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

JENNIFER KENT
DIRECTOR

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March 27, 2015

Ms. Vikki Wachino, Acting Director
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
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Baltimore, Maryland 21244-1850
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REQUEST FOR RENEWAL OF CALIFORNIA'S SECTION 1115 WAIVER DEMONSTRATION: MEDI-CAL 2020

Dear Ms. Vikki Wachino:

The California Department of Health Care Services (DHCS) is pleased to submit an application to renew the state's Section 1115 Waiver Demonstration. This proposal is a result of over six months of DHCS outreach and engagement with stakeholders, Administration and Legislative partners, and the public to develop strategies for how the Medi-Cal program will continue to evolve and mature over the next five years.

As California continues to be a leader in implementing the Affordable Care Act (ACA), operating the nation's largest Medicaid program, our state seeks to partner with the Centers for Medicare & Medicaid Services (CMS) to ensure that strides made toward delivery of high quality, cost effective care are further expanded and sustained over time. A renewal of our Medicaid Waiver is a fundamental component to California's ability to continue to successfully implement the ACA beyond the primary step of coverage expansion.

Because of the successes of the Bridge to Reform Waiver, California is in a position to focus its efforts on other critical components of health care reform such as expanding access, improving health quality, equity, and outcomes, and controlling the cost of care through a shift toward paying for value and outcomes instead of volume. The time is also right to partner with CMS in continuing to test innovative strategies that better coordinate care and align incentives around Medi-Cal members taking a whole-person approach to care.

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Thank you again for the opportunity to submit this waiver renewal request. We look forward to continuing to work with you and your staff on approval by November 1, 2015.

Sincerely,

ORIGINAL SIGNED BY MARI CANTWELL

Chief Deputy Director
Health Care Programs

Enclosures:

- Medi-Cal 2020: Key Concepts for Renewal
- Appendix C: "Bridge to Reform" Evaluation Reports
  - Delivery System Reform Incentive Program (DSRIP)
  - Healthy Families Program (HFP)
  - Low Income Health Program (LIHP)
  - Indian Health Services (IHS) Uncompensated Care
  - DY 9 Annual Report
  - DY 10 Quarter 2 Report
- Appendix D: Proposed Budget Neutrality
- Appendix E: Existing Budget Neutrality

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