

October 6, 2014

Toby Douglas
Director
California Department of Health Care Services
1501 Capitol Avenue, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

SUBJECT: 1115 Medi-Cal Waiver Renewal Stakeholder Workgroups and Waiver Development Process

Dear Director Douglas:

On behalf of Private Essential Access Community Hospitals (PEACH), representing California's community safety net hospitals, thank you for the opportunity to submit our recommendations to maximize the effectiveness of the stakeholder process as the Department of Health Care Services (DHCS) rapidly develops its Bridge to Reform Waiver renewal proposal.

As core safety net providers that provide one third of all inpatient care to Medi-Cal beneficiaries and 42 percent of all safety net hospital care to the uninsured, we and our physician partners strongly support the shared goals of CMS and the State to (1) Further delivery of high quality and cost-efficient care for Medi-Cal beneficiaries; (2) Ensure long-term viability of the delivery system post-ACA expansion; and (3) Continue California's momentum and successes in innovation achieved under the Bridge to Reform waiver.

We also support the State's concept of Federal/State Shared Savings to promote whole-person, coordinated care and believe that every effort should be made to maximize these savings to fund the State's other proposed waiver initiatives. In addition, these savings should be used to fund a Delivery System Reform Incentive Program for private disproportionate share hospitals as a means of improving health care outcomes by transforming private safety net delivery systems into coordinated, whole person care functionality.

As the State seeks to build on its successful initial implementation of health care reform and further the Affordable Care Act's triple aim goals by renewing the 1115 Waiver, the Department has an opportunity to ensure that the vast majority of Medi-Cal beneficiaries have access to better, more coordinated and cost-effective care through transformation of the safety net hospitals and health systems that principally serve them.

In order to fully achieve the waiver goals outlined by the Department, we strongly recommend that PEACH be included in the following waiver renewal workgroups: (1) Federal-State Shared Savings Workgroup; (2) the MCO and Provider Incentive Programs Workgroup; and (3) the DSRIP II Workgroup.

PEACH member hospitals and their provider partners remain essential to California's health care safety net, providing care to millions of new Medi-Cal beneficiaries, serving as key Essential Community Providers in Covered California's health exchange plans, and continuing to help serve the 3-4 million remaining uninsured.

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As providers whose average patient base is 70 percent uninsured and government-sponsored, it is critical that community safety net hospitals and our physician partners have a seat at the table and are actively part of the aforementioned workgroups as directly impacted stakeholders and core safety net providers for the Medi-Cal population.

Thank you for your consideration of our comments and recommendations. PEACH looks forward to continuing to partner with the Brown Administration and the Department in our collective efforts to ensure all Californians, especially our most vulnerable, low-income communities have access to better coordinated and higher performing delivery systems of whole-person care. Please feel free to contact me at (916) 446-6000 should you have any questions.

Sincerely,



Catherine K. Douglas
President and CEO

CC: Diana Dooley, Secretary, California Health and Human Services Agency
Mari Cantwell, Chief Deputy Director of Health Care Programs,
California Department of Health Care Services
Duane Dauner, President and CEO, California Hospital Association
Anne McLeod, Senior Vice President, Health Policy & Innovation, California Hospital Association