



## **Cal MediConnect**

# EVALUATION OUTCOME REPORT

**January 2018**

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## Executive Summary

In January 2012, Governor Brown announced his intent to enhance health outcomes and enrollee satisfaction for low-income seniors and persons with disabilities (SPDs) through shifting service delivery away from institutional care to home and community-based settings. Governor Brown enacted the Coordinated Care Initiative (CCI) by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012),<sup>1</sup> SB 1036 (Chapter 45, Statutes of 2012),<sup>2</sup> SB 94 (Chapter 37, Statutes of 2013),<sup>3</sup> and SB 75 (Chapter 18, Statutes of 2015).<sup>4</sup>

The CCI included three major components:

1. Cal MediConnect,
2. Mandatory Medi-Cal managed care enrollment for dual-eligibles for their Medi-Cal benefits, and
3. The integration of Long-Term Services and Supports (LTSS).

The CCI-enabling legislation included a provision to discontinue the CCI should the Director of Finance determine it was not cost-effective. It was determined during the 2017-18 Governor's budget that the CCI was no longer cost-effective, and; therefore, in accordance with state law, the program was discontinued. Although CCI was not cost-effective during the initial demonstration period, the Administration determined that certain aspects of the CCI, such as Cal MediConnect, provided the potential to reduce the cost of health care for affected individuals and improve health outcomes. Therefore, based on the lessons learned from CCI, the following components of the CCI have been continued: Cal MediConnect; mandatory Medi-Cal managed care enrollment of dual-eligibles for their Medi-Cal benefits; and the integration of LTSS (with the exception of IHSS) into managed care.

Welfare and Institutions Code (WIC) Section 14132.275(m) requires the Department of Health Care Services (DHCS) to conduct an evaluation, in partnership with the Centers for Medicare and Medicaid Services (CMS), to assess outcomes and the experience of enrollees eligible for Medicare and Medicaid (Duals) enrolled in the Duals Demonstration Project known as Cal MediConnect. DHCS is required to provide a written report to the Legislature after the first full year of demonstration operation, and annually thereafter, and must consult with stakeholders regarding the scope and structure of the evaluation.

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<sup>1</sup> SB 1008 is available at:

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201120120SB1008](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB1008)

<sup>2</sup> SB 1036 is available at:

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201120120SB1036](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB1036)

<sup>3</sup> SB 94 is available at:

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB94](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB94)

<sup>4</sup> SB 75 is available at:

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB75](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB75)

This report describes the ongoing monitoring activities and evaluations of Cal MediConnect, including an evaluation of impact on the beneficiary experience, quality, utilization, and cost; a rapid-cycle polling project; and an evaluation focusing on the coordination of medical health care, behavioral health care, and LTSS.

## Background

### The Financial Alignment Initiative – Partnerships to Provide Better Care

In July 2011, the Centers for Medicare and Medicaid Services (CMS) announced the opportunity for states and CMS to better coordinate care for beneficiaries eligible for Medicare and Medicaid (Duals) under the Financial Alignment Initiative through two different demonstration models:

1. **Managed fee-for-service** in which a state and CMS enter into an agreement by which the state would be eligible to benefit from savings resulting from initiatives to improve quality and reduce costs for both Medicare and Medicaid.
2. **Capitated model** in which a state and CMS contract with health plans (three-way contract) that receive a prospective, blended payment to provide enrolled Duals with coordinated care.

The Financial Alignment Initiative is designed to align the financial incentives of Medicare and Medicaid to provide Duals with a better health care experience. All state demonstrations under the Financial Alignment Initiative are evaluated to assess their impact on beneficiary care experience, quality, coordination, and costs. California is testing the capitated model.

### Coordinated Care Initiative

In January 2012, Governor Brown announced the CCI, which is designed to enhance health outcomes and beneficiary satisfaction for low-income seniors and persons with disabilities (SPDs) while shifting service delivery away from institutional care to home- and community-based settings. To implement that goal, the Legislature passed, and Governor Brown signed, Senate Bill (SB) 1008 (Committee on Budget and Fiscal Review, Chapter 33, Statutes of 2012), SB 1036 (Committee on Budget and Fiscal Review, Chapter 45, Statutes of 2012), SB 94 (Committee on Budget and Fiscal Review, Chapter 37, Statutes of 2013), and SB 97 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2017) to authorize the Coordinated Care Initiative (CCI).

