



Stakeholder Communication Update

April 2017

The [Department of Health Care Services](#) (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. If you are not a subscriber and would like to receive these updates, please sign up on the DHCS [website](#). Please view the [Calendar of Events](#) for specific meetings and events, or review the [Stakeholder Engagement Directory](#) by program. You may also view our [State Plan Amendments](#). For questions, concerns, or suggestions, you may contact us by email at DHCSPress@dhcs.ca.gov. Be sure to follow DHCS on social media. Thank you.



Stakeholder Advisory Committee (SAC)

The next SAC meeting is scheduled for May 17. DHCS held the regularly scheduled SAC meeting on February 16. The meeting provided updates on the Whole Person Care pilot projects and Coordinated Care Initiative duals demonstration, as well as a discussion on Denti-Cal and the Dental Transformation Initiative. The meeting also provided brief updates on the new managed care network adequacy standards and the specialty mental health services performance dashboards. The purpose of the SAC is to provide DHCS with feedback on Section 1115 waiver implementation efforts as well as other relevant health care policy issues affecting the department. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, member advocacy organizations and representatives of various Medi-Cal provider groups. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

Medi-Cal Children's Health Advisory Panel (MCHAP)

The next MCHAP meeting is scheduled for April 18. Meeting topics will include finalizing the recommendations letter to DHCS on children's behavioral health care, a discussion led by Senator Dr. Richard Pan on the evolving health care policy landscape, and a deep-dive discussion on the network adequacy standards for Medi-Cal managed care health plans. The MCHAP is a 15-member independent statewide advisory body that advises DHCS on matters relevant to children enrolled in Medi-Cal. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

California Children's Services (CCS) Advisory Group (AG) Meeting

DHCS will host the next quarterly CCS AG meeting on April 12. The purpose of the CCS AG meetings is to discuss improving the delivery of health care to CCS children and their families through the Whole Child Model (WCM) delivery system. The meeting is expected to provide updates on the allocation methodology and performance

measures workgroup, as well as a brief presentation about a health plan's experience with the integrated delivery system. To view the meeting agenda and presentation, or for other WCM information, please visit the [CCS AG website](#).

Pediatric Palliative Care (PPC) Waiver Renewal

DHCS will hold the first technical expert advisory workgroup meeting for the PPC waiver renewal on April 14. DHCS is preparing for the upcoming PPC waiver renewal to be effective from December 27, 2017, through December 26, 2022. DHCS is committed to engaging in a public process for the PPC waiver renewal. DHCS is convening two technical advisory workshops to review proposed changes to the PPC waiver and hear recommendations for necessary improvements or changes to the waiver. More information about the first technical expert advisory workgroup meeting, including agenda and materials, is available on the DHCS [website](#).

Medi-Cal Electronic Health Record (EHR) Incentive Program

Eligible professionals (EP) and eligible hospitals (EH) must submit applications for the 2016 program year by the attestation deadline of May 2 at <http://medi-cal.ehr.ca.gov>. Program year 2016 is the last program year for EPs and EHs to begin participation in the Medi-Cal EHR Incentive Program. EHs that have not successfully participated in program year 2016 are precluded from participation in future years. EPs who have not successfully participated in program year 2016, or a prior program year, also will be precluded from participation in subsequent years.

Medi-Cal Tribal and Designees of Indian Health Programs Meeting

DHCS will host the Bi-Annual Medi-Cal Tribal and Designees of Indian Health Programs meeting on May 5. DHCS Director Jennifer Kent and Chief Deputy Director of Health Care Programs Mari Cantwell are scheduled to attend and will provide an opportunity for stakeholders to ask questions and provide feedback to DHCS. The invitation and registration information are posted to the DHCS Indian Health Program [website](#).

Whole Person Care (WPC) Pilot Program

DHCS received 15 applications for the second round of the WPC pilot program. Of the 15 applications received, eight are applications from existing WPC lead entities interested in expanding their WPC pilot programs, and seven are new applications, including from one city and a consortium of smaller counties. The pilots are intended to provide locally-based, comprehensive care to specified patient groups, using coordinated physical health, behavioral health, and social services in a patient-centered manner, while improving the health and well-being of beneficiaries through a more efficient and effective use of resources. The services target Medi-Cal beneficiaries who are high users of multiple health systems and continue to have poor health outcomes. They include those who are released from institutions or incarceration, have mental illness or a substance use disorder, or are currently homeless or at risk of homelessness. For more information about the WPC pilot program, please visit the DHCS [website](#).

