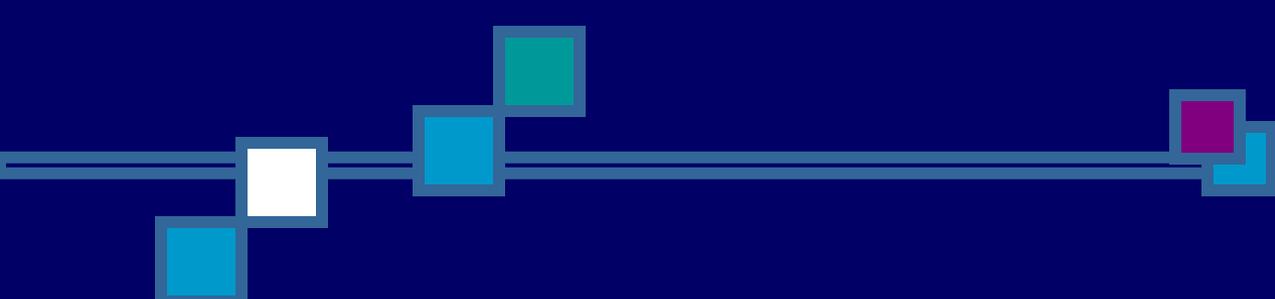


DHCS

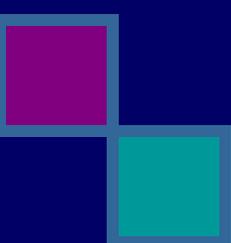


California Department of
HealthCareServices



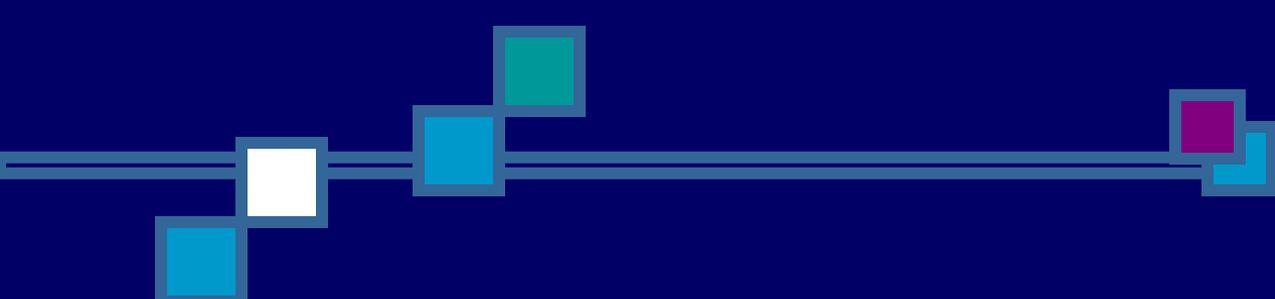
Preparing for Health Reform:

The Renewal of Medi-Cal's Hospital Financing 1115 Waiver

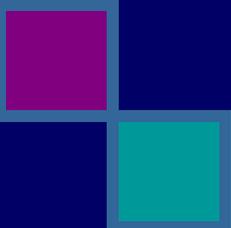


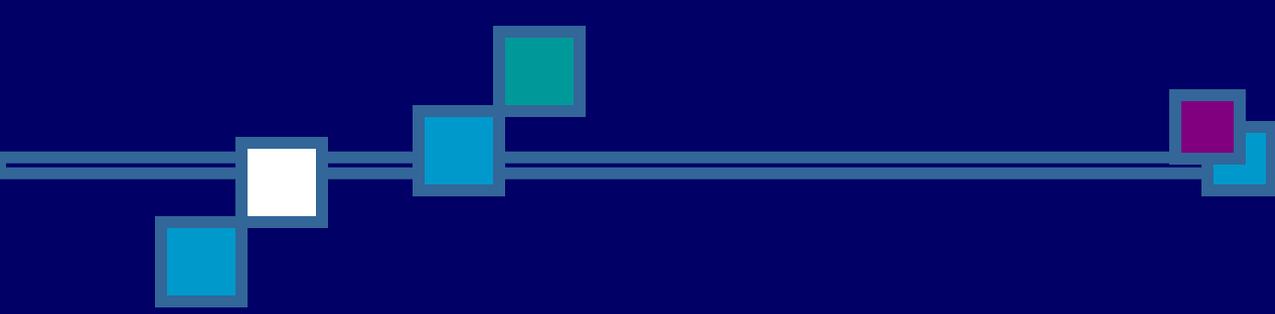
California Mental Health Policy Forum
September 10, 2009



