



TOBY DOUGLAS  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

**DATE:** October 10, 2014

ALL PLAN LETTER 14-014

**TO:** MEDI-CAL MANAGED CARE HEALTH PLANS OPERATING IN  
ALAMEDA AND ORANGE COUNTIES

**SUBJECT:** ENROLLMENT REQUIREMENTS FOR DUAL-ELIGIBLE SPECIAL  
NEEDS PLANS IN ALAMEDA AND ORANGE COUNTIES

**PURPOSE:**

The purpose of this All Plan Letter (APL) is to provide guidance relating to enrollment requirements of the Dual-Eligible Special Needs Plans (D-SNPs) operating in Alameda and Orange Counties for calendar year (CY) 2015 and for the duration of the Duals Demonstration Project, herein referred to as Cal MediConnect (CMC). Due to the delay in implementation of the Coordinated Care Initiative (CCI) in Alameda and Orange Counties, this APL adjusts the enrollment policies of the D-SNPs operating in those counties.

The Department of Health Care Services (DHCS) released APL 14-007 (Revised) on July 11, 2014 that provided guidance relating to requirements that 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. This guidance covers MIPPA-compliant contracts to D-SNPs and Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) for 2015 and for the duration CMC. The APL is available at: <http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2014/APL14-007.pdf>. This APL supersedes APL 14-007 for all D-SNPs operating in Alameda and Orange Counties.

**BACKGROUND:**

Governor Brown enacted the CCI by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012), SB 1036 (Chapter 45, Statutes of 2012) and SB 94 (Chapter 37, Statutes of 2013) to enhance health outcomes and beneficiary satisfaction for low-income Seniors and Persons with Disabilities by shifting service delivery away from institutional care to home and community-based settings.

CMC is one component of the CCI and serves beneficiaries eligible for both Medi-Cal and Medicare (Duals) and combines the full continuum of Medicare and Medi-Cal

services into a single benefit package delivered through an organized service delivery system.

Enrollment into CMC is being implemented in the counties of Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara and according to the implementation schedule contained in the document titled, "CCI Enrollment Timeline by Population and County" that can be found at the following link: <http://www.calduals.org/implementation/cci-documents/enrollment-charts-timelines/> under the heading Enrollment Chart.

On June 20, 2014, Governor Brown signed SB 857 (Chapter 31, Statutes of 2014), one of two Omnibus Trailer Bills for 2014-15. SB 857 amended Welfare and Institutions Code Section 14132.277 that instituted requirements regarding contracts and eligibility criteria for D-SNPs in the context of the CCI. The bill provided DHCS with the authority to enter into MIPPA-compliant contracts with D-SNPs and FIDE-SNPs for CY 2015 and for the duration of CMC.

On August 1, 2014, DHCS announced changes to the CCI enrollment timeline for Alameda and Orange Counties. DHCS is delaying CMC implementation in these counties to allow more time for the CMC plans in these counties to achieve plan readiness.

To accommodate for this delay in CMC implementation, DHCS is initiating the policy outlined in this APL pursuant to the contract section titled "All Plan and Policy Letters." Depending on plan type, the D-SNP MIPPA-compliant contract or the Medi-Cal Contract Amendment states that D-SNPs:

"...[s]hall comply with All Plan Letters (APLs) and Policy Letters (PLs), including but not limited to APL 12-001 and 13-003, as well as any subsequent APLs, PLs or updates, departmental updates regarding D-SNP policies for the period of 2015 and through the duration of the Duals Demonstration Project..."

## **REQUIREMENTS:**

### MIPPA-Compliant Contracting

- If a D-SNP is not also a CMC plan (non-CMC D-SNP), DHCS will annually offer MIPPA-compliant contracts to those D-SNPs that were approved for the D-SNP's service area(s) as of January 1, 2013, for CY 2015 and the duration of CMC. Non-CMC D-SNPs may enter into MIPPA-compliant contracts with either DHCS or a Medi-Cal managed care health plan (MCP) operating in the county; and

- If a D-SNP is also a CMC plan (CMC D-SNP), DHCS will offer MIPAA-compliant contracts for CY 2015 and the duration of CMC to serve any existing or new beneficiaries who are not eligible for CMC (Excluded Beneficiaries) only.

#### Alternative Health Care Service Plan Requirements

If a D-SNP is operated by an Alternative Health Care Service Plan (AHCSP) that meets the definition of a prepaid health plan that is a non-profit health care service plan with at least 3.5 million enrollees statewide that owns or operates its own pharmacies and that provides medical services to enrollees in specific geographic regions through an exclusive contract with a single medical group in each specific geographic region in which it operates to provide services to enrollees, the following shall apply:

- Upon mutual agreement between the CMC plan operated by a health authority or commission contracting with DHCS and the AHCSP, the AHCSP shall take full financial and programmatic responsibility for Long-Term Supports and Services of the D-SNP enrollee, including but not limited to:
  - In-Home Supportive Services;
  - Long-Term Skilled Nursing Care;
  - Community-Based Adult Services;
  - Multipurpose Senior Services Program; and
  - Other Medi-Cal benefits offered in CMC.
- DHCS shall prior to assigning a beneficiary to an MCP pursuant to Welfare and Institutions Code Section 14182.16, determine whether the beneficiary is already a member of the AHCSP. If so, DHCS shall assign the beneficiary to the MCP operated by the health authority or commission contracting with DHCS and subcontracting with the AHCSP.

