



Stakeholder Communication Update

April 2019

The [Department of Health Care Services](#) (DHCS) is pleased to share 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](#). Check out the [Calendar of Events](#) for specific meetings and events, or visit the [Stakeholder Engagement Directory](#) for listings by program. You also can view our [State Plan Amendments \(SPA\)](#), and find the most [recent data](#) on Medi-Cal enrollment. For questions or suggestions, contact us at DHCSPress@dhcs.ca.gov. Be sure to follow DHCS on social media, too. Thanks.



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Department Updates

Mental Health and Substance Use Disorder Services (MHSUDS)

Reorganization

Beginning July 1, 2019, mental health and substance use disorder services at DHCS will be reorganized into four new divisions: Community Services & Grants, Licensing & Certification, Medi-Cal Behavioral Health, and Behavioral Health Financing. The MHSUDS operations are being reorganized to preserve the unique and important Behavioral Health program while better integrating behavioral health in the overall health care system. The reorganization will improve service delivery and program outcomes, increase program administration accountability, leverage experience and expertise that exist in other areas of DHCS, and improve communication and engagement for stakeholders and employees.

Program Updates

Assisted Living Waiver (ALW) Renewal Approved

The Centers for Medicare & Medicaid Services (CMS) approved the Home- and Community-Based Services ALW renewal on February 28, 2019, effective March 1, 2019, through February 28, 2024. The renewal includes the 2,000 slots added in the CMS-approved amendment from October 2018, for a total capacity of 5,744. The additional slots are being gradually added, at a rate of 500 per month, to allow care coordination agencies sufficient time to process applications within the waiver’s required 60-day window. The ALW program serves Medi-Cal eligible individuals ages 21 and older and bridges the gap between independent living and nursing home care. The ALW offers an alternative to nursing facility placement and provides an opportunity for individuals to

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transition out of nursing facilities. The CMS-approved ALW and the renewal approval letter is on the DHCS [website](#).

Blood Factor Reimbursement Proposed Changes

CMS published its Final Rule on Covered Outpatient Drugs (CODs) on February 1, 2016 (81 Federal Register 5170). This rule implements provisions of the 2010 Patient Protection and Affordable Care Act pertaining to Medicaid reimbursement for CODs, and requires states to document their blood factor reimbursement methodology as part of their Medicaid State Plans. DHCS plans to submit State Plan Amendment (SPA) 19-0015 to CMS by June 1, 2019, with a proposed effective date of November 1, 2019. On March 19, the [Public Notice](#) for SPA 19-0015 was posted to the DHCS website. Public comments on the impact, if any, on continued service access as a result of the proposed SPA must be received by DHCS no later than 5 p.m. on April 18, 2019 in order to be considered prior to submission of SPA 19-0015 to CMS.

Dental Transformation Initiative (DTI)

DTI payments issued to date, across all domains, are as follows:

| DTI Domains | Payments To Date |
|--|------------------|
| Domain 1 - Preventive Care | \$98.9 million |
| Domain 2 - Caries Risk Assessment | \$6.2 million |
| Domain 3 - Continuity of Care | \$21 million |
| Domain 4 - Local Dental Pilot Projects | \$17.4 million |

The DTI Program Year 2 Annual Report is now posted on the DHCS [website](#).

DHCS is working to finalize and distribute Domain 1 incentive payments, which were due to be paid as of January 2019 based upon calculating performance-based baselines and benchmarks. DHCS will release a provider bulletin notifying providers of when to expect payments. In the three months since expanding Domain 2, DHCS has observed a marked increase in providers opting to participate in this domain in expansion counties. The fact sheets for all DTI Domains are available on the DHCS [website](#).

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As of February 2019, DHCS started scheduling visits to each of the 13 Local Dental Pilot Projects (LDPPs) participating in Domain 4 to observe the administrative and clinical initiatives and innovations in action and to identify best practices for the state. These visits will continue through 2019. Bi-monthly teleconferences with all LDPPs continue as an opportunity to educate, provide technical assistance, offer support, and address concerns.