The three major components of the CCI are:

1. A Duals Demonstration Project called Cal MediConnect (California's Financial Alignment Demonstration) that combines the full continuum of acute, primary, institutional, and behavioral health, along with home- and community-based services (HCBS) into a single benefit package, delivered through an organized service delivery system comprised of Medicare-Medicaid Plans (MMPs).
2. Mandatory Medi-Cal managed care enrollment for Duals; and

3. Integration of Medi-Cal funded Long Term Services and Supports (LTSS) into Medi-Cal managed care.

Enrollment in the CCI began on April 1, 2014, as described in the implementation schedule titled, “CCI Enrollment Timeline by Population and County.”<sup>5</sup>

### Cal MediConnect

Through Cal MediConnect, Duals have access to a wider scope of benefits than many traditional health plans. For example, Cal MediConnect covers dental, vision, non-medical transportation services, and non-emergency medical transportation services.

Access to care and utilization of benefits under Cal MediConnect is convenient due to Cal MediConnect utilizing a high level of care coordination. The Department of Health Care Services (DHCS) and CMS contract with MMPs that oversee and are accountable for the delivery of covered Medicare and Medicaid services for Duals in seven counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. MMPs are responsible for providing a comprehensive assessment of Duals’ medical and behavioral health, LTSS, functional, and social needs, and for ensuring care coordination for enrolled Duals based on these assessments.

Cal MediConnect is designed to offer opportunities for enrollees to self-direct services, to be involved in care planning, and to live independently in the community. Enrollees and their caregivers work with interdisciplinary care teams to develop person-centered, individualized care plans (ICPs).

Cal MediConnect includes enrollee protections that verify enrollees receive high-quality care. CMS and DHCS established a number of quality measures that evaluate overall enrollee experience, care coordination, and support of community living, among many other factors.

Cal MediConnect Demonstration Years (DYs) are listed below:

Cal MediConnect DY	Calendar Dates
1	April 1, 2014 – December 31, 2015
2	January 1, 2016 – December 31, 2016
3	January 1, 2017 – December 31, 2017
4	January 1, 2018 – December 31, 2018
5	January 1, 2019 – December 31, 2019

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<sup>5</sup> The CCI Enrollment Timeline by County and Population is available at: <http://www.calduals.org/wp-content/uploads/2014/11/CCI-enrollment-by-County-11.20.14.pdf>.

### **Memorandum of Understanding and the Three-Way Contract**

DHCS executed a Memorandum of Understanding (MOU) with CMS on March 27, 2013. The MOU provides federal authority and outlines the parameters for implementing Cal MediConnect.

Specific requirements are outlined in the three-way contracts between the state, CMS, and the MMP(s). These three-way contracts require MMPs to offer quality, accessible care as well as improved care coordination among medical care, behavioral health, and LTSS for enrolled Duals, including a contracting process that facilitates coordinated program operation, enforcement, monitoring, and oversight. The three-way contract includes provisions requiring CMS and DHCS to evaluate the performance of primary-contracted MMPs and their subcontractors. MMPs are held accountable for ensuring that their subcontractors meet all applicable laws and requirements.

The three-way contract template was recently updated and is available on the CMS website.<sup>6</sup>

## **Evaluation Activities of Cal MediConnect**

### **Annual Evaluation Report**

CMS contracted with Research Triangle Institute (RTI) International to evaluate and monitor the implementation of state demonstrations under the Financial Alignment Initiative for impacts on a range of outcomes including beneficiary experience, quality, utilization, and cost for the eligible population as a whole, as well as to evaluate and monitor for impacts on specific subpopulations (beneficiaries with mental illness and/or substance use disorders, LTSS recipients, etc.). This includes an aggregate evaluation and state-specific evaluations. California's state-specific evaluation is outlined in the California Evaluation Design Plan.<sup>7</sup>

The goals of the evaluation are to monitor demonstration implementation, evaluate the impact of the demonstration on beneficiary experience, monitor unintended consequences, and monitor and evaluate the demonstration's impact on a range of outcomes for the eligible population as a whole and for subpopulations (e.g. people with behavioral health and/or substance use disorders, LTSS recipients, etc.). To achieve these goals, RTI International is collecting qualitative and quantitative data from the state demonstration projects each quarter; analyzing Medicare and Medi-Cal enrollment

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<sup>6</sup> The three way contract is available at the following link:

<https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/California.html> .

