Stakeholder Communication Update

The Department of Health Care Services (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. Sign up to receive this update on the DHCS website. Please view the Calendar of Events for specific meetings and events, or review the Stakeholder Engagement Directory by program. You may also view our State Plan Amendments. For questions, concerns, or suggestions, you may contact us by email at DHCSPress@dhcs.ca.gov. Thank you.

Medicaid Section 1115 Waiver Renewal Update

DHCS submitted its 1115 waiver renewal plan to the Centers for Medicare & Medicaid Services (CMS) last spring after many months of discussion and input from our wide range of stakeholders. We have all worked diligently with our federal partners since then to promote a clear understanding of our goals, clarify options, and resolve differences. We made an ambitious, creative request that included concepts never before proposed. As we are moving into the final weeks of this process, we are narrowing our differences and focusing on our areas of agreement. Here's where we stand:

- There is shared commitment to building on the delivery system reforms in the public safety net and providing incentives for payment reform and quality improvements across all systems of care.
- We agree on our concepts for better integration of behavioral and physical health care, whole person care that links social and health services to address high-cost utilizers, supportive housing and care management, and improving maternity and dental outcomes in the fee-for-service system.
- We agree that the legal barriers to our proposal to earn non-federal share credit through a calculation of shared savings cannot be overcome, and we agreed to identify and use other sources of non-federal share to fund as much as possible of our ambitious proposal.

No one ever gets all they ask for, and we don't expect to in our next waiver. However, our state-federal partnership is strong, and our vision for better health, better care, and lower cost is well-aligned. To receive funding under our next waiver, providers and health plans across the spectrum must demonstrate their commitment to these goals and to measurable improvements in access and quality of care.

Adult Medicaid Quality Grant

DHCS is anticipating a “notice of award” date in September for a new federal grant opportunity that will help California improve outcomes in Medi-Cal. The grant, entitled *Adult Medicaid Quality: Improving Maternal and Infant Health Outcomes in Medicaid*

and CHIP, is offered by the U.S. Department of Health and Human Services, CMS, and Children's Health Insurance Program (CHIP). It gives states a unique opportunity to collect and report data to CMS on a new developmental quality measure that assesses contraceptive use in women, while also helping states improve perinatal health outcomes. Through this grant, CMS will support states' data collection, measurement, and reporting efforts for this measure. These data will also be useful in identifying opportunities to improve health care quality for women of childbearing age enrolled in Medicaid and to drive changes in care practices and delivery.

Medi-Cal Children's Health Advisory Panel (MCHAP)

The next regularly scheduled MCHAP meeting will be held on September 10 in Sacramento. DHCS hosted an MCHAP meeting on July 16 to discuss the integration of substance use disorder treatment services with other care services, as well as provide updates on the California Children's Services (CCS) redesign proposal and the expected timeline for full-scope coverage of all children under Senate Bill (SB) 75. The MCHAP is a 15-member independent statewide advisory body that advises DHCS on matters relevant to children enrolled in Medi-Cal. The panel meets every other month. For meeting information, materials, or historical documents, please visit the DHCS website.

Home- and Community-Based Services (HCBS) Advisory Workgroup

On September 30, DHCS will hold the second in a series of four HCBS Advisory Workgroup meetings in Sacramento for the purpose of "Enhancing CCT Delivery." The purpose of this meeting is to review the California Community Transitions (CCT) transition process, discuss best practices, and identify ways to integrate both the social and medical model of care to ensure the needs of the whole person are addressed. Workgroup members include CCT lead organizations (providers), CCT consumers, family members, managed care health plans, and other interested stakeholders. The HCBS Advisory Workgroup meetings are also open for public participation and comment. Public audience members may attend in person or by calling in to the conference line. Meeting materials will be posted to DHCS website three business days prior to the meeting, and meeting minutes will be posted one week following the meeting. Additional information can be found here.

Stakeholder Engagement for the Nursing Facility/Acute Hospital Waiver Renewal

DHCS will host two Nursing Facility/Acute Hospital (NF/AH) waiver renewal kick-off meetings on October 1 (Northern California) and October 5 (Southern California) to engage with stakeholders on the waiver renewal process and obtain feedback on the current waiver structure. DHCS' NF/AH waiver expires on December 31, 2016, and DHCS is seeking to extend the waiver through December 31, 2021. DHCS looks forward to stakeholder participation and continuous input throughout the NF/AH waiver renewal process. Additional information can be found here, including how to access reasonable accommodations to participate in or attend meetings.