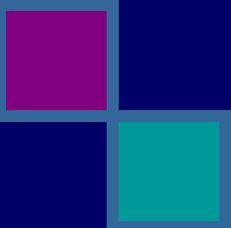


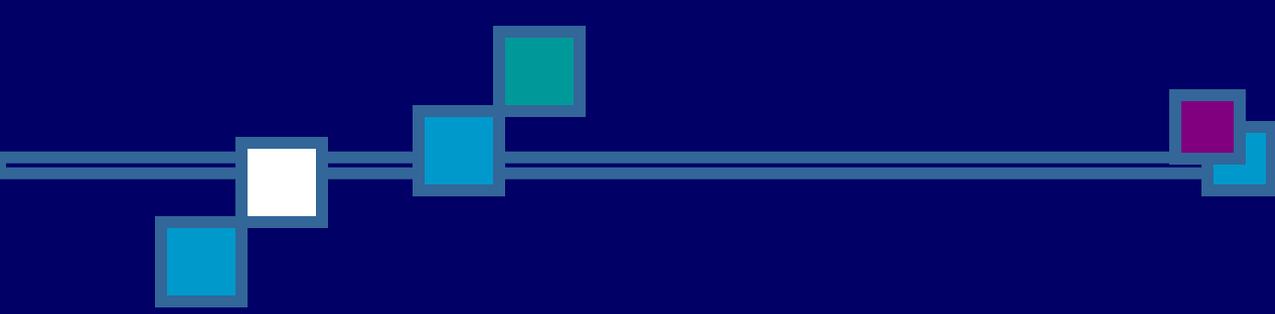
What is an 1115 waiver?

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

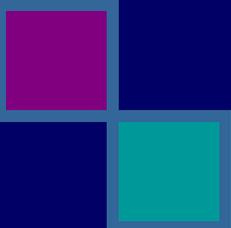
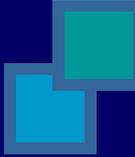


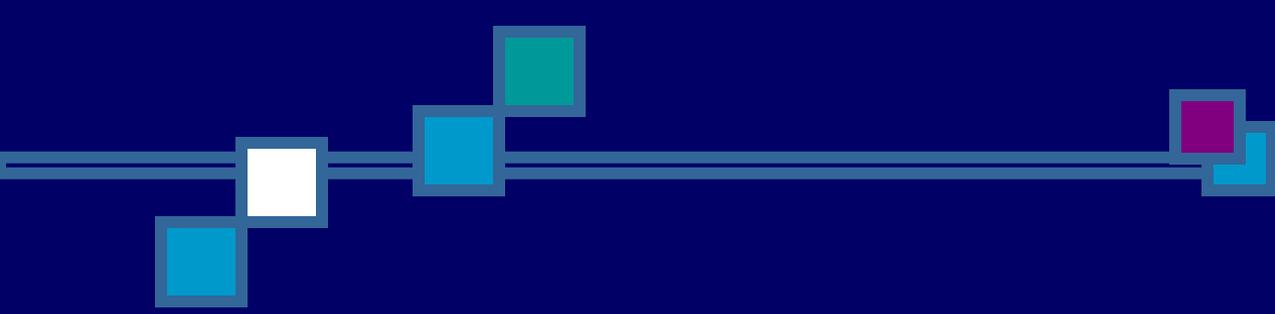
Key Features of an 1115 waiver

- 
- Budget neutrality
 - Costs under waiver are less 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.
- 

