level, effective January 1, 2014. Finally, this waiver amendment authorizes DHCS to expand the Medi-Cal managed care package of benefits to include outpatient mental health services and allows DHCS to require MCPs to cover outpatient mental health services provided by licensed health care professionals acting within the scope of their license. Those benefits provided by county mental health plans under the Specialty Mental Health Services Waiver are excluded.*

## **VI. HEALTH OUTCOMES OF ENROLLEES**

In accordance with federal quality assurance requirements, DHCS requires contracted MCPs to report performance measurement scores annually. The scores include a number of Healthcare Effectiveness Data Information Set (HEDIS) measures related to quality of care, access to care, and timeliness of care provided to MCP members.

DHCS published the Quality and Performance Improvement Program requirements for 2013 in All Plan Letter (APL) 13-005, which can be found at the following link:

<http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2013/APL13-005.pdf>. This APL includes requirements for reporting stratified data for the SPD population and the stratification methodology. MCPs are now required to report scores specifically for SPDs, non-SPDs, and the total Medi-Cal managed care population *for each of the following measures:*

- *Child and adolescent access to primary care;*
- *Monitoring of patients on persistent medication;*
- *Diabetes care;*
- *Ambulatory care visits; and*
- *Hospital readmissions.*

*Fall 2013 was the first time that MCPs reported stratified measures for the SPD/non-SPD population and; therefore, it was the first time DHCS analyzed the comparisons between these populations. For services delivered in calendar year 2012 (HEDIS reporting year 2013), the HEDIS measures showed better results for SPDs than non-SPDs for all the diabetes care indicators (except blood pressure control) and monitoring people on persistent medications. As expected, SPDs utilized more ambulatory care visits per 1000 member-months than non-SPDs, and had higher rates of hospital readmissions. DHCS is currently conducting further analysis on this data. It is important to note that these results are preliminary because not all SPDs transitioned to MCPs by January 1, 2012.*

## **VII. CARE MANAGEMENT AND COORDINATION\***

Primary Care Providers (PCPs) must manage the care of patients with chronic health conditions, serious and complex medical needs, multiple co-morbidities, and care of the elderly and disabled. Current contract language requires MCPs to support PCPs in their case management and care coordination activities. MCPs are responsible for the coordination activities for members who receive health care services within the MCP's provider network and when members receive services from out-of-network providers.

DHCS completed modifications of the MCP contract language to further define and strengthen MCP requirements for case management and care coordination across the continuum of care for SPD members. Current contract language specifies that MCPs must complete risk stratification and risk assessments followed by the completion of individual care plans for high-risk members upon enrollment and then regularly updated thereafter.

*\*No updates to this section for the July through December 2013, reporting period.*

## VIII. OTHER SPD INFORMATION

### A. Medi-Cal Managed Care Division's Office of the Ombudsman

The Medi-Cal Managed Care Division's (MMCD) Office of the Ombudsman (OMB) uses a Microsoft Customer Relationship Management (CRM) system that tracks incoming member phone calls. In June 2010, OMB added "SPD Access" as a tracking sub-category. OMB reviews the CRM's Case Detail by Issue Type report and the Sub-Issues and Referrals by Primary Issue report to identify trends. OMB tracks SPD access on an ongoing basis.

*For the period of July 1, 2013 through December 31, 2013, OMB received 2,632 cases pertaining to the mandatory enrollment of SPDs. This accounted for eight percent of the 32,458 assisted cases by the OMB during that period. Furthermore, there were only nine issues for SPDs regarding access. This is less than the number of cases reported in the last semi-annual SPD report regarding access issues for SPDs, which totaled 20.*

### B. Monitoring Activities

#### 1. **The Plan Monitoring Unit**

The Plan Monitoring Unit (PMU) is responsible for providing technical assistance and enforcing Corrective Action Plans (CAPs) for audits performed by the DHCS Audits & Investigation Division and medical surveys (including SPD specific surveys) performed by the Department of Managed Health Care (DMHC) through an interagency agreement (IA). *Since June 2011, DMHC has conducted 1115 SPD Waiver surveys on behalf of DHCS. SPD survey results help to monitor care coordination, better manage chronic conditions, and improve health outcomes.* DHCS has created a formal procedure for administering and following up on CAPs to ensure an efficient process is in place and all MCPs are treated in a consistent manner.

DHCS is also in the process of standardizing data templates in the interest of receiving consistent data submissions from all MCPs. PMU is responsible for analyzing standardized data submissions, comparing and contrasting by MCP and county, and providing technical assistance and enforcing CAPs as deemed necessary.

