Overview

- Budget
- Indian Health Clinics In Medi-Cal
- Other DHCS Indian Health Related Activities
- State Plan Amendments/Waivers
- DHCS Stakeholder Updates
# Proposed State Budget
## Fiscal Year 2015-2016

### California Budget

<table>
<thead>
<tr>
<th></th>
<th>2014-15 Approved</th>
<th>2015-16 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>107,987</td>
<td>113,298</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>98,001</td>
<td>90,570</td>
</tr>
<tr>
<td>Special Funds</td>
<td>44,324</td>
<td>45,520</td>
</tr>
<tr>
<td>Selected Bond Funds</td>
<td>4,046</td>
<td>5,885</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>254,358</strong></td>
<td><strong>255,273</strong></td>
</tr>
</tbody>
</table>

(Dollars in Millions)

### DHCS Budget

<table>
<thead>
<tr>
<th></th>
<th>2014-15 Approved</th>
<th>2015-16 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>17,603</td>
<td>19,041</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>57,890</td>
<td>61,365</td>
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<tr>
<td>Special Funds &amp; Reimbursements</td>
<td>17,469</td>
<td>17,643</td>
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<tr>
<td><strong>Total Funds</strong></td>
<td><strong>92,962</strong></td>
<td><strong>98,049</strong></td>
</tr>
</tbody>
</table>

(Dollars in Millions)

Source: www.ebudget.ca.gov
DHCS 2015-2016 Budget Highlights

• Renewal of the Medi-Cal 1115 Waiver:
  – Current waiver expires in October 2015. DHCS is seeking five year renewal of the waiver to support Affordable Care Act implementation, drive significant delivery system transformation, and provide for the long-term stability of the Medi-Cal program. The Budget assumes continuation of the funding available in the current waiver for designated public hospital systems. Updates to those assumptions will occur in May revision once DHCS formally submits the waiver renewal to federal government.

• Managed Care Organization (MCO) Tax
  – The Budget proposes to replace existing MCO tax with a broad-based MCO tax that would satisfy the requirements of recently issued federal guidance. The tax will be sufficient to raise the same amount of general fund savings as the current MCO tax as well as the funding needed to eliminate 7% reduction in in-home supportive services hours.

• Modification of the Major Risk Medical Insurance Program (MRMIP)
  – The Budget proposes modifications to MRMIP intended to ensure continued coverage for individuals who are unable to otherwise enroll in comprehensive coverage through the Medi-Cal program or subsidized coverage through Covered California.

• Annual Health Plan Open Enrollment
  – The budget proposes a 90-day annual health plan open enrollment period for certain non-disabled Medi-Cal beneficiaries required to enroll in a Medi-Cal managed care plan.

• Pediatric Palliative Care Expansion
  – Pediatric palliative care pilot project intended to improve the quality of life for children with life-threatening illness began in 2006 in eleven counties. This effort has proven to be successful and the budget proposes to expand it to seven additional counties.

Source: DHCS 2015-16 Governor's Budget Highlights, January 9, 2015 and Governor’s Budget Summary
DHCS 2015-2016 Budget Highlights

• Coordinated Care Initiative (CCI)
  – Under CCI, persons eligible for both Medicare and Medi-Cal (dual eligibles) receive medical, behavioral health, long-term supports and services, and home and community-based services coordinated through a single health plan. These changes are implemented through a federal demonstration project, Cal MediConnect. Six counties have begun passive enrollment in 2014, and the seventh, Orange County, will begin in July 2015. California is allowed to retain approximately 25-30% of Medicare-Medicaid savings. The budget projects net General Fund savings for the CCI of $175.1 million. The administration remains committed to implementing the CCI to the extent it can continue to generate program savings.

• Other DHCS Program Modifications
  – For Genetically Handicapped Persons Program (GHPP) individuals will be required to first apply through the single streamlined application for Medi-Cal and subsidized coverage through Covered California. If found eligible, individuals will be required to enroll in those programs and receive only those specialized services in GHPP.
  – For limited benefit/special populations programs where eligibility and enrollment is processed at the provider level (Every Woman Counts, Family Planning Access and Treatment, enrolling providers will be required to provide the single streamlined applications and encourage individuals to apply for coverage in Medi-Cal or subsidized coverage through Covered California.

• Skilled Nursing Quality Assurance Fee (QAF)
  – Current law authorizes a QAF on skilled nursing facilities until July 31, 2015 and provided for a 3-percent increase in reimbursement rates in 2013-14 and 2014-15. QAF leverages additional federal funding that offsets general fund expenditures in these facilities. The Budget assumes continuation of this fee for five years with annual rate increases of 3.62 percent beginning in August 2015.