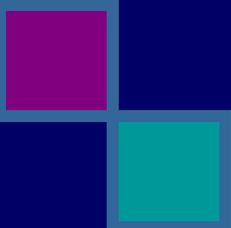


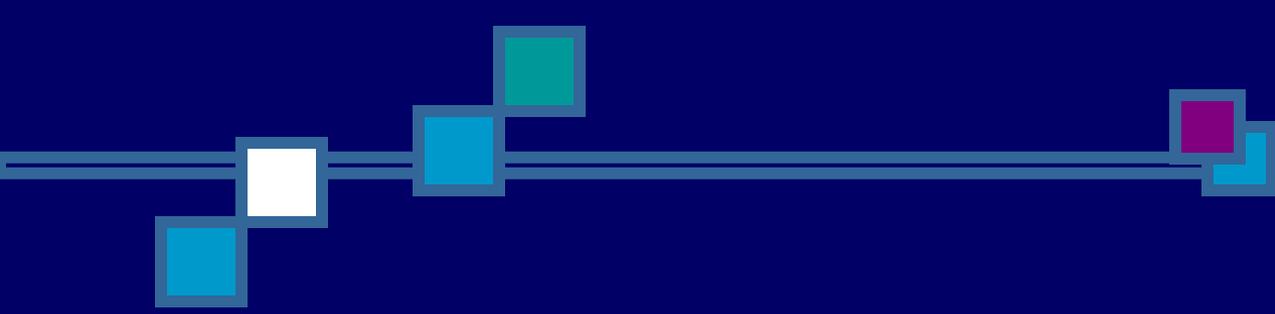
What does the hospital financing waiver do?

- 
- Restructures hospital financing and reimbursements, particularly for public hospitals
 - Provides federal funding of \$766 million annually to:
 - Supports public hospital costs for providing indigent care;
 - Supports more organized care for uninsured individuals through health care coverage initiatives;
 - Provides some General Fund relief.
- 

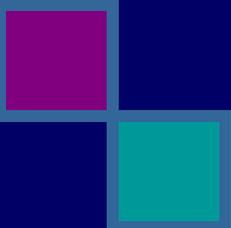


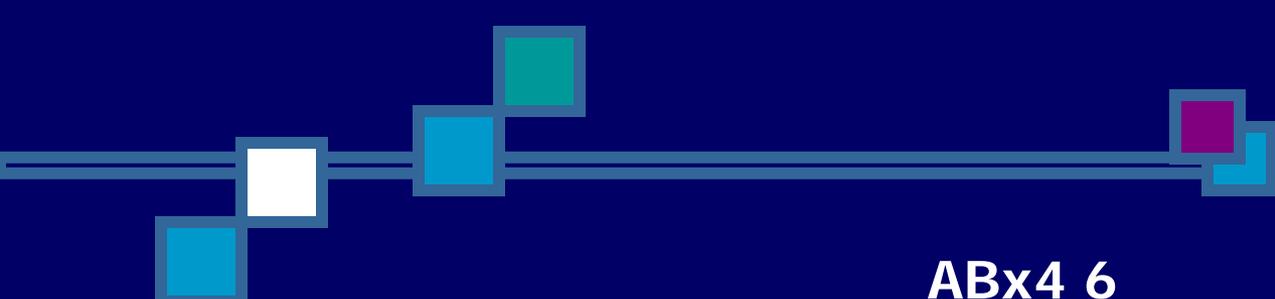
What opportunities does the waiver renewal present?

