



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.

1115 Waiver Renewal

DHCS recently announced meeting dates for the 1115 waiver renewal expert stakeholder workgroups. The schedules and confirmed locations for the workgroup meetings are posted on the waiver renewal [website](#). Five separate workgroups have been assembled to develop concepts on: 1) Provider/managed care plan incentive programs; 2) Safety net reform – disproportionate share hospitals/safety net care pool bundled payments; 3) a Delivery System Reform Incentive Program (DSRIP); 4) Medicaid-funded shelter/housing; and 5) Workforce development. There will be a one-day session planned for late January 2015 at which DHCS will solicit input on a financing strategy for federal-state shared savings under the 1115 waiver. Additionally, two other waiver renewal concepts, focusing on a redesign of the California Children's Services Program and the Federally Qualified Health Centers payment reform, will continue as part of separate stakeholder/concept development efforts currently underway. The 1115 waiver renewal expert stakeholder workgroups will all convene in Sacramento for three to five sessions, continuing through early February 2015. Meeting resources will be posted on the waiver renewal website in advance of each workgroup meeting.

Quality Improvement Project: Improving the Use of Psychotropic Medication among Children and Youth in Foster Care

DHCS will soon post a new webpage to the DHCS [website](#) with information about the use of psychotropic medication by children and youth in foster care, which is a safety and well-being concern that has been identified by both DHCS and the California Department of Social Services (CDSS). The departments have convened a statewide quality improvement project (QIP) to design, pilot, and evaluate effective practices to improve psychotropic medication use among children and youth in foster care. To meet the goals of the QIP, three workgroups have been created, including a Clinical Workgroup, a Data and Technology Workgroup, and a Youth, Family, and Education Workgroup. The progress of the project and the output of these three workgroups are reviewed by a panel of subject matter experts from around the state. To date, this expert panel has approved project deliverables related to a foster youth bill of rights and informational and educational materials for foster youth and caregivers about what

questions they should ask when prescribed psychotropic medications. The expert panel has also approved a set of guidelines created to assist prescribers of these medications. In addition to the deliverables approved by the expert panel, on October 1, DHCS implemented a Treatment Authorization Request (TAR) requirement for any antipsychotic medication prescribed to a Medi-Cal beneficiary under the age of 18, including foster children covered by Medi-Cal. The purpose of this TAR requirement is to provide DHCS with greater oversight and monitoring of the use of antipsychotic medications for this population.

Clinical Laboratory and Laboratory Services Rate Methodology Change

Through stakeholder meetings, DHCS and clinical laboratory providers were able to develop a data collection methodology that was operationally feasible and consistent with the intent of AB 1494, which requires DHCS to develop a new rate setting methodology for clinical laboratories and laboratory services. DHCS held a stakeholder meeting on December 2 to review this methodology. After all comments are received and considered, DHCS will issue the final methodology proposal and work on the state plan submission necessary to implement this change. Please log on to the DHCS [website](#) to view the methodology. DHCS is targeting a July 1, 2015, effective date for the new methodology.

AB 1296 Workgroup

The workgroup continues to meet regularly to discuss policies and operational issues related to eligibility, enrollment, and retention in subsidized health coverage programs. DHCS works with Covered California, legislative staff, consumer advocates, health plans, and counties to stay informed and address eligibility and enrollment issues. For meeting information, materials, or historical documents, please visit the DHCS [website](#).

Behavioral Health Treatment (BHT)

The next BHT stakeholder meeting will be held on December 19 at DHCS. For more information, please log on to the BHT [webpage](#). The state of California is in the process of establishing BHT services as a covered Medi-Cal benefit for individuals under 21 years of age with autism spectrum disorder to the extent required by the federal government. DHCS performing the following in development of the benefit: obtaining all necessary federal approvals to secure federal funds for the provision of BHT in Medi-Cal; seeking statutory authority to implement the new benefit in Medi-Cal; seek an appropriation that would provide the necessary state funding estimated to be required for the applicable fiscal year; and consulting with stakeholders. In conjunction with stakeholder input, DHCS will develop and define eligibility criteria, provider participation criteria, utilization controls, and the delivery system for BHT services.

Home- and Community-Based (HCB) Statewide Transition Plan

On March 17, the Centers for Medicare & Medicaid Services (CMS) implemented new federal rules regarding HCB settings affecting 1915(c) waivers and the 1915(i) state plan benefit. DHCS is required to submit a statewide transition plan to CMS by December 19, detailing the state's process for bringing HCB settings into compliance

with the new rules. The state will have one year to submit individual waiver transition plans and five years to come into full compliance. DHCS posted the [first](#) draft statewide transition plan to the DHCS website on September 19 for a 30-day stakeholder input period. DHCS posted the [second](#) draft statewide transition plan on November 7 for another 30-day stakeholder input period, which ended on December 8. DHCS also hosted two stakeholder calls on October 21 and December 2. DHCS has received valuable stakeholder feedback and will continue working with partner agencies and CMS to finalize the statewide transition plan. For more information, please visit the DHCS [website](#).