Source: DHCS 2015-16 Governor’s Budget Highlights, January 9, 2015 and Governor’s Budget Summary
Medi-Cal American Indian/Alaskan Native Information
• The total number of Medi-Cal enrollees was 11,301,265 in December 2014

• Medi-Cal enrollees by self identified ethnicity categorized as Alaskan Native/American Indian (AI/AN) was 49,912 which is accounted for .44% of the Medi-Cal enrollees in December 2014. AI/AN account for 0.97 % of general population in California*

Source: Management Information & Decision Support System (MIS/DSS) * US Census 2010
The number of Medi-Cal enrollees self-identified as AI/AN averaged 48,396 in CY 2014.

In CY 2013, the number of Medi-Cal enrollees self-identified as AI/AN averaged 35,110 per month.

The number of AI/AN enrollees in the new adult group (age 19-65, at or below 138% Federal Poverty Level) is 13,034 in December 2014.

Source: State of California, Department of Health Care Services, Medical Certified Eligibles, Summary Pivot Table, Most Recent 24 Months, Report Date: December 2014.
36.3% of the AI/AN Medi-Cal enrollees were in the age group of 0 – 20 years in December 2014, decreased 9.9% since December 2013.

58.1% of the AI/AN Medi-Cal enrollees were in the age group 21 – 64 years, increased 11.6% since December 2013.

5.6% were age 65 years and above, decreased 1.7% since December 2013.

Source: DHCS-RASB (MEDS Eligibility System, MMEF File).
In December 2014, 56% AI/AN enrollees were females and 44% were males.

In December 2013, the ratio was 60% females and 40% males.

Source: DHCS-RASB (MEDS Eligibility System, MMEF File).
Indian Health Clinic Medi-Cal Utilization
Indian Health Clinic Medi-Cal Providers

66 primary care clinic sites in California serving AI/AN

- 55 Indian Health Services Memorandum of Agreement (IHS/MOA)

- 5 Tribal Federally Qualified Health Centers (FQHC) sites

- 6 Urban Indian FQHC Clinics sites
## Indian Health Clinic Corporation Medi-Cal Payments For Date of Service Calendar Year (CY) 2013 and 2014

<table>
<thead>
<tr>
<th>CY Year</th>
<th>Payment Type</th>
<th>Tribal Indian Health Clinics (MOA &amp; FQHC*)</th>
<th>Urban Indian Health Clinics (FQHC)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2014</td>
<td>Paid</td>
<td>$91,369,561</td>
<td>$21,737,482</td>
<td>$113,107,044</td>
</tr>
<tr>
<td></td>
<td>Range</td>
<td>$25,560 - $17,608,114</td>
<td>$92,037-$9,139,299</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>$2,947,405</td>
<td>$3,622,914</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Median</td>
<td>$1,617,771</td>
<td>$3,203,496</td>
<td></td>
</tr>
<tr>
<td>CY 2013</td>
<td>Paid</td>
<td>$72,063,265</td>
<td>$15,961,020</td>
<td>$88,024,285</td>
</tr>
<tr>
<td></td>
<td>Range</td>
<td>$105,873 - $15,353,897</td>
<td>$46,851 - $7,156,088</td>
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<tr>
<td></td>
<td>Average</td>
<td>$2,324,622</td>
<td>$2,2660,170</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Median</td>
<td>$1,444,997</td>
<td>$2,064,628</td>
<td></td>
</tr>
</tbody>
</table>

*Memorandum of Agreement (MOA) & Federally Qualified Health Center (FQHC)*

Source: Management Information System/Decision Support System (MIS/DSS) Medi-Cal Data Warehouse
## Number of Indian Health Clinic Visits per Unduplicated Users in CY 2013 and 2014

<table>
<thead>
<tr>
<th></th>
<th>CY 2014</th>
<th></th>
<th>CY 2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Users</td>
<td>Visits</td>
<td># of Average Visits per Year</td>
<td>Users</td>
</tr>
<tr>
<td>Tribal Clinics</td>
<td>90,417</td>
<td>368,579</td>
<td>4.1</td>
<td>71,653</td>
</tr>
<tr>
<td>Urban Clinics</td>
<td>28,819</td>
<td>140,427</td>
<td>4.9</td>
<td>23,501</td>
</tr>
<tr>
<td>Total</td>
<td>119,236</td>
<td>509,006</td>
<td>4.3</td>
<td>95,154</td>
</tr>
</tbody>
</table>

