

**Department of Health Care Services
Proposed Trailer Bill Legislation**

California Children’s Services Whole Child Model Expansion in County Organized Health Systems (COHS) Counties and Mandatory Managed Care Enrollment of Foster Care Children in new Single Plan and COHS Counties

FACT SHEET

Issue Title: Whole-Child Model Expansion for the California Children’s Services Program in County Organized Health Systems (COHS) Counties and Mandatory Managed Care Enrollment of Foster Care Children in new Single Plan and COHS Counties.

The Department of Health Care Services proposes to: 1) implement the California Children’s Services (CCS) Whole-Child Model (WCM) in the 12 counties converting to County Organized Health System (COHS) as part of the county model change; and 2) mandatorily enroll Foster Care children in Single Plan counties in order to align policies in all Medi-Cal Managed Care Plan (MCP) models where there is a single plan operating in the county.

Background: In 2021, DHCS began a statewide procurement process of commercial MCPs for the new MCP contract effective January 1, 2024. Through that process, counties had the opportunity to change the plan model that operates in their county. Pending federal and State authority, DHCS conditionally approved plan model changes in 17 counties, with 12 of the counties transitioning to a COHS model¹. DHCS proposes to align policies for WCM in COHS counties and mandatory managed care enrollment for Foster Care children in the new Single Plan and COHS counties. Standardizing these policies will help support consistency with how benefits, services, and managed care practices are applied.

WCM Expansion

Specifically for WCM, the benefits of integrating Medi-Cal managed care and CCS fee-for-service (FFS) delivery systems results in:

- Improved care coordination for primary, specialty, and behavioral health services for CCS and non-CCS conditions;
- Care that is consistent with CCS Program standards by CCS paneled providers, specialty care centers, and pediatric acute care hospitals; and
- Increased consumer protections, such as continuity of care, oversight of network adequacy standards and quality performance.

Existing law requires DHCS to establish and administer the CCS Program to provide diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with CCS-eligible medical conditions (Health and Safety Code Section 123800 et seq.). SB 586 (Hernandez, Chapter 625, Statutes of 2016) authorizes DHCS to establish the WCM program in designated COHS or Regional Health Authority counties to incorporate CCS services for Medi-Cal eligible CCS children and youth into an MCP contract. The primary goal

¹ Two counties are transitioning to a two-plan model and three counties are implementing a new county-led Single Plan model. See [County-Model-Change-Information \(ca.gov\)](https://www.ca.gov/county-model-change-information).

of WCM is providing comprehensive treatment and focusing on the whole child, including the child's full range of needs rather than only on the CCS-eligible condition.

Under WCM, CCS members who are enrolled in an MCP receive their CCS specific services through the MCP instead of the county CCS Program. This means that CCS members and their families do not have to navigate between their county and MCP to receive their Medi-Cal covered services – the MCP is responsible for the delivery and coordination of all Medi-Cal covered services. CCS members continue to receive care from their CCS paneled primary care and/or specialty providers. MCPs are responsible to coordinate services necessary to treat CCS-eligible conditions, behavioral health, oral health, preventative services, and all Medi-Cal covered health care services. WCM program standards are consistent with CCS Program standards and are provided by CCS-paneled providers, specialty care centers, and pediatric acute care hospitals. For any specialty types that are not available within the MCPs network, the MCP is required to provide out-of-network access for members needing those provider types to treat their CCS condition.

Furthermore, as CCS members age out of CCS, they can continue receiving services under their MCP assuming other Medi-Cal eligibility criteria are met. This allows for members to seamlessly transition to an adult Medi-Cal managed care member without a break in service. Currently, there are 21 CCS counties and 5 MCPs that participate in WCM.

For the 37 “Classic CCS” counties not participating in the WCM program, those counties are designated as dependent and independent. Dependent counties have a population under 200,000 and administer the CCS Program jointly with DHCS. Independent counties have a population in excess of 200,000 and administer the CCS Program independently.

DHCS recently released *The Whole Child Model Program: Final Evaluation Report* which was an independent evaluation to assess Medi-Cal MCP performance and the outcomes and the experience of CCS-eligible children and youth participating in the WCM program, per SB 586 (Chapter 625, Statutes of 2016).¹ The evaluation, which was delivered to the Legislature on March 30, 2023, broadly found that the WCM had either no difference or positive impact for the majority of CCS participants across the majority of evaluation measures as compared to Classic CCS clients. While the report noted areas of improvement for both WCM and Classic CCS, its overall conclusion was that the WCM maintained services and provided CCS level quality of care for the majority of CCS clients in the WCM; and there were little differences between WCM and Classic CCS on outcomes and satisfaction on most measures.

