



TOBY DOUGLAS  
Director

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



EDMUND G. BROWN JR.  
Governor

DATE: MAY 03 2013

**Mr. Robert Nelb**

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**RE: California Bridge to Reform Demonstration (No. 11-W-00193/9) Amendment  
Medi-Cal Managed Care Rural County Expansion**

Dear Mr. Nelb, Ms. Garner, and Ms. Nagle:

The State of California proposes to amend the Special Terms and Conditions (STCs) of Waiver 11-W-00193/9, California Section 1115 "Bridge to Reform" Demonstration (Demonstration Waiver), pursuant to STC paragraph 7.

This amendment would allow the Department of Health Care Services (DHCS) to expand Medi-Cal managed care to beneficiaries currently receiving Medi-Cal services on a Fee-For-Service (FFS) basis in 28 rural California counties (listed below).

The State is requesting that this Demonstration Waiver amendment have an effective date of September 1, 2013 and is prepared to work diligently to respond to any questions or provide any information the Centers for Medicare and Medicaid Services (CMS) may need in order to secure prompt approval of this amendment.

### **Background**

Pursuant to Assembly Bill 1467 (Chapter 23, Statutes 2012), the 2012-13 State budget authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 rural California counties. Currently beneficiaries in these counties are receiving Medi-Cal on a FFS basis. On September 1, 2013, approximately 470,000 Medi-Cal beneficiaries will make the transition from FFS to Medi-Cal managed care in these rural counties.

The 28 Medi-Cal managed care rural expansion counties are Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Nevada, Mono, Placer, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba.

Previous legislation enacted in 2005, authorized expansion of Medi-Cal managed care into 13 counties. The counties of San Benito and Lake were part of this previous expansion effort. These counties to date still remain FFS counties. As a result, these counties are now part of the 28 rural county expansion effort.

In March 2012, DHCS issued a Request for Information to solicit health plan interest in providing health care services to Medi-Cal beneficiaries in the remaining rural FFS counties. In November 2012, a Request for Application (RFA) was issued inviting interested health plans to submit formal applications to DHCS. Health plans that submitted applications were required, among other things, to have previous experience serving Medicaid beneficiaries, including diverse populations, experience partnering with public and traditional safety net health care providers, and experience working with local stakeholders, including consumers, providers, advocates, and county officials on health plan oversight and in the delivery of care. Health plans were required to show recent successful experience with the expansion of managed care into a rural area.

On February 27, 2013, DHCS issued a RFA bulletin announcing the exclusion of the seven (7) counties of Del Norte, Humboldt, Lassen, Modoc, Shasta, Siskiyou, and Trinity from the RFA. These will become County Organized Health System (COHS) counties. As previously decided during the 13 county expansion, Lake will also become a COHS county. On February 27, 2013, DHCS issued a notice of Intent to Award, stating that the eighteen (18) counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, and Yuba were awarded to Anthem Blue Cross of California and California

Health and Wellness Plan. These counties will operate as a Regional Model following the enrollment process and mandatory populations rules of the Geographic Managed Care (GMC) Model. Additionally, DHCS will contract with Kaiser Foundation Health Plan in three (3) of these counties (Amador, El Dorado, and Placer) to assure continued access to care.

DHCS, in collaboration with the Imperial County Public Health Department and consultants working with Imperial County, participated in a community meeting for stakeholders that was publically noticed in Imperial County on December 6, 2012. The purpose of this meeting was to discuss the managed care model options with stakeholders and to answer questions and obtain information about the geography of Imperial County and its effect on access to services. Imperial County selected a plan model and DHCS has approved their operation as a single plan model, using GMC enrollment and mandatory population rules.

San Benito County, originally planned as a COHS Model, will instead operate as a single plan model, similar to Imperial.

***Waiver Authority***

DHCS believes the existing waivers of freedom of choice, statewideness, and comparability encompass this proposed Demonstration Waiver amendment. To the extent necessary, DHCS requests that its authority to operate under these waivers extends to the amendments contained in this request.

