



News Release

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FEDERAL GOVERNMENT APPROVES MEDI-CAL 1115 WAIVER RENEWAL

SACRAMENTO, CA – The Department of Health Care Services (DHCS) today announced the federal government’s approval of California’s 1115 waiver renewal, which includes \$6.2 billion of initial federal funding to support the state’s Medi-Cal program and its health care coverage of more than 12.8 million individuals.

The waiver renewal, called Medi-Cal 2020, continues and builds on the successes of the state’s Bridge to Reform waiver in 2010, a critical piece of the state’s implementation of the Affordable Care Act. More than 4 million of the state’s current Medi-Cal members have enrolled since California implemented the ACA in January 2014.

The Medi-Cal 2020 waiver opens the door to innovative changes in the way Medi-Cal provides services to its members, all with the goals of improving efficiency, access and quality of care.

“We are pleased about the waiver renewal and the opportunity it provides us to further drive changes in the Medi-Cal delivery system and implement new approaches to improving the health care services provided to Californians through our Medi-Cal program,” said DHCS Director Jennifer Kent.

Some of the key programmatic elements of Medi-Cal 2020 are:

- **Public hospital Redesign and Incentives in Medi-Cal (PRIME)** — This program builds on the success of the state’s Delivery System Reform Incentive Program, which was the first such transformation effort in the nation. Under PRIME, Designated Public Hospitals (DPH) systems will be required to achieve greater outcomes in areas such as physical and behavioral health integration and outpatient primary and specialty care delivery. Additionally, PRIME requires DPHs to transition to alternative payment methodologies that move them further toward value-based payment for Medi-Cal. PRIME offers incentives for meeting certain performance measures for quality and efficiency, and also provides opportunities for District and Municipal Public Hospitals to participate in the program and achieve improvements in care delivery in their hospital systems.
- **Global Payment Program (GPP)** — A new program aimed at improving the way care is delivered to those who remain uninsured, GPP transforms traditional

hospital funding for DPHs from a system that focuses on hospital-based services and cost-based reimbursement into a value-based payment structure. This incentivizes the provision of primary and preventive care, and shifts away from avoidable emergency room and hospital utilization.

- Dental Transformation Initiative (DTI) — For the first time, California’s Waiver also includes opportunities for improvements in the Medi-Cal Dental Program. The DTI provides incentive payments to Medi-Cal dental providers who meet certain requirements and benchmarks in critical focus areas such as preventive services and continuity of care.
- Whole Person Care (WPC) Pilots—Another innovative component of Medi-Cal 2020 will allow for county-based pilots to target their high-risk populations. The overarching goal of the WPC pilots is the integration of the systems that provide physical health, behavioral health, and social services to improve members’ overall health and well-being. Pilots may also choose to expand access to supportive housing options for these high-risk populations.

In addition to these programs, Medi-Cal 2020 allows for the continued administration of the Medi-Cal managed care program, Community-Based Adult Services, the Coordinated Care Initiative (including CalMediConnect), and the Drug Medi-Cal Organized Delivery System.

The renewal also contains several independent analyses of the Medi-Cal program and evaluations of the waiver programs, including an assessment of access in the Medi-Cal managed care program and studies of uncompensated care in California hospitals.

The waiver approval goes into effect on January 1, 2016, extending through December 31, 2020. The approval letter and all supporting documents are posted on the [DHCS website](#).

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