- 
- Preparation for national health reform
 - Potential for expanding on existing waiver financing
 - Potential to increase federal funds available to support reforms
 - Further development and expansion of health care coverage initiatives
 - Proposed real reforms in the Medi-Cal fee-for-service delivery system
- 



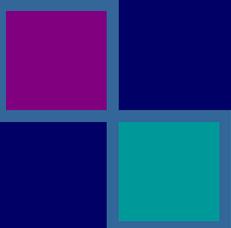
What have we been doing to prepare for the waiver renewal?

- Exploring opportunities for reform
 - Discussions with stakeholders
 - Collaboration with Legislature
- 
- 



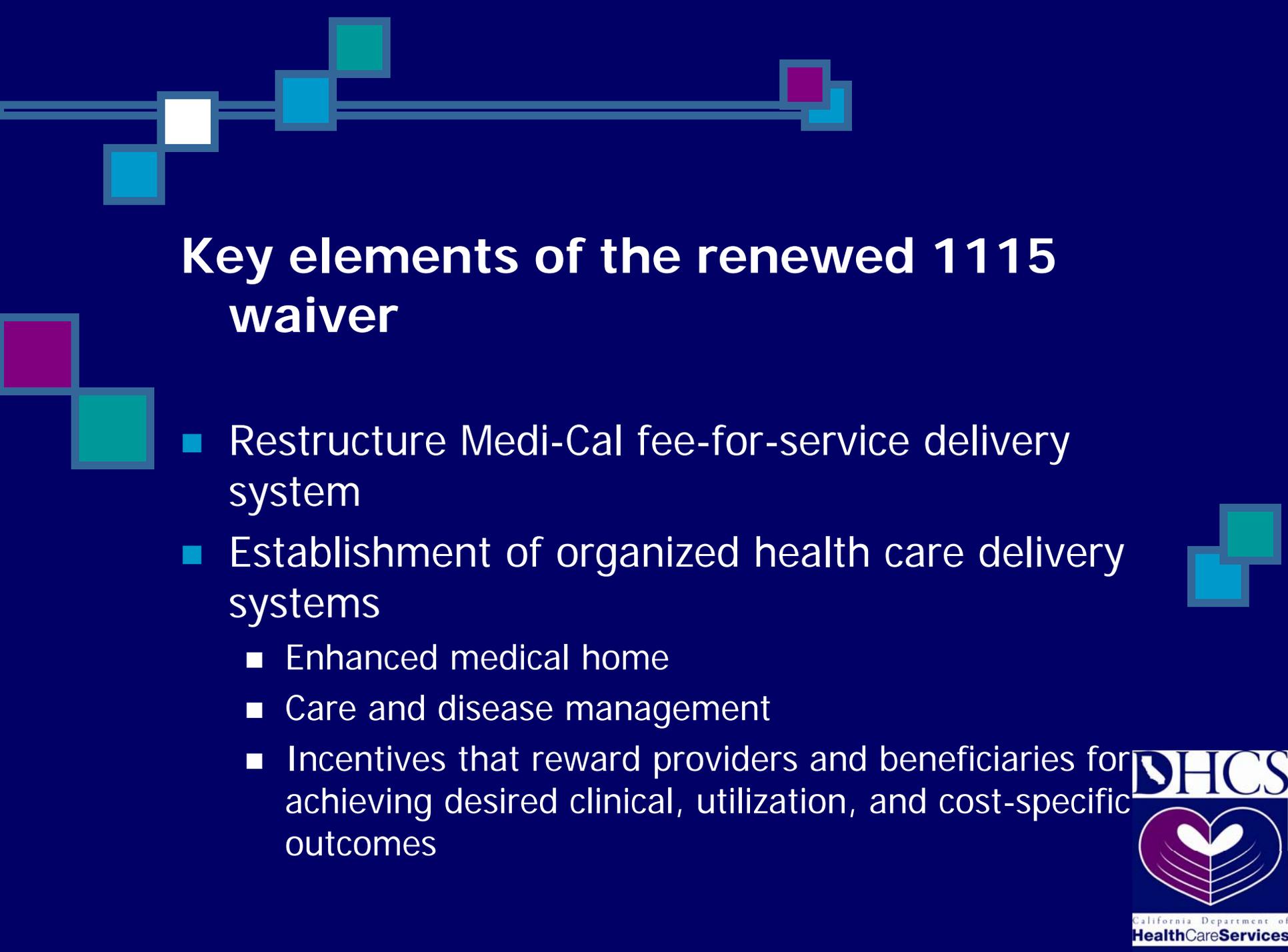
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Article 5.4. Health Care Coordination, Improvement, and Long-Term Cost Containment Waiver or Demonstration Project