J-1 Visa Waiver Program

On October 1, DHCS will begin accepting J-1 Visa Waiver applications from eligible foreign medical graduates interested in applying to the Department of State (DOS) to waive the required two-year residence in their home country. DHCS acts as an interested government agency and submits 30 waiver recommendations to DOS each year. A J-1 Visa waiver will permit a physician to remain in the United States with a three-year commitment to provide medical services in federally designated shortage areas. Physicians may apply for a waiver if they meet federal and state requirements. J-1 Visa Waiver application instructions and requirements can be found on the DHCS website.

Stakeholder Advisory Committee (SAC)

The next SAC meeting will be held on October 14 in Sacramento. The purpose of the SAC is to provide DHCS with feedback on 1115 "Bridge to Reform" waiver implementation efforts as well as other relevant health care policy issues impacting the department. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, member advocacy organizations and representatives of various Medi-Cal provider groups. The July 20 meeting included updates on the CCS redesign effort and a presentation of data on the characteristics of high-cost Medi-Cal users. To view meeting materials, as well as materials from prior meetings, and the schedule for committee meetings in 2015, please visit the DHCS website.

CCS Redesign

The next CCS stakeholder meeting is scheduled for October 21 in Sacramento. DHCS, in its continued efforts to improve health care and to emphasize quality and coordination for children and youth with special health care needs (CYSHCN), has assembled the CCS Advisory Group to inform DHCS' efforts to develop a "whole child" health care delivery system for the CCS program. The advisory group is comprised of individuals from various organizations and backgrounds with expertise in both the CCS program and care for CYSHCN. In addition to advisory group meetings, topic-specific technical workgroups have met periodically and will continue to do so to help guide CCS whole child development in various areas, including eligibility and health conditions, outcome measures and quality, provider access and provider networks, county and state roles and responsibilities, health homes, care coordination, and transitions. Please visit the DHCS website for more information.

Certified Community Behavioral Health Clinics (CCBHCs)

In October, the Substance Abuse and Mental Health Services Administration (SAMHSA) will award 25 grants of up to $2 million to selected applicants, with total anticipated funding of up to $24.6 million, to support states to certify CCBHCs, establish prospective payment systems (PPS) for Medicaid reimbursable services, and prepare an application to participate in a two-year demonstration program. On August 5, DHCS submitted an application for SAMHSA's Planning Grant for CCBHCs. The awarding of the CCBHC Planning Grants is the first phase of a two-phase process. Of the up to 25 applicants who are selected to participate in the Phase I CCBHC Planning Grant, up to eight will be selected to participate in Phase II, the two-year demonstration program, in

which CCBHCs will provide behavioral health services to eligible beneficiaries and be paid using an approved PPS. DHCS developed California's CCBHC Planning Grant application in partnership with the County Behavioral Health Director's Association of California and California Institute for Behavioral Health Solutions, as well as multiple departmental partners and interested stakeholders. To initiate the work for this application, these entities gathered at a DHCS-sponsored meeting on June 25 and at a roundtable discussion held by Congresswoman Doris Matsui on June 29. California's final CCBHC Planning Grant application is posted on the DHCS website. Additional information about the CCBHC Planning Grant can be found on the SAMHSA website.

Behavioral Health Treatment

DHCS recently announced a delay in the transition of responsibility for BHT services from Regional Centers to DHCS Medi-Cal managed care health plans (MCP). Instead of on November 1, 2015, the transition will occur on February 1, 2016. Also, the transition of financial responsibility for BHT services for fee-for-service Medi-Cal beneficiaries from Regional Centers to DHCS will be delayed from October 1, 2015, to February 1, 2016. This delay will provide additional time for DHCS and the Department of Developmental Services (DDS) to prepare for the transition. DHCS has worked closely with DDS, MCPs, Regional Centers, and stakeholders to conduct the transition since CMS released its guidance requiring states to cover BHT for children with autism spectrum disorder under the Early and Periodic Screening, Diagnosis, and Treatment benefit. State fiscal year 2015-16 capitation rates to be paid to MCPs are being updated to reflect changes in transition assumptions and will be posted to the DHCS website as soon as they become available. Given the transition delay and not yet having federal approval to provide BHT services under Medi-Cal, DHCS has temporarily suspended stakeholder meetings. These meetings will resume once DHCS has meaningful information to share. In the interim, as appropriate, DHCS will post informational updates to the BHT page on the DHCS website.

