



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

December 18, 2020

Ms. Judith Cash
Director of the State Demonstrations Group
Center for Medicaid & CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

REQUEST FOR SECTION 1115 DEMONSTRATION AUTHORITY RELATED TO THE
COVID-19 PUBLIC HEALTH EMERGENCY

Dear Ms. Judith Cash:

The Department of Health Care Services (DHCS) writes to request approval under Section 1115 of the Social Security Act for flexibilities related to the coverage and reimbursement of Coronavirus (COVID-19) Vaccine Administration and Cost Sharing under Medicaid and the Children's Health Insurance Program (CHIP). Given the unprecedented nature of the ongoing COVID-19 public health emergency, DHCS is seeking Section 1115 demonstration authority for the following flexibilities to prevent gaps in coverage and to help ensure equitable and efficient access to the COVID-19 vaccines for individuals covered under the Medi-Cal program. DHCS requests a November 2, 2020 effective date for the proposed expenditure authority and flexibilities.

Pursuant to the demonstration opportunity communicated in the November 2, 2020 Interim Final Rule entitled "Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency" (85 Fed. Reg. 71142, 71150), DHCS seeks federal approval to extend coverage of the COVID-19 vaccines and its administration to the following otherwise limited-scope benefit populations in Medi-Cal:¹

- 1) Individuals eligible for tuberculosis-related benefits, as described in Sections 1902(a)(10)(A)(ii)(XII) and 1902(z)(1).
- 2) Individuals eligible for the optional COVID-19 testing group, as described in Section 1902(a)(10)(A)(ii)(XXIII).
- 3) Non-citizen individuals eligible for only restricted scope emergency services, as described in Section 1903(v)(2).

¹ Unless otherwise specified, all sections referenced herein are to the Social Security Act.

Ms. Judith Cash
Page 2
December 18, 2020

- 4) Individuals eligible for family planning benefits under the Family Planning Access, Care and treatment (Family PACT) program, as described in Sections 1902(a)(10)(A)(ii)(XXI) and 1902(ii).

In addition, DHCS requests approval to deliver the COVID-19 vaccine benefit and reimburse the vaccine administration for all covered Medi-Cal populations exclusively through the Medi-Cal FFS delivery system, and carved out from all Medi-Cal managed care contracts. This would standardize how the vaccines are delivered to beneficiaries and would ensure a consistent administrative reimbursement rate across delivery systems. In addition, this would eliminate any concerns about managed care plans reimbursing non-network providers. This proposed carve-out would apply with respect to both existing full-scope Medi-Cal populations under the State Plan and to the additional limited-scope populations listed above. If approved, this carve-out would supersede the current listing of "Capitated Benefits Provided in Managed Care" in Attachment N to the Special Terms and Conditions for the Medi-Cal 2020 Section 1115 Demonstration.

We appreciate and thank you for the continued partnership during these difficult times.

Sincerely,



Jacey Cooper
Chief Deputy Director
Health Care Programs
State Medicaid Director

Enclosures

cc: Will Lightbourne
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Ms. Judith Cash
Page 3
December 18, 2020

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COVID-19 Section 1115(a) Demonstration Application Template

The State of California, Department of Health Care Services, proposes emergency relief as an affected state, through the use of section 1115(a) demonstration authority as outlined in the Social Security Act (the Act), to address the multi-faceted effects of the novel coronavirus (COVID-19) on the state's Medicaid program.

I. DEMONSTRATION GOAL AND OBJECTIVES

Effective retroactively to November 2, 2020, the State of California, seeks section 1115(a) demonstration authority to operate its Medicaid program without regard to the specific statutory or regulatory provisions (or related policy guidance) described below, in order to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19.

II. DEMONSTRATION PROJECT FEATURES

- A. Eligible Individuals:** The following populations will be eligible under this demonstration. To the extent coverage of a particular service is available for a particular beneficiary under the State plan, such coverage will be provided under the State plan and not under demonstration authority.

