State of California

LORA CONNOLLY
*Director*

TOBY DOUGLAS
*Director*

WILL LIGHTBOURNE
DIRECTOR

May 30, 2012

Melanie Bella
Medicare-Medicaid Coordination Office
Centers for Medicare & Medicaid Services
200 Independence Ave SW
Mail Stop: Room 315-H
Washington, D.C. 20201

Dear Ms. Bella:

It is our pleasure to submit the enclosed proposal for the Duals Demonstration to integrate care for dual eligible beneficiaries as part of California's Coordinated Care Initiative. This proposal is the result of an extensive design process, including robust stakeholder engagement over the past 18 months. It reflects strong partnerships across the departments of California's Health and Human Services Agency and our commitment to providing the highest quality, integrated care to beneficiaries eligible for both Medi-Cal and Medicare.

This demonstration proposal builds on months of stakeholder discussions and state interest in developing a coordinated care delivery system, as well as groundbreaking work to develop the innovative Program of All-Inclusive Care for the Elderly (PACE), the longstanding consumer-directed In-Home Supportive Services (IHSS) program, and the state's existing network of experienced Medicare and Medi-Cal managed care health plans. The proposal promotes coordinated care models that provide timely, seamless access to the full continuum of medical, social, long-term, and behavioral supports and services that enable dual eligible beneficiaries to attain or maintain personal health goals.

We strongly believe that this demonstration will support better health outcomes for our beneficiaries, improve quality, and reduce costs. Today's care system is complex, confusing and costly. Better coordination and care management will lead to improvements in chronic disease management, enhanced use of community-based support services, and reduced hospital and skilled nursing admissions. The capitated payment model to health plans will align incentives and provide needed flexibility to deliver the right care at the right time and place.

The demonstration proposal reflects recommendations and concerns voiced through our public comment process. Between posting this document on April 4, 2012 for public comment and submitting it today, we have held 13 public meetings with hundreds of stakeholders to get their input on details of the proposal. Additionally, we received a range of comments from a variety of stakeholders. The proposal balances the concerns and suggestions raised by a diverse group of stakeholders.

At your request, enclosed is a memo outlining the revisions made to the draft proposal in response to that input. Submission of this proposal is an important step in the partnership between the State and CMS to improve care for dual eligible beneficiaries. We look forward to ongoing collaboration with your office on this demonstration.

Sincerely,

TOBY DOUGLAS
Director
Department of Health Care Services

WILL LIGHTBOURNE
Director
Department of Social Services

LORA CONNOLLY
Director
Department of Aging