AB 97 Pharmacy Recoupment

Implementation of the recoupment of Assembly Bill (AB) 97-related reductions to pharmacy providers began on August 28. Under the process developed for this recoupment, providers will initially receive supporting claim detail informing them of the total amount due. Receipt of the supporting claim detail information will then be followed (approximately two weeks later) by the first 5 percent withhold from the provider's weekly checkwrite. The recoupment will be done through DHCS' normal Erroneous Payment Correction (EPC) process. Due to the volume of claims associated with this recoupment, DHCS will roll out the EPC over the course of approximately 16 weeks, so not every pharmacy provider will be affected at the same time. DHCS is working to process all claims for each provider during the same or consecutive weeks, if necessary, depending upon claim volume for each provider. Questions specific to the AB 97 EPC process may be directed to the Telephone Service Center at (800) 541-5555.

Exemption of AB 97 Provider Payment Reduction for Dental Services

Per the 2015-16 budget and SB 75, dental services and applicable ancillary services are now exempt from the AB 97 10 percent provider payment reduction for dates of service on or after July 1, 2015. DHCS is seeking federal approval to eliminate the AB 97 10 percent provider payment reduction for these services from the Medicaid State Plan. Once federal approval is received, system changes will be made to implement this policy, and notices will be issued to inform providers of the expected implementation date. In addition, DHCS will correct any underpayments with federal approval.

Coordinated Care Initiative (CCI)

As of August 1, there are 117,449 beneficiaries enrolled in Cal MediConnect, including 9,900 in San Mateo, 14,213 in Riverside, 14,119 in San Bernardino, 17,511 in San Diego, 50,132 in Los Angeles, 10,595 in Santa Clara, and 979 in Orange. Currently, only Orange County and Santa Clara County residents will be passively enrolled into Cal MediConnect. Passive enrollment in Orange County began on August 1, and beginning on November 1, CalOptima will passively enroll beneficiaries residing in long-term care facilities. Passive enrollment in Orange County is expected to conclude in July 2016. Also, passive enrollment in Santa Clara is still ongoing and will conclude in December 2015. Enrollment data is available on the Cal MediConnect dashboard. In addition, in a July 10 letter to states, CMS offered an opportunity for states to extend their dual eligible financial alignment demonstrations by two years. The letter cites the need for more time to evaluate outcomes, including improvements in quality and overall cost savings. On August 26, DHCS submitted a non-binding letter to CMS indicating DHCS' potential interest in an extension of the duals demonstration project. In partnership with health plans, providers, beneficiaries, and other stakeholders, DHCS continues to explore ways to improve the program and to ensure that it is delivering on its promise of integrating and improving the quality of care for California's dually eligible beneficiaries. For more information, please visit the DHCS website.

California Pink Ribbon License Plate

On August 19, the Department Motor of Vehicles (DMV) approved the California Pink Ribbon License Plate. The Pink Ribbon License Plate was started by a group of breast cancer survivors in Northern California, whose vision was to create the first special interest plate to honor cancer survivors and to raise funds to increase breast cancer awareness through early cancer detection. The founders, known as the Survivor Sisters, championed the passage of AB 49, which was signed into law on September 16, 2014. DHCS' Every Woman Counts (EWC) has worked closely with its contractor, the founders, DMV, and the California Highway Patrol to bring the first of its kind Pink Ribbon License Plate to California. With the approval from DMV, EWC is now ready to take pre-orders. A minimum of 7,500 paid pre-orders within a 12-month period is needed for DMV to begin producing the plates. Revenue generated by the license plates will go to the Breast Cancer Control Account and will be used to raise breast cancer awareness and support breast cancer early detection efforts, including outreach, education, screening, diagnostic services, and treatment referral for California women.

DHCS encourages anyone interested in pre-ordering a plate to visit www.PinkPlate.org or email the Cancer Detection and Treatment Branch at PinkPlate@dhcs.ca.gov.