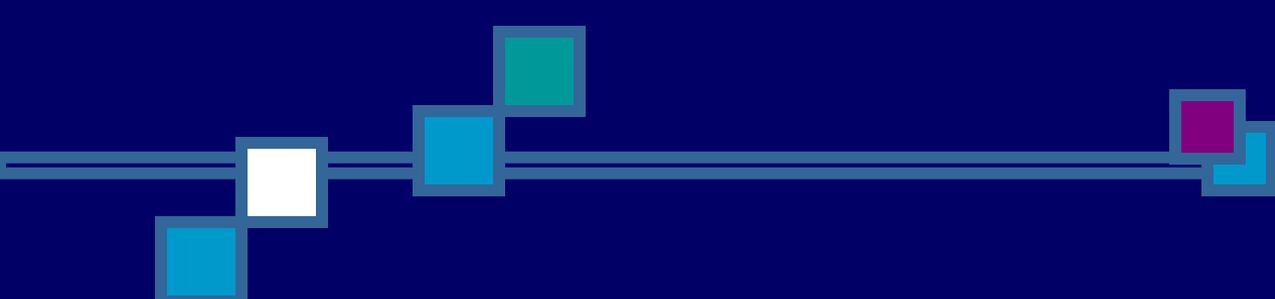
Goals

- 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.
- 



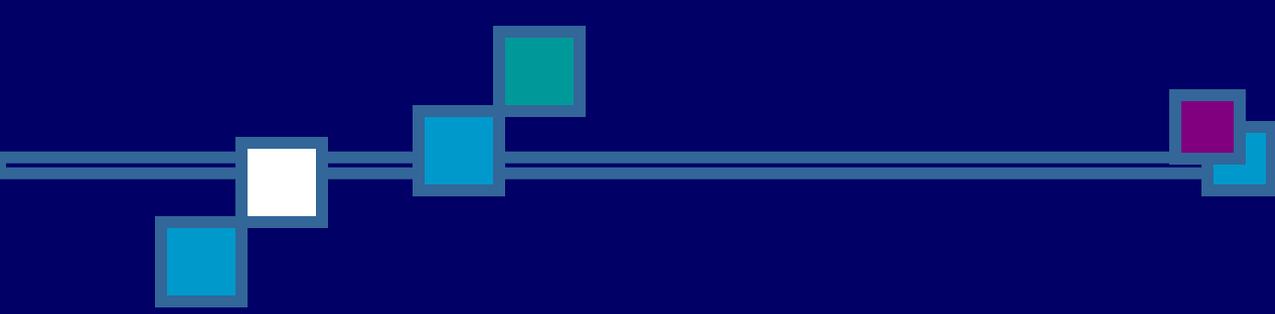
Key elements of the renewed 1115 waiver

- Restructure Medi-Cal fee-for-service delivery system
- Establishment of organized health care delivery systems
 - Enhanced medical home
 - Care and disease management
 - Incentives that reward providers and beneficiaries for achieving desired clinical, utilization, and cost-specific outcomes