Check to Apply	Population
X	Current title XIX State plan beneficiaries
X	Current section 1115(a)(2) expenditure population(s) eligible for/enrolled in the following existing section 1115 demonstrations: (1) Low Income Pregnant Women 109-138% FPL (2) Out of State Former Foster Care Youth (approved under the California Medi-Cal 2020 Demonstration (no. 11-W-00193/9))

Check to Apply	Population
	<p>In addition, DHCS proposes to cover COVID-19 vaccines and administration for the following eligibility categories:</p> <ul style="list-style-type: none"> (1) Individuals eligible for tuberculosis-related benefits, as described in Sections 1902(a)(10)(A)(ii)(XII) and 1902(z)(1). (2) Individuals eligible for the optional COVID-19 testing group, as described in Section 1902(a)(10)(A)(ii)(XXIII). (3) Non-citizen individuals eligible for only restricted scope emergency services, as described in Section 1903(v)(2). (4) Individuals eligible for family planning benefits under the Family Planning Access, Care and treatment (Family PACT) program, as described in Sections 1902(a)(10)(A)(ii)(XXI) and 1902(ii).

B. Benefits: The state will provide the following benefits and services to individuals eligible under this demonstration. To the extent coverage of a particular service is available for a particular beneficiary under the State plan, such coverage will be provided under the State plan and not under demonstration authority.

Check to Apply	Services
X	Current title XIX State plan benefits
X	<p>Others as described here:</p> <p>Provide COVID-19 vaccine administration coverage for existing full-scope Medi-Cal populations and the additional eligibility categories listed above exclusively via the Medi-Cal fee-for-service delivery system.</p>

C. Cost-sharing

Check to Apply	Cost-Sharing Description
X	There will be no premium, enrollment fee, or similar charge, or cost-sharing (including copayments and deductibles) required of individuals who will be enrolled in this demonstration that varies from the state’s current state plan.
	Other as described here: <i>[state to insert description]</i>

D. Delivery System:

Check to Apply	Delivery System Description
X	The health care delivery system for the provision of services under this demonstration will be implemented in the same manner as under the state’s current state plan.
X	Other as described here: COVID-19 vaccine administration coverage for all eligible populations will be delivered exclusively through the Medi-Cal fee-for-service delivery system.

III. EXPENDITURE AND ENROLLMENT PROJECTIONS

A. Enrollment and Enrollment Impact.

- i. State projects that approximately 1.8 million individuals as described in section II will be eligible for the period of the demonstration. The overall impact of this section 1115 demonstration is that these individuals, for the period of the demonstration, will continue to receive coverage through this demonstration to address the COVID-19 public health emergency.

B. Expenditure Projection.

The state projects that the total aggregate expenditures under this section 1115 demonstration is \$7,255,351 for federal fiscal year 2021 and \$18,487,359 for federal

fiscal year 2022, for a combined total of \$25,742,711. This estimate reflects the total federal funds.

In light of the unprecedented emergency circumstances associated with the COVID-19 pandemic and consistent with the President’s proclamation that the COVID-19 outbreak constitutes a national emergency consistent with section 1135 of the Act, and the time-limited nature of demonstrations that would be approved under this opportunity, the Department will not require States to submit budget neutrality calculations for section 1115 demonstration projects designed to combat and respond to the spread of COVID-19. In general, CMS has determined that the costs to the Federal Government are likely to have otherwise been incurred and allowable. States will still be required to track expenditures and should evaluate the connection between and cost effectiveness of those expenditures and the state’s response to the public health emergency in their evaluations of demonstrations approved under this opportunity.

IV. APPLICABLE TITLE XIX AUTHORITIES

The state is proposing to apply the flexibilities granted under this demonstration opportunity to the populations identified in section II.A above.

Check to Apply	Program
X	Medicaid state plan
X	Section 1115(a) of the Social Security Act (i.e., existing, approved state demonstration projects). Provide applicable demonstration name/population name below: (1) Low Income Pregnant Women 109-138% FPL. (2) Out of State Former Foster Care Youth. (approved under the California Medi-Cal 2020 Demonstration (no. 11-W-00193/9)).
	Other:

V. WAIVERS AND EXPENDITURE AUTHORITIES

A non-exhaustive list of waiver and expenditure authorities available under this section 1115 demonstration opportunity has been provided below. States have the flexibility to request additional waivers and expenditure authorities as necessary to operate their programs to address COVID-19. If additional waivers or expenditure authorities are desired, please identify the authority needed where indicated below and include a justification for how the authority is needed to assist the state in meeting its goals and objectives for this demonstration. States may include attachments as necessary. Note: while we will endeavor to review all state requests for demonstrations to combat COVID-19 on an expedited timeframe, dispositions will be made on a state-by-state basis, and requests for waivers or expenditure authorities in addition to those identified on this template may delay our consideration of the state’s request.