Mandatory Enrollment of Foster Care Children in Single Plan Counties

Federal Medicaid law prohibits States from requiring Foster Care children to enroll in managed care programs (42 United States Code Section 1396u-2(a)(2)(A)), but in California state law (Welfare and Institutions Code (WIC) Section 14184.200(b)(2)(H)) and Medi-Cal's 1915(b) Waiver and the 1115(a) Waiver allow DHCS to mandatorily enroll Foster Care children in managed care in COHS counties and allow for voluntary enrollment in managed care in all non-COHS counties.

¹ DHCS contracted with the University of California, San Francisco – Philip R. Lee Institute for Health Policy Studies to conduct the evaluation and prepare the evaluation report. The report is available at <https://www.dhcs.ca.gov/services/ccs/Pages/CCSWholeChildModel.aspx>.

Justification for the Change:

WCM Expansion

In alignment with DHCS' statewide procurement and direct contracting process, and counties' request to change their plan model type for the new MCP contract effective January 1, 2024, DHCS proposes to implement WCM in the 12 counties converting to COHS. All 12 counties will be contracting with existing COHS WCM MCPs. Currently, COHS MCPs in WCM counties assume full financial responsibility, with some exceptions, of authorization and payment of CCS-eligible medical services, including but not limited to, service authorization activities, claims processing and payment, case management, and quality oversight. DHCS proposes to implement WCM in COHS expansion counties using a phase-in approach based on CCS county designation. These changes are needed to align the CCS model with the expansion of existing WCM County plan model type changes.

DHCS proposes to take a phased approach to the alignment efforts to allow time for MCP readiness as well as transition of county-specific functions to MCPs:

- Phase 1: implement WCM expansion in the ten COHS expansion counties that have a dependent county designation in the CCS program by 2024. These include: Colusa, Glenn, Nevada, Plumas, Sierra, Sutter, Tehama, Yuba, Mariposa, and San Benito. The COHS plans for these counties are Partnership Health Plan and Central California Alliance for Health. Dependent counties rely on DHCS to conduct certain functions on the counties' behalf (such as service authorizations) and therefore have significantly fewer CCS functions that would transition to the MCP. Additionally, while DHCS must still perform an extensive operational readiness assessment, the COHS plans are already operating WCM and have various key contracts in place with CCS paneled providers and Special Care Centers, and as such, alignment efforts can feasibly be implemented by 2024.
- Phase 2: Implement WCM expansion in the two COHS expansion counties that have an independent county designation in the CCS program by January 1, 2025. The independent counties for the COHS expansion include Butte and Placer. Independent counties administer various CCS functions directly, such as adjudicating service authorization requests. Thus, preparing counties and MCPs will require significant planning and time to ensure a seamless transition of duties and responsibilities.

DHCS' phase-in strategy aligns with feedback received from the impacted counties and MCPs. All MCPs administering WCM will continue to be held accountable to existing requirements in Welfare and Institutions Code Section 14094.11. DHCS will work with COHS expansion counties to ensure that the new counties follow existing CCS protocols in their other COHS counties. DHCS readiness review process for COHS expansion counties will evaluate MCPs networks to assess compliance with CCS-paneled provider requirements.

Mandatory Enrollment of Foster Care Children in Single Plan Counties (WIC Section 14184.200(b)(2)(H))

As the COHS model expands to new counties in 2024, and the COHS-like Single Plan model is implemented in three counties, Foster Care children living in COHS and Single Plan counties will be moved into mandatory managed care. Therefore, DHCS is seeking express statutory authority to include mandatory enrollment of Foster Care children into managed care

in Single Plan counties. DHCS will undertake stakeholder engagement, consider noticing timeline and approach, and obtain State and federal authorization updates needed to implement the policy.

DHCS is currently in the process of seeking federal authority for the Single Plan model through amendments to the CalAIM 1915(b) Waiver and 1115(a) Waiver, which will be submitted to the federal Centers for Medicare and Medicaid Services in November 2022.

Summary of Arguments in Support:

- Standardizing policy for WCM in the new COHS counties and foster care children in the new Single Plan and COHS counties across the State will help ensure consistency with how benefits, services, and managed care practices are applied. Mandatorily enrolling Foster Care children into managed care in the new Single Plan and COHS counties will standardize, simplify and streamline systems to ensure individuals and families receive the care they need without barriers.

BCP or Estimate No. and Title: OA 3: CCS Case Management