***Expenditure Authority***

This proposed Demonstration Waiver amendment will not impact the existing Waiver Expenditure Authority.

***Public Notice and Tribal Notice***

As required by STC Paragraph 7 and STC Paragraph 14, DHCS conducted Public Notice and Tribal Notice on the Demonstration Waiver amendment as follows:

Public Notice and processing:

- Stakeholder meetings. Meeting agendas and summaries are available on DHCS's Medi-Cal Managed Care Rural Expansion website at: <http://www.dhcs.ca.gov/provgovpart/Pages/MMCDRuralExpansion.aspx>.
- Webinars. Stakeholders are invited to participate in person or over the internet. Webinars are recorded and posted on DHCS's website (see link above).
- Public budget hearings in 2012 and 2013, as well as inclusion in the state budget in these years.

Tribal Notice:

- On February 22, 2013, DHCS issued a tribal notice regarding this Demonstration Waiver amendment and the Medi-Cal managed care rural county expansion.
- On March 7, 2013, DHCS conducted a presentation on this Demonstration Waiver amendment and the Medi-Cal managed care rural county expansion at the annual Tribal and Designees Advisory meeting/training.

***Budget Neutrality***

DHCS is in the process of compiling five-year historical FFS data by Medicaid Eligibility Groups (MEGs) in the expansion counties: Seniors and Persons with Disabilities (SPDs), Adult/Families, and beneficiaries who are eligible for both Medi-Cal and Medicare (Duals). Per Member Per Month (PMPM) and member months will be developed for the eight COHS expansion counties and the 20 non-COHS counties.

DHCS will work in collaboration with CMS on a phased-in approach to enrollment in the expansion counties. In the COHS counties, it is anticipated that the Adult/Family, SPDs, and Duals MEGs will be mandatorily enrolled. In non-COHS counties it is anticipated that Adult/Family and SPDs will be mandatorily enrolled and Duals may enroll voluntarily.

A total of six (6) new rows for the SPDs, Adults/Families, and Duals MEGs for the COHS expansion counties and the non-COHS counties will be added to both the "With Waiver" and "Without Waiver" side of the Waiver Budget Neutrality worksheet (Attachment K) to account for the expansion.

***Evaluation Design***

DHCS will collect data and information on the Medi-Cal managed care rural county expansion in order to monitor, measure and report on this expansion.

Thank you for your assistance and consideration. DHCS is happy to assist you and your staff in any way as you review the proposed Demonstration Waiver amendment. If you have any questions, please contact: Margaret Tatar, Chief, Medi-Cal Managed Care Division at (916) 449-5000.

Sincerely,



Toby Douglas  
Director

**CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)**  
**SPECIAL TERMS AND CONDITIONS**  
**Amended Effective September 1, 2013**

**NUMBER:** 11-W-00193/9

**TITLE:** California Bridge to Reform Demonstration

**AWARDEE:** California Health and Human Services Agency

**I. PREFACE**

**II. PROGRAM DESCRIPTION AND HISTORICAL CONTEXT**

Pursuant to Assembly Bill 1467 (Chapter 23, Statutes 2012), the 2012-13 State budget authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 rural California counties. Currently beneficiaries in these counties are receiving their Medi-Cal on a Fee-For-Service (FFS) basis. On September 1, 2013, approximately 470,000 Medi-Cal beneficiaries will make the transition from FFS to Medi-Cal managed care in these rural counties.

The 28 Medi-Cal managed care rural expansion counties are Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Nevada, Mono, Placer, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba.

Previously, the Budget Act of 2005 authorized the expansion of Medi-Cal managed care into 13 new counties. The counties of San Benito and Lake were part of this 13 county expansion effort; however, these counties to date still remain FFS counties. As a result, these counties are part of this rural county expansion effort. As previously decided during the 13 county expansion, Lake County will become a County Organized Health System (COHS) Model county.

