

**California Department of Health Care Services
Proposed Trailer Bill Language**

Proposition 56 Value-Based Payments Program

FACT SHEET

Issue Title: Proposition 56 Value-Based Payments Program. This proposal would provide authority for the Department of Health Care Services (DHCS) to institute targeted value based payments (VBP) programs in Medi-Cal Managed Care.

Background: The Governor’s budget proposes to allocate \$180 million in Proposition 56 funding, and associated federal funding, to provide incentive payments to providers for meeting specific measures aimed at improving care for high-cost, high-need, vulnerable populations. While managed care plans (MCPs) today operate various VBP and related programs, this proposal would allow DHCS to specifically require all plans to pay incentives that meet the requirements of the VBP programs.

Justification for the Change: This proposal would authorize DHCS to provide incentive payments to providers who meet specified criteria. This proposal will improve the care delivery and health care outcomes of vulnerable Medi-Cal beneficiaries.

Specifically this proposal would:

- Require DHCS to implement VBP programs, contingent on federal approval, no earlier than July 1, 2019, and for a period no shorter than three fiscal years.
- Require designated MCPs to make the VBP payments to providers that meet the requirements as determined by DHCS.
- Specify that payments made under the VBP programs would be in addition to other payments made by the MCPs to providers.
- Create targeted VBP programs aimed at:
 - Improving behavioral health integration
 - Improving prenatal and postpartum care
 - Improving chronic disease management
 - Improving the outcomes and quality of care for children enrolled in Medi-Cal managed care
- Provide authority to the Department to determine the methodologies of the VBP programs and flexibility to modify the newly established VBP programs.

Summary of Arguments in Support: This proposal would improve overall health care quality and outcomes of Medi-Cal MCP enrollees and incentivize providers to make targeted improvements in critical areas.

BCP Issue # and Title: BCP 4260-028-BCP-2019-GB, “Prop 56 Staffing”

Estimate Issue # and Title: Policy Change 205, “Prop 56 – Value-Based Payment Program”