Diabetes Prevention Program (DPP) Curriculum Translations

In March 2019, DHCS began working to secure a contracted vendor to translate the Centers for Disease Control and Prevention (CDC)-approved DPP curriculum into DHCS' 16 required threshold languages. Once finalized, DHCS will publish the translated materials on the DHCS [website](#). For information about other DPP-translated materials, see the National Association of Chronic Disease Directors' [National DPP Coverage Toolkit](#), which includes the National DPP Curriculum and its various translations. Please direct further questions about curriculum modifications or translations to the CDC at dprpAsk@cdc.gov. For questions or comments about DHCS' DPP in Medi-Cal, please email DHCS at DHCS DPP@dhcs.ca.gov.

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

As of April 1, 2019, 26 counties were approved to deliver DMC-ODS services, representing nearly 88 percent of the Medi-Cal population statewide. There are 14 additional counties in various phases of implementation. The California External Quality Review Organization (EQRO) posted the external quality review (EQR) report for Los Angeles County on its [website](#) and completed an EQR for Marin County. The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria for substance use disorder treatment services. ASAM designations continue to be processed for licensed residential alcohol and other drug program providers. DHCS has issued a total of 810 designations to alcohol and drug treatment providers in California. More information about the DMC-ODS is available on the DHCS [website](#).

Health Homes Program (HHP)

DHCS announced that it has rescheduled implementation of the HHP for one Medi-Cal managed care health plan (MCP) – CalOptima in Orange County. This change moves the implementation dates for Orange County to a new Group 4, which will implement HHP on January 1, 2020 for members with chronic physical conditions and substance use disorders, and on July 1, 2020 for members with serious mental illness. DHCS is committed to implementing the HHP and is pleased with the implementation progress

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made by Group 1, San Francisco County, and Group 2, San Bernardino and Riverside county MCPs. For more information, please visit the DHCS [website](#).

Managed Care Quality Oversight

In a letter to all health plans operating in California, the Governor requested that DHCS and health plans collaborate to increase commitment to early childhood development. The Governor further directed DHCS to review its internal health care service plan data related to all pediatric measures and identify areas that require improvement. In doing so, DHCS determined that changes were needed to strengthen quality oversight for Medi-Cal MCPs. Some of these changes include: expanding the External Accountability Set (EAS) to include all CMS Child and Adult Core Set measures for calendar year 2019 (reporting year 2020); increasing the required performance benchmark from the 25th to the 50th percentile nationally; expanding the health disparities report and identifying areas of improvement that the MCPs will address through their Group Needs Assessments (GNAs); incorporating the GNA into the annual plan-specific evaluation reports; and strengthening the facility site review process by collecting information at the beneficiary level. DHCS is developing an implementation plan to make these changes at this time.

Medi-Cal Provider Manual Updates

On February 15, 2019, DHCS released a Medi-Cal Provider Bulletin and added section 3, “Bright Futures/American Academy of Pediatrics (AAP)” to the Medi-Cal Provider Manual’s [Preventive Services section](#). This dedicated subsection was created to inform providers about the Bright Futures/[AAP Recommendations for Preventive Pediatric Health Care \(Periodicity Schedule\)](#) for preventive services for individuals up to age 21, and to provide coverage and reimbursement guidance with specific procedure codes identified that correspond to benefits/services provided at age-appropriate, periodic and inter-periodic intervals, as recommended by AAP/Bright Futures.

Medication Assisted Treatment (MAT) Expansion Project

California’s MAT Expansion Project funds services to address the opioid crisis by increasing access to MAT using the three Food and Drug Administration-approved medications – buprenorphine, methadone, and naltrexone – for the treatment of opioid use disorder (OUD). These projects are federally funded by the State Targeted Response to the Opioid Crisis and State Opioid Response grants. The MAT Access Points project closed a Request for Application on March 28 and funds \$38 million to support start-up activities and/or enhancement efforts in 200 MAT prevention, treatment, and recovery access points throughout California. The California Bridge Program is developing

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hospitals and emergency rooms into primary access points for the treatment of acute symptoms of OUD by way of motivation, resources, and encouragement for patients to enter and remain in treatment. The program plans to accelerate training and technical assistance for hospitals and emergency rooms to implement the foundation necessary to enhance and increase access to 24/7 OUD treatment statewide. More information about these and other MAT Expansion Projects is available on the DHCS [website](#).

