



News Release

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CALIFORNIA'S HISTORIC MEDI-CAL TRANSFORMATION TO IMPROVE AND EXPAND SERVICES GAINS FEDERAL APPROVAL

CalAIM launches innovative and long-term commitment to make Medi-Cal a more equitable, coordinated, and person-centered model to address social drivers of health

SACRAMENTO – The California Department of Health Care Services (DHCS) announced today that it has the go-ahead to launch its long-term commitment to transform and strengthen Medi-Cal. The federal Centers for Medicare & Medicaid Services (CMS) has approved the California Advancing and Innovating Medi-Cal (CalAIM) proposal that will launch January 1, 2022, and make Medi-Cal more equitable, coordinated, and person-centered to help people maximize their health and life trajectory.

“We’re making Medi-Cal, which provides health care to one third of all Californians, the most comprehensive, robust such program in the entire country – today’s announcement continues California’s leadership in providing better health care to more people,” said Governor Newsom.

Medi-Cal covers one in three Californians, more than half of school-age children, half of the state’s births, and more than two in three patient days in long-term care facilities. CalAIM’s bold transformation includes several federal approvals and aligns all elements of Medi-Cal into a standardized, simplified, and focused system that helps enrollees live healthier lives.

The approvals build on successful pilot programs with the goal of scaling innovations statewide, aligning how care is provided across delivery systems, and allowing California to begin CalAIM implementation.

“CalAIM reflects California’s commitment to a healthier and more equitable state and will be a model of transformation for the entire health care system,” said California Health & Human Services Agency Secretary Dr. Mark Ghaly. “CalAIM shifts Medi-Cal to a population health approach that prioritizes prevention and addresses social drivers of health to better serve communities, many of whom historically have been under-resourced and faced structural racism in health care.”

CMS approved new, statewide Medi-Cal services that will help keep people out of the hospital and living in the community, along with certain waivers to implement program changes that go beyond what can be accomplished under Medicaid state options. They include:

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Enhanced Care Management addresses clinical and non-clinical needs of the highest-need Medi-Cal enrollees through intensive coordination of health and health-related services. It will meet enrollees primarily through in-person engagement where they live, seek care, and choose to access services – on the street, in a shelter, in their doctor’s office, or at home.

Community Supports provides new statewide services covered by Medi-Cal managed care plans as medically appropriate alternatives to traditional medical services or settings, including assistance with housing supports, caregiver respite, food insecurity, and transitioning from nursing home care to the community.

Providing Access and Transforming Health (PATH) Supports provides funding to community-based organizations, counties, and other local providers to support capacity building as they begin to implement and scale Enhanced Care Management and Community Supports, in particular increasing resources available to populations and communities that have been historically under-resourced and under-served. In addition, PATH will support justice-involved adults and youth by sustaining pre-release and post-release services.

Delivery System Transformation and Alignment shifts California’s managed care delivery systems – Medi-Cal Managed Care, Dental Managed Care, Specialty Mental Health Services, and Drug Medi-Cal Organized Delivery System – to a single coordinating authority to simplify and align the programs, enhance oversight, and standardize benefits and enrollment into Medi-Cal. The waiver strengthens the state’s commitment to ensuring enrollees have access to critical services in managed care through independent assessments of access to Specialty Mental Health Services, Drug Medi-Cal Organized Delivery System, and Dental Managed Care services and care, as well as an independent assessment comparing Medi-Cal Managed Care plans’ network adequacy across Medi-Cal Managed Care, Medicare Advantage, and the private market.

Substance Use Disorder Services and Initiatives advances treatment for individuals with substance use disorder, including evidence-based contingency management to reduce the use of stimulants, peer support specialists to promote recovery and prevent relapse, and short-term residential treatment when necessary to advance treatment for enrollees. California’s approval of the state’s contingency management pilot represents the first time it has been formally approved as a benefit in the Medicaid program.

New Dental Benefits expands key dental benefits statewide, including a tool to identify risk factors of dental decay for all Medi-Cal children, and silver diamine fluoride for children and certain high-risk populations. Statewide pay-for-performance initiatives will reward dental providers for focusing on preventive services and continuity of care.

Supporting Coordination and Integration for Dual Eligibles better coordinates coverage programs for the complex health care needs of individuals eligible for both Medi-Cal and Medicare (“dual eligibles”). CalAIM provides a special kind of managed care plan that coordinates all benefits in one plan for eligible enrollees, building an infrastructure to integrate managed long-term services and supports for all Medi-Cal enrollees who qualify.

Global Payment Program renews California’s statewide pool of funding for care provided to California’s remaining uninsured populations. This includes streamlining funding sources for California’s uninsured population served by public hospitals, with a renewed focus on addressing social needs and responding to the impacts of systemic racism and inequities.

Chiropractic Services for Indian Health Service and Tribal Facilities continues authority to pay Tribal providers for these services, which were eliminated as a Medi-Cal covered benefit in 2009.

“California is excited to begin statewide CalAIM implementation to provide Medi-Cal enrollees with consistent access to the care they need, when they need it, no matter their zip code or the language they speak,” said DHCS Director Michelle Baass. “The CalAIM transition requires a sustained focus and commitment but, when complete, will fundamentally improve the lives of millions of Californians. We have a long road ahead, but it is the right path and a journey we must make to help care for people across our Golden State.”

Additional CalAIM Approvals Expected in 2022

DHCS and CMS continue to work toward additional approvals for equity-oriented CalAIM initiatives that provide services and supports for justice-involved adults and youth, and reimbursement for traditional healers and natural helpers. The justice-involved initiative will focus on stabilizing the health of justice-involved populations pre-release, ensuring continuity of coverage through Medi-Cal pre-release enrollment strategies, and supporting re-entry to the community. Traditional healers and natural helpers provide culturally appropriate options and improved access to substance use treatment for American Indians and Alaska Natives receiving services through Indian health care providers. CMS approval of these waivers is anticipated in early 2022.

“Through CalAIM, California is redefining access to care, extending beyond hospitals and traditional settings to communities, meeting people where they are in life and delivering culturally competent care and support to improve health outcomes,” concluded State Medicaid Director Jacey Cooper. “CMS approval launches the transition to better, person-centered care for those who need it most.”

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[Attachment: CalAIM Waiver Issue Brief](#)