Administration Division
The Administration Division provides an array of central support services to achieve Department of Health Care Services (DHCS) program and operations objectives. Staff provide management information and business control functions for the directorate, helping ensure that the most effective and efficient level of service is achieved. The Administration Division:

- Streamlines and simplifies policies and procedures, stressing collaboration and improved communication with program staff.
- Provides responsive and reliable employee support and human resource management.
- Provides workforce planning and development, strategic planning, and organizational development services.
- Sets policy and provides guidance and consultation on contract and purchasing services.
- Responsibly manages DHCS physical resources through facilities and telecommunications business services.
- Supports the protection of DHCS employees through the Health and Safety office.
- Evaluates business processes with attention to improvements in other department-wide support functions.

Audits & Investigations (A&I) Division
A&I is the designated Program Integrity Unit (PIU) for the Medi-Cal program. A&I’s mission is to protect and enhance the integrity of the health care programs administered by DHCS and to ensure that high-quality care is provided to beneficiaries of these programs. A&I also strives to improve the efficiency, economy, and effectiveness of DHCS and the programs it administers. To carry out its mission and objectives, A&I:

- Performs financial and medical audits, including post-service post-payment utilization reviews, to ensure Medi-Cal program integrity.
- Performs annual medical audits of Medi-Cal managed care and dental plans;
- Identifies and investigates Medi-Cal provider and beneficiary fraud, waste, and abuse, emphasizing fraud prevention.
• Ensures accountability of state and federal health care funding and recovers identified overpayments, where appropriate.
• Performs onsite reviews of applicants involved with the Medi-Cal provider enrollment process.
• Provides technical assistance (financial and medical) for the development and enhancement of DHCS health programs and related policy.
• Provides technical assistance and audited data (internal and external) related to various aspects of health care financing and delivery.
• Provides assurance and advisory services to DHCS through internal audits.
• Acts as liaison between DHCS and oversight entities conducting external audits and reviews.

Benefits Division
The Benefits Division is responsible for managing and ensuring the uniform application of federal and state laws and regulations regarding Medi-Cal-covered benefits, services, and policies affecting Medi-Cal providers and beneficiaries. The Division adds, limits, modifies, or eliminates services to increase patient safety, reduce risk, and reduce cost of care. The Division is one of DHCS’ primary liaisons with the federal Centers for Medicare & Medicaid Services (CMS) for amendments to the Medicaid State Plan. As such, it coordinates with other divisions within DHCS and state departments to ensure compliance with state and federal requirements under the State Plan. The Division includes medical consultants, nurse consultants, and a research scientist who review medical evidence, including studies published in peer-reviewed health journals as well as evidence-based treatment and clinical practice guidelines published by professional organizations and scientific societies, to determine which treatments and medicines are most effective and provide the highest quality of care.

The Every Woman Counts (EWC) program is part of the Division, and is the largest breast cancer detection program in the nation, serving several thousand women annually. EWC provides breast clinical services, such as mammograms, clinical breast exams, and diagnostic tests, to low-income California women ages 40 and older with inadequate or no health coverage. EWC also provides cervical clinical services, such as pap smears, HPV (Human Papilloma Virus) tests, and cervical diagnostic tests, for low-income, uninsured, and underinsured California women ages 21 and older. In addition, EWC promotes the importance of screening and the availability of these services for disparate high-risk populations.

The Division administers the IMPACT (IMProving Access, Counseling & Treatment for Californians with Prostate Cancer) program. IMPACT provides free prostate cancer treatment services for low-income men who are uninsured or underinsured.
California Medicaid Management Information System (CA-MMIS)—Operations Division
The CA-MMIS—Operations Division is responsible for operating the Medi-Cal fee-for-service medical claims payment system that processes about $20 billion in payments for nearly 200 million health care claims annually. The Division operates in a complex and robust enterprise comprised of state staff, vendors, DHCS program partners, providers, and other external stakeholders to deliver health care services to some of California’s most vulnerable populations.

The Division has two primary functions: IT maintenance and operations (IT M&O) and business operations. In its newest role as the systems integrator, the Division oversees, administers, manages, and monitors the services provided by the IT M&O and business operations vendors. It is also responsible for vendor and contract management as well as the overall administration, oversight, and monitoring of its fiscal intermediary (FI) contracts.

