



Department of Health Care Services
MEMORANDUM

DATE: February 22, 2013

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division 

SUBJECT: Notice of Proposed Change to Medi-Cal Program

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

California Bridge to Reform 1115 Demonstration Waiver Amendment for the Coordinated Care Initiative—Dual-Eligible Demonstration: In January 2012, Governor Brown announced his Coordinated Care Initiative (CCI) to enhance health outcomes and beneficiary satisfaction for low-income seniors and persons with disabilities by shifting service delivery away from institutional care, and into the home and community. DHCS is submitting this Demonstration waiver amendment request to enable the State to comply with state law establishing the CCI. Please see the enclosed summary of the waiver amendment for a detailed description and contact information for questions or comments regarding this proposal.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this waiver amendment within 30 days from the receipt of this notice. Written comments or feedback may be sent by email to info@calduals.org or to Margaret Tatar at margaret.tatar@dhcs.ca.gov or by mail to:

Margaret Tatar, Chief
Medi-Cal Managed Care Division
Department of Health Care Services
1501 Capitol Avenue, MS 0018; P.O. Box 997413
Sacramento, CA 95899-7413

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In addition to this notice, DHCS plans to cover this waiver in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

Medi-Cal Managed Care Division
Department of Health Care Services Coordinated Care Initiative (CCI)
(Duals Demonstration, Mandatory Enrollment in Medi-Cal Managed Care
and Managed Long-term Supports and Services)

Background:

In January 2012, Governor Brown announced his CCI to enhance health outcomes and beneficiary satisfaction for low-income seniors and persons with disabilities (SPDs) by shifting service delivery away from institutional care, and into the home and community. Governor Brown enacted the CCI by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012). There are three major components to the CCI:

1. **A three-year Duals Demonstration** will be implemented in specified counties for beneficiaries who are both Medi-Cal and Medicare eligible ("dual eligible beneficiaries"). It will combine the full continuum of acute, primary, institutional, and home-and community-based services into a single benefit package, delivered through an organized service delivery system. Duals will be passively enrolled into the Demonstration plans, but may choose to opt out.
2. **Mandatory enrollment of dual eligible beneficiaries** into a Medi-Cal managed care plan in the eight CCI counties.
3. **Inclusion of Managed Long-Term Services and Supports (MLTSS)** as Medi-Cal managed care benefits for dual eligible beneficiaries and Medi-Cal only SPDs in the eight CCI counties.

Three Year Duals Demonstration:

California's Demonstration will be implemented in eight counties no sooner than September 1, 2013, as authorized by SB 1008 (Chapter 33, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012): Los Angeles, Orange, Riverside, San Bernardino, San Diego, Alameda, Santa Clara, and San Mateo. California further intends to implement the Demonstration in additional Medi-Cal managed care counties in future years, subject to state legislative and federal approvals.

The Demonstration will provide both Medicare and Medi-Cal benefits through selected managed care health plans. The Demonstration model of care will include person-centered care coordination supported by interdisciplinary care teams. The Demonstration will include unified processes that, to the extent possible, accommodate both Medicare and Medi-Cal, including network adequacy requirements, outreach and education, marketing, quality measures, and grievances and appeals processes.

The State conducted a rigorous selection process to identify managed care health plans with the qualifications and resources best suited to participate as Demonstration plans. These plans have experience providing Medicare and Medi-Cal managed care. The health plans will be responsible for providing beneficiaries with a full continuum of Medicare and Medi-Cal services, including medical care, behavioral health services, substance-use, and long term services and supports. Health plans will be responsible

for providing coordinated access to broad networks of providers and upholding strong beneficiary protections established by the state through a stakeholder process.

Beneficiaries and stakeholders have emphasized the importance of continuity of care when considering new delivery models. The Department is committed to informing beneficiaries about their enrollment rights and options, plan benefits and rules, and care plan elements with sufficient time for them to make informed choices. This information will be delivered in a format and language accessible to beneficiaries. Furthermore, the Demonstration will build on lessons learned during the 1115 waiver transition of Medi-Cal only SPDs into managed care, including the importance of beneficiaries choosing their health plan, having continuity of care with existing providers, and receiving early and frequent contact from the State and their managed care health plan.

The State will work closely with CMS to provide strong monitoring and oversight of health plans, and to evaluate the Demonstration's impacts on changes in quality and satisfaction, service utilization patterns, and costs. In the participating counties, passive enrollment of dual eligible beneficiaries into the Demonstration will be implemented on a phased-in basis throughout 2013 and 2014. Dual eligible beneficiaries who are passively enrolled may choose to opt out of the Demonstration. Those beneficiaries who do not opt out will remain enrolled in the Demonstration.

Mandatory Enrollment of Dual Eligible Beneficiaries into a Medi-Cal Managed Care Plan

As part of the CCI, all dual eligible beneficiaries, subject to certain exceptions, will be mandatorily enrolled in a Medi-Cal managed care plan to receive their Medi-Cal benefits.

Inclusion of Managed Long Term Supports and Services

As part of the CCI, all dual eligible beneficiaries mandatorily enrolled in a Medi-Cal managed care plan will receive their MLTSS benefits through the managed care plan. MLTSS includes home- and community-based services such as In-Home Supportive Services (IHSS), Community-Based Adult Services (CBAS), Multipurpose Senior Services Program (MSSP), and 1915(c) waiver programs, in addition to nursing facility care.

Description of Waiver and Effective Date:

To enable the state to comply with state law establishing the CCI, DHCS will be proposing changes to the federal 1115 Waiver (Waiver) in order to waive the requirements of the federal Medicaid program regarding payment to providers, freedom of choice, statewideness, amount, duration and scope of services, and comparability. These changes to the Waiver will do the following:

1. Allow the state to implement a Medi-Cal and Medicare combined, capitated reimbursement rate, and passively enroll (if beneficiaries do not make a choice) dual eligible beneficiaries in the dual eligible Demonstration for their Medicare and Medi-Cal benefits.
2. Allow the state to expand mandatory Medi-Cal managed care enrollment to dual eligible beneficiaries in the 8 CCI counties.

3. Allow the state to require dual eligible and Medi-Cal only beneficiaries receiving MLTSS to receive those benefits through Medi-Cal managed care health plans.

The above changes would be in effect in the eight participating counties in 2013, and additional counties in subsequent years. Specified categories of beneficiaries would be exempt from these requirements.

Impact to Indian Health Programs or Urban Indian Organizations:

Impact on Indian Health Programs

The waiver changes will not alter current law regarding Indian Health Programs. Dual eligible and Medi-Cal-only American Indian beneficiaries will not see any disruption to accessing primary care services through any providers as specified by state law.

Impact on Indian Medi-Cal Beneficiaries

All Medi-Cal beneficiaries residing in a participating county, including dual eligible and Medi-Cal only American Indian beneficiaries, will be passively enrolled in managed care for their Medi-Cal and MLTSS benefits and services.

However, American Indian Medi-Cal beneficiaries may opt out by requesting to be exempt from managed care enrollment in order to receive their health care services through an Indian health program.

Further Information on the Coordinated Care Initiative

Stakeholder workgroups have been established, and Tribal representatives are welcome to participate in the workgroups. Further information about the Demonstration, workgroups, and the CCI are available at the State's website for the Initiative at:

www.CalDuals.org

Response Date:

Indian Health Programs and Urban Indian Organizations may submit written comments within 30 days from the receipt of this letter. Comments may be sent by email to Margaret Tatar at margaret.tatar@dhcs.ca.gov, or by mail to:

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