#### 2. **SPD Survey on MCP Transition**

During the first quarter in 2011, DHCS solicited stakeholder input from CMS before finalizing the report elements that were used to track and report the transition of SPDs into MCPs. The monitoring elements included enrollment patterns, outreach results, continuity of care requests,

risk assessment and stratification results, member concerns and grievances, utilization data, and care coordination data.

DHCS published the resulting monthly monitoring report including monitoring activities from June 2011 through the completion of the SPD transition in April 2012. *DHCS published the final report in January 2013. The report, titled “Managed Care Implementation for Seniors and Persons with Disabilities: Monitoring Dashboard,” is available on the DHCS’s website at the following link:*

<http://www.dhcs.ca.gov/individuals/Pages/MMCDSPDChrtsRptsData.aspx>

### **3. Encounter Data Improvement Project**

*DHCS initiated the Encounter Data Improvement Project (EDIP) in late 2012, with the goal of improving the current state of DHCS’s encounter data as well as establishing the Encounter Data Quality Monitoring and Reporting Plan (EDQMRP). The EDQMRP, currently under development, is DHCS’s plan for measuring encounter data, tracking it from submission to its final destination in DHCS’s data warehouse, and reporting on data quality internally and externally.*

*In the second half of 2013, the Encounter Data Quality Unit (EDQU), established by the EDIP, continued its efforts to implement and maintain the EDQMRP. EDQU continued to identify specific MCPs with missing encounter data and work with them to resolve the deficiencies. EDQU also continued to develop metrics that will objectively measure the quality of future encounter data in the dimensions of completeness, timeliness, reasonability and accuracy. During this reporting period, EDQU worked with other areas of DHCS to provide input on business requirements in order to develop an improved system to receive encounter data from MCPs. EDQU also worked with DHCS’s contracted fiscal intermediary to fix malfunctioning encounter data edits in the existing system. Although many of these efforts did not specifically target SPDs, improving the quality of DHCS’s encounter data will enable better monitoring of the services and care provided to this population.*

### **4. Additional Projects**

DHCS embarked on three different projects related to the monitoring of SPDs *starting in the second half of 2012 and throughout 2013:*

- a) Through funding provided by the California HealthCare Foundation (CHCF), DHCS worked with University of California Berkeley to develop and facilitate a survey of transitioned SPDs. This survey focused on a myriad of areas including continuity of care, access to

care, member knowledge of managed care, and patient demographics. The following are a few of the highlights:

- 74 percent of transitioned SPDs reported their quality of care as the same or better.
- 63 percent of transitioned SPDs reported being somewhat or very satisfied with their benefits.
- 71 percent of transitioned SPDs reported their ability to make appointments with a primary care doctor was about the same or easier.
- 80 percent of transitioned SPDs stated their providers' understanding of how to care for persons with their specific health condition was the same or better.

The full results from this survey are available at the following link:  
<http://www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/S/PDF%20Sacto03282013SPDsTransitionMediCalManagedCare.pdf>.

- b) *DHCS originally worked with a consultant, funded by the Blue Shield of California Foundation to develop a report on the current monitoring information relative to SPDs and recommendations on how DHCS might structure an evaluation of the SPD transition. DHCS reevaluated this approach and instead began working on a similar project internally. In mid-2013, DHCS developed key questions to include in an evaluation report on the impact of the transition of SPDs into MCPs on the beneficiaries and the costs associated with providing the services. In the fall of 2013, DHCS developed an evaluation design and draft proposal to address those questions. DHCS is reviewing the draft of the evaluation design and will release a final version in 2014.*
- c) *With funding from CHCF, MMCD engaged a vendor, Navigant, to create the MMCD Performance Dashboard for the Medi-Cal managed care program. The dashboard will help DHCS and its stakeholders to better observe and understand MCP activities on all levels: statewide, by managed care model (i.e., County Organized Health System, GMC, Two-Plan, and Rural Models), and within an individual MCP. The dashboard will include metrics submitted by MCPs that quantify and track quality of care, enrollee satisfaction, enrollee utilization, finances, care coordination, and continuity of care. It will also stratify reported data by beneficiary populations including Medi-Cal-only SPDs.*

*MMCD developed a public version of the MMCD Performance Dashboard beginning with the Third Quarter, 2013 edition. MMCD plans to post the public dashboard to the DHCS website in late*

January, 2014, and will conduct a webinar with stakeholders to discuss the dashboard in early February 2014.

