Stakeholder Communication Update

The Department of Health Care Services (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. Each update will include information on upcoming meetings, presentations, notices, press announcements, solicitations for input or services, and more. Stakeholders and partners are urged to contact DHCS by email at DHCSPress@dhcs.ca.gov with any questions, concerns, or suggestions. Thank you.

New DHCS Strategic Plan

With the impending launch of the Affordable Care Act (ACA) and its expansion of Medi-Cal, DHCS is poised to help bring coverage to as many as two million additional Californians. As we do so, we are committed to continue making positive changes for our members. Our ongoing work is improving the health care delivery landscape, as we add more Medi-Cal benefits and additional important services for our members. The sheer scope of the change we are now experiencing highlights a critical need for a new DHCS strategic plan, one that clearly defines our priorities and the methods we'll use to meet the challenges ahead. Thanks to a tremendous amount of work and dedication by dozens of DHCS leaders and staff members, we have finalized the 2013–2017 strategic plan for DHCS. It is a carefully drawn roadmap to guide us as we work to preserve and improve the physical and mental health of Californians, while fulfilling our mission to provide low-income Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance use treatment services, and long-term services and supports. Our strong commitments in this strategic plan support our dedication to enriching the consumer experience, improving health outcomes, lowering the cost of care, and fostering a positive work environment for DHCS employees. We are proud of this plan, and we're happy to share it with you. This is a living document that requires your input. Your feedback is valued and will be taken into consideration as the department moves forward with implementing the plan and, to the extent necessary, any changes to the plan. Comments may be directly submitted to StrategicPlan@dhcs.ca.gov.

Covered California and Medi-Cal Enrollment

Covered California is having a positive impact on Medi-Cal enrollment. As of November 20, 143,608 applications submitted to the CoveredCA.com website will likely result in Medi-Cal coverage for an uninsured or underinsured individual. That represents about 40 percent of the 360,464 completed health coverage applications submitted by that date that have been determined eligible for either premium assistance or no-cost or low-cost Medi-Cal. These early results demonstrate that the Covered California marketplace is providing access to high-quality health coverage through Medi-Cal. DHCS estimates that between one million and two million newly eligible individuals will

be added to Medi-Cal as a result of the Medicaid expansion, including more than 643,000 who will transition from the Low Income Health Program.

Alternative Benefit Plan for Newly Eligible Adults

On January 1, 2014, thanks to the ACA, the Legislature, and the Governor, DHCS will begin providing adults who are newly eligible for Medi-Cal with the full set of comprehensive benefits our current members receive today. This change gives Medi-Cal eligibility to certain childless adults and parents ages 19 to 64 who have income below 138 percent of the federal poverty level. DHCS will also seek federal approval of a State Plan Amendment (SPA) to provide coverage for long-term services and supports to those newly eligible adults who meet our current established asset requirements. Once the SPA is submitted, it will be posted on the DHCS website.

Outreach and Enrollment Assistance Payments and Grant Funding (AB 82)

As part of California's efforts to implement the ACA, AB 82 was enacted to allow DHCS to accept private foundation funds and receive an equal federal match. DHCS created an email account (OEworkgroup@dhcs.ca.gov) and website for individuals interested in learning more about our outreach and enrollment efforts. AB 82 includes: (1) Section 70 (Medi-Cal In-Person Enrollment Assistance Payments) – DHCS is executing an interagency agreement with Covered California to utilize these funds to pay Certified Enrollment Counselors (CECs) and Certified Insurance Agents (CIAs) for enrollment efforts. CECs and CIAs will be eligible to receive an enrollment assistance payment of $58 for each approved Medi-Cal application if the Medi-Cal applicant is newly eligible (pursuant to ACA) or was not enrolled in Medi-Cal for 12 months or more (prior to the application date). Payments will be issued by Covered California; and (2) Section 71 (Medi-Cal Outreach and Enrollment Grant Funding) – DHCS will also provide funds to counties to conduct outreach efforts. DHCS has received 40 completed survey applications seeking Medi-Cal outreach and enrollment grant funding for 2014. The selection criteria for these grant applications is being finalized with a review of applications, and awards will be issued in December 2013. In accordance with AB 82, DHCS will allocate funds to supplement, but not supplant, Medi-Cal outreach and enrollment activities.