<sup>7</sup> The California Evaluation Design Plan is available at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/CAEvalPlan.pdf>.

and claims data; and conducting site visits, beneficiary focus groups, and key informant interviews. RTI International is also incorporating relevant findings from any beneficiary surveys provided by other entities. Information from monitoring and evaluation activities will be provided to CMS and DHCS in annual reports, followed by a final evaluation report.

As of the writing of this report, an annual evaluation report is currently in process with RTI International and CMS.

### **Implementation and Ongoing Monitoring**

CMS' contractor, the National Opinion Research Center (NORC) at the University of Chicago, receives data on behalf of CMS from all MMPs. NORC is responsible for ensuring that the data received from MMPs is submitted in accordance with federal and state-specific reporting requirements. NORC checks the data submitted based on edits and validation checks that were developed for each core and state-specific MMP measure.

A subset these quality reporting metrics are included in the Cal MediConnect Performance Dashboard, which shares data on Cal MediConnect MMPs' performance in six areas related to care coordination, quality, and service utilization including: (1) Health Risk Assessments (HRAs); (2) Appeals by Determination; (3) Hospital Discharge; (4) Emergency Utilization; (5) LTSS Utilization; and (6) Case Management.<sup>8</sup> CMS and DHCS collectively monitor this data and provide clarifying and technical guidance to MMPs, as necessary, to support MMPs in maintaining correct and consistent interpretation of the reporting requirements

DHCS combined the enrollment and performance dashboards into a single dashboard. The new dashboard contains plan performance results on NORC quality measures that monitor HRAs, ICPs, and reassessments. The dashboard will be released quarterly. Additional measures, based on stakeholder feedback, will be added into the dashboard as data becomes available. A link to the new dashboard will be available in the next version of this report.

### **The SCAN Foundation Funded Evaluations**

The SCAN Foundation funded two evaluations of the Cal MediConnect program: a Rapid Cycle Polling Project and a longer-term University of California Evaluation, as described below. DHCS worked collaboratively with The SCAN Foundation and stakeholders to develop the content of both evaluations.

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<sup>8</sup> The Cal MediConnect Dashboard is available at:  
<http://calduals.org/background/cci/evaluations/cal-mediconnect-performance-dashboard/>



### Rapid Cycle Polling Project

The SCAN Foundation contracted with Field Research Corporation (FRC) to conduct a Rapid Cycle Polling Project to quantify the impact of Cal MediConnect on California's Duals population in as close to real time as possible. The study compared the levels of confidence and satisfaction of Cal MediConnect enrollees to that of Duals who were eligible for Cal MediConnect, but had chosen not to participate (opt-outs), or who lived in a county that did not participate in Cal MediConnect. The polling project waves were completed in October 2017. FRC completed four waves of the polling project, and the University of California, San Francisco, completed the fifth wave.

The results of the fourth wave, released in December 2016, found that a large majority of Cal MediConnect enrollees expressed satisfaction and confidence with their health care services, similar to the results in previous waves. Of particular note, although the difference in self-reported health status of enrollees and opt-outs was very close, with 49% of enrollees and 50% of opt-outs reporting that they were in fair or poor health, 6% fewer enrollees than opt-outs reported being hospitalized in the prior twelve months. However, compared to enrollees, a somewhat larger percentage of opt-outs received LTSS or used specialized equipment, such as a cane, wheelchair, scooter, or special bed.

The results of the fifth wave, released in October 2017, showed that Cal MediConnect enrollees' satisfaction increased in all seven areas in which results were determined: (1) the amount of time doctors spent with them, (2) the information they received from the health plan explaining benefits, (3) their choice of doctors, (4) their choice of hospitals, (5) the way their providers work together, (6) wait times for appointments, and (7) their ability to call a provider regardless of the time of day.