IBM, an FI vendor, handles IT M&O, operating technology systems and managing all updates, enhancements, and maintenance activities to ensure system stability and performance. DXC Technology, another FI vendor, manages business operations, including operating the telephone service center; processing claims, drug rebates, and treatment authorization requests; and managing provider relations (e.g., publications, outreach, and training), print/mail services, eligibility inquiry transactions, and service authority requests.

Capitated Rates Development Division (CRDD)
CRDD is responsible for developing and implementing managed care organization (MCO) capitation rates in compliance with contractual, state, and federal regulatory requirements. Internal and contracted actuaries calculate and certify capitation rates by county or geographical region for each Medi-Cal population aid category. Capitation rates are developed to provide for the reasonable, appropriate, and attainable projected costs for Medi-Cal services under each MCO’s contract. CRDD works with CMS to obtain federal approval to implement the capitation rates. CRDD partners with MCOs, plan/hospital associations, public/private hospitals, and other DHCS divisions to implement managed care financing policies, including provider payment arrangements, managed care taxes and fees, and financial risk mitigation strategies, to comply with state or federal requirements governing Medicaid managed care rate setting. CRDD performs budget analyses of policies for the biannual Medi-Cal Estimate and analyzes legislative impacts on Medi-Cal managed care program costs. Additionally, CRDD performs financial reviews, monitoring, and oversight of MCOs and conducts financial analyses to evaluate the financial health and viability of each MCO.

Clinical Assurance and Administrative Support Division (CAASD)
CAASD provides utilization review and oversight of services delivered to fee-for-service Medi-Cal beneficiaries. CAASD also provides oversight of inpatient hospital services utilizing either an evidence-based standardized tool to determine medical necessity for
hospital days and services or a Diagnosis Related Group methodology. These post-claims oversight activities ensure compliance with Medi-Cal policies and applicable state and federal requirements. In addition, CAASD provides cost-effective utilization controls by reviewing and adjudicating Treatment Authorization Requests for certain medical procedures, services, and drugs. CAASD reviews and adjudicates Service Authorization Requests for the Genetically Handicapped Persons Program, which provides case management and coordination of treatments for eligible adults with genetic conditions, such as hemophilia, cystic fibrosis, and sickle cell disease. Furthermore, through the Pre-Admission Screening and Resident Review program, CAASD provides policy direction and support to nursing facilities and acute care hospitals in complying with federally mandated mental health screening for all residents entering Medicaid-certified nursing facilities.

**Community Services Division (CSD)**
CSD administers a number of substance use and mental health programs for youth, adults, and children. CSD also implements, monitors, oversees, and conducts data analysis for various programs that provide mental health and/or substance use prevention and treatment services to individuals throughout California. CSD is comprised of three branches: Community Support, Operations, and Behavioral Health Analytics and Research.

**Enterprise, Innovation and Technology Services (EITS) Division**
EITS is responsible for delivering and managing technology that supports beneficiaries, DHCS programs, the California Health and Human Services (CHHS) Agency and associated offices, and other departments within CHHS. This includes managing existing business applications and supporting technology; architecting, building, and delivering secure, innovative new technology solutions and services; and supporting program strategy through future technology direction, enterprise architecture, enterprise project and portfolio management, and enterprise governance. EITS establishes information technology architecture, policy, and standards to support compliance with state and federal laws and regulations regarding the use of information technology and the safeguarding of electronic information. EITS supports the maintenance and operations of a complex portfolio of business applications as well as system modernization efforts, including the Medi-Cal Eligibility Data System (MEDS), CA-MMIS, California Dental Medicaid Management Information System (CD-MMIS), Behavior Health Systems, and Health Care Options (HCO) systems. In addition, EITS supports the interface with the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) and other external systems. EITS ultimately supports DHCS and CHHS operations through the management, design, installation, upgrade, and support of a complex technology infrastructure, including enterprise network, servers, desktops, network devices, messaging systems, websites, web applications, and databases.
Fee-For-Service Rates Development Division (FFSRDD)