Source: Management Information System/Decision Support System (MIS/DSS) Medi-Cal Data Warehouse
Paid Claims and Estimated Number of Visits in IHS/HCFA (CMS) MOA Clinics CY 2012, CY 2013, and CY 2014

<table>
<thead>
<tr>
<th></th>
<th>CY 2012</th>
<th>CY 2013</th>
<th>CY 2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Paid</td>
<td>$19,653,961</td>
<td>$19,948,656</td>
<td>$21,155,773</td>
</tr>
<tr>
<td>Estimated Number of Visits</td>
<td>62,196</td>
<td>60,450</td>
<td>61,859</td>
</tr>
<tr>
<td>Per Visit Rate</td>
<td>$316</td>
<td>$330</td>
<td>$342</td>
</tr>
</tbody>
</table>

- CY 2014 has the payment for the first three quarters, January through September
- CY 2014 payment also reflects the rate adjustment payments effecting CY 2013 and 2014

Based on data received from the Federal Indian Health Services, California Rural Indian Health Board, Inc, and Redding Rancheria data match.

Indian defined as any member of a federally recognized Indian tribe; any descendant of an Indian who was residing in California on June 1, 1852, but only if such descendant is living in California, is a member of the Indian community served by a local program of the Indian Health Service, and is regarded as an Indian by the community in which such descendant lives; any Indian who holds trust interest in public domain, national forest, or Indian reservation allotments in California; any Indian in California who is listed on the plans for distribution of the assets of California Rancherias and reservations under the Indian Self Determination Act (Public Law 93-638)

MOA (Memorandum of Agreement)

Source: Information Technology Services Division (DHCS-ITSD)
### Tribal Clinics

<table>
<thead>
<tr>
<th>Rank</th>
<th>CCS Description</th>
<th>Users*</th>
<th>Visits**</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Disorders of teeth and jaw</td>
<td>30,726</td>
<td>81,638</td>
<td>$26,082,763.20</td>
</tr>
<tr>
<td>2</td>
<td>Other upper respiratory infections; Spondylosis; intervertebral disc disorders; other</td>
<td>6,187</td>
<td>8,260</td>
<td>$2,407,406.76</td>
</tr>
<tr>
<td>3</td>
<td>Mood disorders</td>
<td>3,306</td>
<td>8,875</td>
<td>$2,283,679.73</td>
</tr>
<tr>
<td>4</td>
<td>Other non-traumatic joint disorders</td>
<td>2,567</td>
<td>7,672</td>
<td>$2,045,468.23</td>
</tr>
<tr>
<td>5</td>
<td>Attention-deficit conduct and disruptive behavior</td>
<td>1,164</td>
<td>4,349</td>
<td>$1,361,097.50</td>
</tr>
<tr>
<td>6</td>
<td>Anxiety disorders</td>
<td>1,633</td>
<td>4,216</td>
<td>$1,152,223.91</td>
</tr>
<tr>
<td>7</td>
<td>Normal pregnancy and/or delivery</td>
<td>890</td>
<td>3,380</td>
<td>$1,054,980.19</td>
</tr>
<tr>
<td>8</td>
<td>Otitis media and related conditions</td>
<td>2,119</td>
<td>3,094</td>
<td>$930,168.13</td>
</tr>
<tr>
<td>9</td>
<td>Other non-traumatic joint disorders</td>
<td>2,286</td>
<td>3,450</td>
<td>$897,576.38</td>
</tr>
<tr>
<td>10</td>
<td>Diabetes mellitus without complication</td>
<td>1,880</td>
<td>4,062</td>
<td>$856,394.62</td>
</tr>
</tbody>
</table>