A. Section 1115(a)(1) Waivers and Provisions Not Otherwise Applicable under 1115(a)(2)

The state is requesting the below waivers pursuant to section 1115(a)(1) of the Act, applicable for beneficiaries under the demonstration who derive their coverage from the relevant State plan. With respect to beneficiaries under the demonstration who derive their coverage from an expenditure authority under section 1115(a)(2) of the Act, the below requirements are identified as not applicable. Please check all that apply.

Check to Waive	Provision(s) to be Waived	Description/Purpose of Waiver
	Section 1902(a)(1)	To permit the state to target services on a geographic basis that is less than statewide.
	Section 1902(a)(8), (a)(10)(B), and/or (a)(17)	To permit the state to vary the amount, duration, and scope of services based on population needs; to provide different services to different beneficiaries in the same eligibility group, or different services to beneficiaries in the categorically needy and medically needy groups; and to allow states to triage access to long-term services and supports based on highest need.

B. Expenditure Authority

Pursuant to section 1115(a)(2) of the Act, the state is requesting that the expenditures listed below be regarded as expenditures under the state plan.

Note: Checking the appropriate box(es) will allow the state to claim federal financial participation for expenditures that otherwise would be ineligible for federal match.

Check to Request Expenditure	Description/Purpose of Expenditure Authority
X	<p>Other: Expenditures/costs not otherwise matchable for COVID-19 vaccine administration to individuals in the following eligibility categories:</p> <ul style="list-style-type: none"> (1) Individuals eligible for tuberculosis-related benefits, as described in Sections 1902(a)(10)(A)(ii)(XII) and 1902(z)(1). (2) Individuals eligible for the optional COVID-19 testing group, as described in Section 1902(a)(10)(A)(ii)(XXIII). (3) Non-citizen individuals eligible for only restricted scope emergency services, as described in Section 1903(v)(2). (4) Individuals eligible for family planning benefits under the Family Planning Access, Care and treatment (Family PACT) program, as described in Sections 1902(a)(10)(A)(ii)(XXI) and 1902(ii).

VI. Public Notice

Pursuant to 42 CFR 431.416(g), the state is exempt from conducting a state public notice and input process as set forth in 42 CFR 431.408 to expedite a decision on this section 1115 demonstration that addresses the COVID-19 public health emergency.

VII. Evaluation Indicators and Additional Application Requirements

- A. Evaluation Hypothesis.** The demonstration will test whether and how the waivers and expenditure authorities affected the state’s response to the public health emergency, and how they affected coverage and expenditures.
- B. Final Report. This report will consolidate demonstration monitoring and evaluation requirements.** No later than one year after the end of this demonstration addressing the COVID-19 public health emergency, the state will be required to submit a consolidated monitoring and evaluation report to CMS to describe the effectiveness of

this program in addressing the COVID-19 public health emergency. States will be required to track expenditures, and should evaluate the connection between and cost effectiveness of those expenditures and the state's response to the public health emergency in their evaluations of demonstrations approved under this opportunity. Furthermore, states will be required to comply with reporting requirements set forth in 42 CFR 431.420 and 431.428, such as information on demonstration implementation, progress made, lessons learned, and best practices for similar situations. States will be required to track separately all expenditures associated with this demonstration, including but not limited to administrative costs and program expenditures, in accordance with instructions provided by CMS. CMS will provide additional guidance on the evaluation design, as well as on the requirements, content, structure, and submittal of the report.

VIII. STATE CONTACT AND SIGNATURE

State Medicaid Director Name: Jacey Cooper
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State Lead Contact for Demonstration Application: Angeli Lee
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Authorizing Official (Typed): Jacey Cooper
Authorizing Official (Signature): _____
Date: December 18, 2020



PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (Expires 03/31/2021). The time required to complete this information collection is estimated to average 1 to 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. Your response is required to receive

Ms. Judith Cash
Page 11
December 18, 2020

a waiver under Section 1115 of the Social Security Act. All responses are public and will be made available on the CMS web site. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850. ***CMS Disclosure*** Please do not send applications, claims, payments, medical records or any documents containing sensitive information to the PRA Reports Clearance Office. Please note that any correspondence not pertaining to the information collection burden approved under the associated OMB control number listed on this form will not be reviewed, forwarded, or retained. If you have questions or concerns regarding where to submit your documents, please contact Judith Cash at 410-786-9686.