FFSRDD is responsible for developing Medi-Cal reimbursement rates for outpatient and non-institutional and long-term care (LTC) services that are reimbursed through the Medi-Cal fee-for-service delivery system. FFSRDD is responsible for performing analyses for General Fund cost/savings proposals, assisting the Office of Legal Services in defending DHCS in legal actions, and developing rate methodologies and processing periodic rate updates as required. FFSRDD serves as a point of contact on matters pertaining to Medi-Cal non-institutional and LTC rate setting in negotiation and/or meetings with health care provider representatives, patient advocates, external state agencies, representatives of county, state, and federal governments, industry representatives, special interests groups, the media, and other high-level officials regarding Medi-Cal rate policies and issues. FFSRDD also develops legislation and submits State Plan Amendments to seek federal approval of changes to provider reimbursements. In addition, FFSRDD administers three quality assurance fee programs, as well as other supplemental payment programs for outpatient and LTC providers.

Fiscal

Fiscal is responsible for the financial management and forecasting of DHCS resources. Fiscal is comprised of the Financial Management Branch (FMB) and Fiscal Forecasting Division (FFD). The FMB ensures fiscal accountability of programs by overseeing the financial operation of DHCS, including financial reporting, resource management, and budget development and oversight. FMB also provides financial support to programs that provide guidance and consultation on contract and purchasing services. FFD is responsible for the completion of the Medi-Cal and Family Health Local Assistance Estimates that are prepared twice a year. The Estimates budget more than $100 billion in costs for Medi-Cal and other income-based health service programs administered by DHCS. Fiscal staff work closely with programs in preparing their budget estimates, as well as preparing information for legislation, policy proposals, cash flow, and federal funding requests.

Health Policy Unit (HPU)

Under the leadership of the Associate Director in the Director’s Office, the HPU facilitates collaborative projects across multiple DHCS divisions in support of DHCS’ mission and the Triple Aim. The HPU may initiate special projects on behalf of the Director or Chief Deputy Directors, so the focus of the unit varies based upon the emerging needs of DHCS. Ongoing projects include the Medi-Cal Healthier California for All initiative; coordination and reporting for the Medi-Cal 2020 Section 1115 waiver; coordination and submission of Medicaid and CHIP State Plan Amendments; tracking and analyzing federal legislation and regulations; coordinating with philanthropic foundations; and serving as the business lead for DHCS’ Electronic Visit Verification implementation efforts.
**Information Management Division (IMD)**

IMD supports Department-wide efforts for accurate and timely information for DHCS programs. Its programs support information access and sharing that consider data as an asset and a service. The IMD consists of the Office of the Chief Data Officer (OCDO), Office of HIPAA Compliance (OHC), and Office of Health Information Technology (OHIT).

- The OCDO supports cross-divisional data requests and initiatives, responses to various external data requests, the CHHS Open Data Portal, the Data and Research Committee, the Transformed Medicaid Statistical Information System, and quality measurement reporting.
- OHC is responsible for leadership and oversight related to the implementation and maintenance efforts of a range of federally required initiatives, such as the federal Health Insurance Portability and Accountability Act (HIPAA), to simplify and standardize the administration of health care while protecting the privacy of patients served by DHCS programs. OHC supports payments to and receipt of encounter data from Medi-Cal managed care plans through the operation of the Capitated Payment Management System and the Post Adjudicated Claims & Encounters System (PACES), respectively. OHC also serves as the DHCS lead for measuring and monitoring progress against the Medicaid Information Technology Architecture framework.
- OHIT is responsible for administering the Medi-Cal Promoting Interoperability Program. This incentive program will improve the quality, safety, and efficiency of health care by Medi-Cal hospitals and professionals through incentive payments to encourage the meaningful use of electronic health records. OHIT also leverages enhanced federal funding to support initiatives facilitating health information exchange and interoperability amongst diverse Medi-Cal providers, thus improving health care quality and outcomes.

