Transforming Medi-Cal Managed Care Through Statewide Procurement

Stakeholder Webinar

DHCS

Agenda

» Welcome and Introductions

» Transforming Medi-Cal Managed Care

» New Requirements of Managed Care Plan Partners

» Impact on Medi-Cal Members' Experience

» Ensuring Managed Care Plan Partner Accountability

» Looking Ahead

Medi-Cal Managed Care Request for Proposals (RFP) Resources

» RFP and related information for proposers and other interested stakeholders can be found at the Medi-Cal Managed Care Procurement website.

» An Issue Brief summarizing key components of the new Medi-Cal Managed Care Plan contracts and how they relate to DHCS's vision for Medi-Cal is also available.

A voluntary pre-proposal web conference will be held on February 24 from 1:00 – 2:30 p.m. Register here.

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Medi-Cal Managed Care RFP Timeline

Medi-Cal Managed Care RFP Timeline*	
February 9, 2022	RFP Release
April 11, 2022	Responses Due
August 2022	Notices of Intent to Award
2022 – 2023	Stakeholder Engagement & Communication to Inform MCP Transition Planning
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Transforming Medi-Cal Managed Care

Medi-Cal Managed Care is Central to California's Care Delivery System

Medi-Cal Provides Coverage for:
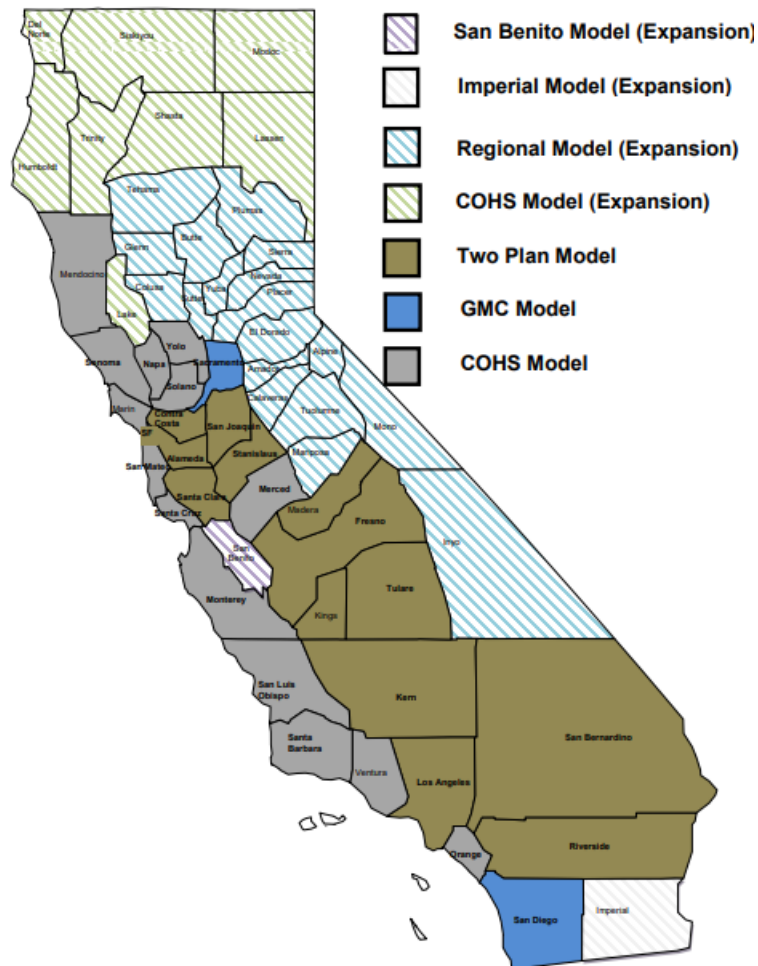
» One in three Californians