Statewide Transition Plan (STP) Submission and Stakeholder Call

The final STP and accompanying tools were submitted to CMS on August 14. CMS implemented new Home- and Community-Based Services (HCBS) rules on March 17, 2014. DHCS and partnering agencies have developed a STP that describes the state's process for bringing all HCB settings into compliance with the final rules. The state has also developed onsite assessment and provider self-survey tools to assist with compliance determinations, and assessments. All STP documents have been posted for public review, and the state has incorporated public comments provided by stakeholders. The state hosted a stakeholder conference call on August 20. Additional information can be found here.

Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver

On August 13, CMS approved California's DMC-ODS waiver. California is the first state in the nation to receive federal approval of an ODS waiver. By better organizing the comprehensive array of treatment services available under Medi-Cal, the waiver will help improve the success rate of individuals seeking substance use disorder treatment. The waiver gives California flexibility to establish a continuum of care to help ensure that services and treatment are delivered in the right place at the right time in the right setting for the individual's needs. The waiver also allows the state to expand DMC residential treatment coverage, an integral piece of the continuum of care. The DMC-ODS waiver includes residential treatment service for all DMC beneficiaries in facilities with no bed limit. DHCS will convene the next DMC-ODS Waiver Advisory Group meeting between phase one and phase two of implementation (approximately winter 2015). Additional information about implementation of the DMC-ODS waiver can be found on the DHCS website.

Pregnant Women Full-Scope Benefits Expansion

Effective August 1, all new pregnant women applicants whose incomes are at or below 138 percent of the federal poverty level (FPL) will receive full-scope Medi-Cal benefits. DHCS received approval from CMS on a State Plan Amendment (SPA) that authorizes DHCS to expand full-scope Medi-Cal benefits to low-income pregnant women, with incomes above 60 percent of the FPL up to and including 109 percent of the FPL, who were previously only eligible for pregnancy-only coverage under the program. In addition, on July 31, CMS approved an amendment to California's Medicaid Section 1115 Bridge to Reform waiver to expand full-scope Medi-Cal benefits to low-income pregnant women with incomes above 109 percent up to and including 138 percent of FPL. This waiver amendment also authorizes DHCS to require pregnant women with incomes up to and including 138 percent of the FPL to enroll in a Medi-Cal managed care health plan. DHCS is working with county partners, health plans, and stakeholders to develop a notice that will inform pregnant women who are receiving pregnancy-only Medi-Cal benefits about the expansion. The SPA and Section 1115 Bridge to Reform waiver information are posted on the DHCS website.

California State Auditor (CSA) Recommendations on Medi-Cal Dental

On July 31, DHCS formally submitted to the CSA a six-month update outlining the status of corrective action plans included in the CSA's audit of the Medi-Cal Dental Program. DHCS is pleased to announce the completion of approximately 54 percent of the corrective action plans recommended by the CSA for the Medi-Cal dental fee-for-service program. The corrective action plans completed so far include a reimbursement rate study, submission of beneficiary and provider outreach plans, establishment of beneficiary utilization and provider participation measurements, and adoption of a strengthened contractor oversight process.

Intravenous Sedation and General Anesthesia Guidelines for Dental Procedures

DHCS has developed criteria and guidelines for intravenous conscious sedation, deep sedation, and general anesthesia for dental procedures that will be implemented across all health care delivery systems and programs. DHCS worked with stakeholders to obtain input on the final policy. DHCS is in the process of scheduling a final stakeholder webinar to review the feedback received that informed the final policy.

Transition of Family Planning Policy to the Office of Family Planning

Effective July 1, the responsibility for Medi-Cal family planning policy development has transitioned from DHCS' Benefits Division to the Office of Family Planning. The transfer is intended to ensure consistency of family planning policies in Medi-Cal, ensure uniform development of evidence-based policies for family planning services within Medi-Cal, and provide new opportunities for collaboration and integration of family planning policies in Medi-Cal.

Palliative Care (SB 1004)

DHCS is continuing to develop the policy design to implement SB 1004 (Hernandez, 2014), as well as additional consumer and provider education efforts. SB 1004 requires DHCS to establish standards and provide technical assistance for Medi-Cal managed care plans to ensure the delivery of palliative care services. SB 1004 will be implemented in consultation with a wide range of stakeholders and partners, and will promote person-centered and choice-focused policies to increase the availability of palliative care services for Medi-Cal members. DHCS anticipates scheduling a webinar later in September to discuss with stakeholders potential eligible conditions and palliative care services. Please visit the DHCS website for more information and to view materials from previous stakeholder meetings.