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

The next meeting for MCHAP is scheduled for January 5 in Sacramento. For meeting information, materials, or historical documents, please visit the DHCS [website](#). On January 1, 2015, the Advisory Panel for Medi-Cal Families will be renamed MCHAP. This is a result of AB 357, which legislates the administration of the panel at DHCS. MCHAP is an independent, advisory body with 15 panel members who advise DHCS on matters related to children enrolled in Medi-Cal. DHCS is accepting nominations for a number of vacancies on the panel. In addition, DHCS is seeking recommendations from stakeholders to establish specific areas of focus for the MCHAP. The established objectives will also be used in the development of a 2018 legislatively mandated report describing the panel's accomplishments, effectiveness, and efficiency. Additional information on the vacancies and the opportunity to provide comments can be found on the panel's home page at the above link.

Cal MediConnect

DHCS, the Cal MediConnect plans, and our community partners are preparing for the January 2015 enrollment wave, which will include several new populations, including beneficiaries enrolled in dual eligible special need plans (D-SNP) and those who have been reassigned to a new Medicare Part D plan. Santa Clara County also will begin enrollment in January 2015 with the Medi-Cal managed care and D-SNP member cross-walk as well as January birth months. DHCS continues extensive beneficiary outreach to educate dual eligibles about the program, including through monthly tele town halls. Three town halls were conducted in November to reach the January enrollment populations. In addition, DHCS recently announced two changes to the [CCI enrollment timeline](#). To allow for plan readiness and appropriate noticing of beneficiaries, Orange County will now begin voluntary enrollment in July and passive enrollment in August. As a result of extensive stakeholder outreach and in coordination with DHCS, the Department of Managed Health Care, Alameda Alliance for Health, and local providers, the CCI will not move forward in Alameda County at this time. This will allow Alameda Alliance for Health to remain focused on getting into a healthy financial and operational condition and transitioning back to local control. Our priorities moving forward continue to be educating beneficiaries about their health care choices and ensuring Cal MediConnect is delivering on the promise of integrating care to help improve the quality of life for dual eligibles. Current enrollment data is available on the Cal MediConnect [dashboard](#).

Drug Medi-Cal Organized Delivery System Waiver Update

DHCS will hold another waiver advisory group meeting in January 2015 to review the draft Implementation plan and evaluation design. The formal submission documents are available on the DHCS [website](#). Stakeholders are encouraged to submit comments to MHSUDStakeholderInput@dhcs.ca.gov. In November 2014, DHCS submitted an amendment to the 1115 Bridge to Reform demonstration waiver for Substance Use Disorder (SUD) services. The Drug Medi-Cal Organized Delivery System (DMC-ODS) provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for SUD treatment services, enables more local control and accountability, provides greater administrative oversight, creates utilization controls to improve care and efficient use of resources, implements evidenced-based practices in substance abuse treatment, and coordinates with other systems of care.

Pending Individuals

As of December 11, the number of pending individuals awaiting Medi-Cal enrollment has been reduced to 44,173. This pending number includes approximately 42,000 applications that are either duplicates or are individuals who are ineligible for Medi-Cal. Those applications will be denied and removed from the system. Therefore, the pending number for individuals eligible for coverage is less than 2,000. We expect to clear the pending individuals by the end of December. Also, we are seeing roughly 75% of new applications coming through CoveredCA.com being determined eligible and enrolled into coverage immediately, which should continue to reduce the ongoing number of pending cases. DHCS is continuing working as quickly as possible to enroll all individuals who qualify into coverage. Since January 1, when the Medi-Cal expansion under the ACA took effect, we have enrolled more than 2.2 million individuals into Medi-Cal coverage, and total enrollment is now 11.3 million.

Provider Application and Validation for Enrollment (PAVE)

PAVE will transform provider enrollment activities from a manual process to a web-based portal for providers to submit their application, verifications, and changes, and implement more streamlined processes for meeting monthly reporting requirements contained in the program integrity provisions of the Affordable Care Act (ACA). Initially, PAVE will be available for providers that enroll to serve FFS beneficiaries directly through PED, though DHCS plans to eventually expand access to other Medi-Cal providers that enroll through other divisions and/or departments. On December 11, DHCS conducted the fifth in a series of stakeholder meetings to discuss the PAVE system. The purpose of the meeting was to provide project development updates, including an online demonstration of the developing system, present information regarding upcoming changes in procedures and communications with the provider community that will result from the use of PAVE, and solicit provider participation for systems testing of the provider portal. Implementation of the PAVE provider portal is expected in the summer of 2015.