» More than half of school-age children

» Half of California births

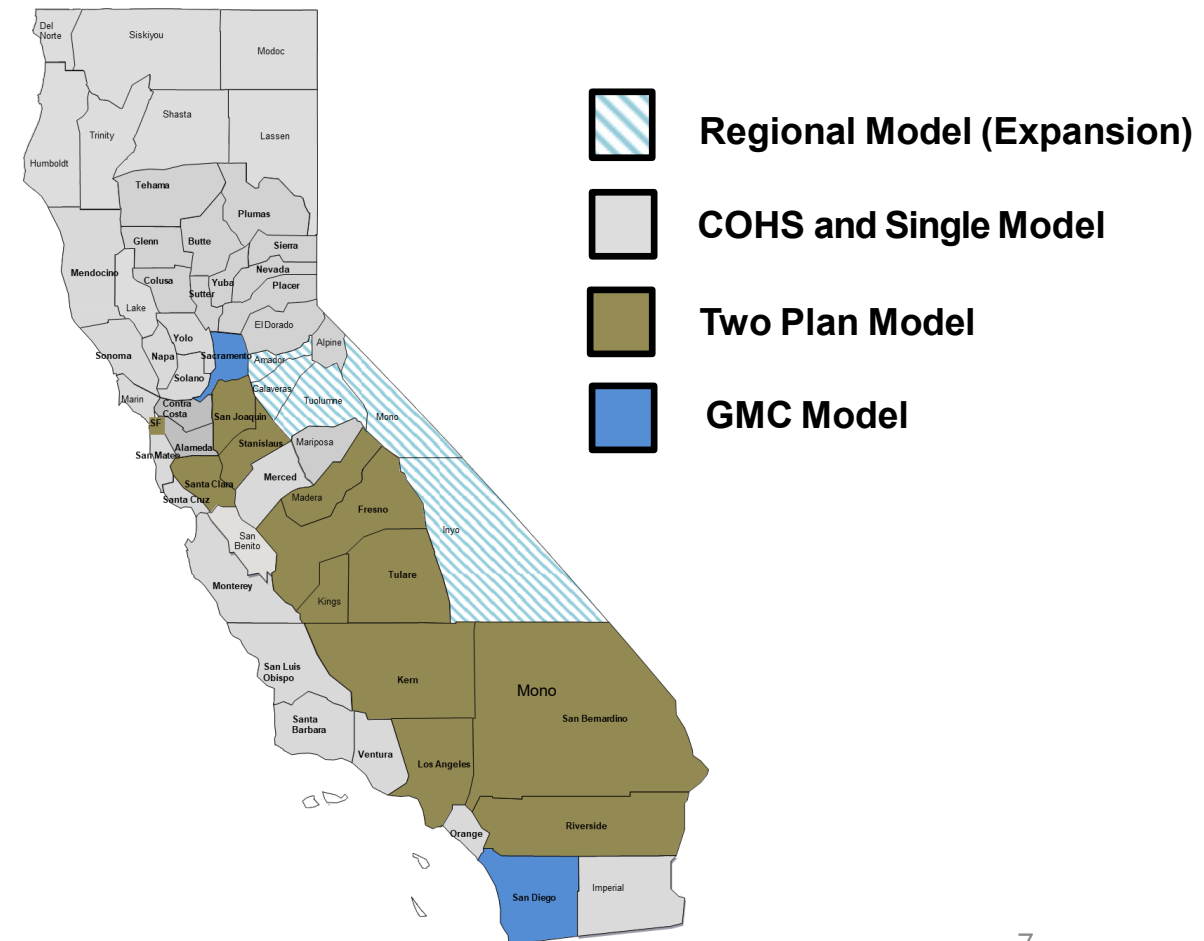» More than two-thirds of long-term care patient days

Medi-Cal Managed Care Plans:

» Partner with the state to deliver health care services for members

» Will enroll approximately 99% of Medi-Cal beneficiaries by 2024

» Will operate in 4 models, effective January 1, 2024, varying by county (*see following slide*)

Seventeen Counties Intend to Change Medi-Cal Managed Care Models

Current Models:

- San Benito Model (Expansion)
- Imperial Model (Expansion)
- Regional Model (Expansion)
- COHS Model (Expansion)
- Two Plan Model
- GMC Model
- COHS Model

Conditionally Approved 2024 Models:*

- Regional Model (Expansion)
- COHS and Single Model
- Two Plan Model
- GMC Model

Pending plan readiness and federal authorization

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DHCS is Transforming Medi-Cal Managed Care Through Multiple Channels

New Mix of High-Quality Managed Care Plans Available to Members

Procurement of Commercial Managed Care Plans

- Competitive proposal process for commercial plans
- Statewide, in counties with a model that includes commercial plans

Model Change in Select Counties

- Conditional approval for 17 counties to change their managed care model
- Subject to federal approval
- Includes a new Single Plan Model and expansion of COHS model

Proposed Direct Contract with Kaiser

- Proposed for 32 counties
- Subject to state and federal approval
- Leverages Kaiser's clinical expertise and integrated model to support underserved areas in partnership with FQHCs

