



## Stakeholder News

Dear Stakeholders,

The Department of Health Care Services (DHCS) today selected a Population Health Management (PHM) Service vendor as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. The initial contract term is for three years, with the option to extend the contract up to three more years, and the contract amount is nearly \$340 million. The PHM Service will support the [recently announced](#) Medi-Cal managed care plan (MCP) procurement and the new, enhanced MCP contract to provide services to members beginning on January 1, 2024.

The PHM Service supports the DHCS PHM program by integrating data from multiple sources across Medi-Cal delivery systems, performing core population health management functions (e.g., risk stratification), and giving various types of users access to comprehensive, whole-person information about the Medi-Cal members they serve. The PHM Service will help the PHM program establish a standardized, statewide approach that ensures Medi-Cal members have access to a comprehensive program that leads to longer, healthier, and happier lives, improved health outcomes, and health equity. The PHM Service will also allow data to be accessed and updated directly by Medi-Cal members.

PHM is one of the first components of the CalAIM initiative to go live statewide. Under PHM, Medi-Cal MCPs and their networks and partners are responsive to individual member needs within the communities they serve, while also working within a common framework and set of expectations. The requirements established with the January 2023 launch of PHM are consistent with the PHM requirements articulated in DHCS' commercial MCP procurement and the related new model contract that sets new contract requirements across all MCPs and model types beginning in January 2024. In some instances, DHCS will deploy new requirements gradually between January 1, 2023, and the effective date of the new MCP contract in 2024.

In tandem with the PHM program rollout, the PHM Service will:

- Provide MCPs, providers, counties, members, and other authorized users with access to comprehensive, historical data on members' health history, needs, and risks.
- Include a single, statewide, open-source risk stratification and segmentation methodology with standardized risk tier criteria that will place all Medi-Cal members into high-risk, medium-risk, and low-risk tiers.
- Improve data accuracy and timeliness by giving members the ability to update their information.

- Promote trusting relationships for care teams to support individuals with access to health education, their rights and applicable benefits, and information on how their data are being used, among other features.
- Improve DHCS' ability to understand population health trends and strengthen oversight.

DHCS intends to test launch the PHM Service with its partners from January to June 2023 before the statewide launch. Given the period of time between the statewide launch of the PHM program (January 2023) and the statewide launch of the PHM Service (July 2023), DHCS is clarifying expectations for PHM within two distinct time periods: before and after the PHM Service is available.

Before the launch of the PHM Service and any requirements to use the PHM Service, DHCS will not require MCPs to develop new infrastructure that would subsequently be replaced by the PHM Service. DHCS will continue to work with stakeholders to identify the priorities and capabilities that the PHM Service will support.

The PHM Service is part of a broader, statewide effort to accelerate and expand access to health and social services information among health care entities, government agencies, and social services organizations under California's Data Exchange Framework. The framework will improve how health information is shared across health and human services organizations, improve care delivery, and guide policies aimed at caring for the whole person while maintaining patient privacy and data security and promoting equity.

Thank you,

Department of Health Care Services  
[www.dhcs.ca.gov](http://www.dhcs.ca.gov)



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