

## Medicaid Managed Care Final Rule: Impact to DHCS and Medi-Cal Managed Care Plans

December 2016



#### Final Rule Overview

#### Background

First major overhaul of the managed care regulations since 2002

- Response to the major shift to the managed care delivery system nationwide
- Directed at states to ensure compliance with Medicaid managed care plans (MCPs) and downstream effects to beneficiaries

#### **Recurring Themes**

Aligns the Medicaid managed care program with other health insurance coverage programs (i.e., Marketplace, Medicare Advantage)

- Adds many consumer protections to improve the quality of care and beneficiary experience
- Improves State accountability and transparency
- Inclusion of Long Term Services and Supports (LTSS) needs

#### Implementation Dates

Effective July 5, 2016

- IMD and in-lieu-of-services provisions effective July 5, 2016
- Phased implementation over three years, starting with the July 1, 2017 contract rating period



### Major Provisions at a Glance

Beneficiary July 1, 2017 contract rating year Information Requirements **Grievances** and **Appeals** Cultural Competency **Care Coordination** Quality Assessment and Performance Improvement **Prescription Drugs Utilization Review Program Integrity** State Monitoring & Oversight Requirements (with Annual **Managed Care Program Report** due in 2018)

No later than July 1, 2018

Network Adequacy
Provider Screening and Enrollment
Annual Network
Certification
Beneficiary
Support System

EQRO Validation of
Network Adequacy
Quality Rating
System

5016



### Key Provisions: 2017

Beneficiary Information Requirements

Beneficiary communication via email and text

State operated website with plan specific information (e.g. Provider Directories, drug formularies)

Model handbook and template notices

Non English taglines in beneficiary materials Grievances and Appeals

Timeframes for resolution of appeals shortened to 72 hours

Requires that appeals are exhausted at the plan level before proceeding to a State Fair Hearing Access and Cultural Competency

Requires gender identity be included as a component of culturally appropriate care

**Care Coordination** 

Apply to all appropriate settings including behavioral health settings and LTSS Quality
Assessment and
Performance
Improvement

MCP Performance Improvement Projects (PIPs) must include mechanisms to assess beneficiaries using LTSS and/or with special health care needs



### Key Provisions: 2017 (cont'd)

Drug Utilization Review (DUR)

Drug Utilization Review requirements as defined in 42 CFR 456, Subpart K and annual reporting requirement **Program Integrity** 

Data certification

Overpayments policy for plan recoveries due to fraud, waste, and abuse

Ownership and control disclosures

10 year records retention period and right to audit

Increased sanctions limit

State Monitoring & Oversight

Public posting of MCP compliance and performance

Health Information Systems

MCP encounter data submissions to the State must be per CMS specifications MCP Accreditation Status

Public posting of each MCP's accreditation status



### Key Provisions: 2018

**Quality Strategy** 

New elements include plan to identify and reduce health disparities, transition of care policy, and a plan to identify individuals needing LTSS or with special health care needs

Network Adequacy

Time and distance standards for specialized provider types

Annual Network Certification **Encounter Data** 

Federal
Financial
Participation
(FFP) is
contingent on
encounter
data
submission
per CMS
specifications

Provider Enrollment and Screening

> All Medi-Cal providers must be screened and enrolled by the State

Beneficiary Support System

Choice counseling and assistance to beneficiaries postenrollment, including LTSS

Annual MCP Report

Annual Program Assessment Report due to CMS



# Key Provisions: 2019 and Beyond

**Network Adequacy** 

New mandatory EQRO activity to validate network adequacy **Quality Rating System** 

Plan rating system based on a common set of performance measures



### Implementation Components





## Implementation Strategy

#### Internal research

- Conducted gap analysis of Final Rule provisions in contrast with current requirements to identify impact
- Consulted with areas across the Department for input on policy and operational considerations

#### External Stakeholder Input

- Engage the Medi-Cal managed care health plans (MCPs) and stakeholder groups including the DHCS Stakeholder Advisory Committee, Managed Care Advisory Group, topic-specific workgroups, and external partners such as the Department of Managed Health Care (DMHC)
- Collaborate on development of materials, deliverables, and/or processes prior to implementation

#### Plan Guidance

- Provide guidance to assist MCPs with implementation on each of the activities via All Plan Letters and contract amendments
- Provide deliverables requirements to the MCPs on a flow basis throughout the implementation phases
- Roll out contract amendments per implementation year