



# *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. Each update will include information on upcoming meetings, presentations, notices, press announcements, solicitations for input or services, and more. Stakeholders and partners are urged to contact DHCS via email at [DHCSPress@dhcs.ca.gov](mailto:DHCSPress@dhcs.ca.gov) with any questions, concerns, or suggestions. Thank you.

## **Covered California Portal Launch**

Covered California's new online marketplace, [www.CoveredCA.com](http://www.CoveredCA.com), a joint partnership between Covered California and DHCS, launched on October 1, allowing all families and individuals to apply for coverage and begin enrollment in Covered California health insurance plans and Medi-Cal. The effective date of coverage for the newly expanded Medi-Cal coverage group and California health insurance plans will be January 1, 2014. Families and individuals may also call (800) 300-1506 to apply, or they may visit a local county human services agency office, certified enrollment counselor, or certified agent.

## **Alternative Benefit Plan for Newly Eligible Adults**

On January 1, 2014, DHCS will begin providing adults who are newly eligible for Medi-Cal with the full set of comprehensive benefits our current members receive today. This change, which makes certain childless adults and parents ages 19 to 64 with income below 138% of the federal poverty level eligible for Medicaid, is just one of the provisions of the Affordable Care Act (ACA) that California has embraced. The ACA requires DHCS to design and implement an Alternative Benefit Plan of medical coverage for these adults. As part of the law enacting these changes, DHCS will also seek federal approval to provide coverage for long-term services and supports to those newly eligible adults who meet our current established asset requirements. Please log on to the DHCS [website](#) for more information.

## **Mental Health and Substance Use Disorder Services**

On January 1, 2014, Medi-Cal members will be able to receive expanded mental health benefits through either their Medi-Cal managed care plan or Medi-Cal fee-for-service (FFS) delivery system. In addition, for more serious mental illnesses, county-administered specialty mental health services plans will continue to be available. Members who qualify for managed care and FFS mental health services may receive individual and group mental health evaluation and treatment (psychotherapy); psychological testing when clinically indicated to evaluate a mental health condition; outpatient laboratory, medications, supplies, and supplements; and psychiatric consultation. State law will also dramatically expand substance use disorder services to

more Medi-Cal members, offering services currently only available to pregnant and postpartum women, children, and youth. Intensive outpatient treatment services, residentially-based treatment services, and medically necessary inpatient detoxification will be available to Medi-Cal members who qualify. Please forward any questions or comments to [1115BehavioralHealthAssessment@dhcs.ca.gov](mailto:1115BehavioralHealthAssessment@dhcs.ca.gov).

## **Expansion of Optional Benefits in FQHC and RHC**

A September 26, 2013, ruling by the United States Court of Appeals for the Ninth Circuit means that adult dental, chiropractic, and podiatric services provided on or after September 26 are available to all Medi-Cal members when provided by federally qualified health centers (FQHC) and rural health clinics (RHC). Chiropractic and podiatric services are subject to the monthly two visit limit on optional benefits. The mandate issued by the court was in the case of *California Association of Rural Health Clinics vs. Toby Douglas*.

## **Medi-Cal Managed Care Expansion**

Eight counties (Del Norte, Humboldt, Lake, Lassen, Modoc, Shasta, Siskiyou, and Trinity) became Medi-Cal managed care plan counties under the Partnership Health Plan county organized health system (COHS) model on September 1. Overall, the transition was very smooth. The remaining 20 counties (Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Imperial, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, San Benito, Sierra, Sutter, Tehama, Tuolumne, and Yuba) will transition into managed care on November 1. Adult and family members will be mandatorily enrolled in all counties except San Benito, where those members will be passively enrolled. Other members will be able to voluntarily enroll in all 20 counties.

## **Low Income Health Program (LIHP)**

The successful LIHP will come to an end after December 31, 2013, when more than 600,000 eligible enrollees transition to Medi-Cal managed care or health coverage options available under Covered California on January 1. The Medicaid Coverage Expansion (MCE) component, for individuals with incomes up to 133% of the federal poverty level (FPL), has an enrollment of 586,991, while the Health Care Coverage Initiative (HCCI) component, for individuals with incomes above 133% up to 200% FPL, has an enrollment of 24,453. Effective January 1, 2014, the MCE enrollees will be automatically transitioned into Medi-Cal, and the HCCI enrollees will be able to transition to Covered California. DHCS will conduct provider-focused webinars during the next two months to share information about the transition. DHCS also conducted six regional meetings in Alhambra, Oakland, Sacramento, Visalia, San Diego, and Redding for frontline personnel, community-based organizations, and stakeholders. Presentations from these meetings may be found on the LIHP transition [website](#). In addition, the LIHP transition plan and other related materials were posted on the DHCS [website](#). Finally, DHCS will post to the LIHP transition website the general notices for MCE enrollees and HCCI enrollees and other notices and transition-related materials, such as plan choice packets and plan choice reminder notices, for distribution during the remainder of 2013.