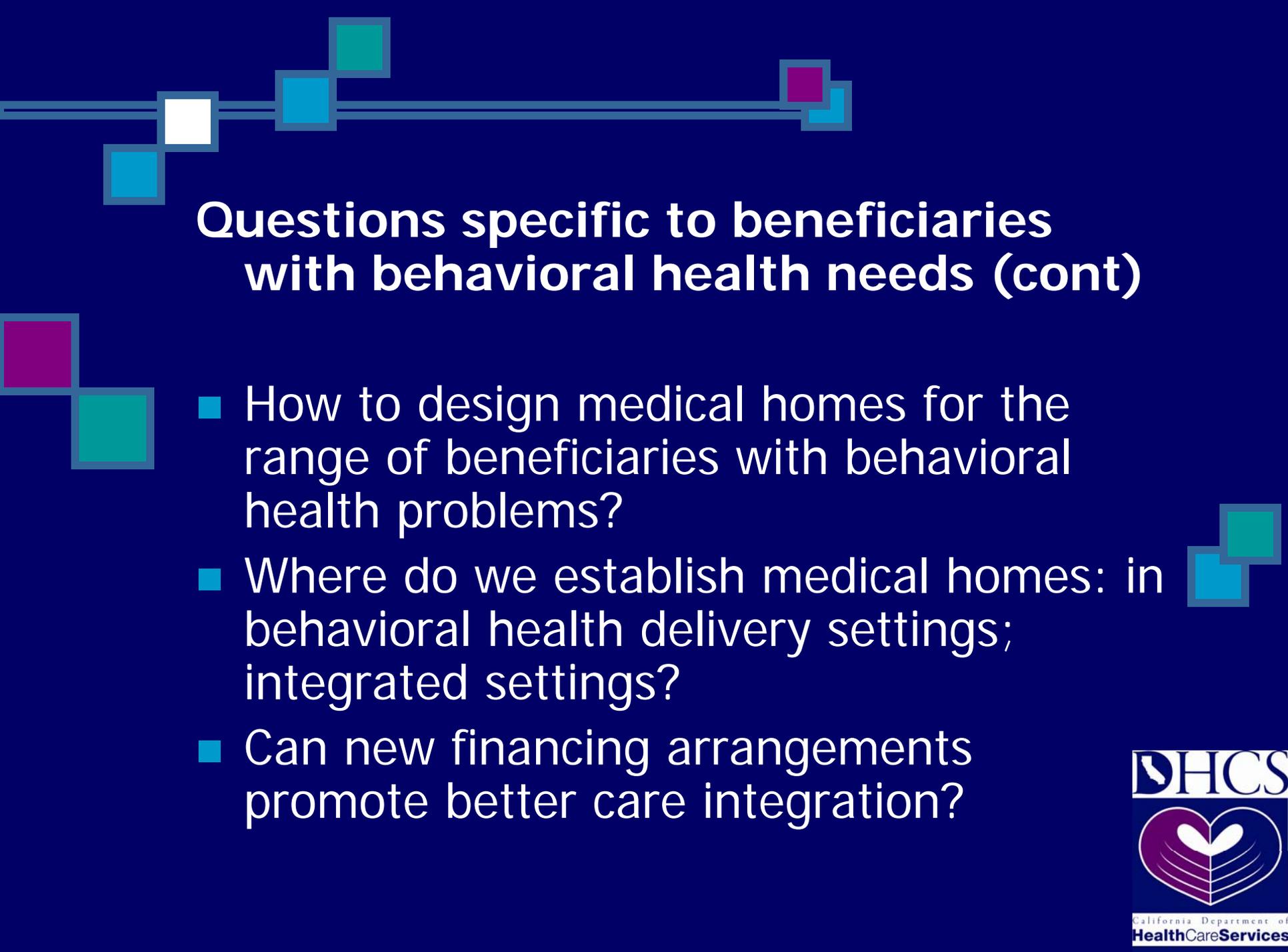
Who are the Medi-Cal fee-for-service beneficiaries?