Restructured and More Robust Contract Implemented Across All Plans in All Model Types in All Counties

Improved Health Equity, Quality, Access, Accountability and Transparency

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MCP Procurement Will Amplify Ongoing Investments in DHCS' Vision for Medi-Cal

» **California Advancing and Innovating Medi-Cal (CalAIM)** framework, infrastructure and tools to support and guide statewide improvements in health and well-being, through a whole-system, whole-person, population health approach to equitable and social care

» **Medi-Cal Expansion to All** regardless of immigration status

» **Children and Youth Behavioral Health Initiative**

» **Behavioral Health Continuum Infrastructure Program**

» **Home and Community-Based Services Spending Plan**

» **New Benefits to Support Culturally Competent Services,** including community health workers, doulas and dyadic care

» **Comprehensive Quality Strategy & Equity Roadmap**

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New Requirements of Managed Care Plan Partners

More Robust MCP Contract Includes Provisions Strengthening:

Transparency

Quality of Care

Access to Care

Continuum of Care

CalAIM Initiatives

Coordinated / Integrated Care

Increasing Health Equity and Reducing Health Disparities

Addressing Social Drivers of Health (SDOH)

Local Presence and Engagement

Children's Services

Behavioral Health Services

Accountability and Commitment to Compliance

Administrative Efficiency

Emergency Preparedness and Essential Services

Value-Based Payment

**New MCP contract provisions will apply to all MCPs in all models statewide.**

Transparency

MCPs will be required to publicly post additional information about their own and subcontractors' activities, including:

» Community Investment Plan and related annual report

» Quality improvement and health equity activities

» CAHPS survey results

» Population Needs Assessment

» Fully delegated subcontractors' performance and consumer satisfaction

» Financial information, such as profits and reserves

» Memoranda of Understanding with third parties

High-Quality Care
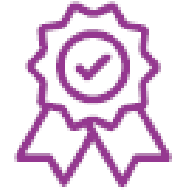
In alignment with the DHCS Comprehensive Quality Strategy, quality expectations of MCPs will be strengthened, including through:

» New requirements to exceed DHCS established Quality Improvement benchmarks at MCP and subcontractor levels

» Sanctions and possible profit surrender for unmet quality benchmarks

» Links between payments and quality

» Establishment and posting of a Quality Improvement and Health Equity Plan

» Utilization review to promote primary care and address health disparities

» Reporting on primary care and integrated care spending

» Achievement of National Committee for Quality Assurance (NCQA) Health Plan Accreditation by January 1, 2026

Access to Care & Continuum of Care, Aligned with CalAIM

MCPs will be required to meet more robust expectations for providing access to high-quality care across a comprehensive array of person-centered health care and social services, including by:

» Assisting members and families in navigating delivery systems and care management services

» Providing new Transitional Care Services to reduce discharge risks

» Ongoing implementation of CalAIM initiatives including Enhanced Care Management, Community Supports, and newly carved-in benefits (major organ transplants, long-term care services)

» Strengthening coordination and continuity of care for out-of-network providers

» Continuing to maintain comprehensive networks providing access to appropriate, culturally and linguistically competent, high-quality care

» Providing stronger care management across the continuum of care, including coordination with health and social services

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Coordinated and Integrated Care

MCPs will systematically coordinate services and comprehensive care management through:

» Expanded Basic Population Health Management, Complex Care Management, Enhanced Care Management to ensure needs of entire population are met across the continuum of care

» A whole-person, interdisciplinary approach for populations with complex health care needs, including through Enhanced Care Management

» Strengthened care coordination for all members

» Enhanced coordination with local health departments, county behavioral health plans, schools, justice systems and community-based organizations

» Facilitation of warm hand-offs to public benefit programs and closed-loop referrals to community resources and follow-up to ensure members receive needed services

Increasing Health Equity and Reducing Health Disparities

MCPs will partner with DHCS to advance health equity and reduce health disparities, including by:

» Achieving NCQA's newly developed Health Equity Accreditation designation by Jan 2026

» Appointing a Chief Health Equity Officer

» Developing and implementing equity-focused interventions to improve health outcomes for the most impacted groups and communities

» Meeting health disparity reduction targets for specific populations and measures to be identified by DHCS

Addressing Social Drivers of Health (SDOH)

MCPs will implement new strategies to address unmet health-related social needs, such as food security and housing, including by:

» Implementing the Community Supports offerings

» Ensuring population health management and care management services address unmet social needs