In March 2012, the State issued a Request for Information to solicit health plan interest in providing health care services to Medi-Cal beneficiaries in the remaining rural FFS counties. In November 2012, a Request for Application (RFA) was issued inviting interested health plans to submit formal applications to the State. Health plans that submitted applications were required, among other things, to have previous experience serving Medicaid beneficiaries, including diverse populations, experience partnering with public and traditional safety net health care providers, and experience working with local stakeholders, including consumers, providers, advocates, and county officials on health plan oversight and in the delivery of care. Health plans were required to show recent successful experience with the expansion of managed care into a rural area.

On February 27, 2013, the State issued an RFA bulletin announcing the exclusion of the seven counties of Del Norte, Humboldt, Lassen, Modoc, Shasta, Siskiyou, and Trinity from the RFA. These counties will now become COHS Model counties.

Also on February 27, 2013, the State issued a notice of Intent to Award, announcing that the counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, and Yuba were awarded to Anthem Blue Cross of California and California Health and Wellness Plan. These counties will operate as a Regional Model following the enrollment process and mandatory population rules of the Geographic Managed Care (GMC) Model.

Additionally, DHCS will contract with Kaiser Foundation Health Plan in three (3) of these counties (Amador, El Dorado, and Placer) to assure continued access to care.

The State, in collaboration with the Imperial County Public Health Department participated in a community meeting that was publically noticed for stakeholders in Imperial County on December 6, 2012. Local providers and Medi-Cal managed care plans attended and participated in the meeting. The purpose of this meeting was to discuss the managed care model options with stakeholders and to answer questions and obtain information about the geography of Imperial County and its effect on access to services. Imperial County selected a plan model and DHCS approved their operation as a single plan model, using GMC enrollment rules.

San Benito County, originally planned as a COHS Model, will instead operate as a single plan model, similar to Imperial.

### **III. GENERAL PROGRAM REQUIREMENTS**

No changes necessary for this amendment.

### **IV. GENERAL REPORTING REQUIREMENTS**

**21. Monthly Calls.** CMS shall schedule monthly conference calls with the State. The purpose of these calls is to discuss any significant actual or anticipated developments affecting the Demonstration. Areas to be addressed include, but are not limited to:

- a. The health care delivery system;
- b. The Medicaid Coverage Expansion (MCE) program;
- c. The Health Care Coverage Initiative (HCCI) program;
- d. The Seniors and Persons with Disabilities (SPD) Program;
- e. The Community Based Adult Services (CBAS) Program, including Enhanced Case Management (ECM) Services;
- f. California Children's Services (CCS) Program;
- g. Healthy Families Children Transition to the Demonstration;
- h. Designated State Health Programs (DSHP) receiving federal financial participation. – as defined within these STCs;
- i. Enrollment , quality of care, access to care;
- j. The benefit package, cost-sharing;
- k. Audits, lawsuits;
- l. Financial reporting and budget neutrality issues;
- m. Progress on evaluations;
- n. State legislative developments;
- o. Any Demonstration amendments, concept papers or state plan amendments the State is considering submitting. CMS shall update the State on any amendments or concept papers under review as well as federal policies and issues that may affect any aspect of the demonstration. The State and CMS (both the Project Officer and the Regional Office) shall jointly develop the agenda for the calls; and,
- p. Medi-Cal managed care rural county expansion.

**24. Demonstration Annual Report.** The State will submit a draft annual report documenting accomplishments, project status, quantitative and case study findings, utilization data, and policy and administrative difficulties in the operation of the demonstration. The State will submit the draft annual

report no later than 120 days after the end of each demonstration year. Within 60 days of receipt of comments from CMS, a final annual report will be submitted for the demonstration year to CMS. The annual report will also contain:

- a. The previous State fiscal year appropriation detail for those State programs referenced in paragraph 38.b.ii, which are permissible expenditures under the Safety Net Care Pool.
- b. The progress and outcome of program activities related to the:
  - a.MCE;
  - b.HCCI;
  - c.SPD program;
  - d.CBAS program;
  - e.CCS Program;
  - f. Healthy Families Children Transitioning to the Demonstration; and,
  - g. Medi-Cal Managed Care Rural County Expansion

**V. GENERAL FINANCIAL REQUIREMENTS**

No changes necessary for this amendment.