## **1115 Bridge to Reform Demonstration – Behavioral Health Service Plan**

The 1115 Bridge to Reform Demonstration Special Terms and Conditions (STCs) requires the completion of a behavioral health service plan that will describe California's readiness to meet the mental health and substance use disorder needs of Medi-Cal members. DHCS consultants are compiling a preliminary draft service plan that builds off the outline sent to the Centers for Medicare & Medicaid Services (CMS) last October. It will include a summary of the selected benefit package, delivery system(s), projected costs and levels of utilization, and commentary on strategies for enrollment, quality oversight/monitoring, access, and work force development. In addition to verbal comments received during various meetings, stakeholders are encouraged to provide additional written comments via [1115BehavioralHealthAssessment@dhcs.ca.gov](mailto:1115BehavioralHealthAssessment@dhcs.ca.gov).

### **County Savings Redirection (AB 85)**

With California electing to implement a state-run Medicaid expansion as it implements the Affordable Care Act, the state anticipates that counties' costs and responsibilities for health care services for the indigent population will decrease, as much of this population will become eligible for coverage through Medi-Cal or Covered California. On June 27, 2013, Governor Brown signed into law AB 85 (Chapter 24, Statutes of 2013), which provides a mechanism for the state to redirect state health realignment funding no longer needed for indigent care to fund social service programs. The redirected amount will be determined according to respective formula options for California's twelve public hospital system counties, 34 County Medical Services Program (CMSP) counties, and the remaining twelve counties. The formula options were developed in consultation with the counties and DHCS to ensure continued viability of the county safety net and ensure that counties retain sufficient funding for public health and remaining indigent obligations. In early October, DHCS released the official historical data requests to the counties with a submission deadline to the department of October 31, 2013. DHCS will review the historical data submissions and will confer with the counties by December 15, 2013, and will issue a final determination by January 31, 2014. By November 1, 2013, the counties are required to inform DHCS of the option they are tentatively choosing to calculate their redirection amount. The counties can choose between the following two options:

- The 60/40 formula approach, which redirects 60 percent of the 1991 health realignment funds and 60 percent of the county maintenance of effort.
- The county savings determination process, which is a formula-based approach that measures certain county health care costs and revenues and redirects 80 percent (70 percent in fiscal year 2013-14).

DHCS is also working on a web page intended to keep interested parties informed of this process. The webpage will be available in late October.

### **Stakeholder Advisory Committee (SAC) Meeting**

On October 21, DHCS will convene its next Stakeholder Advisory Committee (SAC) meeting via webinar. The purpose of the SAC is for the stakeholder community to provide DHCS with valuable input on Medicaid Section 1115 "Bridge to Reform" waiver implementation efforts, as well as help DHCS successfully bridge to national health care

reform. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, beneficiary advocacy organizations and representatives of various Medi-Cal provider groups. For more information, including the agenda, please check the DHCS [website](#). The next in-person SAC meeting is scheduled to be held on November 20 at the Sacramento Convention Center.

## **Prohibition on Copayments for Preventive Services and Vaccines for Adults**

Effective July 1, 2013, Medi-Cal providers may not collect a copayment from Medi-Cal members for certain preventive services and approved vaccines for adults 19 and older. Specifically, AB 82 (Chapter 23, Statutes of 2013) prohibits cost sharing (copayments) for Medi-Cal members who receive Medi-Cal preventive services and/or vaccines for adults that are in accordance with the United States Preventive Services Task Force and the Advisory Committee on Immunization Practices. There is currently no copayment for these services for individuals under age 19.

## **Upcoming Changes to the Medi-Cal Retroactive Medicare Claim Business Process**

Medi-Cal is seeking to help providers by changing the way it recoups payments from providers that should have been paid by Medicare. Medi-Cal will no longer send claims forms to these providers for retroactive Medicare Part A and Part B claims. Instead it will void these claims and use a process that gives providers more time to bill Medicare and help them avoid the risk of non-payment due to a Medicare timeliness denial. Medi-Cal devised the new process by studying the current process and surveying providers on their preferences.

## **Specialty Mental Health Services Consolidation Waiver**

The federal Centers for Medicare & Medicaid Services (CMS) approved the 1915(b) Specialty Mental Health Services Consolidation Waiver for a two-year waiver period, July 1, 2013, through June 30, 2015. DHCS requested a five-year waiver renewal period pursuant to the Affordable Care Act, which is why the waiver document includes language of a five-year waiver period rather than the CMS-approved two-year waiver period. The approved waiver and related documents are posted on the department's [website](#).

## **Drug Medi-Cal (DMC) Provider Application**

On October 2, DHCS released a revised DMC provider application that allows DMC providers to request the newly expanded benefits that become effective on January 1, 2014, and requires more detailed ownership information, including the driver license numbers and birthdates of all persons signing the application. Also, in an effort to further streamline processes and significantly increase efficiency, DHCS' Provider Enrollment Division will now review and process all DMC applications. Providers and county administrators have been notified of the changes.