In 2017, respondents who used LTSS were asked about their LTSS needs, including their use of in-home supportive services (IHSS), a component of LTSS. Although Cal MediConnect enrollees reported lower rates of needing personal care assistance than opt-outs and non-Cal MediConnect beneficiaries, more Cal MediConnect enrollees and opt-outs reported receiving IHSS (84% and 86% respectively) in 2017 compared to beneficiaries in non-Cal MediConnect counties (where only 78% of LTSS beneficiaries received IHSS). This may indicate a higher actual need for care, as identified by the care coordination teams, than the beneficiaries' perceived need for care. Additionally, the reported average number of IHSS hours of care received by both Cal MediConnect enrollees and opt-outs was significantly higher than beneficiaries in non-Cal MediConnect counties. The higher reported levels of IHSS services received may indicate that individuals in the CCI counties, whether participating or opting out, are receiving higher levels of care coordination based on the goals and awareness of the program, compared to those in non-participating counties.<sup>9</sup>

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<sup>9</sup> The complete content of the most recent survey findings is available at: <http://www.thescanfoundation.org/evaluating-medicare-medicaid-integration>

### University of California Evaluation of Cal MediConnect

In 2014, an evaluation team comprised of researchers from the University of San Francisco Institute for Health and Aging and the University of California, Berkeley School of Public Health, designed and implemented a three-year evaluation of the CCI. The evaluation team engaged stakeholder input and built upon the national evaluation, and developed, pilot tested, and finalized data collection instruments, and obtained approval from California's Committee for the Protection of Human Subjects.

This California-specific evaluation focused on the coordination of three types of health care: medical health care, behavioral health care, and LTSS. Data was collected through several methods:

- Interviews and/or focus groups with beneficiaries representing several subgroups of interest.
- Interviews with key stakeholders in each county, including plans, providers, and community-based organizations that serve Duals.
- A representative telephone survey of beneficiaries to assess beneficiaries' experiences with the transition and access to care, and the quality of services in their new plan.

Initial findings from this evaluation were presented at The Scan Foundation's LTSS Summit on September 13, 2016. The full content of this evaluation, titled, "Evaluation of Cal MediConnect: Key Findings from Phase One," is available for review.<sup>10</sup>

In May 2017, the evaluation team released a brief, "The Impact of Cal MediConnect on Transitions from Institutional to Community-Based Settings".<sup>11</sup> The team performed an in-depth examination of the efforts of Cal MediConnect plans to redirect care away from institutions and into home- and community-based settings and determined these key findings:

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<sup>10</sup> The evaluation titled, "Evaluation of Cal MediConnect: Key Findings from Phase One," is available at:

[http://www.thescanfoundation.org/sites/default/files/3\\_graham\\_presentation\\_evalcmckeyfindings\\_final.pdf](http://www.thescanfoundation.org/sites/default/files/3_graham_presentation_evalcmckeyfindings_final.pdf)

<sup>11</sup> The complete report including these findings and the six major recommendations, is available at:

[http://www.thescanfoundation.org/sites/default/files/the\\_impact\\_of\\_cal\\_mediconnect\\_on\\_transitions\\_from\\_institutional\\_to\\_community-based\\_settings\\_may\\_2017.pdf](http://www.thescanfoundation.org/sites/default/files/the_impact_of_cal_mediconnect_on_transitions_from_institutional_to_community-based_settings_may_2017.pdf).

- The cost of housing, the lack of affordable housing, and challenges that Cal MediConnect plans face in paying for assisted living create a major barrier to locating and supporting beneficiaries in community-based settings. For example, since CMC beneficiaries are excluded from the Assisted Living Waiver and plans must pay for RCF services through CPOs that are not included in rate-setting calculations. Additionally, RCF residents often do not qualify for the “HCBS” risk categories because they cannot receive IHSS services in an RCF, which affects the plans’ overall “blended” reimbursement rate.
- However, many Cal MediConnect plans have created unique programs that facilitate successful transitions of enrollees to lower levels of care who may not have otherwise been able to leave institutional care.
- The financial incentives for Cal MediConnect plans to transition enrollees out of long-term care (LTC) facilities are effective.
- Increased communication and collaboration among Cal MediConnect plans, LTC facilities, and HCBS agencies have been crucial factors in promoting LTC transitions.