### C. Outpatient Mental Health

*As a part of the enacted 2013-14 Budget, and pursuant to SBX1 1 (Hernandez and Steinberg, Chapter 4, Statutes of 2013), effective January 1, 2014, California will expand mental health (MH) services provided through the Medi-Cal program.*

*DHCS will expand the Medi-Cal MH services available to its beneficiaries, including SPDs, and MCPs will be required to provide covered MH benefits, excluding those benefits provided by the county Mental Health Plans (MHPs) under the Specialty Mental Health Services Waiver. Outpatient MH benefits will be available through MCPs for beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from any MH condition defined by the current Diagnostic and Statistical Manual. Beneficiaries not enrolled in an MCP will receive these benefits through Medi-Cal FFS. Medi-Cal specialty mental health services currently provided by the MHPs will continue to be provided by the MHPs for Medi-Cal beneficiaries that meet the medical necessity criteria.*

*Expanded Substance Use Disorder (SUD) benefits will continue to be provided through the current delivery systems: Medi-Cal FFS or county-administered Drug Medi-Cal depending on the benefit. However, DHCS is requiring MCPs to provide Screening and Brief Intervention services for alcohol misuse by adults.*

*DHCS released two APLs, which provide guidance and applicable requirements related to the expanded MH benefits. DHCS published APL 13-018, which describes the responsibilities of Medi-Cal MCPs for amending or replacing the Memoranda of Understanding with county MHPs for the coordination of Medi-Cal MH services. APL 13-018 is available at the following link:  
<http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2013/APL13-018.pdf>.*

*DHCS also published APL 13-021, which describes the MCPs' responsibilities for providing outpatient MH services to adults and children. APL 13-021 is available at the following link:  
<http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2013/APL13-021.pdf>.*

*DHCS has been involved in several stakeholder outreach efforts related to the MH and SUD service expansion such as hosting a stakeholder conference call and announcing the creation of the Behavioral Health Quality Assurance Forum. Information, meeting presentations, and an email inbox where stakeholders can provide input can be found at: [http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD\\_Partners-Stakeholders.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD_Partners-Stakeholders.aspx)*

### D. Community Based Adult Services (CBAS)

*AB 97, (Committee on Budget, Chapter 3, Statutes of 2011) eliminated Adult Day Health Care (ADHC) services as an optional Medi-Cal benefit. DHCS became the defendant in a lawsuit (Darling v. Douglas) to halt the elimination of ADHC. DHCS entered into a settlement agreement with the plaintiffs to establish a new program called CBAS that offers some of the same services as ADHC and allows beneficiaries to remain in their communities; however, CBAS has stricter eligibility requirements to achieve cost savings.*

*ADHC ended on February 29, 2012, and FFS CBAS began on March 1, 2012. The MCPs operating in COHS counties began covering CBAS on July 1, 2012, with the exception of Gold Coast Health Plan (GCHP) in Ventura County. The Two Plan Model, Geographic Managed Care and GCHP MCPs began covering CBAS on October 1, 2012. Currently, beneficiaries enrolled in the rural managed care counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen Mariposa, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, San Benito, Sutter, Tehama, Tuolumne, and Yuba receive CBAS services on a FFS basis. CBAS will become a managed care benefit in these rural counties sometime in 2014.*

*MCPs contract with former ADHC centers that are certified CBAS providers. MCPs assume two responsibilities in relation to CBAS: 1) the assessment process to determine eligibility for CBAS, and 2) the reassessment process to ensure that CBAS members continue to receive the level of CBAS services needed.*

## Attachment A

### Abbreviations and Acronyms

AB	Assembly Bill
ADHC	Adult Day Health Care
APL	All Plan Letter
CBAS	Community Based Adult Services
CHCF	California HealthCare Foundation
CAP	Corrective Action Plan
CMS	Centers for Medicare and Medicaid Services
CRM	Microsoft Customer Relationship Management System
DHCS	Department of Health Care Services
DMHC	Department of Managed Health Care
EDIP	Encounter Data Improvement Project
EDQMRP	Encounter Data Quality Monitoring and Reporting Plan
EDQU	Encounter Data Quality Unit
FFS	Fee-for-Service
GCHP	Gold Coast Health Plan
GMC	Geographic Managed Care
HEDIS	Healthcare Effectiveness Data Information Set
IA	Interagency Agreement
LIHP	Low-Income Health Program
MCP	Medi-Cal Managed Care Plan
MER	Medical Exemption Request
MH	Mental Health
MHP	Mental Health Plan
MMCD	Medi-Cal Managed Care Division
OMB	Office of the Ombudsman
PCP	Primary Care Provider
PL	Policy Letter
PMU	Performance Measurement Unit
SB	Senate Bill
SPDs	Seniors and Persons with Disabilities
SFH	State Fair Hearing
SUD	Substance Use Disorder
W&I	Welfare and Institutions Code