Advancing Quality

By the end of this month, DHCS will release the third version of the Strategy for Quality Improvement in Health Care (Quality Strategy). The Quality Strategy details the

activities within DHCS that target improvements in the quality of care and in population health. It also serves as a blueprint guiding the development and launch of new quality health initiatives in the coming year. Reflecting the strong quality efforts across DHCS, the Quality Strategy was recognized as an “exemplary state initiative” in a progress report to Congress on the National Quality Strategy. One of the featured projects in the 2014 DHCS Quality Strategy is the Medi-Cal Managed Care Quality Strategy, recently submitted to CMS for review. The managed care plan addresses a requirement that all Medicaid managed care programs have a CMS-approved quality strategy that must be updated annually. This year’s submission is arguably DHCS’ most ambitious managed care quality plan and provides clear pathways detailing how the objectives will be met over time. In 2015, the managed care Quality Strategy will be fully integrated within the DHCS Quality Strategy, reflecting the major role that health plans play through the delivery of care to all full-scope Medi-Cal members.

Rural Managed Care

DHCS this month enrolled approximately 24,000 seniors and persons with disabilities (SPDs) into managed care health plans in 19 rural counties (Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Imperial, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, and Yuba). This proposal was approved as a component of the state’s Section 1115 Medicaid waiver to expand mandatory managed care in 28 rural counties. Affected members received three notices at 30, 60, and 90 days prior to transition and two outreach calls to assist them with their managed care health plan choice. DHCS and CMS solicited stakeholder input to ensure a thoughtful transition for SPDs in these counties. DHCS also had multiple conversations with CMS to address any concerns regarding the mandatory enrollment of SPDs in these counties. These conversations included an evaluation of lessons learned from previous mandatory SPD transitions to ensure that this population will transition smoothly from Medi-Cal fee-for-service (FFS) to managed care in the rural counties. For members who have not yet made a health plan choice, DHCS recommends that they contact Health Care Options by phone at 1-800-430-4263 to ensure they are enrolled in the health plan of their choice.

Behavioral Health Integration

The National Association of Medicaid Directors (NAMD) and the Robert Wood Johnson Foundation’s State Health and Values Strategies Program convened an invitation-only Behavioral Health Integration Workshop for selected states on December 11-12 in Los Angeles. NAMD asked DHCS to co-host the workshop. DHCS brought a state team of executive policymakers involved in the integration of behavioral health services. The goal of the workshop was to assist states with behavioral health integration efforts by discussing key strategies, sharing promising practices, and brainstorming solutions for current barriers at the state and federal level.

Community-Based Adult Services (CBAS)

The CBAS amendment enables the state to continue providing CBAS/adult day health care benefits to eligible Medi-Cal beneficiaries through managed care plans. The CBAS waiver amendment stakeholder process, which began in October 2013, included

monthly workgroup meetings through March 2014. A stakeholder summary meeting was held in April 2014, which shared the outcomes of all workgroup meetings and extended a two-week public comment period to those interested in reviewing and commenting on changes and ideas. Updates to the waiver amendment were then shared during additional stakeholder calls in late April and prior to the submission of the amendment to CMS in June 2014. A CBAS Webinar was held on December 2 to give a final update to stakeholders on the outcome of the CBAS amendment to the 1115 Bridge to Reform Demonstration waiver, which was approved by CMS on November 28, 2014. Another CBAS stakeholder process is being formed to begin in February 2015 to address CMS' requirement for a CBAS transition plan in order to comply with the home- and community-based services federal rules. DHCS and the California Department of Aging continue to work closely with the managed care plans and CBAS centers on the details of the amendment and any program updates.

California Children's Services (CCS) Program

DHCS continues to improve access to health care for children and youth with special health care needs (CYSHCN) by beginning a stakeholder-based CCS redesign process. DHCS has contracted with the UCLA Center for Health Policy Research (CHPR) to facilitate this process. The CCS redesign process will result in a compilation of recommendations to be submitted to DHCS in July 2015. CHPR will assemble a Redesign Stakeholder Advisory Board (RSAB) composed of approximately 25 individuals from various organizations and backgrounds with expertise in both the CCS program and care for CYSHCN. In addition, CHPR will organize five to six topic-specific technical workgroups composed of experts in issues identified by the RSAB as being of greatest importance to CYSHCN and the CCS redesign process. The RSAB held its first meeting on December 2. Contact CCSRedesign@dhcs.ca.gov with any questions or to provide comments. More information will be posted on DHCS' CCS redesign [website](#) and CHPR's redesign [website](#).