Redesign of Online Eligibility and Enrollment Application

This enhanced application will be implemented in June 2017. DHCS worked with the web design company Fjord (formerly Chaotic Moon), Covered California, California Healthcare Eligibility, Enrollment, and Retention System, and stakeholders to improve the user experience when applying for health care online through CoveredCA.com. The focus was on providing an inviting, user-friendly application experience, along with helpful and friendly text to guide a user through the process. User testing occurred in Northern, Central, and Southern California, and through user testing, the new application has been consistently described by testers as “fast and easy.”

California Partnership for Long-Term Care (CPLTC)

DHCS hosted a task force meeting on April 3 to discuss potential changes to the CPLTC. The task force was established by Senate Bill 1384 (2016) with the goal of implementing enhancements to the CPLTC and assisting consumers in addressing their long-term care needs. DHCS will work with other state departments, legislators, partner insurers, advocacy groups, and the general consumer population to provide a collaborative conversation on the future of the CPLTC. For more information, please visit the DHCS [website](#).

DHCS Office of Family Planning Stakeholder Meeting

DHCS convened its quarterly family planning stakeholder meeting on April 5 to discuss operational and policy issues related to the administration of the Family Planning, Access, Care, and Treatment Program and Medi-Cal family planning services. For more information, please visit DHCS' Office of Family Planning stakeholder [website](#).

Final Rule for Covered Outpatient Drugs (COD)

On February 1, 2016, a Final Rule for CODs was released by the Centers for Medicare and Medicaid Services (CMS). This rule implements provisions of the Affordable Care Act that pertain to Medicaid reimbursement for CODs. Under the Final Rule, each state is responsible for establishing a Medicaid fee-for-service payment methodology that reimburses outpatient pharmacy providers based upon an actual acquisition cost, plus a professional dispensing fee. DHCS posted the Public Notice summarizing the proposed changes that will be included in State Plan Amendment (SPA) 17-002 on March 30, prior to the mandated effective date of April 1. A draft of the proposed SPA language is posted for review and comment on the DHCS [webpage](#). To view the project materials, including overall timelines, please visit the Pharmacy Reimbursement Project [webpage](#).

Hospital Quality Assurance Fee (HQAF) Program

On March 30, DHCS submitted to CMS a waiver to implement the HQAF program and two State Plan Amendments (SPAs) seeking federal approval that will allow the continuance of supplemental payments to private hospitals for inpatient and outpatient services, up to the aggregate upper payment limit, for the period of January 1, 2017, through June 30, 2019. As a component of the HQAF program, DHCS is also seeking federal approval to make actuarially sound increased payments to Medi-Cal managed care plans for the same time period. These proposed payments are subject to separate federal approval of the applicable managed care contracts and associated rates. As

proposed to CMS, the new HQAF program would generate \$9.6 billion in fees from hospitals, which would help DHCS make an estimated \$18.5 billion in additional payments to hospitals providing services to Medi-Cal beneficiaries, and provide \$2.1 billion for children's coverage. To view the pending SPAs, please visit the [DHCS website](#).

Dental Transformation Initiative (DTI)

DHCS held a webinar on March 29 for safety net clinic providers participating in DTI Domains 1, 2, or 3. The webinar covered instructions on how to submit dental encounter data, and provided detailed instructions about the process for safety net clinic providers to ensure they receive credit toward incentive payments. For Domain 4: Local Dental Pilot Projects (LDPPs), DHCS has selected 15 LDPPs: Alameda County; California Rural Indian Health Board, Inc.; California State University, Los Angeles; First 5 Kern; First 5 San Joaquin; First 5 Riverside; Fresno County; Humboldt County; Northern Valley Sierra Consortium; Orange County; Sacramento County; San Luis Obispo County; San Francisco City and County Department of Public Health; Sonoma County; and University of California, Los Angeles. Programs began as early as April 1. For more information, please visit the [DHCS DTI website](#).

Access Assessment Advisory Committee

DHCS completed its second in-person committee meeting on March 28. Meeting objectives included an overview of the assessment framework, proposed design, and data collection and sources for the assessment. California's Medi-Cal 2020 waiver Special Terms and Conditions require DHCS to conduct an Access to Care Assessment. DHCS is working with its External Quality Review Organization to conduct the Assessment, which will evaluate primary, core specialty, and facility access to care for Medi-Cal managed care beneficiaries. As a part of the Assessment process, the state established an advisory committee that includes representatives from consumer advocacy organizations, providers/provider associations, health plans/health plan associations, and legislative staff. The Assessment design is due to CMS on April 21, 2017. For questions or comments, please contact Access.Assessment@dhcs.ca.gov or visit the [DHCS website](#).

