



**State of California's  
Concept for a Comprehensive  
Section 1115 Waiver**



# Meeting Objectives

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- Provide overview of waiver concept document.
- Allow opportunity for meeting participants to ask questions or offer comments on the concept document.
  - Comments for concept paper revisions due to DHCS no later than November 14, 2009, submitted to [waiverrenewal@dhcs.ca.gov](mailto:waiverrenewal@dhcs.ca.gov)
- Provide meeting participants with next steps regarding establishment of waiver stakeholder committee.
- Provide timeline for key activities over the next 10 months.

# What is a section 1115 waiver?



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- **Authorized by section 1115 of the federal Social Security Act**
  - **Can make small changes or can include large portions of the program**
  - **Some federal Medicaid requirements cannot be waived under any circumstances**

# Key Features of a Section 1115 Waiver



- **Budget neutrality**
  - Costs under waiver are no more than costs would have been without the waiver.
- **Funding for costs not otherwise matchable**
  - Ability to provide medical coverage to individuals who may not otherwise be eligible; and/or
  - Provide services that may not otherwise be allowed under the regular Medicaid rules.

# Hospital Financing Waiver



- **Restructured hospital financing and reimbursements, particularly for public hospitals.**
- **Made available \$766 million annually in federal funds to:**
  - **Support public hospital costs for providing indigent care;**
  - **Support more organized care for uninsured individuals through health care coverage initiatives; and**
  - **Provide some General Fund relief.**

# Why a New Waiver?

- **The hospital financing waiver expires August 31, 2010.**
- **The program growth curve of Medi-Cal needs to be slowed to ensure long term sustainability.**
- **Medi-Cal needs to be ready for national health reform.**
- **The majority of Medi-Cal fee-for-service spending is for beneficiaries who have multiple chronic medical conditions.**
- **For many, Medi-Cal does not provide care coordination to help assist in securing needed health care services.**

# Stakeholder Efforts to Date



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- **Stakeholder participants have included:**
    - **Consumer advocates**
    - **Provider associations**
    - **Managed care organizations**
    - **Public and private hospitals**
    - **County representatives**
    - **Clinics**
    - **Labor**

# Waiver Goals

- **The new section 1115 waiver will be designed to meet the following goals outlined in ABx4 6:**
  - **Strengthen California’s health care safety net.**
  - **Maximize opportunities to reduce the number of uninsured individuals.**
  - **Optimize opportunities to increase federal financial participation and maximize financial resources to address uncompensated care.**
  - **Promote long-term, efficient, and effective use of state and local funds.**
  - **Improve health care quality and outcomes.**
  - **Promote home-and community-based care.**

# Waiver Initiatives

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- **Promote organized delivery systems**
  - **Strengthen and expand the health care safety net**
  - **Implement value-based purchasing strategies**
  - **Enhance the delivery system for the uninsured to prepare for national reform**

# Promote Organized Delivery Systems



- **System design will include use of mandatory medical homes and incentives to achieve desired clinical, utilization and cost-specific outcomes.**
- **Delivery models will include managed care and a restructured fee-for-service system.**



# Organized Delivery System Components



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- **Provider networks**
  - **Care management and coordination**
  - **Managing and monitoring service utilization**
  - **Member supports**

# Four Phases of Enrollment



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- **Seniors and persons with disabilities and children and families in rural counties**
  - **Children with special health care needs**
  - **Dual eligible individuals**
  - **Adults with severe mental illness**



# Strengthen and Expand the Health Care Safety Net



- **Role of designated public hospitals**
- **Increase federal funding for Medicaid inpatient payments**
- **Preserve and support state and county health care programs**
- **Facilitate adoption of HIT and HIE**

# Implement Value-Based Purchasing Strategies



- **Strategies may include:**
  - **Provider reporting**
  - **Risk sharing**
  - **Pay for performance**
  - **Healthy rewards and incentives**
  - **Nonpayment of healthcare acquired conditions**



# Enhanced Delivery Systems for the Uninsured



- **Develop programs standards for health care coverage initiatives (HCCI)**
- **Enable HCCI to drive system reform**
- **Create enrollment efficiencies between HCCI and Medi-Cal**
- **Expand participating HCCI counties**

