DHCS Division Descriptions
August 2018

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;
- ensures fiscal accountability of programs by overseeing the financial management of DHCS, including budget development and oversight;
- provides responsive and reliable employee support and human resource management systems;
- provides workforce planning and development, strategic planning, and organizational development services;
- 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; and
- 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 fiscal integrity of the health programs administered by DHCS and to ensure that a high quality of care is provided to the 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;
ensures accountability of state and federal health care funding and recovers identified overpayments, where appropriate;

identifies and investigates Medi-Cal provider and beneficiary fraud, waste, and abuse, emphasizing fraud prevention;

performs internal audits of DHCS programs to ensure the adequacy and effectiveness of internal controls;

performs special audits as needed by DHCS executive management, programs, the California Health and Human Services Agency, and the Governor’s Office;

provides technical assistance and audited data (internally and externally) on various aspects of health care financing and delivery; and

provides technical assistance (financial and medical) for the development and enhancement of DHCS health programs and related policy.

**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 more than 150,000 providers of medical services for 13.3 million Medi-Cal recipients. 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) Division
This division operates and maintains CA-MMIS, which allows approximately 11.3 million Medi-Cal beneficiaries to receive health care services via the Medi-Cal program administered by DHCS and CA-MMIS processes. CA-MMIS is responsible for all activities associated with the usage of California’s information technology system, which processes and pays approximately $19 billion annually in Medi-Cal fee-for-service health care claims, as well as claims for other DHCS health care programs. The division is responsible for the overall administration, management, oversight, and monitoring of the fiscal intermediary (FI) contract and all services provided under the contract. FI services include the operation of a telephone service center and provider relations functions (publications, outreach, and training); system operations, updates, and enhancements; processing eligibility inquiry transactions, treatment authorization requests, and service authority requests; and processing more than four million claims per week. Under the division’s direction and leadership, the FI is also responsible for planning, developing, designing, testing, and implementing a new MMIS that will represent current technology consistent with federal requirements, and support a service-oriented architecture, consistent with increasing DHCS’ Medicaid Information Technology Architecture maturity.

Capitation 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. The Actuary Unit calculates and certifies capitation rates by county or geographical region for each Medi-Cal population aid category. Capitation rates are developed to provide reasonable, appropriate, and attainable costs for Medi-Cal services under each MCO’s contract. CRDD collaborates with CMS to obtain federal approval to implement the capitation rates. CRDD partners with MCOs, hospital associations, and other DHCS divisions to implement various managed care financing policies to comply with new state or federal requirements governing Medicaid managed care rate setting and financing. CRDD performs budget analyses for policies for the biannual Medi-Cal Estimate and analyzes legislative impacts on Medi-Cal managed care program costs. Furthermore, CRDD ensures the timely reporting of financial and accounting data 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 post claims oversight for services provided to fee-for-service (FFS) Medi-Cal beneficiaries through its network of medical, pharmacy, and administrative units located throughout the state. CAASD provides post claims oversight for inpatient hospital services utilizing either an evidence-based standardized tool to determine medical necessity for hospital days and services, or a Diagnosis Related Group (DRG) methodology. CAASD’s post claims oversight activities ensure compliance with Medi-Cal policies and applicable state and federal requirements. CAASD also provides cost-effective utilization controls by reviewing and adjudicating
Treatment Authorization Requests (TARs) for certain medical procedures, services, including private duty nursing and pediatric day health care, and drugs for FFS Medi-Cal beneficiaries prior to payment for services. CAASD also provides cost effective utilization controls by reviewing and adjudicating Service Authorization Requests (SARs) for the Genetically Handicapped Persons Program (GHPP). GHPP provides case management and coordination of treatments for eligible adults with genetically handicapping conditions, such as hemophilia, cystic fibrosis, sickle cell disease, phenylketonuria, Huntington’s disease, and Von Hippel-Lindau Disease. Additionally, through the Pre-Admission Screening and Resident Review (PASRR) program, CAASD provides policy direction and support to nursing facilities and acute care hospitals in their completion of federally mandated mental health screening for all residents entering Medicaid-certified nursing facilities.