Pharmacy Fee-For-Service (FFS) Reimbursement Changes for Covered Outpatient Drugs

As outlined in SPA [17-002](#), DHCS implemented a new FFS reimbursement methodology for covered outpatient drugs on February 23, 2019. DHCS will make retroactive adjustments for all impacted pharmacy FFS claims with dates of service between the policy effective date of April 1, 2017, and the implementation date of February 23, 2019. To ensure pharmacy stakeholders were fully informed of DHCS' rollout plan for pharmacy FFS claim adjustments, DHCS conducted a March 26, 2019, teleconference. A PDF version of the presentation slides is available on the DHCS [website](#). Providers can also expect to receive more information in a future mailer and Medi-Cal pharmacy bulletins.

Proposition 56 – Dental Supplemental Payments

Erroneous payment corrections are continuing for the period of July 1, 2018 to December 18, 2018, and are expected to be completed by April 2019. For more information, please visit the DHCS [website](#). Please note that the Governor's January Budget proposal included an extension of Proposition 56 supplemental payments for Fiscal Year 2019-20; the proposal is currently under consideration by the State Legislature.

Proposition 56 – Developmental and Trauma Screenings

DHCS recently released for public comment two proposals to promote and support developmental screenings and trauma screenings, as described in the Governor's 2019-20 Budget being considered by the Legislature. Developmental screenings are designed to identify children behind on motor, language, cognitive and social/emotional developmental milestones from infancy up to age 30 months, as outlined by Bright Futures/AAP recommendations. Trauma screenings for both children and adults are an essential part of trauma-informed care. These screenings would be billed and reimbursed in both the managed care and FFS delivery systems. The payments would be in addition to the amounts paid for the office visit that accompanies the screening in

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FFS scenarios or capitation paid by Medi-Cal MCPs. DHCS conducted two public webinars on these proposals and is reviewing stakeholder input. If approved, both proposals would become effective July 1, 2019. Additional information on both proposals can be found on the DHCS [website](#).

Proposition 56 Loan Repayment Program – CalHealthCares

Proposition 56 provides a one-time allocation of \$220 million for a loan repayment program to increase access to care for Medi-Cal beneficiaries. DHCS contracted with Physicians for a Healthy California (PHC) to administer the loan repayment program, CalHealthCares. Eligible physicians may apply for a loan repayment up to \$300,000 in exchange for a five-year service obligation. Eligible dentists may apply for a loan repayment up to \$300,000 in exchange for a five-year service obligation, or a practice support grant up to \$300,000 in exchange for a ten-year service obligation. All medical and dental specialties are eligible. In this cycle, CalHealthCares expects awards will be made to about 125 physicians and 20 dentists. All awardees are required to maintain a patient caseload that constitutes 30 percent or more Medi-Cal beneficiaries. Applications are due by 11:59 p.m. on April 26, 2019. For more information, please visit the PHC [website](#).

Proposition 56 – Value Based Payments (VBP) Program

DHCS recently released for public comment a proposal to provide incentive payments to providers for meeting specific measures aimed at improving care for certain high-cost or high-need populations. These value-based incentive payments, outlined in the Governor's 2019-20 Budget proposal and being considered by the Legislature, would target physicians that meet specific achievement on metrics in areas such as behavioral health integration; chronic disease management; prenatal/post-partum care; and early childhood preventive care. The program would be funded for an estimated \$360 million annually in total funds and implemented for at least three years in the managed care delivery system. DHCS conducted a webinar on value based payments and is reviewing stakeholder input. DHCS will release final updates on the program soon. Additional information on the VBP program can be found on the DHCS [website](#).