# Waiver Stakeholder Committee

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- **Waiver stakeholder committee will be formed to advise on the preparation of the waiver implementation plan and for ongoing advise during term of waiver**
- **Waiver stakeholder committee will include the following representatives:**
  - **Seniors**
  - **Persons with disabilities**
  - **Legal services representatives of the affected populations**
  - **Health plans**
  - **Specialty care providers**
  - **Physicians**
  - **Hospitals**
  - **County government**
  - **Labor**
  - **Others**



# Waiver Stakeholder Committee



- **Waiver implementation plan will include the following elements**
  - **Criteria, performance standards and indicators**
  - **Monitoring strategies to ensure compliance with all components of the waiver**
  - **Timeline of key milestones for implementation**
  - **Evaluation framework**

# Next Steps

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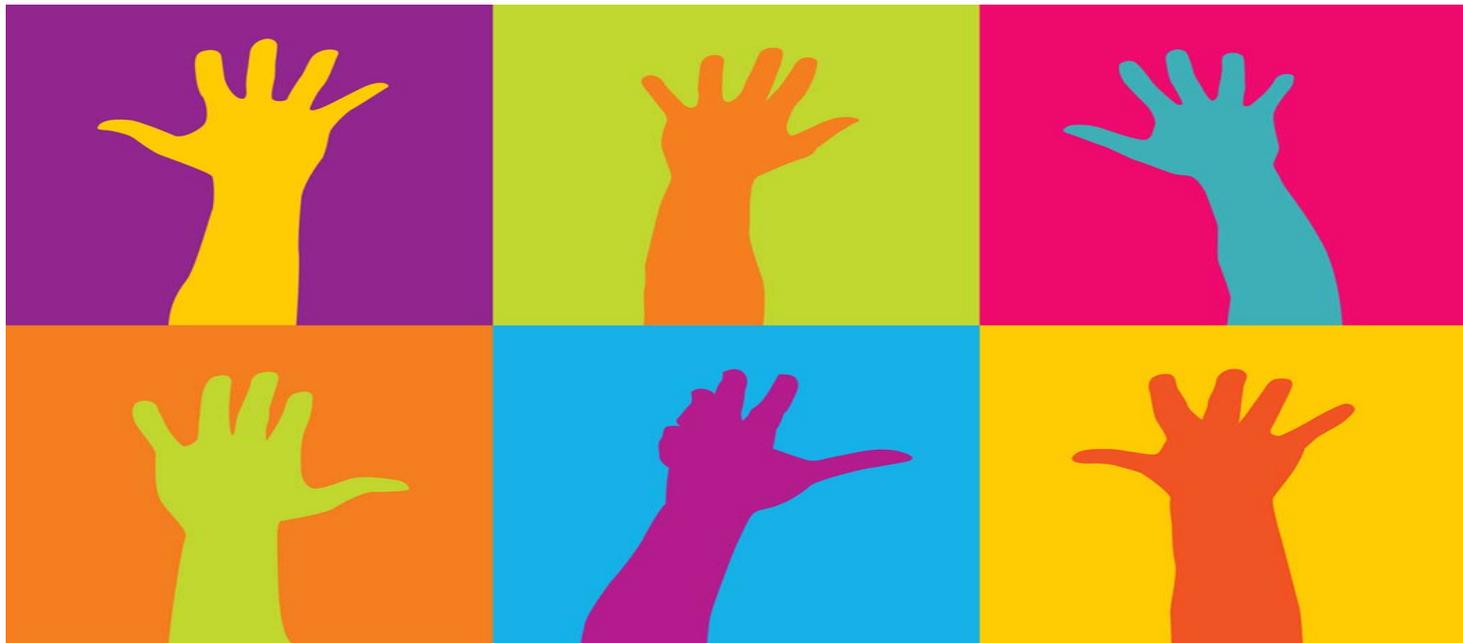
## November 2009 to August 2010

- Submission of concept document to the federal Centers for Medicare & Medicaid Services (CMS)
- Consultation with the federal CMS
- Further refinement of approaches
- Waiver stakeholder committee meetings

