



WILL LIGHTBOURNE  
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State of California—Health and Human Services Agency  
Department of Health Care Services



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**DATE:** June 3, 2021

**TO:** All Interested CalAIM Stakeholders

**SUBJECT:** Final ECM/ILOS Requirement Documents Release – Summary of Updates and Changes

**BACKGROUND:**

On June 3, 2021, DHCS released the below list of finalized documents related to the ECM and ILOS components of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. This memo provides an overview the key policy changes DHCS made to the ECM and ILOS documents to reflect the input and feedback of stakeholders.

1. **DHCS-MCP ECM and ILOS Contract Template:** MCP requirements regarding the administration and delivery of ECM and ILOS that will be included in the main DHCS-MCP Contract, and are also part of the Request for Proposal/MCP Procurement.<sup>1</sup>
2. **ECM and ILOS Standard Provider Terms and Conditions:** Standardized contract requirements that MCPs will be required to include in contracts with ECM and ILOS Providers.
3. **ECM and ILOS Model of Care Template:** In which each MCP will describe how it plans to design, implement, and administer ECM and ILOS for DHCS review and approval.
4. **ECM and ILOS Coding Guidance:** A defined set of HCPCS codes and modifiers that must be used for encounter reporting by MCPs for all ECM and ILOS services.
5. **Finalized ECM Foundational Policies:** Summarizes final ECM design and implementation decisions related to three key implementation areas: ECM & ILOS Implementation Timeline, ECM Populations of Focus definitions, and ECM Overlap with other Programs & Exclusions.

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<sup>1</sup> RFP will be posted at: [https://www.dhcs.ca.gov/provgovpart/rfa\\_rfp/Pages/CSBhomepage.aspx](https://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/CSBhomepage.aspx)



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6. **Updated ECM & ILOS Frequently Asked Questions (FAQs):** Provides additional guidance and clarifications regarding ECM and ILOS policies and operational procedures.

**Background on CalAIM ECM and ILOS:**

CalAIM is a multi-year initiative by the Department of Health Care Services (DHCS) to improve the quality of life and health outcomes experienced by our Medi-Cal beneficiaries by implementing broad delivery system, program and payment reform across the Medi-Cal program. The major components of CalAIM build upon the successful outcomes of various pilots (including but not limited to the Whole Person Care Pilots (WPC), Health Homes Program (HHP), and the Coordinated Care Initiative) and will result in improved outcomes for Medi-Cal Members.

ECM and ILOS are foundational components of CalAIM. ECM will be a whole-person, interdisciplinary approach to comprehensive care management that addresses the clinical and non-clinical needs of high-cost, high-need managed care Members through systematic coordination of services that is community-based, interdisciplinary, high-touch, and person-centered. ILOS are medically appropriate and cost-effective alternatives to services or settings covered under the State Plan. Federal regulation allows states to offer ILOS as an option for Medicaid managed care organizations.<sup>2</sup> These can be highly valuable services to Members that can substitute for, and help to avoid a range of costlier covered Medi-Cal benefits such as hospital care, nursing facility care, and emergency department (ED) services. ILOS are optional services for Medi-Cal managed care plans (MCPs) to provide and are optional for managed care Members to receive.

ECM and ILOS will be implemented beginning in January 2022.

**Public Comments on ECM and ILOS Design and Implementation:**

DHCS received over 60 comment letters from a wide range of stakeholders including MCPs, counties, advocates, health systems, prospective ECM & ILOS providers and associations. The Department thanks all stakeholders for their feedback.

Provided below is a summary of the key policy changes DHCS made to ECM and ILOS requirements documents to reflect the input and feedback of stakeholders. Please note that this summary is not an exhaustive summary of changes, rather, it reflects key, substantive changes to ECM and ILOS policy and program design that influence requirements.

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<sup>2</sup> 42 CFR 438.3(e)(2).



