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March 16, 2010

David Maxwell-Jolly
Director
Department of Health Care Services

VIA EMAIL

Toby Douglas
Chief Deputy Director
Department of Health Care Services

RE: COMMENT ON SPD ISSUES FOR MEDI-CAL 1115 WAIVER

Dear David and Toby:

In the interests of moving the process of developing the Medi-Cal Waiver process along as expeditiously as possible, we thought it might be productive to comment in writing on some issues that were raised during the March 11, 2010 SPD Technical Advisory Committee. We appreciate the work of the committee process and the opportunity to participate. Our comments are as follows:

- **Pre-enrollment data available for systems of care prior to or simultaneous to enrollment.** Information about the diagnosis and treatment of individuals prior to their being enrolled in a system of care will enhance the capacity of the system of care to work with the patient to enhance quality and satisfaction. This will be a demanding data process for DHCS to produce and for systems of care to assimilate. We need to do all that we can within the limits of time and resources to bring this information exchange to fruition.
- **Requirements on systems of care as a condition of transition of SPDs to enrollment.** Of course, the systems of care in which SPDs are to be enrolled must exhibit capacity to handle the needs of the enrollees. That capacity will be determined in the contracting process. It will not be practical to continuously measure that capacity and to stall enrollment awaiting data that could not be conclusive. As an example, requiring that Members with a specific number of pre-identified specialists continue with those specialists on a Fee For Service basis will be difficult to identify accurately in advance and having physicians potentially bill different payer systems will be burdensome to the physicians and the systems of care. In addition to the contractual requirements of DHCS, there are the extensive regulatory requirements and enforcement activities of the

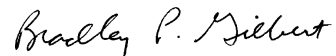
Department of Managed Health Care that are designed for the protection of health care consumers. These safeguards under the Knox-Keene Act are significant protections that should be a requirement of all entities contracting to serve SPDs through an organized system of care emphasizing medical homes and comprehensive care coordination.

- **Limit on total assigned members per Primary Care Physician.** There is not a way to make this a workable requirement. Systems of care under contract and regulated by DHCS have several requirements for adequacy of network. The shortage of Primary Care Physicians makes this even more burdensome. For sure, systems of care that are Knox-Keene licensed have far superior physician access than Medi-Cal Fee For Service. It is the job of systems of care to assure that members can reasonably access providers, inside or outside of network as appropriate. For the most part, systems of care have been able to fulfill that responsibility.
- **Assignment of beneficiaries that do not exercise choice.** It is impractical to think that absolutely all beneficiaries will exercise the choice options presented to them, and even more impractical to develop an expensive and unnecessary process of individual meetings with those beneficiaries in the pursuit of that impractical goal. For a practical implementation of the transition of SPDs to managed care, there will need to be an assignment system for those beneficiaries who do not exercise choice. There is also the complex issue of assignment of members to safety net providers within the networks of the systems of care which is a related issue which must be given careful consideration. Achieving the goal to provide plans with pre-enrollment utilization data will help plans assign members to the best option if members do not self-select.
- **Statutory language versus contractual obligations for the fulfillment of obligations by systems of care.** By either method, systems of care are legally obligated to the requirements set forth. It is noteworthy that contractual language is more flexibly amended which can work to the advantage of beneficiaries when unforeseen changes need to be made in the best interests of the program.

- **Expedited medical exemption process.** We are in support of proposals to strengthen the medical exemption process. Individuals in the middle of complex care situations with multiple non-contracted specialists should not be enrolled, or should be expeditiously disenrolled as deemed appropriate by DHCS.

Please call on us if we can assist in moving the work of the waiver forward.

Sincerely,



Bradley Gilbert, MD
CEO, Inland Empire Health Plan



Ingrid Lamirault
CEO, Alameda Alliance for Health

cc: Members of the SPD Technical Advisory Committee