## **Family Planning Access, Care and Treatment (PACT) Manual**

DHCS is working with stakeholders to revise Family PACT's policies, procedures, and billing instructions manual. DHCS has been working on updating the manual as part of its corrective action plan (CAP) for the Center for Medicare & Medicaid Services (CMS). In the CAP, DHCS indicated it would revise the manual and implement ongoing training for providers, with the goal of educating them about the purpose of Family PACT and what constitutes a family planning visit. For more information, please contact the program at [FamPACT@dhcs.ca.gov](mailto:FamPACT@dhcs.ca.gov).

### **Electronic Health Record Incentive Program Begins Second Year**

As of September 2013, \$1.54 billion in incentive payments have been issued to Medi-Cal and Medicare providers in California through a federally-funded electronic health record (EHR) incentive program. The effort is modernizing the state's health care system by enabling critical patient information to be securely managed electronically, improving health care quality, safety, and efficiency. More than 10,000 Medi-Cal professionals and 216 hospitals across California have received incentive payments through DHCS' EHR Incentive Program, which is funded by the federal American Recovery and Reinvestment Act. Since the California EHR Incentive Program began in October 2011, California Medi-Cal providers and hospitals have received more than \$630 million in total payments.

### **Superior Systems Waiver Renewal**

On September 26, 2013, the Centers for Medicare & Medicaid Services (CMS) approved renewal of the comprehensive final Superior Systems Waiver (SSW) from October 1, 2013, through September 30, 2015. The previous SSW expired on June 8. DHCS' renewal application described how utilization review would be performed for all acute inpatient hospital days in all California hospitals, including the diagnosis related group claiming process for non-designated public hospitals, effective January 1, 2014. The SSW waives federal utilization requirements and allows DHCS to claim 75 percent federal financial participation for all clinicians reviewing treatment authorization requests for inpatient hospital days. For more information, please log on to the DHCS [website](#).

### **October is Breast Cancer Awareness Month**

About one in every eight women has had or will develop breast cancer in her lifetime. According to the California Cancer Facts and Figures 2013, breast cancer is the most common cancer among women in California. It is expected that 22,850 California women will be diagnosed and 4,340 women will die from breast cancer this year. In observance of Breast Cancer Awareness Month, state employees' October paystubs included reminder messages to encourage breast cancer screening and early detection. The messages are: "Early detection improves the chances of survival" and "Get a mammogram, and tell women in your lives to get a mammogram." In late October, Every Woman Counts (EWC) will issue breast cancer screening reminder cards to 115,000 Medi-Cal women between the ages of 50 to 64 who have not had a mammogram in the last two years. The reminder cards will be translated into 11 languages. Reminder card messages include, "If breast cancer is found early, the chance of survival is very high," "If you are 50 or older, get a mammogram," "Talk to your doctor about screening options, and decide what's best for you," and "Do it for

yourself, do it for your family.” The purpose is to increase breast cancer screening rates and early cancer detection among Medi-Cal women.

### **Breast and Cervical Cancer Advisory Council and Stakeholder Meeting**

On November 6, EWC will present a webinar to program stakeholders and the Breast and Cervical Cancer Advisory Council. Presentations include Affordable Care Act Implementation: Covered California and the Medi-Cal Expansion; EWC Consumer Toll-Free New Business Model: Online Clinic Locator and Automated Referral Line; EWC Breast and Cervical Cancer Screening Reminder Mobile Application; and the California Cancer Registry: Breast and Cervical Cancer Late Stage Diagnoses Hotspots, 2010.

### **California Clinical Laboratory Association Meeting**

DHCS will hold its quarterly California Clinical Laboratory Association (CCLA) meeting on October 23 in West Sacramento. DHCS and CCLA members meet quarterly to discuss Medi-Cal claims, reimbursement rates, systems edits, and policy issues that impact California laboratories.

### **California Hospice and Palliative Care Association Meeting**

DHCS will hold its quarterly California Hospice and Palliative Care Association (CHAPCA) meeting on December 4 in Sacramento. DHCS and CHAPCA members meet quarterly to discuss managed care and fee-for-service Medi-Cal claims, reimbursement rates, systems edits, and policy issues that impact California hospice providers.

### **Provider Application and Validation for Enrollment (PAVE) System**

On October 11, DHCS conducted its second in a series of stakeholder meetings to discuss the PAVE system. The purpose of the meeting is to obtain stakeholder input on system design and provider participation for systems testing. Participants are individual providers and organizations whose members enroll directly through DHCS' Provider Enrollment Division. PAVE will transform provider enrollment activities from a manual process to a web-based portal for providers to submit their application, verifications, and changes. Initially, PAVE will only be available for providers that enroll to serve fee-for-service members, though DHCS plans to eventually expand access to other Medi-Cal providers. Implementation of PAVE is expected in summer 2014. Additional stakeholder input is welcome. Please log on to the DHCS [website](#) for more information.