## August 2010

- Finalization of waiver

# Questions and Comments



*“Preserve and Improve the Health  
Status of all Californians”*

# Telephone Instructions



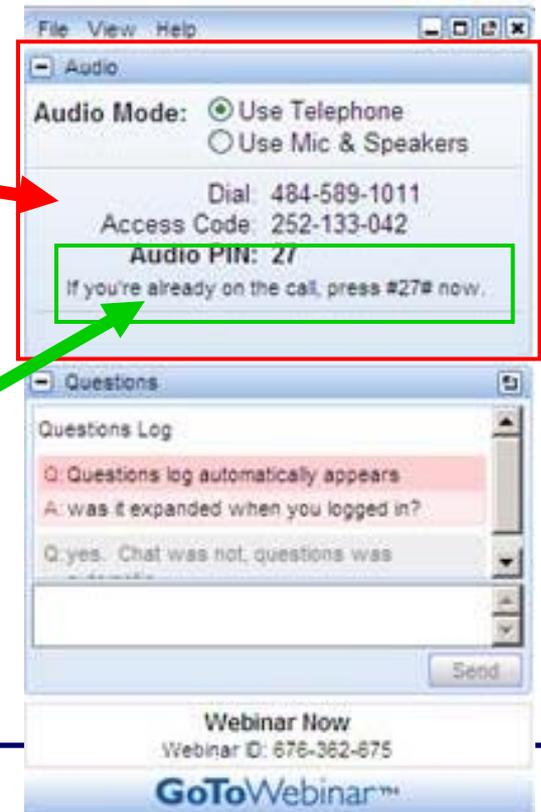
If you are using your telephone, be sure Audio Mode is set to “Use Telephone”. Dial the telephone number provided; when prompted enter the Access Code (Provided in the Webinar invitation).

Once logged into the Webinar, if you would like to ask a question via the telephone, be sure to enter the “Audio PIN” (See screenshot to the right).

If you do not input your “Audio PIN” at the beginning of the Webinar, you can enter “#PIN#” anytime during the Webinar.

(Example: #27#, see screenshot at right)

***Toll charges may apply.***



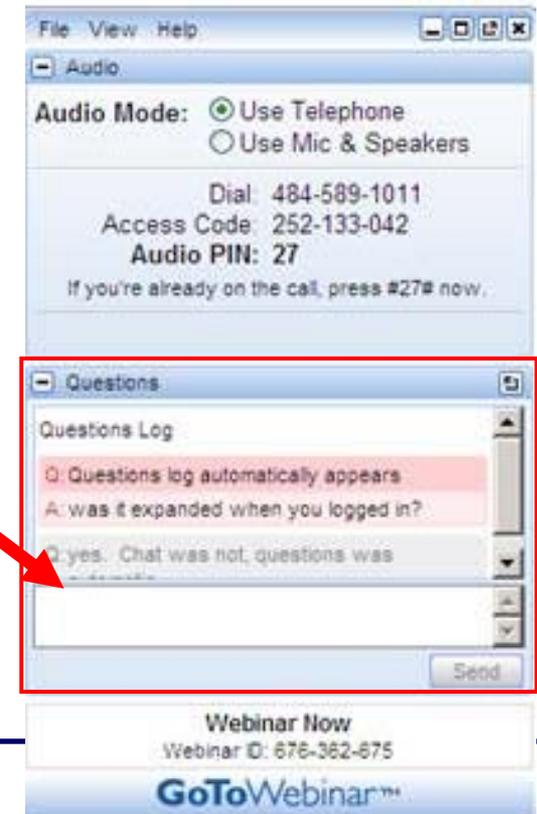


# Ask a Question via the Web



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Your questions and comments will be addressed during the question and comment session.



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Status of all Californians”*

# Ask a Question via Audio Mode (Telephone)



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***THE “RAISE HAND” IS NOT NEEDED IF TYPING A QUESTION or COMMENT.***





# Thank You



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**Additional questions and comments  
can be emailed to:**

**[WaiverRenewal@dhcs.ca.gov](mailto:WaiverRenewal@dhcs.ca.gov)**

**For more information regarding the  
Waiver Renewal, visit:**

**<http://www.dhcs.ca.gov>**