**Total**: 52,758 Users, 128,996 Visits, $39,071,758.65 Paid

### Urban Clinics

<table>
<thead>
<tr>
<th>Rank</th>
<th>CCS Description</th>
<th>Users*</th>
<th>Visits**</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Disorders of teeth and jaw</td>
<td>8,886</td>
<td>20,970</td>
<td>$6,245,191.38</td>
</tr>
<tr>
<td>2</td>
<td>Normal pregnancy and/or delivery</td>
<td>476</td>
<td>2,629</td>
<td>$625,929.48</td>
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<tr>
<td>3</td>
<td>Contraceptive and procreative management</td>
<td>837</td>
<td>1,771</td>
<td>$574,601.71</td>
</tr>
<tr>
<td>4</td>
<td>Essential hypertension</td>
<td>1,154</td>
<td>2,460</td>
<td>$441,543.88</td>
</tr>
<tr>
<td>5</td>
<td>Mood disorders</td>
<td>553</td>
<td>1,914</td>
<td>$349,397.42</td>
</tr>
<tr>
<td>6</td>
<td>Diabetes mellitus with complications</td>
<td>674</td>
<td>1,932</td>
<td>$343,614.39</td>
</tr>
<tr>
<td>7</td>
<td>Other upper respiratory infections</td>
<td>1,266</td>
<td>1,659</td>
<td>$326,885.25</td>
</tr>
<tr>
<td>8</td>
<td>Spondylosis; intervertebral disc disorders; other</td>
<td>713</td>
<td>1,561</td>
<td>$301,355.15</td>
</tr>
<tr>
<td>9</td>
<td>Diabetes mellitus without complication</td>
<td>694</td>
<td>1,515</td>
<td>$266,165.47</td>
</tr>
<tr>
<td>10</td>
<td>Anxiety disorders</td>
<td>297</td>
<td>814</td>
<td>$157,858.84</td>
</tr>
</tbody>
</table>

**Total**: 15,550 Users, 37,225 Visits, $9,632,542.97 Paid

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**Source:** DHCS-RASB, Medi-Cal Utilization: Claims Paid by the Fiscal Intermediary for Calendar Year 2013, paid as of February 2014

*Users were counted using SSNs. User counts are not unduplicated. A user may be represented in more than one clinic type and CCS category.

**Visits were counted using a unique combination of provider number, date of service, and SSN.

***Dollars do not include year-end reconciliation performed by Audits & Investigations, DHCS.
Other DHCS Indian Health Activities
Indian Health Program (IHP)

- IHP administers the American Indian Infant Health Initiative (AIIHI)
  - AIIHI is a home visitation support services and basic health care instruction to high-risk pregnant and parenting American Indian families. It provides interventions aimed at reducing infant mortality and teen pregnancy as well as facilitating early entry into prenatal care
  - Administered in five counties (Humboldt, Riverside, San Bernardino, Sacramento, and San Diego) where State data revealed the highest rates of poor American Indian Maternal and Child Health outcomes
  - AIIHI program is currently undergoing an evaluation of program data. The report will be used to determine program strengths and areas in need of improvement. The final report will be made available on the IHP website
  - Funding: $628,000, Federal Title V

- IHP manages a Tribal Emergency Preparedness program via an inter-agency agreement with the CDPH-Emergency Preparedness Office
  - Provides free technical assistance to Indian health program regarding emergency preparedness activities including the development of Emergency Operations Plan, and/or receiving aid in initiating or developing a partnership or collaboration with local organizations
  - IHP program consultants will meet with tribal communities and tribal leaders to conduct emergency preparedness presentations, demonstrate use of family emergency kits, and provide recommendations regarding community level emergency preparation
  - For more information on requesting technical assistance please visit: [http://www.dhcs.ca.gov/services/rural/Pages/IHPEPTechnicalAssistance.aspx](http://www.dhcs.ca.gov/services/rural/Pages/IHPEPTechnicalAssistance.aspx)
  - Funding: $190,000, Federal Hospital Preparedness Program
Tribal Administrative Activities Program

The Tribal Medi-Cal Administrative Activities (MAA) program reimburses Tribes and Tribal Organizations for performing administrative activities allowed by the Tribal MAA program including, Outreach, Facilitating Medi-Cal Application Referrals to Medi-Cal Services, Non-Emergency/Non-Medical Transportation, Program and Policy Development, and MAA Claims Coordination

- Currently 10 participating providers, including California Rural Indian Health Board (CRIHB)
- Approximately $2,381,552 in paid claims has been paid since 2010
- To date, total claiming was $549,455 to 10 providers for FY 2013-2014
Retro Active Reconciliations for Code 2

- Background: DHCS identified possible underpayments of Code 2 due to Medicare/Medi-Cal crossover rate set to low by Medi-Cal from 2009-2012*

- MOA clinics should have received the full federal IHS outpatient rate

- The estimated range of underpayments is between $7.5 to $12.2 million

- Initial instructional notice sent January 23, 2014 to 29 clinic corporations (representing 53 MOA clinics)
  - To Date:
    - 13 are complete, provider received payment ($7.3 million)
    - 6 submitted and are in process of review ($4.5 million)
    - 4 are pending submission
    - 6 notified DHCS that they will not be submitting requests

*Please note 2013 claims are to be included in current reconciliation report and are not included in the retro active reconciliation for Code 2
Youth Regional Treatment Center (YRTC) Update