» Incorporating SDOH into eligibility and needs assessment for Enhanced Care Management

» Documenting members' SDOH needs and services

Local Presence and Engagement

MCPs will ensure they and their network providers understand and meet community needs, including through:

» Stronger provisions for member and family engagement and participation in MCP advisory committees and the new statewide DHCS Member Stakeholder Committee

» Deeper engagement with local public health, social services and behavioral health departments for population health management and efforts to address SDOH

» Allocation of 5-7.5% of profits by MCPs and fully-delegated subcontractors with positive net income to community infrastructure development activities that support Medi-Cal members

Enhanced Children's Services

MCPs will provide additional support for children, including by:

» Ensuring care management and care coordination with appropriate programs for children with special health care needs

» Partnering with all Local Education Agencies in service areas

» Providing medically necessary health and behavioral health services in schools and other community settings

» Implementing interventions by school-affiliated providers that increase access to preventive, early intervention, and behavioral health services

» Training providers on Early and Periodic Screening, Diagnostic and Treatment Services

Behavioral Health Services Expansion

MCPs will expand access to evidence-based behavioral health services that focus on:

» Earlier identification and engagement in treatment for children, youth, and adults

» Integration of behavioral and physical health care, including No Wrong Door policies to support access

» Increased access to providers within public schools

The new contract also clarifies substance use disorder coverage and medication-assisted treatment services across settings.

Accountability, Compliance and Administrative Efficiency

MCPs must have robust accountability, compliance, monitoring and oversight programs. The new contract significantly strengthens DHCS expectations related to accountability for and oversight of delegated entities, including:

» Public posting of MCPs' delegated functions and subcontractors, and justification for use of a subcontractor

» Medical loss ratio reporting and potential remittance by specified subcontractors

» Oversight of and accountability for subcontractor quality improvement and health equity activities, and DHCS sanction ability for failures of subcontractors

» Population needs assessment reporting at subcontractor level

» Submission of a "Delegation, Oversight and Compliance Plan"

These changes will reduce administrative waste and enhance efficiency, including by ensuring that delegation arrangements are justified and add value to the services delivered to members.

Emergency Preparedness and Essential Services

» MCPs will be newly required to have an Emergency Preparedness and Response Plan that will ensure delivery of essential care and services, including telehealth, and continuity of business operations during and after an emergency.

Value-Based Payment

Building on current efforts linking provider payments to value, MCPs will:

» Apply high-priority quality and health equity outcome measures in value-based payment arrangements

» Report on portion of spend on primary care and integrated care spending, including payments tied to alternative primary care payment models

» Report on network payment models and spend tied to alternative payment models

Impact on Medi-Cal Members' Experience

Medi-Cal Managed Care Members Can Expect:

» More information and insight to inform choice of plan

» Holistic care based on SDOH, cultural and linguistic differences, and physical and behavioral health needs through their life span

» A comprehensive array of person-centered health and social services

» Better access to expanded preventive and early intervention services for children and services that support physical, social and emotional development and address adverse childhood experiences

» Care that is appropriate, high quality, and timely

DHCS' Future Approach to Ensuring MCP Partner Accountability

DHCS Transparency and Accountability

In accordance with the Special Terms and Conditions of the Medi-Cal 1115 Demonstration Waiver with CMS, DHCS will:

» Regularly report to the federal government and on the DHCS website its progress related to monitoring and overseeing MCPs

» Expand its oversight responsibilities, including by publishing an independent access assessment comparing network adequacy compliance across lines of business

Expanded Reporting Requirements

MCPs will be newly required to report:

» Delegation reporting and compliance plan

» Primary care spending

» Percentage of payments to providers tied to alternative payment models

» Performance on additional child and maternal measures

» Performance on subset of metrics by race and ethnicity

Strengthened Performance Requirements and Penalties

Medical Loss Ratio (MLR)

» MCPs will provide a remittance if they do not meet the 85% minimum MLR

» This standard will apply to:
  » Prime MCPs by January 2024
  » All fully or partially delegated plans and subcontractors, as applicable, by January 2025

Quality

» MCPs will meet a 50th percentile minimum performance level target on priority pediatric and maternal-specific metrics

» If quality metrics are not met, MCPs with positive net income will be required to allocate an <u>additional</u> 7.5% of net income to community reinvestment

Looking Ahead

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» For general information about the MCP procurement and updated contract, please visit the DHCS website.

» To access the RFP please visit the Procurement Home Page.

Stakeholder Q&A