



TOBY DOUGLAS
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

DATE: JULY 12, 2013

ALL PLAN LETTER 13-008

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: CONTRACTS WITH DUAL-ELIGIBLE SPECIAL NEEDS PLANS

The purpose of this All Plan Letter (APL) is to update guidance issued in April 2012 relating to requirements that Dual-Eligible Special Needs Plans (D-SNPs) have with the State under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), as amended by the Affordable Care Act of 2010 (ACA). Please see APL 12-001, relating to contracts with D-SNP plans, at <http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2012/APL12-001.PDF>.

BACKGROUND:

In January 2012, Governor Brown announced his intent to enhance health outcomes and beneficiary satisfaction for low-income seniors and persons with disabilities (SPDs) by shifting service delivery away from institutional care and into home and community-based settings. Governor Brown enacted the Coordinated Care Initiative (CCI) by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012).

A component of the CCI is a three-year Duals Demonstration Project, referred to as Cal MediConnect, which will be implemented no sooner than January 1, 2014, in the following eight counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, Alameda, Santa Clara, and San Mateo. Cal MediConnect will combine the full continuum of acute, primary, institutional, and home and community-based Medicare and Medi-Cal services into a single benefit package delivered through an organized service delivery system administered by Medicare/Medicaid Plans (MMPs). Medi-Cal beneficiaries who are also enrolled in Medicare (dual-eligibles) will be passively enrolled into MMPs, but may choose to opt out, for their Medicare benefits.

Cal MediConnect will include the coordination of Medicare and Medi-Cal services, including network adequacy requirements, outreach and education, marketing, quality measures, and grievances and appeals processes.

As explained in Title 42 Code of Federal Regulations (CFR) Section (§) 422.107, states have latitude to determine eligibility requirements for D-SNPs. The regulation reads, in relevant part, that a D-SNP contract with a state must document, among other things,“(c)(2) The category(ies) of eligibility for dual-eligible beneficiaries to be enrolled under the SNP, as described under the statute in §§ 1902(a), 1902(f), 1902(p), and 1905.” Chapter 16B of the federal Centers for Medicare and Medicaid Services (CMS) Medicare Managed Care Manual, § 40.5.1, explains the regulatory language, in relevant part, by stating that: “The Medicare Advantage (MA) contract with the state Medicaid agency may cover certain category(ies) of dual-eligible individuals and does not need to cover all categories of dual-eligible individuals or target a subset of dual-eligible individuals, such as a frail, elderly population. Any such subset must be specified in the state Medicaid agency contract.”

Consistent with the goal of integrating care across the continuum for dual-eligibles, the Department of Health Care Services (DHCS) intends to implement the Cal MediConnect program under the authority of the ACA and Welfare and Institutions (W&I) Code § 14132.275. Under this program, CMS, DHCS, and Cal MediConnect plans will enter into three-way agreements to provide fully-integrated care to dual-eligibles. DHCS also anticipates that Cal MediConnect plans will create robust networks of contracted providers for the delivery of fully-integrated care consistent with the policy objectives of W&I Code § 14132.275 and the ACA, thereby creating an integrated care system that does not exist today. Pursuant to SB 94 (Committee on Budget, Chapter 37, Statutes of 2013), which adds § 14132.277 to W&I Code, DHCS sets forth its MIPPA contracting policy for 2014 in this APL.

OPTIONS FOR D-SNP CONTRACTING UNDER MIPPA:

A D-SNP operating in a county other than one of the eight Cal MediConnect counties as of January 1, 2013, can meet MIPPA contracting requirements by entering into a MIPPA compliant contract with a Medi-Cal managed care health plan (MCP) operating in that county or by entering into a contract with DHCS. The MIPPA contract shall be bound by the requirements set forth in this APL, which requires the D-SNP to submit a copy of the bid submitted by the plan to CMS for its D-SNP and all utilization and quality management reports submitted to CMS.

A D-SNP operating in one of the eight Cal MediConnect counties as of January 1, 2013, can meet MIPPA contracting requirements by entering into a MIPPA compliant contract with a MCP in that county or by entering into a contract with DHCS. The MIPPA contract shall be bound by the requirements set forth in this APL, which requires the D-SNP to submit a copy of the bid submitted by the plan to CMS for its D-SNP and all utilization and quality management reports submitted to CMS.

A D-SNP may continue to enroll beneficiaries in 2014. Further, D-SNP and MA plan enrollees are exempt from passive enrollment into Cal MediConnect in 2014. Such beneficiaries may disenroll from their MA plan or D-SNP and enroll in a Cal MediConnect plan. They may also disenroll from Cal MediConnect and return to fee-for-service Medicare or to a D-SNP or MA plan.

Beneficiaries will be enrolled in a Medi-Cal Managed Care plan for Long-Term Services and Support. Beneficiaries may select their Medi-Cal plan or be enrolled into one by DHCS.

REPORTING REQUIREMENTS:

1. D-SNP Bid

A D-SNP shall submit a complete copy of its D-SNP bid to DHCS within 30 days after submission to CMS. An electronic copy of the final D-SNP bid should be sent to Margaret Liston, DHCS, Chief of Financial Management Section, at the following email address: Margaret.Liston@dhcs.ca.gov.

2. Utilization and Quality Management Report

A D-SNP shall submit a complete copy of its utilization and quality management reports to DHCS within 30 days after submission to CMS. An electronic copy of this original report should be sent to DHCS Plan Monitoring Section at the following email address: pmpm.monitoring@dhcs.ca.gov.

Additional information may be required to be submitted as specified by DHCS.

DHCS appreciates the ongoing, significant contributions MCPs are making toward the fully-integrated system of health care for dual-eligibles. If you have any questions regarding this letter, please contact me at (916) 449-5000.

Sincerely,

Original signed by Margaret Tatar

Margaret Tatar, Chief
Medi-Cal Managed Care Division