



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



EDMUND G. BROWN JR.  
GOVERNOR

May 16, 2018

Ms. Hye Sun Lee  
Acting Associate Regional IX Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

Dear Ms. Lee:

The Department of Health Care Services (DHCS) is submitting the enclosed Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) CA-18-0028. This proposed amendment would allow DHCS to add the Medi-Cal Access Program (MCAP) population to the Medi-Cal Managed Care (MMC) delivery system.

MCAP's transition to the MMC delivery system will mirror the benefits of Medi-Cal pregnancy coverage, which includes the full range of medically necessary services, including medical and dental. DHCS is prepared to collaborate with the Centers for Medicare and Medicaid Services in order to secure prompt approval of this amendment.

In compliance with the new policy set forth by the American Recovery and Reinvestment Act of 2009, DHCS notified Indian Health Programs (IHPs) and Urban Indian (UI) Organizations of CA-18-0028. On May 2, 2017, IHPs and UI Organizations approved DHCS' rationale that no tribal consultation was needed for CHIP SPA CA-18-0028.

California is requesting a retroactive effective date of July 1, 2017 for this SPA.

If you have any questions, or if we can provide further information, please contact Sandra Williams, Chief, Medi-Cal Eligibility Division at (916) 445-6938 or by email at [Sandra.Williams@dhcs.ca.gov](mailto:Sandra.Williams@dhcs.ca.gov).

ORIGINAL SIGNED

  
Mari Cantwell  
Chief Deputy  
Health Care Programs  
State Medicaid Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

18-0028

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)  
(CHIP) Title XXI of Social Security ActTO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

07/01/2017

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR Section 457

7. FEDERAL BUDGET IMPACT

a. FFY 2017 \$ 0

b. FFY 2018 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Sections 1.4 and 3.1  
(see CHIP SPA Template attached)9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

N/A

10. SUBJECT OF AMENDMENT

This proposed amendment would allow DHCS to add the Medi-Cal Access Program (MCAP) population to the Medi-Cal Managed Care (MMC) delivery system.

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

ORIGINAL SIGNED

State Medicaid Director

15. DATE SUBMITTED  
5/16/2018

16. RETURN TO

Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue  
Sacramento, CA 95899-7417

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

## PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "OTHER, As Specified" : Please note: The Governor's Office does not wish to review the State Plan Amendment.

- 1.4.** Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

Original Plan

Effective Date: **July 1, 1998**

Implementation Date: **July 1, 1998**

**SPA #18-0028**

Purpose of SPA:

**To implement the transition of MCAP (Population 3) services provided by public-private-partnership to services provided by California's Medi-Cal Managed Care delivery system.**

Proposed effective date: **July 1, 2017**

Proposed implementation date: **July 1, 2017**

- 3.1.** **Delivery Standards** Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and the methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102)(a)(4) (42CFR 457.490(a))

**CA RESPONSE:**

Overview of the Delivery Systems

**POPULATION 3/MCAP:**

*Delivery System.* This separate CHIP population also receives coverage under the unborn option (similar to Population 2). However, this coverage is the same as state employee benchmark coverage. MCAP's services are provided through Medi-Cal's Managed Care delivery system, where services for Population 2 are primarily provided on a FFS basis, unless in a COHS county.

*Administration.* The MCAP program is administered by DHCS, which contracts with the private sector to provide subsidized coverage for beneficiaries. To cover the full cost of care, California uses Proposition 99 tobacco tax monies to subsidize subscriber and contributions, while the subscriber pays 1.5 percent of their adjusted annual income (please see cost sharing section for more details on cost sharing for this population).

## **CHIP SPA Impact Form**

**State/Title/Plan Number:** CA-18-0028

**Federal Fiscal Impact:** \$0

**Number of People Affected by Enhanced Coverage, Benefits or Retained**

**Eligibility:** Approximately 3,500 enrolled in Medi-Cal Access Program (MCAP) that would be added to the Medi-Cal Managed Care (MMC) Delivery System.

**Number of Potential Newly Eligible People:** Numbers should not change.

**or**

**Eligibility Simplification:** Yes

**Number of People Losing Medicaid Eligibility:** MCAP enrollees are not Medi-Cal members; they are CHIP Title XXI enrollees who will be utilizing the Medi-Cal delivery system only.

**Reduces Benefits:** No

**Provider Payment Increase:** No

**Delivery System Innovation:** Yes

(Examples: adding new provider types to provide a covered service, managed care delivery systems or other similar type plans.) This CHIP SPA CA-18-0028 is a shift in delivery system for MCAP enrollees. Currently, services are provided on a fee-for-service basis. This CHIP SPA would transfer those services to the MMC delivery system.

**Comments/Remarks:**

**DHCS Contact:** Daryl Hightower

Daryl.Hightower@dhcs.ca.gov

(916)327-6682

**Date:** 5/1/18