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May 27, 2015

Jennifer Kent, Director  
Department of Health Care Services  
1501 Capitol Avenue  
Sacramento, CA 95814

*Via e-mail*

RE: California Children's Services Redesign

Dear Director Kent:

Local Health Plans of California (LHPC) represents all 16 of the public, non-profit local health plans in California serving predominantly low-income populations through the Medi-Cal program. As of February 2015, LHPC plans are providing care to 5.6 million of the 9.2 million members enrolled in Medi-Cal managed care. The majority of California Children's Services (CCS)-eligible children who are also eligible for Medi-Cal are enrolled in managed care plans for their non-CCS services. In addition, several of the local plans (the County Organized Health Systems in Napa, San Mateo, Santa Barbara, Solano, and Yolo counties) are responsible for CCS services as well.

The LHPC plans are committed to providing high-quality, comprehensive care to their members. The sunset of the current CCS carve-out in December 2015 provides the opportunity for policymakers and CCS stakeholders to give thoughtful consideration to how best to improve the CCS program to ensure eligible children are receiving the right care at the right time from the appropriate provider. LHPC's plans have identified the following principles that should be considered in any discussion of CCS reform:

- *Reform should support whole-person care for the child that is integrated across primary and CCS/specialty care.* Currently, CCS is a bifurcated system with health plans responsible for non-CCS services and the CCS program responsible for all CCS services. This results in care that is siloed, which can significantly complicate care coordination for these medically-fragile children. The creation of a system of comprehensive care for CCS would eliminate the silos and should result in improved care.
- *Reform should occur within the context of the existing Medi-Cal managed care models.* The Medi-Cal plans have well-developed,

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comprehensive networks that include primary and specialty providers as well as ancillary services. Any discussion of CCS should seek to leverage the health plans' networks and expertise in coordinating care for their members.

- *Reform should deliver medically-necessary care to the child, and the services should be provided by the appropriate specialty providers.* Maintaining the CCS standards of care and ensuring the participation of CCS providers, including California's children's hospitals, will be critical to the success of any reform effort. The local plans have long-standing relationships with the key CCS providers in their area.
- *Reform should allow for regional flexibility in how CCS services are delivered.* Creation of an organized delivery system for CCS should allow for regional variation and flexibility in how a new system of care is structured in recognition of the diversity of experience and expertise as well as availability of services across the state.

Given these principles, we are concerned about the ability of the Kids Integrated Delivery System (KIDS) networks proposed by current legislation, SB 586, to deliver comprehensive care to CCS enrollees who would be required to enroll with a KIDS network. Delivering high-quality primary care services to CCS enrollees who may reside significant distances from the closest CCS specialty care center could prove challenging and could limit the ability of CCS enrollees to access primary care (as well as other, non-CCS specialty care) services, which are critical to maintaining the health of this vulnerable population. Allowing for local choice in the restructuring of CCS would provide the opportunity for solutions to vary based on local needs and realities. In some areas of the state, carving CCS into the managed care plans may be the preferred approach. Specifically, the COHS plans in Santa Barbara, San Mateo, Napa, Solano and Yolo offer models that could be considered in this case. In other areas of the state, improved coordination between the managed care plans, the CCS program and CCS providers may be most appropriate.

LHPC would welcome the opportunity to work with stakeholders on an alternative approach that would achieve the shared goal of improving the care of the medically-fragile children in the CCS program. We believe it would be possible to redesign CCS to leverage the health plans' expertise, allow for solutions that are locally-based and maintain the current network of CCS providers and the CCS standards of care. We look forward to being your partner in this effort. I can be reached at [blierman@lhpc.org](mailto:blierman@lhpc.org) or (916) 448-8292.

Sincerely,



Brianna Lierman, Esq.  
Chief Executive Officer

cc: Mari Cantwell, Chief Deputy Director, Health Care Programs, DHCS  
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