**VI. STATE PLAN AND DEMONSTRATION POPULATIONS AFFECTED BY THE DEMONSTRATION**

**g. Medi-Cal Managed Care Rural County Expansion Populations:** This population consists of persons residing in 28 rural California counties transitioning from Medi-Cal FFS to Medi-Cal managed care who are eligible for Medicaid through Medicaid Eligibility Groups (MEGs) covered by the managed care plans. The COHS and non-COHS expansion populations will be identical to those currently covered by COHS/non-COHS. Attachment U specifies those MEGs that are included and excluded for the COHS/non-COHS.

**VII. DEMONSTRATION DELIVERY SYSTEMS**

No changes necessary for this amendment.

**VIII. OPERATION OF DEMONSTRATION PROGRAMS**

The objective of this amendment is to provide California with Section 1115 Demonstration Waiver (Demonstration Waiver) authority to enroll beneficiaries in 28 California rural counties into Medi-Cal managed care. Currently beneficiaries in these counties are receiving Medi-Cal on a FFS basis. On September 1, 2013, the State, upon CMS approval, will transition approximately 470,000 Medi-Cal beneficiaries from FFS into Medi-Cal managed care in these rural counties.

*Notices*

- a. CMS Review of Enrollee Communication - The State will submit to CMS for review and comment, any written communication from the State to enrollees to be used to explain the transition.
- b. Readability and Accessibility - All informing and educational materials should be clear and easy to read, provide information beneficiaries need to help them navigate the transition, and be made available in the 12 Medi-Cal threshold languages, in formats, and at reading levels that ensure materials provide clear information.
- c. Timing – The State must provide written notice to transitioning beneficiaries at least 60 days

prior to the transition.

### ***Eligibility and Enrollment Process***

- a. Eligibility criteria – Persons residing in 28 rural California counties as defined in VI (g) above.
- b. Enrollment Process
  - i. COHS expansion counties
    1. Eligible Medi-Cal beneficiaries residing in COHS expansion counties will be required to enroll in the COHS health plan.
  - ii. Non-COHS expansion counties
    1. Beneficiaries residing in non-COHS expansion counties that are mandatory MEGs will be required to choose a Medi-Cal managed care health plan. If the beneficiary fails to choose, they will receive default assignments. Nothing in these STCs exempts the State from managed care requirements at 42 CFR 438.
    2. Beneficiaries residing in non-COHS expansion counties that are voluntary MEGs will be given the choice of enrolling in FFS or managed care. If the beneficiary fails to choose, they will remain in FFS.
- c. Application of Medicaid rules – All Medicaid rules (including eligibility, benefits, cost sharing, grievances and appeals, and managed care) will apply to this expansion population.

### ***Consumer Assistance***

Consumer assistance will be available to beneficiaries during the transition through the following:

- a. The State will use the Medi-Cal Managed Care Office of the Ombudsman and Health Care Options call centers to provide information and assistance, including enrollment assistance, to beneficiaries during the transition.

### ***Delivery System***

The managed care delivery system models and their geographic distribution are identified in Attachment T.

### ***Benefits***

Transitioned beneficiaries will receive benefits as identified in Attachment N.

### ***Managed Care Network Adequacy***

Consistent with Medicaid requirements related to availability of services at §438.206, assurances of adequate capacity and services at §438.207, and coordination and continuity of care at §438.208, the State must ensure, through oversight of its contracts, at a minimum, that each managed care plan provides the State with supporting documentation to demonstrate that it:

- a. Has the capacity to serve the expected enrollment in its service area in accordance with the State's standards for access to care. This must include the percentage of primary and specialist providers accepting new patients.
- b. Offers an appropriate range of primary care and specialty services that are adequate for the anticipated number of enrollees for the service area.
- c. Maintains and monitors a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of enrollees.
- d. Ensures that if the plan network is unable to provide necessary services covered under the

contract to a particular enrollee, the plan will adequately and timely cover these services out-of-network for the enrollee, for as long as the plan is unable to provide them.

