



TOBY DOUGLAS  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

September 3, 2014

**Mr. Paul Boben**

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**CALIFORNIA BRIDGE TO REFORM DEMONSTRATION (NO. 11-W-00193/9)  
AMENDMENT REQUEST FOR FULL SCOPE MEDI-CAL COVERAGE FOR QUALIFIED  
LOW INCOME PREGNANT WOMEN PREGNANT WOMEN**

Dear Mr. Boben, Ms. Hossain and Ms. Lee:

The State of California proposes to amend the Special Terms and Conditions (STCs) of Waiver 11-W-00193/9, California's Medicaid Section 1115 "Bridge to Reform" Demonstration (Demonstration Waiver), pursuant to STCs Paragraph 7.

This amendment would allow the Department of Health Care Services (DHCS) to expand full-scope Medi-Cal benefits to qualified low-income pregnant women with incomes up to and including 138 percent of the Federal Poverty Level (FPL). The

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effective date for implementation of this Demonstration Waiver amendment will be the date federal approval is obtained. DHCS is prepared to provide any information necessary to the Centers for Medicare and Medicaid Services (CMS) in order to secure prompt approval of this amendment.

### **Background**

Currently, DHCS has federal approval for pregnant women with incomes up to and including 60 percent FPL to be eligible for full-scope Medi-Cal; however, Senate Bill (SB) 857(Chapter 31, Statutes of 2014) added Welfare and Institutions (W & I) Code Sections 14005.22 and 14005.225, to authorize the expansion of full-scope Medi-Cal eligibility to pregnant women with incomes up to and including 138 percent FPL, pending federal approval.

In compliance with SB 857, DHCS will submit State Plan Amendment 14-021 to effectuate the increase in income limit for full scope Medi-Cal for qualified low income pregnant women from 60 percent up to and including 109 percent FPL.

This Demonstration Waiver amendment seeks CMS approval to implement the increase of the FPL for pregnant women above 109 FPL up to and including 138 percent FPL. Expanding FPL income eligibility for full scope Medi-Cal for pregnant women up to and including 138 percent FPL will provide eligibility equality with the new adult group and further ensures the availability of affordable options for health care as required by the ACA. To the extent permitted by state and federal law, these beneficiaries would be required to enroll in a Medi-Cal managed care health plan in those counties in which one is available. Those beneficiaries residing in a county where a Medi-Cal managed care health plan is not available, services shall be provided under the Medi-Cal fee-for-service delivery system.

W & I Code Sections 14005.22(d) and 14005.225(d) require that FPL expansion can only be implemented, if DHCS receives all necessary federal approvals.

### **Waiver Authority**

DHCS believes the existing waivers of freedom of choice, statewideness, and comparability encompasses this proposed Demonstration Waiver amendment. To the extent necessary, DHCS requests that its authority to operate under these waivers extend to the amendments contained in this request.

### **Expenditure Authority**

This proposed Demonstration Waiver amendment will not impact the existing Waiver.

### **Public Notice and Tribal Notice**

#### Public Notice:

The proposed Demonstration Waiver amendment has been shared publically as follows:

- Fiscal year 2014-15, public state budget process as analyzed by legislative staff, and discussed in several public hearings conducted by the health program and budget committees in the Assembly and Senate of the California Legislature.
- On May 21, 2014, DHCS met with Qualified Health Plans.
- On May 23, 2014, DHCS held a meeting with stakeholders to discuss the proposed legislation.
- On June 4, and 5, 2014, DHCS held a briefing with advocates.
- On June 6, 2014, DHCS held a briefing with key legislative staff.
- On July 25, 2014, DHCS began monthly stakeholder meetings with Covered California and contracting health care service plans and insurers, and other stakeholders regarding the provisions of SB 857. These meetings are scheduled through December 2014, and are conducted through in-person meetings, webinars, and teleconferences.

All stakeholder meetings, agendas, and frequently asked questions are available on the DHCS website at:

<http://www.dhcs.ca.gov/services/medi-cal/Pages/Affordability-and-Benefit-Program>

#### Tribal Notice:

As required by STC Paragraph 7 and STC Paragraph 14, DHCS provided Tribal Notice on the Demonstration Waiver amendment as follows:

- On July 28, 2014, DHCS issued a tribal notice to tribal organizations and presented the Demonstration Waiver amendment at the quarterly tribal webinar on August 29, 2014. DHCS has not received any questions from the tribal organizations. However, if questions are received, DHCS responses will be posted on the DHCS Indian Health Program's website at:  
[http://www.dhcs.ca.gov/services/rural/Pages/Tribal\\_Notifications.aspx](http://www.dhcs.ca.gov/services/rural/Pages/Tribal_Notifications.aspx)

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### **Budget Neutrality**

The budget neutrality worksheet has been updated to reflect the additional individuals specified in this amendment who will now be eligible for full scope Medi-Cal under managed care. The additional member months were added to the following DY10 Family MEGS:

- Family-COHS
- Expansion Family-COHS
- Family-TPM/GMC
- Expansion Family TPM/GMC
- CCI MLTSS Family-COHS
- CCI MLTSS Family -TPM/GMC

### **Evaluation Design**

DHCS will collect data and information on the expansion of full scope Medi-Cal up to and including 138 percent FPL for pregnant women and report on this expansion.

Thank you for your assistance and consideration. DHCS is happy to assist you and your staff in any way as you review the proposed Demonstration Waiver amendment. If you have any questions, please contact Tara Naisbitt, Chief, Medi-Cal Eligibility Division at (916) 552-9450 or by email at [tara.naisbitt@dhcs.ca.gov](mailto:tara.naisbitt@dhcs.ca.gov).

Sincerely,

*ORIGINAL SIGNED BY TOBY DOUGLAS*

Toby Douglas  
Director

Enclosure:  
STCs and Budget Neutrality Worksheet

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