

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™



American Academy of Pediatrics, California

July 2, 2015

The American Academy of Pediatrics, California (AAP-CA) representing 5,000 board-certified primary care and subspecialty pediatricians statewide appreciates the opportunity to comment on the Department of Health Care Services June 11, 2015 proposal to move 20-30 per cent of children currently enrolled in California Children's Services (CCS) into Medi-Cal managed care plans.

Under the Department's plan, in addition to direct clinical services, care coordination and service authorization would be the responsibility of each individual plan, transitioned from county CCS to the health plans via Memorandums of Understanding (MOUs). The timeline is rapid, with MOUs to be developed between now and the end of next year, and the movement of the first wave of children to occur by July 2017. The proposal moves all CCS children into Medi-Cal managed care plans in up to 19 additional counties within three years, at which time consideration would be given to expanding implementation of this model, as appropriate.

The American Academy of Pediatrics, CA and the California Department of Health Care Services share many goals with respect to the CCS population and their families, including one which gives the state's proposal its name: a focus on "the whole child", rather than the diagnosis/condition(s) that make the child CCS-eligible. We also both wish to strengthen the extent to which care is family-centered, and care coordination is central—rather than an add-on—in helping children with complex and serious medical conditions and their families obtain quality care, fully and efficiently, in the way that each of us would demand if every one of those children were our own.

While our key goals are shared, unfortunately, the manner in which we believe it is appropriate to achieve them is currently worlds apart. In particular, AAP-CA, along with many stakeholders, advocates and families, supports a continued carve-out of CCS from Medi-Cal managed care.

CCS works well for our most medically complex and vulnerable children—in fact, it works extremely well. Family satisfaction with CCS is high (between 82% and 89% on core measures) and costs are actually falling. Last month, the California Budget Project and Policy Center reported that between 2007-08 and 2012-2013 General Fund spending for CCS dropped 17% after adjusting for modest inflation, while CCS enrollment rose by 3.5% over the same time period.

As such, we fail to see an urgent need for wholesale change, particularly in the absence of data showing a new system would be better for enrolled children, or even able to maintain quality while being less expensive for the state in the long-run. That said, we agree that a rigorous evaluation and redesign of elements of CCS that show a demonstrated need for improvement is essential, and we commit to continuing to work with the state proactively to implement evidence-based change.

AMERICAN ACADEMY OF PEDIATRICS, CA
1400 K STREET SUITE #212
SACRAMENTO, CA 95814
PHONE: (626) 796-1632
FAX: (626) 628-3582
WWW.AAP-CA.ORG

DISTRICT CHAIR
STUART COHEN, MD MD
SAN DIEGO CA

DISTRICT VICE CHAIR
YASUKO FUKUDA, MD
SAN FRANCISCO CA

STATE GOVERNMENT AFFAIRS
SHANNON UDOVIC, MD
SAN FRANCISCO CA

PRESIDENT, CHAPTER 1
ZOEY GOORE, MD
CARMICHAEL, CA

PRESIDENT, CHAPTER 2
PAULA WHITEMAN, MD
STUDIO CITY CA

PRESIDENT, CHAPTER 3
PATRICIA CANTRELL, MD
SAN DIEGO CA

PRESIDENT, CHAPTER 4
DEAN JACOBS, MD
ORANGE CA

CHIEF EXECUTIVE OFFICER
KRIS CALVIN
DAVIS CA

To that end, we wish to emphasize here foundational aspects of the Department's proposal that we find most troublesome for the health and well-being of the children whose care and lives will be potentially affected:

- **Financial Incentives of At-Risk Plans: Barrier to Family-Centered Care**
Many CCS children have complex medical and related needs, such that delay in the completeness and promptness with which those needs are met (needs that might be non-urgent for another child) can have ripple effects into other areas of the child's health and life, creating difficult and costly consequences.
The expertise among CCS staff in making decisions, not on a narrow cost-benefit basis, but based on knowledge and experience with this specific population, is aligned with the fact that CCS has no financial interest in delaying or deferring care.
We believe the greatest weakness of this proposal is the elimination of a financially disinterested party to implement care coordination and to make utilization authorization decisions.
- **Lack of Statutory Guarantee: Appropriate Pediatric Provider Networks**
The complexity and seriousness of the conditions many CCS children have requires the specialized training of pediatric subspecialists. Yet a plan may not see the merit of having subspecialists in network for a relatively few children, or of approving geographically distant, out-of-network utilization.
As we understand it, the proposal leaves determination of the provider network up to each plan, with only the quarterly review now required by the state to assess the network's adequacy. Yet a recent state audit of Medi-Cal managed care plans concludes that the Department of Health Care Services does not ensure that health plans have adequate provider networks to serve beneficiaries; this is occurring even absent the need to provide subspecialist care to the complex CCS population.
Ensuring the adequacy of networks is essential to strengthen the family-centered nature of the "redesigned system", since parents identify access to appropriate pediatric specialists as a top-tier determinant of their satisfaction with their child's care.
- **Omission of Medical Home Standards & Assurance of Access for Each Child**
The medical home model was introduced by the American Academy of Pediatrics in 1967 as a standard of primary care provision for Children with Special Health Care Needs. Although the medical home model has evolved to be the standard of care for all children and youth, it remains particularly important for children with complex medical needs, including those in the CCS population. The medical home serves as the locus of responsibility for whole child care, yet the only mention related to the medical home in the state's proposal is a statement that in order to establish readiness for the CCS population each health plan should have a detailed protocol for enhanced care coordination that includes as one component "health homes".
The proposal does not include the need for the following:
 - (i) State-established standards that a medical home of a child with complex conditions must meet.
 - (ii) Continuous quality improvement or self-assessment requirements for medical homes.
 - (iii) Ongoing state- implemented evaluation/monitoring or incentives for medical homes.

For more on the importance of a medical home for children with special health

care needs see

<http://www.dhcs.ca.gov/services/ccs/Documents/LucileBathWater.pdf>

- **Increased Systemic Fragmentation of Care Coordination Across Plans**
Transferring responsibilities for case management and utilization review to many disparate and independent managed care plans seems likely to increase the fragmentation of subspecialty care for CCS children, when compared to the current system (which while not perfect) flows from a single set of CCS policies governing benefits and services.
Moreover, local CCS programs, including those in Alameda and Los Angeles, are already engaged in major case management quality improvement projects showing commitment and progress that can be shared systemwide within CCS. In contrast, each Medi-Cal managed plan would need to develop its own such projects, starting from scratch.

- **Data and Timing**

It was our understanding from the early meetings of the CCS Redesign Stakeholder Advisory board (RSAB) that there was no rush, and no intent by the state to immediately begin the move of children from CCS to managed care once the carve-out sunsetted. Yet, that seems to be exactly what is happening—the process appears to be already underway, with a single model chosen and the design phase of the move initiated via this proposal.

We, instead, urge that the CCS carve-out be extended for a year before any model is proclaimed “new and improved” over what we currently have. This would permit an evidence base for any decision, including evaluation of the one CCS pilot currently in operation.

The Lucile Packard Foundation for Children’s Health has funded a survey of CA pediatricians regarding doctors’ perspective on barriers and facilitators for care for children with special health care needs. The data set is rich (there was a 50% response rate), has specific application to CCS, and is undergoing rigorous analysis at this time.

On June 1, 2015 the Federal Centers for Medicare and Medicaid Services (CMS) issued new guidance for Medi-Cal managed care plans that covers areas relevant to our state CCS proposal, including adequacy of provider networks. The public comment period on that guidance does not end until July 27th, 2015 after which it will take time for CMS to finalize the rule, for health plans to implement changes, and for the plans’ efforts to be evaluated and used to identify best practices, as well as what doesn’t work.

It makes sense for California to give the federal process time to unfold so that we can integrate the new knowledge into the design of our state’s system of care for children with complex needs. For more on the new CMS rule go to

<http://www.commonwealthfund.org/publications/blog/2015/jul/ushering-in-a-new-era-in-medicare>

We appreciate the Department sharing this proposal now. It provides an opportunity to step back and collaborate, and to develop the best possible model and strategies for the future of care for children with special health care needs in California.

Please do not hesitate to contact us at the American Academy of Pediatrics, CA— we stand ready to act as a resource and as your active partner in this important effort on behalf of the children and families that we both serve.

Kris E. Calvin

Kris Calvin

Chief Executive Officer

American Academy of Pediatrics, California

kris.calvin@aap-ca.org/626-825-7444

*The American Academy of Pediatrics, California (AAP-CA) is an incorporated,
nonprofit 501©4, comprised of the four regional CA AAP Chapters.
AAP-CA is a separate legal entity from the National American Academy of Pediatrics.*