***Monitoring and Reporting***

The State will collect data and information on the Medi-Cal managed care rural expansion in order to monitor, measure and report on this expansion. The State will utilize existing monitoring tools to ensure efficiency and consistence across the Medi-Cal managed care program.

**IX. OTHER ADMINISTRATIVE REQUIREMENTS**

No changes necessary for this amendment.

**X. GENERAL FINANCIAL REQUIREMENTS UNDER TITLE XIX**

No changes necessary for this amendment.

**XI. GENERAL FINANCIAL REQUIREMENTS UNDER TITLE XXI**

No changes necessary for this amendment.

**XII. MONITORING BUDGET NEUTRALITY FOR THE DEMONSTRATION**

To be provided.

**Attachment O – County Listing for SPD Enrollment**

County Name	Plan Model						STC Section IX is applicable
	Two-Plan	GMC	COHS	Regional	Imperial	San Benito	
Alameda	X						
Alpine				X			
Amador				X			
Butte				X			
Calaveras				X			
Colusa				X			
Contra Costa	X						X
Del Norte			X				
El Dorado				X			
Fresno	X						X
Glenn				X			
Humboldt			X				
Imperial					X		
Inyo				X			
Kern	X						X
Kings	X						X
Lake			X				
Lassen			X				
Los Angeles	X						X
Madera	X						X
Marin			X				
Mariposa				X			
Mendocino			X				
Merced			X				
Modoc			X				
Mono				X			
Monterey			X				
Napa			X				
Nevada				X			
Placer				X			
Plumas				X			
Orange			X				
Riverside	X						X
Sacramento		X					X
San Benito						X	
San Bernardino	X						X
San Diego		X					X
San Francisco	X						X

San Joaquin	X						X
San Luis Obispo			X				
San Mateo			X				
Santa Clara	X						X
Santa Barbara			X				
Santa Cruz			X				
Shasta			X				
Sierra				X			
Siskiyou			X				
Solano			X				
Sonoma			X				
Stanislaus	X						X
Sutter				X			
Tehama				X			
Trinity			X				
Tulare	X						X
Tuolumne				X			
Ventura			X				
Yolo			X				
Yuba				X			

Attachment T - Geographic Distribution and Delivery System Models for Medi-Cal Managed Care Rural County Expansion

Delivery System Model	Counties
County Organized Health System (COHS)/Health Insuring Organization (HIO)	Del Norte
	Humboldt
	Lake
	Lassen
	Modoc
	Shasta
	Siskiyou
	Trinity
Regional	Alpine
	Amador
	Butte
	Calaveras
	Colusa
	El Dorado
	Glenn
	Inyo
	Mariposa
	Mono
	Nevada
	Placer
	Plumas
	Sierra
	Sutter
Tehama	
Tuolumne	
Yuba	
Imperial	Imperial
San Benito	San Benito

Attachment U cont. - Excluded Populations - Medi-Cal Managed Care Rural County Expansion

Excluded Populations											
Delivery System Model	County	Dual-Eligibles	Pregnant Women	Other Insurance	Nursing Facility or ICF/MR Resident	Enrolled in Another Managed Care Program	Less than 3 Months Eligibility	HCBS Waiver Enrolled	Special Needs Children-State Defined	CHIP Title XXI	Retro Eligibility
County Organized Health System (COHS)	Del Norte					X				X <sup>6</sup>	X
	Humboldt					X				X <sup>6</sup>	X
	Lake					X				X <sup>6</sup>	X
	Lassen					X				X <sup>6</sup>	X
	Modoc					X				X <sup>6</sup>	X
	Shasta					X				X <sup>6</sup>	X
	Siskiyou					X				X <sup>6</sup>	X
	Trinity					X				X <sup>6</sup>	X
Regional	Alpine	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Amador	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Butte	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Calaveras	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Colusa	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	El Dorado	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Glenn	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Inyo	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Mariposa	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Mono	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Nevada	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Placer	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Plumas	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Sierra	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Sutter	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
	Tehama	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
Tuolumne	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>		
Yuba	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>		
Imperial	Imperial	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	
San Benito	San Benito	X <sup>1</sup>	X <sup>2</sup>	X <sup>3,4</sup>	X	X <sup>5</sup>	X			X <sup>7</sup>	