- As of September 2014, 3 YRTCs are enrolled as Medi-Cal Providers

- Indian health programs may now directly refer IHS eligible Medi-Cal youth to 1 of 3 possible YRTCs (Arizona, Nevada, and Washington)

- DHCS provided instructions on the referral process to Indian health program Executive Directors on 2/19/14

- A copy of the letter is posted to the IHP website at:
  
  [http://www.dhcs.ca.gov/services/rural/Pages/IndianHealthProgram.aspx](http://www.dhcs.ca.gov/services/rural/Pages/IndianHealthProgram.aspx)

- Payments to date:
  - $310,290 in payments to date for 13 youth
  - $130,986 in pending claims
Optional Targeted Low Income Children (OTLIC) and the Medi-Cal Access Infant Program

- Formerly known as the Healthy Families Program, which was transitioned to Medi-Cal beginning in January 2013, provides coverage to children with incomes between 133 and 266 Federal Poverty Level (FPL)

- Premiums applied for all children from 160% to 266% FPL unless an American Indian waiver exemption is requested as described in ACWDL 15-10

- Includes about 1,000 American Indian children who are not subject to premiums or enrollment fees

- All County Welfare Directors Letter (ACWDL) 15-10* outlines the process to initiate an American Indian premium waiver request, which requires the parent/guardian to self-attest that their child that is applying for the exemption, is eligible to receive, or has received a service from, an Indian Health Services/Tribal 638/Urban Indian Health Program or through referral under Contract Health Services**


** now known as Purchased and Referred Care
State Plan Amendments (SPA), Waivers and Demonstration Projects
DHCS submitted the following SPAs:

- **Therapeutic Foster Care (SPA 14-011)** will add TFC services as covered a Medi-Cal Specialty Mental Health Service for children/youth who are eligible under the terms of the Katie A. v Bonta settlement agreement *(Submitted)*

- **Adding Marriage and Family Therapists as Mental Health Providers (SPA 14-012)** authorizes licensed MFTs, registered MFT interns, registered associate social workers, and psychological assistants as providers of Medi-Cal mental health psychotherapy services *(Approved 5/2/2014)*

- **Alternative Benefits Plan Update (SPA 14-018)** adds limited adult dental benefits, as required by state law, for newly eligible low-income adults *(Approved 7/30/2014)*

- **Eligibility Groups – Mandatory Coverage Pregnant Women (SPA 14-021)** will increase the income limit for full scope Medi-Cal for pregnant women from up to and including 60 percent of the Federal Poverty Level (FPL), to up to and including 109 percent FPL *(Submitted)*

- **Adding Behavioral Health Treatment as a Covered Medi-Cal Service (SPA 14-026)** seeks to add BHT as a covered Medi-Cal service for individuals under 21 years of age, who are diagnosed autism spectrum disorder and have a medical need for these services *(Submitted)*

To view the DHCS State Plan including pending, approved and withdrawn SPAs please visit: [http://www.dhcs.ca.gov/formsandpubs/laws/pages/californistateplan.aspx](http://www.dhcs.ca.gov/formsandpubs/laws/pages/californistateplan.aspx)
Waivers and Demonstration Projects 2014

DHCS submitted the following Waiver Amendments:

- **1115 Bridge to Reform (BTR) Demonstration Waiver Amendment**
  Expands full-scope Medi-Cal for citizen and lawfully present pregnant women with incomes between 109 up to and including 138 percent of the FPL (Submitted)

- **Tribal Uncompensated Care Waiver Amendment (Year 3)** would permit to make uncompensated care payments for optional services such as chiropractic, optometry, and podiatry, eliminated from the state plan provided by IHS Tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act to IHS-eligible Medi-Cal beneficiaries (Approved, 12/03/2014)

- **Drug Medi-Cal (DMC) Organized Delivery System (DMC-ODS) 1115 Bridge to Reform (BTR) Demonstration Waiver Amendment** will give state and county officials more authority to select providers to meet drug treatment needs, ensure access to substance use disorder services, and increase program oversight and integrity at the county and state level (Submitted)
DHCS will submit in the first quarter of 2015 the following SPAs:

- **Enrollment of Allied Dental Professionals (15-005):** will allow enrollment of the following allied dental providers as rendering and billing providers into the Denti-Cal program: Registered Dental Hygienist (RDH), Registered Dental Hygienists in Extended Functions (RDHEF), Registered Dental Hygienists in an Alternate Practice (RDHAP).
  - RDH, RDHEFs, and RDHAPs must be employed by: (1) a public health program created by Federal, State, or local law; or (2) a public health program managed by a Federal, State, county, or local government entity.
  - Services provided are limited to preventative dental services, a list of covered services are available at [www.denti-cal.ca.gov](http://www.denti-cal.ca.gov).
  - FQHCs providers must contact DHS Audits and Investigations Division for instruction prior to billing for these allied dental providers.