**Enterprise Innovation Technology Services (EITS) Division**
EITS is responsible for architecting, building, and delivering secure innovative technology solutions and services that drive health care quality, and for IT strategy formulation, enterprise architecture, enterprise project and portfolio management, and enterprise governance. EITS delivers customer service by providing a secure, reliable information technology environment to support the programs and administrative objectives of DHCS, the Health and Human Services Agency, Office of Health Information Integrity, and Office of the Patient Advocate. EITS establishes information technology architecture, policy, and standards, ensuring 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 program systems as well as system modernization efforts, including the Medi-Cal Eligibility Data System (MEDS), California Medicaid Management Information System (CA-MMIS), California Dental Medicaid Management Information System (CD-MMIS), Behavior Health Systems, and Health Care Options (HCO) systems. EITS supports the interface with California Healthcare Eligibility, Enrollment and Retention System (CalHEERS), and provides quality application and data services to DHCS programs. EITS facilitates the successful completion of business and information technology projects undertaken by DHCS and manages the 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 non-institutional and long-term care services, performing analyses for General Fund cost savings/avoidance proposals and rate methodologies, and assisting the Office of Legal Services in defending DHCS in legal actions. FFSRDD serves as a point of contact on matters pertaining to Medi-Cal non-institutional and long-term care 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 drafts legislation and submits State Plan Amendments regarding changes to provider reimbursements. In addition, FFSRDD administers a quality assurance fee program that collects more than $500 million annually.

**Fiscal Forecasting Division (FFD)**
The FFD serves as DHCS’ local assistance fiscal expert. It prepares two Medi-Cal Estimates per year that are the basis for a portion of the Governor’s Budget and the May Revision to the Governor’s Budget. The Medi-Cal Estimate includes the estimate of Medi-Cal caseload and more than $100 billion in local assistance expenditures. These local assistance expenditures include costs for services, county eligibility activity, fiscal intermediary claims processing activity, and certain related administrative activity. In addition to the Medi-Cal Estimate, FFD produces a semi-annual $270 million Family Health Estimate that covers certain state programs outside of Medi-Cal. These include the non-Medi-Cal portions of California Children’s Services and the Genetically Handicapped Person’s Program as well as the Child Health and Disability Prevention Program and Every Woman Counts. FFD is also responsible for fiscal analyses used for policy decisions, legislation, and regulations.

**Health Policy Unit (HPU)**
Under the leadership of the Associate Director, 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 coordination and reporting for the Medi-Cal 2020 Section 1115 waiver; coordination and submission of Medicaid State Plan Amendments; tracking and analyzing federal legislation and regulations; coordination with philanthropic foundations; and serving as the business lead for DHCS’ Medicaid Information Technology Architecture (MITA) efforts.

**Information Management Division (IMD)**
The 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 Medical Information Officer (OCMIO), Office of HIPAA Compliance (OHC), and Office of Health Information Technology (OHIT).

- The OCMIO 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.
• The 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. The OHC also serves as the DHCS lead for measuring and monitoring progress against the Medicaid Information Technology Architecture (MITA) framework.

• The OHIT is responsible for administering the Medi-Cal Electronic Health Record (EHR) Incentive 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. The OHIT also leverages enhanced federal funding to support initiatives facilitating health information exchange and interoperability amongst diverse Medi-Cal providers.

Integrated Systems of Care Division (ISCD)
ISCD oversees specialty programs serving approximately one million beneficiaries throughout California, including infants, children, youth, adults, and older adults experiencing medical complexity due to chronic illness or numerous health conditions. ISCD oversees Medicaid waiver or specialty services not included in the approved State Plan that augment, or extend a State Plan service beyond approved limits and services as approved by CMS. This includes eight Home- and Community-Based (HCB) 1915(c) waivers: HCB Alternatives, Assisted Living, Pediatric Palliative Care, In Home Operations, 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). ISCD oversees numerous specialty services for distinct populations, such as California Children’s Services (CCS), Genetically Handicapped Persons Program, and Program of All Inclusive Care for the Elderly (PACE), and operates the California Partnership for Long-Term Care insurance program, which works to reduce dependency upon Medi-Cal. ISCD’s role includes implementation, administration, monitoring, and oversight, including legislative, program and policy analysis, and recommendations for both waiver and specialty programs. ISCD works regularly with sister divisions within DHCS, as well as departments across California, in the implementation, oversight, and monitoring of programs.