Notes

- 1 State excludes enrollment of dual-eligibles who are simultaneously enrolled in a Medicare Advantage Plan, unless the MA Plan also has a Medi-Cal managed care contract
- 2 These beneficiaries receive pregnancy related services only
- 3 State excludes individuals that have a share of cost or are ineligible for full-scope Medi-Cal
- 4 State excludes individuals approved for any major organ transplant (except Kidney)
- 5 Individuals enrolled in mental health or dental health managed care programs are not considered in another managed care program
- 6 State only Healthy Families
- 7 Except for non-Healthy Families children in the Percent of Poverty Program

# Attachment U - Included Populations Medi-Cal Managed Care Rural County Expansion

Included Populations											
Delivery System Model	County	Section 1931 Children	Section 1931 Adults	Blind/Disabled Adults	Blind/Disabled Children	Aged and Related Populations	Foster Care Children	BCCTP Program	Children with Accelerated Eligibility	Title XXI CHIP	
County Organized Health System (COHS) Health Insuring Organization (HIO)	Del Norte	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Humboldt	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Lake	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Lassen	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Modoc	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Shasta	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Siskiyou	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Trinity	All Populations Required to enroll in managed care						Req	Req	Req	Req
Regional	Alpine	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Amador	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Butte	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Calaveras	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Colusa	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	El Dorado	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Glenn	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Inyo	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Mariposa	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Mono	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Nevada	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>

## Attachment U - Included Populations Medi-Cal Managed Care Rural County Expansion

Delivery System Model	County	Section 1931 Children	Section 1931 Adults	Blind/Disabled Adults	Blind/Disabled Children	Aged and Related Populations	Foster Care Children	BCCTP Program	Children with Accelerated Eligibility	Title XXI CHIP	
Regional	Placer	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Plumas	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Sierra	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Sutter	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Tehama	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Tuolumne	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
	Yuba	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
Imperial	Imperial	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>
San Benito	San Benito	All Populations Required to enroll in managed care						Vol	Vol	Req	Req <sup>1</sup>

Notes:

Vol=Voluntary

Req=Required

(1) CHIP Expansion includes non-Healthy Families in the Percent of Poverty Program



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** February 22, 2013

**TO:** Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

**FROM:** Sandra "Sam" Willburn, Chief, Primary and Rural Health Division 

**SUBJECT:** Notice of Proposed Change to Medi-Cal Program

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

**Medi-Cal Managed Care Rural County Expansion Waiver Amendment:** In accordance with Assembly Bill 1467 (Chapter 23, Statutes 2012), the 2012-13 State Budget Act authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 rural California counties who currently receive Medi-Cal services on a Fee-For-Service (FFS) basis. Approximately 386,000 Medi-Cal beneficiaries will make the transition from FFS to Medi-Cal managed care in these rural counties on June 1, 2013. DHCS will be submitting a waiver amendment request by March 31, 2013 to implement this expansion. Please see the enclosed summary of the Medi-Cal Managed Care Rural Expansion for a detailed description and contact information for questions and comments.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days from the receipt of this notice. Comments or feedback may be sent by mail or email to the address below:

Department of Health Care Services  
Medi-Cal Managed Care Division  
Policy and Contracts Section  
1501 Capitol Avenue, MS 4415 P.O. Box 997413  
Sacramento, CA 95899-7413  
ATTN: Carrie Allison  
[Carrie.Allison@dhcs.ca.gov](mailto:Carrie.Allison@dhcs.ca.gov)

Notice of Proposed Change to the Medi-Cal Program  
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In addition to this notice, DHCS plans to cover this waiver in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

**Department of Health Care Services (DHCS)  
Medi-Cal Managed Care Division  
Medi-Cal Managed Care Rural County Expansion Waiver Amendment**

**Background:**

DHCS administers the Medi-Cal managed care program in accordance with federal and state law and regulations which includes special protections for American Indians in managed care that are located in the American Recovery and Reinvestment Act of 2009 and state regulations in the California Code of Regulations.