#### Pre-CMC Implementation in Alameda and Orange Counties

The adjustments to the current D-SNP contract requirements in Alameda and Orange Counties will commence January 1, 2015 and continue until such time that CMC is implemented (i.e., passive enrollment begins), which is per the timeline available at <http://www.calduals.org/implementation/cci-documents/enrollment-charts-timelines/>, under the heading Enrollment Chart. The adjustments are as follows:

- If a D-SNP is a non-CMC D-SNP, the non-CMC D-SNPs may continue to accept enrollment requests from all beneficiaries eligible for enrollment in their D-SNP plan type until the initial group of CMC passive enrollments is effective;
- If a D-SNP is also a CMC plan, the CMC D-SNPs may continue to accept enrollment requests from all beneficiaries eligible for enrollment in their D-SNP plan type until the initial group of CMC passive enrollments is effective; and
- If a D-SNP is operated by an AHCSPP, the AHCSPP D-SNP may continue to accept enrollment requests from all beneficiaries eligible for enrollment in their D-SNP plan type until the initial group of CMC passive enrollments is effective.

#### Post CMC-Implementation in Alameda and Orange Counties

Once Alameda and Orange Counties implement CMC (i.e. passive enrollment begins), per the timeline found at <http://www.calduals.org/implementation/cci-documents/enrollment-charts-timelines/>, under the heading Enrollment Chart, the CMC D-SNPs, non-CMC D-SNPs, and D-SNPs operated by an AHCSPP shall adhere to the following enrollment requirements:

- If a D-SNP is a non-CMC D-SNP:
  - Duals who are eligible for CMC and are enrolled in a non-CMC D-SNP after December 31, 2014 and prior to CMC being implemented in Alameda and Orange Counties, will be exempt from passive enrollment into CMC for the duration of CMC. These beneficiaries may voluntarily choose to disenroll from a non-CMC D-SNP and enroll in a CMC plan at any time;
  - Non-CMC D-SNPs may continue to serve Duals eligible for CMC as long as these Duals are enrolled in the non-CMC D-SNP with an enrollment effective date prior or equal to the initial enrollment effective date for CMC passive enrollment in Alameda and Orange Counties. This includes Duals who were enrolled in the non-CMC D-SNP as of the CMC implementation date, who choose to enroll in CMC, and subsequently opt-out of CMC; and
  - Non-CMC D-SNPs may continue to serve any existing and new beneficiaries who are not eligible for CMC (Excluded Beneficiaries).
    - Excluded Beneficiaries include the following:
      - Individuals under the age of 21;

- Individuals with other private or public health insurance;
  - Individuals receiving services through the State's regional centers or developmental centers or intermediate care facilities for the developmentally disabled;
  - Individuals with a share of cost that do not meet the requirements outlined above;
  - Individuals residing in one of the Veterans' Homes of California; and
  - Individuals residing in an excluded zip code per the Memorandum of Understanding between the State and the Centers for Medicare and Medicaid Services (CMS).
- If a D-SNP is also a CMC plan the following will apply:
    - No earlier than January 1, 2016, DHCS will crosswalk all Duals who are eligible for CMC into the corresponding CMC plan once CMC is implemented in Alameda and Orange Counties. These Duals will not be permitted to re-enroll in the CMC D-SNP; and
    - The CMC D-SNP may serve any existing or new beneficiaries who are not eligible for CMC (Excluded Beneficiaries) only.
  - If a D-SNP is operated by an AHCSP in Alameda and Orange Counties, the following will apply:
    - Individuals enrolled in the AHCSP who become Medicare eligible while enrolled in the AHCSP will be eligible to choose the AHCSP's D-SNP; and
    - AHCSP D-SNPs, same as non-CMC D-SNPs, may continue to serve Duals who are eligible for CMC and who are enrolled in the AHCSP's D-SNP as of the CMC implementation date for Alameda and Orange Counties. These Duals will be exempt from passive enrollment into CMC for the duration of CCI. This includes Duals who were enrolled in the AHCSP's D-SNP as of the CMC implementation date for Alameda and Orange Counties, who choose to enroll in CMC, and subsequently opt-out of CMC.

Additional Information

- Duals who opt-out of passive enrollment into a CMC plan are not eligible to enroll in a CMC D-SNP or non-CMC D-SNP but may select either another Medicare Advantage (MA) plan that is not a D-SNP or Medicare fee-for-service (FFS).
  - As stated above, Duals enrolled in a non-CMC D-SNP prior to the implementation of CMC who choose to enroll in CMC and subsequently opt-out, may return to the non-CMC D-SNP.
- DHCS will not passively enroll into CMC plans Duals who are enrolled in MA plans that are not D-SNPs.
- For those D-SNPs operating in both CCI and non-CCI counties, the following shall apply:
  - If a Dual is enrolled in a D-SNP in a non-CCI county, regardless of enrollment date, and then moves at any time during the duration of CMC to a CCI county where that D-SNP operates as a non-CMC D-SNP, he/she may remain enrolled in that D-SNP;
  - If a Dual is enrolled in a non-CMC D-SNP in a CCI county and moves to another CCI county where the D-SNP is a CMC plan, the Dual will be passively enrolled into CMC;
  - If a Dual is enrolled in a D-SNP in a non-CCI county and moves to a CCI county where that D-SNP is a CMC plan, the Dual will be passively enrolled into CMC; and
  - If a Dual is enrolled in CMC and moves to another CCI county where that CMC plan only operates a non-CMC D-SNP, the Dual will be passively enrolled into a CMC plan operating in that CCI county.

ALL PLAN LETTER 14-014  
Page 7

If you have any questions regarding this APL, please contact Sarah Brooks at [Sarah.Brooks@dhcs.ca.gov](mailto:Sarah.Brooks@dhcs.ca.gov).

Sincerely,

*Original Signed by Javier Portela*

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Medi-Cal Managed Care Division