- **Drug Medi-Cal (DMC) Substance Use Disorder (SUD) Services Expansion and Definition Changes (SPA 15-012):** Changes in state law and regulations require DHCS to modify the state plan to:
  - Change the group counseling size definition to allow for the same capacity for all types of DMC treatment to two (2) to twelve (12) people to create greater continuity across DMC service types such as Outpatient Drug Free (ODF) Services, Day Care Habilitative (the same type of treatment as Intensive Outpatient Treatment IOT)), and Narcotic Treatment Programs (NTP).
  - Expand coverage of medication assisted treatments (MAT) in the DMC program to allow for greater access at DMC treatment sites; and
  - Allow greater flexibility with the limitations on individual counseling.
Waivers and Demonstration Projects 2015

DHCS will submit in the first quarter of 2015 the following Waiver Renewals:

• **Specialty Mental Health Services Waiver Renewal (SMHS):** The SMHS waiver program is administered locally by each county’s Mental Health Plan (MHP) and each MHP provides, or arranges for, SMHS for Medi-Cal beneficiaries. It is the responsibility of each MHP to either provide the services directly or contract with providers to provide these services at the local level. All Medi-Cal beneficiaries have access to waiver services if they meet medical necessity criteria. DHCS plans to request a 5-year waiver renewal term, if approved, the term of this waiver renewal will be July 1, 2015 through June 30, 2020.

• **Request for Medicaid Section 1115 Waiver Renewal:** The current DHCS Section 1115 Waiver allows Medi-Cal to operate its managed care program, provide payment for uncompensated care, and provide services or coverage to populations otherwise not eligible. The approval for the existing Section 1115 Waiver expires on October 31, 2015.
Section 1115 Waiver Renewal

• California’s Section 1115 “Bridge to Reform” waiver will expire October 31, 2015. DHCS anticipates submission of the Section 1115 Waiver Renewal request to CMS in March 2015 for review and approval. This proposal will be effective upon approval from CMS.

• The infrastructure that exists in Medi-Cal today will not change in the proposed Section 1115 Waiver Renewal. DHCS will continue to contract with managed care health plans for the majority of Medi-Cal members, with the remaining members receiving services under a fee-for-service arrangement.

• A summary of the key elements expected to continue in the Section 1115 Waiver Renewal include:
  – Managed Care Authority: DHCS contracts for health care services through networks of providers organized as managed care systems. The managed care systems are administered by health plans.
  – Safety Net Care Pool (SNCP) Expenditure Authorities: Provides funding to designated public hospital systems and the state for care to the uninsured including programs that pay for uncompensated care (including the Tribal Uncompensated Care Program (TUCP)); and provides Delivery System Reform Incentive Payments (DSRIP) including funding for improvement activities at Non-Designated Public Hospitals.
  – Community Based Adult Services (CBAS) Expenditure Authority: CBAS offers services to eligible older adults and/or adults with disabilities to restore or maintain their optimal capacity for self-care and delay/prevent inappropriate or unwanted institutionalization. CBAS services include for example; professional nursing services; physical, occupational and speech therapies; mental health services; social services; nutritional counseling; and transportation to a CBAS center. CBAS is a Medi-Cal Managed Care benefit available to eligible Medi-Cal beneficiaries.
  – Drug Medi-Cal Organized Delivery System (DMC-ODS) Proposed Authorities: DHCS has submitted the DMC-ODS to CMS for approval. The proposed DMC-ODS waiver seeks to ensure the quality and availability of substance use disorder (SUD) services for California’s Medi-Cal beneficiaries through County participation in the proposed waiver. The proposed waiver requires SUD services to be provided across a continuum of care. This includes all of the following services: non-Medical detox, short term residential services for all Medi-Cal beneficiaries, intensive outpatient care, outpatient services, sober living environment’s, and case management services. If approved, it will be included in the Section 1115 Waiver Renewal.
The Proposed Concepts of the New Section 1115 Waiver

A summary of the key concepts expected to change or new authorities added in the Section 1115 Waiver Renewal include:

• Federal and State Shared Savings: Requests authority for DHCS to reinvest waiver savings towards other initiatives proposed in the waiver renewal including plan/provider, system incentives, workforce development and housing and supportive services.