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 Branch, Policy and Medical
Monitoring Branch, and Data Analytics Branch. 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 the operational and program activities to meet the needs of providing health care to approximately nine 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, Cal MediConnect health plans, and San Benito Models – as well as oversees the transitional activities that are necessary when transitioning populations into a managed care delivery system. MCOD is comprised of two branches – Managed Care Systems and Support Branch and Managed Care Operations Branch. The key functions of these branches include the Office of the Ombudsman, plan enrollment systems, payment systems, contract processing, internal operations support for managed care, and acting as a liaison between the division and CalHEERS.

**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. The division contracts with a dental fiscal intermediary and a dental administrative services organization for the dental FFS delivery system and three managed care contractors for the DMC program. The FFS contract is held by two contractors that administer the dental FFS program, while the DMC component encompasses three Geographic Managed Care (GMC) plans and three Prepaid Health Plans (PHP) to collectively provide dental care to approximately 13.3 million Medi-Cal beneficiaries. FFS is available statewide, GMC is mandatory in Sacramento County, and PHP is optional in Los Angeles County. MDSD is responsible for the contract oversight and monitoring of all dental FFS and DMC contracts for the provision of 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 Enterprise Innovation 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 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.

**Mental Health Services Division (MHSD)**
MHSD administers, oversees, and monitors community mental health programs, including, but not limited to, the Medi-Cal Specialty Mental Health Services (SMHS) program and the Mental Health Services Act (MHSA). MHSD consists of four branches: Licensing and Certification, Mental Health Management and Performance Outcomes, Program Monitoring and Compliance, and Program Policy and Quality Assurance. MHSD is responsible for state oversight of community mental health programs, facilities, and providers to ensure compliance with state and federal requirements. The division implements program changes related to community mental health services required by state and federal statute and regulation. DHCS is the single state Medicaid agency and MHSD is the liaison with CMS for mental health services in California, and provides mental health program subject matter expertise and technical assistance to other state departments and agencies, mental health plans and other local mental health programs, and managed care health plans. MHSD facilitates county and federal reimbursement processes, establishes program and fiscal policies, administers and distributes federal grants, and oversees the state’s fiscal and outcomes responsibilities for SMHS and the MHSA.

**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 provider audits and rate determinations; 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 the overall communications and outreach activities of DHCS. The office 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 crafts statements and press releases, conducts interviews and background briefings, and stages press conferences. OC also reviews the content and look of DHCS’ public education and outreach programs, and the OC Web Unit oversees the department’s public website, 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% of the federal poverty level guidelines) residents of California. Family PACT serves one million income eligible men and women of childbearing age through a network of 2,200 public and private providers.

**Office of Legal Services (OLS)**
OLS provides comprehensive preventive, strategic, and litigation support services to the directorate, DHCS employees, and all departmental programs. Also, OLS often
is tasked with providing DHCS legal analyses to control agencies. OLS attorneys and paralegals regularly interface with the Attorney General’s Office on all DHCS-related litigation. OLS' 85 attorneys and 12 paralegals 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, the State Personnel Board, and other state entities. It liaisons with the Attorney General’s Office when administrative litigation decisions are challenged, and it handles the bulk of DHCS' legal personnel functions, which include house counsel personnel support to all programs, including the Human Resources Branch, Office of Civil Rights, and Director’s Office, on employment-related and conflict of interest-related legal issues.

- The Health Care Benefits and Eligibility Team is responsible for providing a broad spectrum of legal support services to the Director, the Chief Deputy Directors, Deputy Director for Health Care Benefits and Eligibility, and Chiefs of the Medi-Cal Eligibility Division, Primary and Rural Health Division, Pharmacy Benefits Division, Medi-Cal Dental Services Division, Medi-Cal Benefits Division, Office of Family Planning, and other divisions as needed.

