



Department of Health Care Services
MEMORANDUM

DATE: May 24, 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 the 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.

State Plan Amendment (SPA) 13-006 – Clarification of Operating Rules for the Program of All-Inclusive Care for the Elderly (PACE) Health Plans: SPA 13-006 will amend the State Plan as required by Assembly Bill 574, which allows DHCS to increase the number of PACE organizations. This SPA will remove enrollment caps and update rate methodologies. Please see the enclosed summary of SPA 13-006 for a detailed description and contact information for questions or comments.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this SPA within 30 days from the receipt of this notice. Comments or feedback may be sent by mail or email to the address below:

Contact Information:

Joseph Billingsley
Department of Health Care Services
Long-Term Care Division
P.O. Box 997413, MS 0018
Sacramento, CA .95899-7413
Joseph.Billingsley@dhcs.ca.gov

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In addition to this notice, DHCS plans to cover this SPA 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

**Department of Health Care Services (DHCS)
Long-Term Care Division
State Plan Amendment (SPA) Number 13-006
Clarification of Operating Rules for the Program of All-Inclusive Care for the
Elderly (PACE) Health Plans**

Background

The PACE model of care provides a comprehensive medical/social service delivery system using a person-centered care plan model and interdisciplinary team approach in a PACE Center that provides and coordinates all needed preventive, primary, acute and long-term support services. Services are provided to older adults who would otherwise reside in nursing facilities. The PACE model affords eligible individuals to remain independent and in their homes for as long as possible.

PACE enrollment in the State is voluntary for Medi-Cal beneficiaries. Federal regulations (Title 42, Code of Federal Regulations, Section 460.162) specify that a PACE participant may voluntarily dis-enroll from the program without cause at any time. Participants must be at least 55 years old, live in the PACE organization's designated service area, be certified as eligible for nursing home level of care by DHCS, and be able to live safely in their home or community at the time of enrollment. The PACE program becomes the sole source of Medicare and/or Medi-Cal services for PACE participants.

As of May 1, 2013, DHCS currently holds contracts with six PACE organizations with a total enrollment of over 3,700 beneficiaries. Two new organizations are scheduled to commence operations in 2013, and there are three additional PACE applicants scheduled to commence operations in 2014. Assembly Bill 574 (Lowenthal, Chapter 367, Statutes of 2011) allowed DHCS to increase the number of separate contracts it entered into with separate PACE Organizations from 10 to 15. Coupled with the growth of the PACE program this legislation necessitates removal of the existing statewide enrollment cap for the PACE program.

Description of SPA and Effective Date

SPA 13-006 will amend the State Plan to revise the operating rules for PACE. Specific changes include removal of the enrollment cap statewide for PACE plans; removal of language stipulating eligibility for PACE services will be capped for each fiscal year; and updates to the rate methodology. DHCS plans to submit SPA 13-006 to the Centers for Medicare and Medicaid Services by July 1, 2013.

Impact to Indian Health Programs and Urban Indian Organizations

Impact on Indian Health Programs

DHCS does not anticipate that Indian health programs and Urban Indian Organizations will be impacted by this proposal.

Impact on Indian Medi-Cal Beneficiaries

Removal of the PACE enrollment cap provides potential for increased access to services for American Indians that meet the PACE eligibility requirements.

Response Date

Indian Health Programs and Urban Indian Organizations may submit comments or questions concerning this SPA within 30 days from the receipt of this letter. Comments may be sent by e-mail to Joseph.Billingsley@dhcs.ca.gov or by mail to the address listed below:

Contact Information

Joseph Billingsley
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