• Safety Net Care Pool (SNCP)/Disproportionate Share Hospital (DSH)-Safety Net Payment Reform: In addition to the existing SNCP authority for uncompensated care costs, this authority would allow reimbursement for expenditures incurred by health care systems (including affiliated hospitals, providers, and clinics) on behalf of uninsured individuals. DHCS is also requesting authority to implement payment reforms for DSH and SNCP providers.

• Housing-Based Case Management and Supportive Services: Requests authority to provide reimbursement for housing-based case management and supportive services and incentive payments for qualifying beneficiaries accessing Medi-Cal benefits. This concept proposal would allow for health plan flexibility to provide non-Traditional Medi-Cal services such as discharge planning, care plans, coordination with primary, behavioral health, and social services, etc.

• Workforce Development: Requests authority to allow for financial incentives to increase provider participation for newly participating providers or providers expanding the number of Medi-Cal beneficiaries served; develop pilot projects for voluntary workforce training programs to target high-need populations (which may include peer providers, In Home Support Services workers, and Community Health Workers); to expand use of telehealth, expand residency programs; and to cross train and use multi-disciplinary care teams for better coordinated physical, behavioral, and long term care needs.

• Plan/Provider/System Incentives: To allow for reimbursement for select provider, health plan, and/or system incentive payments to the extent not otherwise considered allowable under federal law.

• Delivery System Reform Incentive Payments (DSRIP) 2.0: Will continue the existing DSRIP authority, but will also focus on five key areas including, 1) Delivery System Transformation which focuses on redesigning ambulatory care, improving care transitions, and integrating behavioral health and primary care; 2) Care Coordination for High Risk, High Utilizing Population which focuses on care management, health homes, and palliative care; 3) Resource Utilization Efficiency which focuses on appropriate use of antibiotics, high cost images, and medication; 4) Prevention which focuses on areas such as cardiac health, cancer, and perinatal care; and 5) Patient Safety which focuses on improving provider performance measures related to potentially preventable events and reducing inappropriate surgical procedures.

NOTE: The above is subject to change as the proposed waiver moves through the CMS approval process or based on feedback received from stakeholders. Detailed information on waiver renewal concepts can be found at: http://www.dhcs.ca.gov/provgovpart/Pages/WaiverRenewal.aspx
Tribal Uncompensated Care Waiver Amendment (UCWA)

Tribal UCWA (Year 1)—Ended December 31, 2013
• Amount Paid: $3,542,550 Encounters total: Uninsured-3588  Medi-Cal Beneficiaries – 7147

Tribal UCWA (Year 2) – Ended December 31, 2014*
• Amount Paid: $1,480,176 Encounters: 4344

Tribal UCWA (Year 3) – Term: December 30, 2014 – October 31, 2015
• Permits DHCS to make uncompensated care payments for optional services eliminated from the state plan provided by tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act to IHS-eligible Medi-Cal beneficiaries

• Benefits covered include: Adult Dental**, Optometry, Podiatry, Speech therapy, chiropractic, acupuncture, audiology services, and incontinence washes and creams

• To the extent that an optional service comes to be offered as a Medi-Cal benefit during the duration of the UCWA (Year 2), it would no longer be eligible for uncompensated care payments under this program to date

*Final Term 2 Invoice Due March 1, 2015
**Please see the provider bulletin located at: http://www.denti-cal.ca.gov/provsrvcs/bulletins/Volume_29_Number_14.pdf for a complete list of dental benefits restored as of May 1, 2014. To the extent that an adult dental benefit is not included in the list of restored services the service provided to an IHS eligible Medi-Cal beneficiary may be billable through the UCWA
DHCS Stakeholder Updates
DHCS Stakeholder Updates

DHCS regularly publishes an update of events and activities. February 2015* stakeholder update covers the following issues:

- Cal MediConnect
- Palliative Care (SB 1004) Stakeholder Efforts
- Every Woman Counts Program
- Section 1115 “Bridge to Reform” Waiver
- 1915b Mental Health Waiver
- Medi-Cal Children’s Health Advisory Panel
- Behavioral Health Treatment Services
- California Children’s Services Program Redesign
- Health Home Project Design
- Early Periodic Screening, Diagnosis, and Treatment Performance Outcomes System
- AB (Assembly Bill) x1-1 Report Update on Medi-Cal Enrollments
- Drug Medi-Cal Organized Delivery System Waiver
- AB 1296 Enrollment and Retention Policy Operations Workgroup
- 1115 Waiver Stakeholder Advisory Committee
- Covered California to Medi-Cal Transitions
- Hospital Presumptive Eligibility Enrollment
- Express Lane Enrollment to Medi-Cal Project
- Affordability and Benefit Program for Low-Income Pregnant Women and Newly Qualified Immigrants
- California Medicaid Management Information System (CA-MMIS) Replacement System
- Full Scope Services Expansion for Pregnant Women
- County Specific Dental Performance Measures and Benchmarks
- Hospital Dentistry Update
- DHCS Office of Family Planning Stakeholder Meeting

*Sign up to receive this update go to: [http://apps.dhcs.ca.gov/listssubscribe/default.aspx?list=DhcsStakeHolders](http://apps.dhcs.ca.gov/listssubscribe/default.aspx?list=DhcsStakeHolders)

*http://www.dhcs.ca.gov/formsandpubs/publications/opadocs/documents/stakeholder%20communication%20updates
/StakeholderCommunicationMarch2015.pdf
Legislation of Interest

• **Senate Bill (SB) 1004 (Hernandez, 2014)** Palliative Care. Requires DHCS to establish standards and provide technical assistance for Medi-Cal managed care plans to ensure delivery of palliative care services. SB 1004 will be implemented in consultation with a wide range of stakeholders and partners, and will promote person-centered and choice-focused policies to increase the availability of palliative care services for Medi-Cal members. For more information please go to [http://www.dhcs.ca.gov/provgovpart/Pages/Palliative-Care-and-SB-1004.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/Palliative-Care-and-SB-1004.aspx)

• **SB 147 (Hernandez, 2015)** Federally Qualified Health Centers (FQHC). Requires the department to authorize a 3 year alternative payment methodology (APM) pilot project for FQHCs that would be implemented in any county and FQHC willing to participate. Under the APM, participating FQHC’s would receive monthly payments for each medical managed care enrollee assigned to the FQHC in place of the wrap-around, fee for service per visit payment from the department.

• **SB 137 (Hernandez, 2015)** Health care coverage: provider directories. Requires health care service plans and insurers subject to regulation by the commissioner for services at alternative rates to make a provider directory available on its Internet Web site and to update the directory weekly.

• **SB 323 (Hernandez, 2015)** Nurse practitioners. Would allow nurse practitioners to establish independent practices and prescribe medication without a physician’s supervision.

• **SB 33 (Hernandez, 2015)** Asset Recovery. Will require the department to seek recovery from estates only in specified circumstances for those health care services that the state is required to recover under federal law, and will define health care services for these purposes.
Federal Medicaid law\(^1\) requires States to seek recovery from an individual’s estate if the beneficiary was 55 years of age or older when the individual received medical assistance consisting of—nursing facility services, home and community-based services, and related hospital and prescription drug services. Additionally, it allows, at the option of the State, recovery from an individual’s estate for any items or services under the State plan (excluding Medicare cost-sharing/benefits).

State law and regulations\(^2\) require DHCS to seek recovery from the estates of deceased Medi-Cal beneficiaries age 55 or older for medical services and premiums, including payments to managed care plans.

ARRA\(^3\) exempts certain Indian income, resources, and property from Medicaid estate recovery including interests in and income derived from Tribal land and other resources currently held in trust status and judgment funds and ownership interest in trust or non-trust property.

For the adult expansion population, eligibility has been broadened by excluding the asset test. Consequently, there may be newly eligible Medi-Cal beneficiaries with low income, but who still have assets. For this population, federal law restricts recovery to those beneficiaries age 55 and older and prohibits the use of liens regardless of beneficiary age.

DHCS’s Asset Recovery program does exempt certain American Indian property from asset recovery. If a claim is received the decedent’s family may request an American Indian property exemption by notifying and providing the required documentation to DHCS.

SB 33 (Hernandez) will require the department to seek recovery from estates only in specified circumstances for those health care services that the state is required to recover under federal law, and will define health care services for these purposes. The bill would delete the proportionate share provision and would delete the requirement that the department make a claim upon the death of the surviving spouse. The bill would also require the department to provide a current or former beneficiary, or his or her authorized representative, upon request and free of charge, with the total amount of Medi-Cal expenses that have been paid on his or her behalf that would be recoverable under these provisions, as specified. The bill would apply the changes made by these provisions only to individuals who die on or after January 1, 2016.

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3. ARRA section 5006(c) amends section 1917(b)(3) of the Social Security Act
Thank You!