**Integrated Systems of Care Division (ISCD)**

ISCD oversees programs and waivers focused on meeting the needs of infants, children, youth, adults, and older adults with chronic illnesses or numerous health conditions. This includes State Plan benefits and Medicaid waivers that serve approximately one million beneficiaries throughout California. The Medicaid waivers offer specialty services that are not included in the State Plan and augment or extend a State Plan service as approved by CMS. This includes seven Home- and Community-Based Services (HCBS) 1915(c) waivers: HCB Alternatives, Assisted Living, Pediatric Palliative Care, HIV/AIDS, Multipurpose Senior Services Program (MSSP), and two waivers for Californians with developmental disabilities. It also includes unique services provided under the State Plan, such as In-Home Supportive Services (IHSS) and Community-Based Adult Services (CBAS). Additionally, ISCD oversees numerous specialty services for distinct populations, including California Children’s Services (CCS), Genetically Handicapped Persons Program, and Program of All Inclusive Care for the Elderly (PACE). ISCD operates the California Partnership for Long-Term Care insurance program, which works to reduce dependency upon Medi-Cal. ISCD’s role
includes direct oversight of programs, as well as working within DHCS and with other departments across California in the administration, implementation, oversight, and monitoring of health care programs.

**Legislative & Governmental Affairs (LGA)**
LGA facilitates, coordinates, and advocates for the development and enactment of policy and budget legislation in the interest of public health and health care. As a key player in carrying out DHCS’ mission to protect and advance the health of all Californians, LGA assists in the development and refinement of the state’s health care laws. LGA also provides consultative and technical assistance to other divisions within DHCS, and offers technical assistance to California state legislators and their staff on constituent issues and about DHCS’ various programs through briefings, testimony at informational hearings, and individual meetings.

**Licensing and Certification Division (LCD)**
LCD is responsible for implementing and maintaining a system of compliance with state and federal statutes, regulations, and other governing requirements. LCD licenses, certifies, and oversees substance use disorder (SUD) programs, including driving-under-the-influence programs, narcotic treatment programs, counselor certifying organizations, outpatient alcohol and/or other drug programs, and residential treatment providers. LCD is also responsible for licensure and oversight related to a range of 24-hour psychiatric and rehabilitation care facilities, such as mental health rehabilitation centers and psychiatric health facilities. Additionally, LCD ensures compliance with statewide criminal justice treatment programs and is responsible for approving Welfare and Institutions Code Sections 5150/5585.50 facilities designated by the counties throughout California.

**Local Governmental Financing (LGF) Division**
LGF was created to more fully integrate behavioral health services into the greater DHCS health care system based upon like-functions and to increase program administration accountability and efficiencies. LGF is responsible for the management and oversight of all county and local government federal reimbursement and financial oversight activities critical to ensuring access to high quality and cost efficient health care through DHCS’ contracted local governmental agencies. These agencies provide behavioral health care coverage, as well as reimbursement to counties and/or school districts for administrative activities, targeted case management, and certain medically necessary school-based services.

**Managed Care Quality and Monitoring Division (MCQMD)**
MCQMD monitors and oversees California’s Medi-Cal managed care health plans, Cal MediConnect health plans, and Medi-Cal managed care policy development and interpretation to meet the needs of providing health care to approximately 11 million
Medi-Cal beneficiaries in all of California’s 58 counties. The division is comprised of three branches: Program Monitoring and Compliance, Policy and Medical Monitoring, and Data Analytics. The key functions of these branches include plan monitoring and oversight, data analysis through plan reporting, policy development and interpretation, maintenance of the Medi-Cal managed care performance dashboard, encounter data reporting, quality improvement efforts, and network adequacy.

**Managed Care Operations Division (MCOD)**
MCOD oversees operational and program activities to meet the needs of providing health care to approximately 11 million Medi-Cal beneficiaries in all of California’s 58 counties. MCOD focuses on contract management of the health plans operating under the seven different models of care – Two-Plan, Geographic Managed Care, County Organized Health System, Regional, Imperial, San Benito, and Cal MediConnect health plans – as well as oversees the transitional activities that are necessary when transitioning populations into a managed care delivery system. MCOD is comprised of three branches: Managed Care Systems and Support, Managed Care Contract Oversight, and Managed Care Internal Operations. The key functions of these branches include the Office of the Ombudsman, health plan contract oversight and compliance, plan enrollment systems, payment systems, contract processing, beneficiary outreach and education, and internal operations support for managed care.