- The Health Care Delivery Systems Team provides advice and consultation on a broad spectrum of legal issues to the Director, Chief Deputy Directors, and Deputy Directors for Health Care Delivery System, Audits and Investigations, Provider Enrollment, and Third Party Liability divisions.

- The Mental Health and Substance Use Disorder Services team provides a broad spectrum of legal support services to the Director, Chief Deputy Directors, Deputy Director for Mental Health and Substance Use Disorder Services, and all programs under the Mental Health Services Division and the Substance Use Disorder Divisions.

- The Health Care Financing and Rates Team provides advice and consultation on legal issues and manages litigation support on financing and rates matters for all DHCS divisions. In addition, this team supports as house counsel the following divisions within DHCS: Capitated Rates Development, Fee-For-Service Rates Development, and Safety Net Financing.

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 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.

**Office of Medi-Cal Procurement (OMCP)**
OMCP is an internal consulting and advisory group within DHCS. OMCP’s function is to conduct major procurements and write contracts in support of the various divisions and offices of the Medi-Cal program. These procurements may take the form of Requests for Proposal (RFP) and Requests for Application (RFA), depending upon the services being sought. OMCP is responsible for the entire process, from the development of the procurement documents to the evaluation of any proposals received in response to those documents to the development and approval (from the Department of General Services and CMS) of the contract documents. All Medi-Cal procurement and contracting procedures are conducted with the highest integrity, with the goal of producing procurement documents and contracts that are effective and cost-efficient for the Medi-Cal program.

**Office of the Medical Director (OMD)**
OMD works with divisions and offices across DHCS to improve population health, enhance clinical quality, and reduce per capita costs. OMD coordinates the DHCS Strategy for Quality Improvement in Health Care (DHCS Quality Strategy), which is a blueprint to advance these three linked goals. The DHCS Quality Strategy documents DHCS’ progress in population health and clinical quality as well as future areas of program development. OMD provides clinical, policy, analytic, Lean management, and quality improvement support to a variety of departmental programs, including the Medi-Cal 2020 waiver. It also has used competitive grant funding in several areas to advance the DHCS Strategic Plan. Areas of focus include prevention, clinical quality patient safety, population health, and eliminating health disparities and inequities.

**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 programs that seek to improve and make accessible comprehensive primary care services and other public health services for persons at risk, including the uninsured or indigent and those who would otherwise have limited or no access to services due to geographical, cultural, or language barriers. Those programs are: Rural Health Services Development (RHSD), Seasonal and Agricultural Workers (SAMW), Indian Health (IH), California State Office of Rural Health (CalSORH), Medicare Rural Hospital Flexibility (FLEX) Program, Small Rural Hospital Improvement Program (SHIP), Emergency Preparedness Office, and J-1 Visa Waiver. The division functions as the primary liaison for providers and other stakeholders concerned with rural health, Indian health, and primary care clinics. PRIHD works with rural health constituents to provide training and technical assistance to strengthen the rural health care infrastructure. PRIHD has lead responsibility in ensuring 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. PRIHD also administers the American Indian Maternal-Child Health Program. 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.

**Research and Analytic Studies Division (RASD)**
RASD compiles official 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 official statistical bureau. RASD develops objective and credible official 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. The Medi-Cal program is inherently complex and in recent years has seen unprecedented growth as a result of
enrollment increases stemming from the Affordable Care Act. The Medi-Cal population is also highly heterogeneous, composed of an assortment of demographic, administrative and clinical groups. RASD provides institutional knowledge to assist administrators and policymakers in cutting through the thicket of statutes, court rulings, and State Plan Amendments that have shaped the program. RASD produces monthly publications, posted to the DHCS intranet, 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 providing 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. With Medi-Cal now serving nearly one-third of California’s total population, the statistics generated by RASD are valued by internal policymakers, control agencies, and external stakeholders.

Safety Net Financing Division (SNFD)
SNFD administers supplemental payments per the “Bridge to Reform” Section 1115 Medicaid Waiver and the Medicaid State Plan.