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**Table. 1. DHCS-MCP ECM and ILOS Contract Template Key Changes**

<b>ECM-Related Key Changes</b>			
<b>#</b>	<b>Section Citation</b>	<b>Design/Policy Issue</b>	<b>Key Change(s)</b>
1	1.c.	<b>ECM Delivery “Primarily in Person”</b>	<ul style="list-style-type: none"> <li>Added that when appropriate and with the Member’s consent, ECM Providers can deliver ECM via teleconferencing and telehealth as a supplement to in-person interactions</li> </ul>
2	1.d.vi. and 10.a	<b>Consent for ECM and ECM Data-Related Data Sharing</b>	<ul style="list-style-type: none"> <li>Eliminated the requirement to obtain Member consent to receive ECM</li> <li>To ensure that ECM is supported by robust data sharing, eliminated the requirement for Member authorization of data sharing prior to initiation of ECM, except where required by federal law.</li> </ul>
3	2.a., 2b., 2.d.	<b>ECM “Target Populations” / “Populations of Focus”</b>	<ul style="list-style-type: none"> <li>Renamed “Target Populations” to the more person-centered “Populations of Focus”</li> <li>Updated the ECM Populations of Focus</li> <li>Clarified that MCPs may, but are not required to, offer ECM to Members who do not meet the Population of Focus criteria but may benefit from ECM</li> <li>Added a list of existing programs that are duplicative of ECM and for which Members enrolled in such programs are excluded from ECM</li> </ul>
4	3.b. and 3.c.	<b>ECM Providers</b>	<ul style="list-style-type: none"> <li>Included additional examples to the types of entities that may serve as ECM Providers</li> <li>Clarified that County Behavioral Health staff or Providers should be prioritized for the ECM Provider role for the adult Population of Focus with serious mental illness (SMI) or substance use disorder (SUD) and the children/youth population of focus with serious emotional disturbance (SED), provided certain condition and requirements are met</li> </ul>



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5	3.f.i	<b>ECM Provider Experience</b>	<ul style="list-style-type: none"> <li>Removed requirement that Providers must have experience serving Medi-Cal Members and clarified that Providers must be experienced working with the ECM Population of Focus they propose to serve</li> </ul>
6	3.f.vii. and 14	<b>Data System Requirements and Data Sharing to Support ECM</b>	<ul style="list-style-type: none"> <li>Clarified requirements related to the use of a “care management documentation system” and the features such a system should possess</li> </ul>
7	3.g.i.	<b>Medicaid Enrollment/Vetting for ECM Providers</b>	<ul style="list-style-type: none"> <li>Clarified requirement regarding ECM Provider screening/enrollment               <ul style="list-style-type: none"> <li>ECM Providers with a State-level enrollment pathway must enroll in Medi-Cal<sup>3</sup></li> <li>ECM Providers without a State-level enrollment pathway do not need to enroll in Medi-Cal; however, MCPs must have a process for vetting the qualifications and expertise of such ECM Providers</li> </ul> </li> </ul>
8	8.b.	<b>Authorizing Members for ECM</b>	<ul style="list-style-type: none"> <li>Added a new requirement for MCPs to submit policies and procedures related to how they will authorize ECM for eligible Members in an equitable and non-discriminatory manner</li> </ul>
9	8.e.	<b>ECM Presumptive Authorization/Preauthorization</b>	<ul style="list-style-type: none"> <li>Added option for MCPs to define a process for ECM Providers to presumptively authorize or preauthorize ECM</li> </ul>
10	9.g.	<b>Assignment to ECM</b>	<ul style="list-style-type: none"> <li>Added language requiring that for children enrolled in California Children’s Services (CCS), the CCS Case Manager should generally serve in the ECM Provider role as long as they are ready and willing to meet expectations for ECM Providers</li> </ul>
11	12.a	<b>Outreach and Engagement</b>	<ul style="list-style-type: none"> <li>Added outreach and engagement to the ECM Core Service Components (MCP rate setting will include payment for outreach).</li> <li>Clarified that MCPs must track outreach to Members for ECM and report on outreach to DHCS.</li> </ul>

<sup>3</sup> Pursuant to relevant DHCS APLs including Provider Credentialing/Rec credentialing and Screening/Enrollment APL 19-004.