**Medi-Cal Behavioral Health Division (MCBHD)**
MCBHD administers, oversees, and monitors the Medi-Cal Specialty Mental Health Services (SMHS) and Drug Medi-Cal programs. The SMHS program provides medically necessary services to Medi-Cal beneficiaries. The Drug Medi-Cal program provides medically necessary substance use disorder (SUD) treatment services to Medi-Cal beneficiaries. The programs are operated at the local level through contracts between DHCS and counties. MCBHD consists of two branches: Program Policy and Quality Assessment, and Plan and Network Monitoring. MCBHD is also responsible for state oversight of mental health managed care plans (MH MCPs), SUD MCPs, and SUD fee-for-service (FFS) counties to ensure compliance with state and federal requirements. MCBHD implements program changes related to mental health and SUD services required by state and federal laws and regulations. DHCS is California’s single state Medicaid agency, and MCBHD is the liaison with CMS for mental health and SUD services in California. Additionally, MCBHD provides subject matter expertise and technical assistance to other state departments and agencies, as well as to MH MCPs, SUD MCPs, SUD FFS counties, and Medi-Cal MCPs.

**Medi-Cal Dental Services Division (MDSD)**
MDSD is responsible for developing and implementing program policy related to the provision of dental services to Medi-Cal beneficiaries. Services are provided under fee-for-service (FFS) and dental managed care (DMC) models. MDSD contracts with a fiscal intermediary (FI) and administrative services organization (ASO) to administer the
dental FFS delivery system and three managed care contractors for DMC, and encompasses three Geographic Managed Care (GMC) plans and three Prepaid Health Plans (PHP). FFS is available statewide, GMC is mandatory in Sacramento County, and PHP is optional in Los Angeles County. Collectively, these contract models provide dental care to approximately 13 million Medi-Cal beneficiaries. MDSD is also responsible for the contract oversight and monitoring of all dental FFS and DMC contracts for the provision of dental services. This includes the beneficiary and dental provider outreach functions, dental performance and reporting measures, and dental provider enrollment.

**Medi-Cal Eligibility Division (MCED)**
MCED develops statewide eligibility policies, procedures, and regulations governing Medi-Cal and the Children’s Health Insurance Program (CHIP), and ensures eligibility is determined accurately and timely per state and federal requirements. MCED performs Medi-Cal quality control reviews of county compliance with state and federal eligibility requirements for program integrity. MCED works with the California Health Benefit Exchange, county social services agencies, Statewide Automated Welfare System (SAWS) consortiums, CalHEERS, and the Enterprise, Innovation and Technology Services Division to develop the business rules necessary to implement eligibility policy and maintain the records of beneficiaries in SAWS, CalHEERS, and DHCS’ Medi-Cal Eligibility Data System. MCED provides county social service agencies with policy direction via All County Welfare Directors Letters and Medi-Cal Eligibility Information Letters that implement Medi-Cal eligibility policies and procedures, and coordinates such policies and procedures, as applicable, with the California Department of Social Services. MCED consists of four branches: Policy Development, Policy Operations, Access Program and Policy, and Program Review.