- The Medi-Cal Supplemental Payment Section processes and monitors payments to hospitals and other types of providers for various supplemental programs and administers the hospital Quality Assurance Fee program.
- The Hospital/Uninsured Demonstration and Subacute Section evaluates designated public hospital costs and rates, oversees the development of the fiscal aspects of California’s comprehensive waiver, oversees the Designated Public Hospital’s inpatient hospital reimbursement methodology, oversees county realignment, and administers the Subacute Care Program.
- The Administrative Claiming, Local, and School Services Branch provides federal reimbursement to counties and school districts for administrative activities, targeted case management, and certain medically necessary school-based services.
- The Disproportionate Share Hospital (DSH) Financing and Non-Contract Hospital Recoupment Branch reimburses DSH-eligible hospitals for uncompensated care costs for hospital services, processes supplemental payments for outpatient hospital services, and recoups overpayments for inpatient hospital services provided by non-contract hospitals.
- The Diagnosis Related Group (DRG) Section is responsible for monitoring the financial performance of the payments to maintain budget neutrality and ensure the integrity of DRG reimbursement. Under DRG reimbursement, hospitals are paid for services based upon patient acuity by grouping clinical characteristics into diagnosis groups instead of receiving higher reimbursement based upon volume of services or hospital stays.
Strategic Planning & Workforce Development Branch (SPAWDB)
In response to the Directorate’s vision to establish a branch dedicated to developing, implementing, and maintaining workforce analysis, recruitment, and retention, SPAWDB was officially established in July 2008. SPAWDB has since become the foundation of DHCS’ Strategic Plan, leading the Department’s workforce planning, training, and recruiting efforts. SPAWDB attracts, develops, and retains a highly qualified, diverse workforce by offering opportunities to motivated individuals striving for professional development within DHCS. SPAWDB develops and offers leadership development programs, customized trainings, career counseling, and resources designed to support the upward mobility of all DHCS employees.

Substance Use Disorder Compliance Division (SUDCD)
SUDCD is responsible for ensuring that licensed and certified substance use disorder providers comply with state and federal laws, regulations, and other governing requirements. The division oversees the licensing and certification functions, which include approval of initial applications, renewals, licensing and certification fines and fees, monitoring, site visits, technical assistance, complaint investigations, and death investigations. SUDCD also enacts all licensing and certification actions, including deficiencies, corrective action plans, appeals, suspensions, revocations, and court actions. The licensing and certification functions are for Driving-Under-the-Influence programs, Narcotic Treatment Programs, and outpatient and residential substance use disorder providers. In addition, the division ensures compliance with the statewide criminal justice treatment programs and oversees the SUD counselor certification system. SUDCD is responsible for implementing the Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver, which provides a continuum of care modeled after the American Society of Addiction Medicine Criteria for SUD treatment services. The division is implementing both the State Targeted Response to the Opioid Crisis and the State Overdose Response Grants, which are both aimed to improve, expand, and increase access to Medication Assisted Treatment to combat the opioid epidemic.

SUD Program, Policy and Fiscal Division (SUD-PPFD)
The SUD-PPFD consists of two branches responsible for the regulatory, programmatic, administrative, and fiscal oversight of the Drug Medi-Cal (DMC) program, which provides medically necessary SUD treatment services to eligible Medi-Cal beneficiaries. The division is also responsible for the implementation of the DMC-ODS pilot, which is a component of the Medi-Cal 2020 waiver. The DMC-ODS is intended to expand access to SUD services and improve health outcomes. In addition, the division administers two federal grants from the Substance Abuse and Mental Health Services Administration: the Substance Abuse Prevention and Treatment Block Grant and the Strategic Prevention Framework Partnerships for Success Grant.
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., estate recovery, casualty insurance, and overpayments) account for $350 million in yearly revenue. Additionally, its cost avoidance programs process more than 600 million commercial insurance records annually and pay Medicare premiums for more than 1.3 million dual eligible beneficiaries, avoiding billions in Medi-Cal costs. TPLRD is responsible for the collection of provider Quality Assurance Fees totaling approximately $5.3 billion each year. TPLRD routinely assists policy divisions with recovery functions and is currently collecting for Denti-Cal, the Dental Transformation Initiative, Electronic Health Records, and overpayments.