The DHCS contracts for health care services through networks of providers organized as managed care systems. The managed care systems are administered by health plans. Approximately 4.9 million Medi-Cal beneficiaries in 30 counties receive their health care services through three models of Medi-Cal managed care as described below.

1. **County Organized Health Systems (COHS):** In COHS model counties, DHCS contracts with a health plan created by the County Board of Supervisors
2. **Geographic Managed Care (GMC):** In GMC counties, DHCS contracts with several commercial health plans
3. **Two-Plan Model (TPM):** In most TPM counties, there is a "Local Initiative" and a "commercial plan." DHCS contracts with both plans

**Description of Waiver Amendment Request and Effective Date:**

In accordance with Assembly Bill 1467 (Chapter 23, Statutes 2012), the 2012-13 State Budget Act authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 rural California counties who currently receive Medi-Cal services on a Fee-For-Service (FFS) basis. Approximately 386,000 Medi-Cal beneficiaries will make the transition from FFS to Medi-Cal managed care in these rural counties on June 1, 2013. DHCS will be submitting a waiver amendment request by March 31, 2013 to implement this expansion.

The 28 Medi-Cal managed care rural expansion counties are Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Nevada, Mono, Placer, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba.

DHCS intends to implement the expansion through contract(s) with managed care health plans. A Request for Application was issued inviting interested health plans to submit formal applications in November 2012. Applications were due to DHCS on January 22, 2013. Health plans that submitted applications were required to have previous experience serving Medicaid beneficiaries, including diverse populations, experience partnering with public and traditional safety net health care providers, and experience working with local stakeholders, including consumers, providers, advocates, and county officials on health plan oversight and in the delivery of care. Health plans were required to show recent successful experience administering managed care in a rural area. Health plans that pass the application and interview process will be issued an "Intent to Award" in March 2013.

DHCS is currently conducting a stakeholder process to ensure that beneficiaries, health care providers, and Medi-Cal managed care health plans have an opportunity to provide input into the managed care delivery model and to help ensure a smooth transition for beneficiaries. Stakeholder meetings will continue throughout the implementation of this expansion effort.

The effective date of this waiver amendment will be June 1, 2013

**Impact to Indian Health Programs and Urban Indian Organizations:**

**Impact on Indian Health Programs**

Indian health program operations may be impacted by this proposal depending on the model of managed care selected in each county and the program's participation in managed care. Further information about the TPM, COHS, and GMC managed care models and sample health plan contracts can be viewed at <http://www.dhcs.ca.gov/services/Pages/Medi-CalManagedCare.aspx>.

**Impact to Indian Medi-Cal Beneficiaries:**

**Impact on Indian Medi-Cal Beneficiaries If Residing in COHS Model Counties:**

All Medi-Cal beneficiaries, including American Indians, residing in COHS model counties are required to enroll in the COHS plan. However, COHS plans may not restrict access to Indian health programs for these members. American Indian beneficiaries may receive services from an Indian health program either within the COHS provider network, or out-of-network.

**Impact on Indian Medi-Cal Beneficiaries If Residing in Non-COHS Counties:**

Indian Medi-Cal beneficiaries may be exempt or disenrolled from managed care health plan enrollment at any time to receive health care services through an Indian health program.

**Impact to All Indian Medi-Cal Beneficiaries:**

American Indians receiving Medi-Cal services directly from an Indian health program are not charged enrollment fees, premiums, and are not subject to cost sharing arrangements (e.g. deductibles, copayments).

**Response Date:**

Indian health programs may submit written comments or questions concerning this waiver amendment within 30 days from the receipt of this letter. Comments may be sent by email to [Carrie.Allison@dhcs.ca.gov](mailto:Carrie.Allison@dhcs.ca.gov) or by mail to the address listed below:

Department of Health Care Services  
Medi-Cal Managed Care Division  
Policy and Contracts Section  
MS 4415, 1501 Capitol Avenue, Suite 71-4020  
P.O. Box 997413  
Sacramento, CA 95899-7413  
ATTN: Carrie Allison