**Office of Administrative Hearings and Appeals (OAHA)**
As DHCS’ administrative tribunal, OAHA conducts more than 40 different types of appeal hearings statewide, and its decisions impact the financial stability and viability of 150,000 health care providers enrolled in the Medi-Cal program. Governed by strict statutory timeframes, OAHA relies upon a staff of administrative law judges and hearing officers to adjudicate disputes arising from financial audits of, and rate determinations for, providers; the involuntary transfer and discharge of nursing facility residents; renewal, suspension, or revocation of licenses or certifications; propriety of fiscal sanctions; denials of eligibility or services for children with special care needs; suspension of Medi-Cal providers; and denials of Medi-Cal provider enrollment applications. Litigants include enrolled providers, managed care plans, hospitals, nursing facilities, pharmacies, federally qualified health centers and rural hospitals, drug treatment providers, and mental health plans. Through interagency agreements, OAHA also provides a quasi-judicial forum to hear appeals arising from actions taken by sister agencies, such as the California Departments of Public Health and Social Services.
Office of Civil Rights (OCR)
OCR is responsible for overseeing compliance with various federal and state civil rights laws and implementing regulations and executive orders, which pertain to employment and services by DHCS and its contractors, to ensure nondiscrimination in the access and delivery of health care services provided or administered by DHCS. OCR provides guidance, coordination, monitoring, training, and investigation of issues related to DHCS employees through the Internal Equal Employment Opportunity Program (Title VII), External Civil Rights Compliance Program (Title VI), and Reasonable Accommodation Program. Also, OCR coordinates and develops technical, prevention, and sensitivity awareness training that deals with Equal Employment Opportunity and disability issues, and resolves complaints of discrimination via counseling, informal reviews, investigations, and mediations filed by DHCS applicants and employees.

Office of Communications (OC)
OC is responsible for overall DHCS communications and outreach activities designed to engage the media, general public, intergovernmental organizations, stakeholders, and other groups interested in the Department's agenda. OC develops and executes communication strategies to support the goals and objectives of the Department, and serves as the central conduit of information for the Department, working to provide clear, concise information about complex subject matters pertaining to DHCS activities. OC is the primary point of contact for the news media, providing reporters with information and clarifications, as well as arranging interviews with DHCS leadership and program experts. OC drafts statements and press releases, conducts interviews and background briefings, and stages press conferences. OC also develops and refines communications for various Department public meetings with key stakeholder groups, ensuring communications are tailored to the specified audience to maximize awareness and support of departmental programs. OC works with program staff on stakeholder engagement efforts to ensure interaction with stakeholder groups is clear, consistent, and timely. Additionally, OC reviews the content and look of DHCS' public education and outreach programs, and the OC Web Unit oversees the Department’s public website and social media outlets, managing its look, usability, and content. The web unit develops and oversees the policy and standards for publishing online content, including accessibility according to the American with Disabilities Act.

Office of Family Planning (OFP)
OFP is charged by the California Legislature “to make available to citizens of the state who are of childbearing age comprehensive medical knowledge, assistance, and services relating to the planning of families.” The purpose of family planning is to provide women and men a means by which they decide for themselves the number, timing, and spacing of their children. OFP administers the Family Planning, Access, Care, and Treatment (Family PACT) program. Family PACT is California’s innovative approach to provide comprehensive family planning services to eligible low-income (under 200 percent of the federal poverty level) residents of California. Family PACT serves one million eligible low-income men and women of childbearing age through a
network of 2,200 public and private providers. In addition, OFP has lead responsibility of the family planning and reproductive health services policy development and administration for Medi-Cal writ large.

**Office of Legal Services (OLS)**

OLS provides comprehensive preventive, strategic, and litigation-related advice and representation to the directorate and all departmental programs. OLS' attorneys, paralegals, analysts, and support staff are distributed among five large legal teams and two smaller units, each of which focus on a set of particular areas of departmental legal work:

- The Administrative Litigation Team represents DHCS in administrative hearings before the Office of Administrative Hearings and Appeals, State Personnel Board, and other state entities. It coordinates with the Attorney General’s Office when administrative litigation decisions are challenged. It also provides legal services to personnel-related divisions, including the Human Resources Branch and Office of Civil Rights.
- The Health Care Benefits and Eligibility Team is responsible for providing legal services to the Medi-Cal Eligibility, Primary, Rural and Indian Health, Pharmacy Benefits, Medi-Cal Dental Services, Medi-Cal Benefits, California Medicaid Management Information System, and Enterprise, Innovation and Technology Services divisions and the Office of Family Planning.
- The Health Care Delivery Systems Team provides legal services to the Integrated Systems of Care, Managed Care Operations, Managed Care Quality and Monitoring, Audits and Investigations, Provider Enrollment, and Third Party Liability divisions.
- The Behavioral Health Services team provides legal services to the Medi-Cal Behavioral Health, Community Services, and Licensing and Certification divisions.
- The Health Care Financing and Rates Team provides legal services and rates matters for all DHCS divisions. In addition, this team supports as house counsel for the Capitated Rates Development, Fee-For-Service Rates Development, and Safety Net Financing divisions.