Whole Child Model (WCM) Implementation

Phase III of the WCM program, which includes CalOptima, will implement effective July 1, 2019. CalOptima has met the necessary California Children's Services (CCS)-paneled provider network requirements and is prepared to meet the needs of the CCS-eligible population. The WCM program is being implemented in three phases among five managed care plans across 21 counties. Phase I implemented on July 1, 2018, in three

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managed care plans – Central California Alliance for Health, CenCal, and Health Plan of San Mateo; and Phase II implemented January 1, 2019, with Partnership Health Plan of California. MCPs implementing the WCM program assume full financial responsibility, which includes service authorization activities, claims processing and payment, case management, and quality oversight. In conjunction with the MCPs under the WCM program, county CCS programs and DHCS will assume responsibility for various administrative functions to support the CCS program. For more information, please visit the DHCS [website](#).

Whole Person Care (WPC) Pilot Program

The WPC Pilot Program completed Program Year (PY) 3 activities, which included a significant increase in the delivery of services and cumulative participation totaling approximately 100,000 enrollees by year's end. DHCS actively engaged with WPC lead entities (LEs) through learning collaborative (LC) activities which included one-on-one calls to discuss pilot progress, quarterly webinars, semi-annual in-person convenings, and monthly advisory board meetings. DHCS will hold an in-person meeting in Riverside on April 4 where participating LEs had the opportunity to discuss promising practices for sustainability and share success stories from programs' efforts. For more information about the WPC pilot program, please visit the DHCS [website](#).

Stakeholder Meetings and Webinars

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

The next MCHAP meeting is scheduled for April 4, 2019, in Sacramento. Expected topics include updates from Director Jennifer Kent and presentations on the MAT Expansion Project and perinatal and postpartum opioid use. 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](#).

Medi-Cal Dental Stakeholder Meetings

The next quarterly Sacramento Medi-Cal Dental Advisory Committee meeting is scheduled for April 4, 2019, and the next Medi-Cal Dental Los Angeles Stakeholder meeting is scheduled for April 18, 2019. Additional stakeholder information is available on the DHCS [website](#).

Medi-Cal Tribal and Designees Meeting

On May 2, 2019, DHCS will host the Medi-Cal Tribal and Designees of Indian Health Programs meeting in Sacramento. Director Kent is scheduled to attend, and DHCS staff will provide updates on programs, including: tribal emergency preparedness, benefits, dental, and managed care. For information about the meeting and registration information, please visit the DHCS [website](#).

Medical Interpreter Services (MIS)

On March 22, 2019, DHCS held a stakeholder meeting to provide a status update on Assembly Bill (AB) 635 (Chapter 600, Statutes of 2016) implementation activities. DHCS also introduced Nimdzi Insights, LLC, as the contracted vendor that will conduct a study and make recommendations to DHCS for providing greater access to MIS for Medi-Cal beneficiaries. AB 635 directed DHCS to conduct the study, work with stakeholders, and allow DHCS to use or contract with an external vendor to implement the statutory requirements. For more information about MIS implementation activities, please visit the DHCS [website](#). For questions or comments, please email DHCSAB635Med@dhcs.ca.gov.

Stakeholder Advisory Committee (SAC) Meeting

The next SAC meeting is scheduled for May 23, 2019. The February 13, 2019, meeting provided updates on the latest federal and state developments, Proposition 56 payments and loan repayment program, and an open discussion among SAC members on 2021 to 2025 waiver opportunities. Additionally, the meeting provided information on the second-round grant supporting MAT. The purpose of the SAC is to provide DHCS with feedback on health care policy issues affecting the Department, including Section 1115 waiver implementation efforts. 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](#).

Provider Application and Validation for Enrollment (PAVE) Webinars

On March 5, 2019, DHCS' Provider Enrollment Division (PED) eliminated the submission of paper applications for most [provider types](#) enrolling in the Medi-Cal FFS program. These providers must use the PAVE system. PAVE is an automated, online resource to enroll Medi-Cal providers who currently enroll through PED, and has improved application processing speed and reduced errors. DHCS hosted PAVE 101 training webinars on February 21, March 21, and March 28, 2019, to support providers as they transition to PAVE. Additional support resources for using PAVE can be found on the

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DHCS [website](#). To receive regular PAVE updates, please sign up for the [PAVE mailing list](#). For additional assistance, please call the PAVE Help Desk at 1-866-252-1949.

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