County Administration Budget Methodology Request for Proposal (RFP)

DHCS released a [RFP](#) on March 27 to hire a contractor to perform specialized research and assist in the design and implementation of a new county budget methodology for the administration of the Medi-Cal program. The contractor will perform independent research on county costs and expenditures, conduct various studies, and provide additional information as outlined in the RFP.

California Pink Ribbon License Plate

DHCS is pleased to announce that, as of March 22, 7,500 pre-paid California Pink Ribbon License Plate orders had been placed on the Pink Plate website. DHCS had to meet the statutory requirement of 7,500 orders by mid-July 2017 for the Department of Motor Vehicles (DMV) to begin producing the plates. Once DMV begins to manufacture

and release the plates, revenue generated by license plate sales will go into the Breast Cancer Fund, Breast Cancer Control Account to support breast cancer awareness and breast cancer early detection efforts, including outreach, education, screening, diagnostic services, and referral to treatment. Californians can still order plates by visiting the Pink Plate website at www.PinkPlate.org.

Health Care Options (HCO) RFP

DHCS announced the release of the final RFP for the HCO program on February 27. The purpose of the RFP is to solicit proposals from firms that are able to conduct managed care enrollment broker services for Medi-Cal. The RFP is soliciting proposals for the takeover, operation, and eventual turnover of the HCO. This includes the provision of services that the vendor may propose to meet the HCO program business requirements and performance outcomes that will effectively and efficiently enroll Medi-Cal beneficiaries into, and disenroll them from, managed care plans, while improving services to Medi-Cal beneficiaries and users who access the HCO program. For more information, please visit the DHCS [website](#).

Managed Care Quality Strategy

CMS requires states that have contracts with managed care health plans to have a written strategy for assessing and improving the quality of managed care services offered by all of the managed care plans. States must complete a comprehensive review of this written strategy every three years. In response, DHCS prepared "*Medi-Cal Managed Care Quality Strategy – Comprehensive Review October 2016*" that includes years 2013 through 2015. The quality strategy evaluates and builds upon the performance measures in critical areas of the health of managed care members, including maternal and child health, chronic disease management and prevention, identifying and reducing health disparities, and reducing opioid medication misuse and abuse. For more information, please visit the DHCS [website](#).

Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver Update

The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria for substance use disorder treatment services. Twenty counties from the first three phases (Bay Area, Southern California, and Central California) have submitted implementation plans. DHCS has approved fourteen implementation plans and the interim rates for eight counties. CMS has approved six intergovernmental agreements. Riverside and San Mateo are the first counties to deliver DMC-ODS services. DHCS is in phase four of implementation (Northern California). Phase five will be opened in the fall of 2017 for the Indian Health Services Program-ODS. CMS requires all residential providers to meet the ASAM requirements and obtain a DHCS-issued ASAM designation as part of their participation in the DMC-ODS. As of March 14, 2017, DHCS has issued 586 ASAM designations identifying levels of care within 350 licensed residential facilities. DHCS is providing technical assistance through contracted services, regional meetings, county-specific sessions, and webinars. DHCS is also hosting the annual substance use disorders statewide conference, entitled "Focusing the SUD System of Care Toward Recovery," August 22-24, 2017. More information about the DMC-ODS is available on the DHCS [website](#).

Provider Application and Validation for Enrollment (PAVE)

Release 2.0 of PAVE to enroll fee-for-service Medi-Cal providers became operational on November 18, 2016. Since its launch, PAVE has registered more than 3,300 users. More than 900 applications have been submitted through PAVE, and providers are completing an additional 1,036 applications. Results continue to show a significant reduction in the application processing time, from an average of 96 days with paper applications to well below 30 days for applications submitted via PAVE. Similarly, PAVE has reduced the number of applications returned to providers for deficiencies by more than 50 percent. Providers can visit DHCS on Tuesdays each week for hands-on PAVE support, and the Provider Enrollment Division hosts a weekly webinar on Thursdays for providers to call in with PAVE-related questions. Additional information about these and other support resources available for PAVE users is located under [PAVE Support Resources](#) on the [PAVE website](#).

Medi-Cal Certified Eligibles - Legislative Districts

The size and complexity of the Medi-Cal program, its cost, and the volume and scope of the services it provides all combine to generate a considerable demand for information. Decisions related to the Medi-Cal program can dramatically affect the California economy as well as the lives of millions of beneficiaries, their families, and health service providers. In an effort to provide stakeholders with timely and informative data, DHCS has prepared a series of [data tables](#) that present Medi-Cal certified eligible counts by four aid code categories and geographic districts. These include U.S. Congressional districts, State Assembly districts, and State Senate districts.