OLS also contains two sub-specialty units: the Privacy Office, which is staffed by attorneys dedicated to privacy and information security issues and solutions; and the Office of Regulations, which is responsible for ensuring the consistency and accuracy of all emergency and permanent regulations that DHCS promulgates.

**Office of the Medical Director (OMD)**

OMD provides leadership on the Department’s quality improvement efforts and leads a number of cross-division efforts within DHCS. OMD coordinates the development and evaluation of, and revisions to, the DHCS Comprehensive Quality Strategy, which provides a summary of work being done to assess and improve the quality of health
care and services paid for by the Department. The report outlines DHCS’ process for developing and maintaining a broader strategy to assess the quality of care that beneficiaries receive, regardless of delivery system, and then define measurable goals and track improvement while adhering to regulatory managed care requirements. The Quality Strategy includes all of California’s Medicaid managed care delivery systems as well as programs outside of managed care delivery systems. OMD also works with other payers in California to align quality metric reporting across payer systems, when possible.

In addition, as part of OMD’s overarching work on quality, OMD oversees two quality improvement incentives programs: Public Hospital Redesign and Incentives in Medi-Cal (PRIME) and Quality Incentive Pool (QIP). PRIME is part of the Section 1115 waiver, known as Medi-Cal 2020, that is designed to accelerate efforts to change care delivery, maximize health care value, and strengthen public hospitals’ ability to successfully perform under risk-based alternative payment models. A total of 17 Designated Public Hospitals (DPHs) and 35 District and Municipal Public Hospitals (DMPHs) participate in PRIME. The QIP program is a managed care-directed payment program, allowed under 42 Code of Federal Regulations (CFR) 438.6(c), designed to promote access to care, value-based payments, and tie funding to quality outcomes, while at the same time further aligning state, managed care plan, and hospital system goals. A total of 17 DPHs participate in QIP.

Furthermore, OMD works with the California Office of the Surgeon General to implement training for Medi-Cal providers on trauma screening, leads cross-division work on addressing health disparities within the Medi-Cal population, coordinates DHCS efforts to address California’s opioid epidemic, and serves as DHCS’ point of contact for internal and external stakeholders regarding issues needing medical expertise.

**Pharmacy Benefits Division (PBD)**

PBD is responsible for DHCS’ fee-for-service (FFS) Medi-Cal drug program and for the management of the Medi-Cal managed care pharmacy program. PBD is comprised of six branches: Pharmacy Policy, Pharmacy Data, Pharmacy Operations, Enteral and Medical Supplies, Drug Contracting, and Drug Rebates. In addition, the FFS Vision Services program falls under the purview of PBD. PBD has primary responsibility for ensuring outpatient prescription drug coverage is provided to FFS Medi-Cal beneficiaries and that Medi-Cal managed care plans provide a comparable pharmacy benefit to their Medi-Cal members. PBD contracts with drug and medical supply manufacturers as well as some specialty providers to ensure they meet specific criteria, including safety, effectiveness, and essential need, and to eliminate the potential for misuse. In exchange for the ability to contract with Medi-Cal, manufacturers provide rebates to the program. California’s rebate program is considered one of the most aggressive in the country.
**Primary, Rural, and Indian Health Division (PRIHD)**
The mission of PRIHD is to improve the health status of diverse population groups living in medically underserved urban and rural areas. PRIHD administers the Rural Health Services Development, Seasonal and Agricultural Workers, Indian Health, California State Office of Rural Health, Medicare Rural Hospital Flexibility, Small Rural Hospital Improvement, Emergency Preparedness & Response, and J-1 Visa Waiver programs. The division functions as the primary liaison for providers and other stakeholders concerned with rural health, Indian health, and primary care services provided by clinics. PRIHD works with rural health constituents to provide training and technical assistance to strengthen the rural health care infrastructure. PRIHD has lead responsibility to ensure that DHCS complies with federal requirements to seek advice from tribes and Indian health program designees on proposed changes to the Medi-Cal program that have a direct impact on Indians and Indian health providers. Additionally, PRIHD assists in the development of Medi-Cal policies affecting federally qualified health centers, rural health clinics, and Indian health clinics.