- Seniors and persons with disabilities
 - Dual eligibles
 - Persons with behavioral health care needs
 - Children with special health care needs
- 



Questions specific to beneficiaries with behavioral health needs

- How do we establish medical homes and effective care management systems for persons with behavioral health needs?
 - How can we promote care integration?
- 



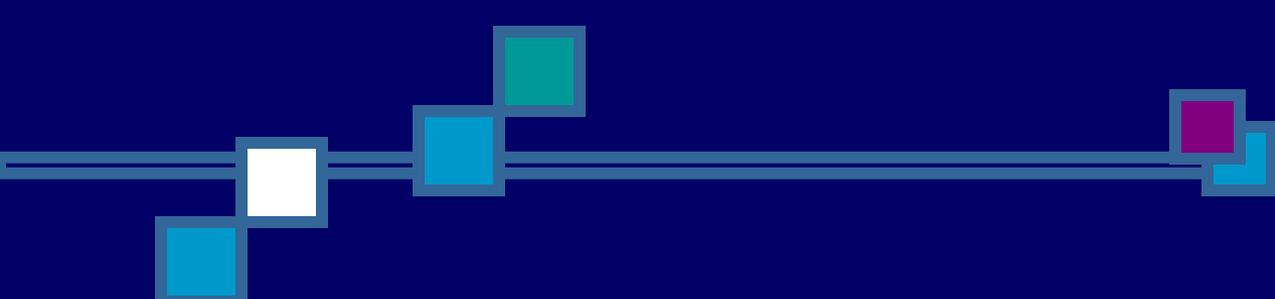
Questions specific to beneficiaries with behavioral health needs (cont)

- How to design medical homes for the range of beneficiaries with behavioral health problems?
- Where do we establish medical homes: in behavioral health delivery settings; integrated settings?
- Can new financing arrangements promote better care integration?



Opportunities for the mental health community

- Participate in the stakeholder efforts
- Rethink how we organize care
- Promote integration of care
- Prepare for coming health reform
- Rethink the carve-out



The Road Ahead

October 2009

- Draft concept paper

Nov 2009 to Aug 2010

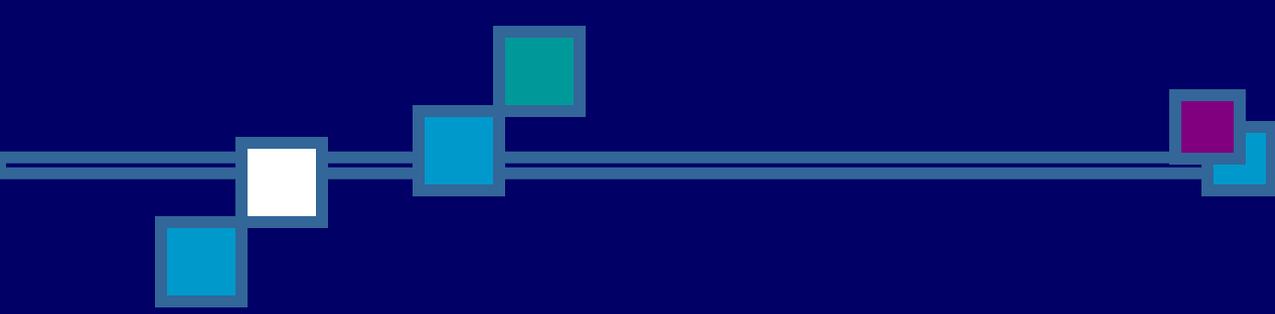
- Consultation with the federal Centers for Medicare & Medicaid Services
- Further refinement of approaches
- Stakeholder consultation

Jan to June 2010

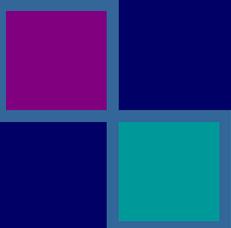
- Development of operational waiver documents (standards, RFP, draft contracts)

Aug 2010

- Finalization of waiver



Link to DHCS waiver resources

- 
- <http://www.dhcs.ca.gov/provgovpart/Pages/WaiverRenewal.aspx>
- 