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<b>ILOS-Related Key Changes</b>			
<b>#</b>	<b>Section Citation</b>	<b>Design/Policy Issue</b>	<b>Key Change</b>
1	3.c.	<b>Eligible ILOS Providers</b>	<ul style="list-style-type: none"> <li>Removed list of allowable ILOS Providers and referenced CalAIM Proposal Appendix J for the list of potential Provider               <ul style="list-style-type: none"> <li>Note: The contract permits other entities that have experience providing ILOS in a culturally and linguistically competent manner to also serve as contracted ILOS Providers</li> </ul> </li> <li>Removed requirement that ILOS Providers must have experience serving Medi-Cal patients, but maintain that ILOS Providers must have experience and/or training providing the ILOS they are contracted to serve in a linguistically and culturally competent manner.</li> </ul>
2	3.d.	<b>Medicaid Enrollment/Vetting for ILOS Providers</b>	<ul style="list-style-type: none"> <li>Clarified requirement regarding ILOS Provider screening/enrollment               <ul style="list-style-type: none"> <li>ILOS Providers with a State-level enrollment pathway must enroll in Medi-Cal<sup>4</sup></li> <li>ILOS Providers without a State-level enrollment pathway do not need to enroll in Medi-Cal; however, MCPs must have a process for vetting the qualifications and expertise of such ILOS Providers</li> </ul> </li> </ul>
3	4	<b>ILOS Provider Capacity/County-wideness</b>	<ul style="list-style-type: none"> <li>Removed requirement that all elected ILOS must be offered county-wide</li> <li>Added requirements that for ILOS that are not offered county-wide, MCPs must:               <ul style="list-style-type: none"> <li>Develop Policies and Procedures describing how the MCP will prioritize the delivery of ILOS when capacity is limited to avoid wait lists, and how it will ensure Policies and Procedures are non-discriminatory;</li> </ul> </li> </ul>

<sup>4</sup> Pursuant to relevant DHCS APLs including Provider Credentialing/Recredentialing and Screening/Enrollment APL 19-004.



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			<ul style="list-style-type: none"> <li>○ Submit a three-year plan to DHCS detailing how it will build network capacity over time; and update the plan annually; and</li> <li>○ Participate in regular meetings with DHCS to review progress towards expanding network capacity</li> </ul>
4	6.c	<b>Contracting with WPC Lead Entities and HHP CB-CMEs as ILOS Providers</b>	<ul style="list-style-type: none"> <li>● Added a new requirement indicating that not offering an elected ILOS county-wide is not an applicable exception to not contracting with WPC Lead Entities and HHP CB-CMEs as ILOS Providers</li> </ul>
5	8.a-8.b.	<b>Service Authorization for ILOS</b>	<ul style="list-style-type: none"> <li>● Added a new requirement for MCPs to submit policies and procedures explaining how it will authorize ILOS for eligible Members in an equitable and non-discriminatory manner</li> </ul>
6	8.e- 8.e.i	<b>Expediting Authorization of ILOS for Urgent Needs</b>	<ul style="list-style-type: none"> <li>● Modified requirement to clarify that MCPs should identify instances where a particular ILOS will be subject to an expedited service authorization process</li> <li>● Added an encouragement for MCPs to work with ILOS Providers to define a process and appropriate circumstances for presumptive authorization of ILOS whereby select ILOS Providers would be able to directly authorize an ILOS, potentially only for a limited period of time</li> </ul>
7	8.f.	<b>Appeals and Grievances</b>	<ul style="list-style-type: none"> <li>● Clarified that ILOS are subject to MCP-level grievances and appeals process but that there is no secondary level by way of State Fair Hearings</li> </ul>
8	9.c-d.	<b>Authorization to Receive ILOS and for ILOS Data Sharing</b>	<ul style="list-style-type: none"> <li>● Eliminated the requirement to obtain Member authorization to receive an authorized ILOS</li> <li>● To ensure that ILOS is supported by robust data sharing, eliminated the requirement for Member authorization of data sharing prior to initiation of ILOS, except where required by federal law.</li> </ul>

For more information about ECM and ILOS, please visit: <https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>



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