**Provider Enrollment Division (PED)**
PED is responsible for frontend program integrity by conducting the review and appropriate action on fee-for-service (FFS) applications for providers seeking to participate directly or indirectly in the FFS Medi-Cal program. PED conducts monthly monitoring and re-enrollment/revalidation efforts to ensure quality care through eligible providers and to prevent fraud, waste, and abuse. PED ensures that all applicants meet licensure requirements and participation standards defined by federal and state statutes and regulations. PED maintains the Provider Master File database used by the claims payment process to verify the eligibility of providers submitting claims. PED also manages Provider Application and Validation for Enrollment, a web-based application designed to simplify and accelerate enrollment processes. Providers can utilize the portal to complete and submit applications, report changes to existing enrollments, and respond to PED-initiated requests for continued enrollment or revalidation.

**Research and Analytic Studies Division (RASD)**
RASD compiles statistics and develops analytic products that inform policy and assist DHCS in achieving its mission and goals. Since 1966, RASD has served as the Department’s statistical bureau. RASD develops objective and credible Medi-Cal statistics describing caseload, utilization, and expenditures. RASD often serves as an in-house analytic resource, advancing information to inform policy decisions within the Department, and developing critical analyses supporting key initiatives, such as Medi-Cal demonstration waivers. RASD produces monthly publications reporting high-level program enrollment statistics, as well as in-depth reports on Medi-Cal-financed births, and access to services in Medi-Cal’s fee-for-service delivery system. In addition to these documents, RASD periodically publishes statistical briefs that provide readers with short, succinct summaries of various complex Medi-Cal topics, and provides training to Department staff on how to utilize available resources, such as interactive enrollment pivot tables, to conduct their own research and analytic
studies. RASD provides analytic support in the development of the November and May Medi-Cal Estimates created by Medi-Cal’s Fiscal Forecasting Division.

**Safety Net Financing Division (SNFD)**
SNFD is responsible for the administration of approximately 30 supplemental payment programs that are authorized in the Medicaid State Plan and Medicaid Section 1115 waivers. These programs are designed to maximize federal dollars and provide additional reimbursement to various providers to reduce their uncompensated care costs. SNFD-administered programs use a variety of federally approved financing arrangements, such as certified public expenditures, intergovernmental transfers, and special funding sources, authorized in state law.

Among its various responsibilities, SNFD evaluates Designated Public Hospital costs, reviews rates and inpatient hospital reimbursement, oversees the development of fiscal policy for California’s comprehensive waivers, supervises the calculation of funding owed by counties via the county realignment program, and allocates federal funds to hospitals participating in the Disproportionate Share Hospital (DSH) and Global Payment Programs (GPP).

SNFD also administers the hospital Diagnosis Related Group reimbursement process, and implements and monitors the Hospital Quality Assurance Fee Program, which provides private hospitals with significant reimbursement for inpatient and outpatient services provided to Medi-Cal beneficiaries, and generates funding for children’s health care coverage and public hospital grants. Finally, SNFD monitors subacute facilities to ensure contract compliance so that one of California’s most vulnerable populations receives the level and quality of care required.

**Third Party Liability and Recovery Division (TPLRD)**
TPLRD ensures that the Medi-Cal program complies with state and federal laws and regulations requiring that Medi-Cal be the payer of last resort. TPLRD accomplishes this by recovering Medi-Cal expenses from liable third parties and avoiding Medi-Cal cost by identifying or purchasing alternative health care coverage. TPLRD’s recovery programs (i.e. Personal Injury, Worker’s Compensation, Special Needs Trust, Estate Recovery, and Overpayments) account for approximately $400 million in annual revenue. Additionally, TPLRD’s cost-avoidance programs annually process more than 400 million commercial insurance records and pay Medicare premiums for 1.4 million dual eligible beneficiaries, avoiding billions in Medi-Cal costs. TPLRD is also responsible for the collection of provider quality assurance fees and managed care organization taxes totaling approximately $7.1 billion annually.