Stakeholder Advisory Committee (SAC)

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 DHCS. 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. DHCS held its most recent SAC meeting on December 3. To view meeting materials, as well as materials from prior meetings and the schedule for committee meetings in 2015, please visit the DHCS [website](#).

Katie A. Settlement Agreement and Implementation

The Katie A. settlement agreement was designed to launch the transformation of the way California's child welfare and mental health systems work together to meet the mental health needs of children and youth involved with both systems. DHCS and CDSS, as well as many counties, have created a shared management structure between child welfare and mental health that has led to improved communication and increased collaboration. An interagency agreement between CDSS and DHCS was executed in October 2014 that allows DHCS and CDSS to exchange and match

specified data elements for the purpose of providing ongoing oversight, coordination, monitoring, and evaluation of the provision of mental health services to members of the Katie A. class and subclass. Per the Katie A. settlement agreement, the court retained jurisdiction over the lawsuit for 36 months after court approval of the agreement, which ended on December 1, 2011. Going forward, DHCS and CDSS will continue with Katie A. implementation activities and to support, assist, and guide county child welfare and mental health agencies as they continue to build their infrastructures and increase service delivery.

International Classification of Diseases (ICD)

The U.S. Department of Health and Human Services (HHS) in July issued a rule finalizing October 1, 2015, as the new compliance date for health care providers, health plans, and health care clearinghouses to transition to ICD-10. The transition to ICD-10 is required for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA). This deadline allows the health care industry time to get their systems and business processes ready to go on October 1. ICD-10 will improve the ability to govern reimbursement, monitor a population's health, track trends in disease and treatment, and optimize health care delivery. Medi-Cal is ready to receive ICD-10 in FFS claims, managed care encounters, and mental health/substance use disorder services (MHSUDS) claims paid through the Short Doyle system. For more information about ICD-10, please view the CMS [website](#). FFS claim questions may be submitted to ICD-10Medi-Cal@xerox.com; managed care questions may be sent to ICD-10ManagedCare@dhcs.ca.gov; and MHSUDS questions may be directed to ICD-10Non-FI@dhcs.ca.gov.

Medi-Cal Electronic Health Record Incentive Program Update

The Medi-Cal Electronic Health Record (EHR) Incentive Program provides financial incentives to eligible practitioners and hospitals to promote the transition to EHRs. Providers that utilize EHRs in a meaningful way are in the forefront of improving quality, reducing costs, and addressing health disparities. Since October 2011, more than \$1 billion in incentive payments have been distributed to more than 14,600 eligible Medi-Cal providers and 253 eligible hospitals participating in the Medi-Cal EHR Incentive Program, far exceeding the program's original participation goals. In addition, more than 33% of the providers and 92% of hospitals have attested to and received incentive payments for being meaningful users of the technology. Medicare EHR Incentive Programs have generated an additional \$1.5 billion in incentive payments to 37,500 professionals and hospitals and 10,000 Medicare Advantage providers in California. Total EHR incentive payments (100% federal dollars) to California providers now exceed \$2.5 billion. DHCS anticipates distributing between \$100 and \$200 million per year for the remainder of the program, resulting in an additional \$1 billion in incentive payments through December 31, 2021.

Medi-Cal Managed Care Monitoring Webpage

The DHCS website hosts a [Medi-Cal managed care monitoring page](#) to post health plan monitoring elements, including dashboards, audits and surveys, expansion and transition reports, quality improvement and performance measurement reports, and

data and statistics, in a central location. Since its inception, audit and survey reports and corrective actions plans for Alameda Alliance, Care 1st Health Plan, Health Plan of San Joaquin, Kern Family Health Systems, and Partnership Health Plan have been added.

Major Risk Medical Insurance Fund (MRMIF) Section 93 Stakeholder Workgroup

The purpose of this workgroup is to develop a plan to utilize the MRMIF and other funds to provide subsidized health care coverage for individuals ineligible for receiving comprehensive health care. In the kickoff meeting held on September 30, workgroup members expressed interest in encouraging Major Risk Medical Insurance Program (MRMIP) consumers to transition to Covered California or Medi-Cal and requested demographic information on current MRMIP consumers. DHCS has incorporated marketing suggestions into MRMIP open enrollment materials and is working on data analysis of MRMIP consumers to present at the next stakeholder workgroup meeting. DHCS held its second Section 93 stakeholder workgroup meeting on November 21.