Single Streamlined Application

DHCS has received positive feedback from the Centers for Medicare & Medicaid Services (CMS) regarding the single streamlined paper application. Formal approval is forthcoming. DHCS has moved forward with getting the single streamlined application translated into the Medi-Cal threshold languages, and printing of the English version began during the week of November 25. Translations of all threshold languages are expected back to DHCS by the second week of December. DHCS' approval process for translations will include community review and input. The approved translated versions will be posted immediately on the Covered California website.

Express Lane Enrollment

The Express Lane Enrollment Project will help streamline Medi-Cal enrollment for newly eligible adults. For the first phase of this project, the targeted population is approximately 600,000 adults currently enrolled in CalFRESH, but who lack Medi-Cal or Low Income Health Program enrollment. A federal waiver allows DHCS to grant Medi-Cal eligibility without the need for an application or a determination for 12 months by using CalFRESH income eligibility for enrolled adults. By being enrolled in CalFRESH, income and residency have been established. DHCS must conduct necessary citizenship and identity verifications to comply with federal Medicaid regulations. In February 2014, DHCS will send an affirmation letter to all members of the target population informing them that they can enroll in Medi-Cal if they sign and return the letter (or possibly telephonically or electronically affirm). This letter will also include a health plan selection form. Upon receipt of the affirmation, the individual will be administratively enrolled into Medi-Cal. This enrollment will result in the issuance of a Benefits Identification Card (BIC). Once the member has a BIC, he or she can access medically necessary health care services under Medi-Cal either via fee-for-service (FFS) or managed care. In addition, in the spring or early summer of 2014, the California Department of Social Services (CDSS) will implement adjustments to the CalFRESH application to include a checkbox that serves as an affirmation that the individual wants to receive Medi-Cal. For the period covered by the federal waiver, eligible CalFRESH recipients will be given express lane eligibility. After the expiration of the waiver period, the affirmation checkbox will trigger a Modified Adjusted Gross Income Medi-Cal determination.

California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) Interfaces to the Statewide Automated Welfare Systems (SAWS) and Online Verification of Residency

The CalHEERS to SAWS and the Medi-Cal Eligibility Data System (MEDS) interfaces are currently under testing by all partners. There are various layers of testing that include system testing, interface testing, and end-to-end user acceptance testing (UAT). During UAT, DHCS, county, and SAWS staff are testing case scenarios from intake through all interfaces to ensure compliance with policy. We are working on having the interfaces operational by January 2014.

DHCS Stakeholder Engagement

DHCS is reviewing stakeholder engagement processes throughout the department and is working to improve the communication, structure, and transparency of stakeholder engagement. DHCS will be working closely with stakeholders to develop and implement this initiative. A core goal moving forward is to provide venues for the general public and stakeholders, including legislative members and staff, to actively engage DHCS and provide meaningful input on policy issues. DHCS will provide ongoing updates on this initiative on our website.

Coordinated Care Initiative (CCI)

DHCS and CMS are putting the final touches on an extensive readiness review process to evaluate the CCI plans and determine their readiness to receive enrollment starting in 2014. DHCS is planning its next CCI quarterly stakeholder meeting for December 2013. CCI consists of three components: 1) Cal MediConnect, a program that will combine the full continuum of acute, primary, institutional, and home-and community-based services into a single benefit package, delivered through an organized service delivery system for those dually eligible for Medi-Cal and Medicare; 2) Mandatory enrollment of dual eligible members into a Medi-Cal managed care plan in the CCI counties; and 3) Inclusion of managed long-term services and supports as Medi-Cal managed care benefits for dual eligible members and Medi-Cal-only seniors and persons with disabilities in the CCI counties. Cal MediConnect will benefit 456,000 members in the following eight counties beginning no sooner than April 2014: Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara.

Final Transition of Children from Healthy Families Program to Medi-Cal

DHCS, the Managed Risk Medical Insurance Board, and the Department of Managed Health Care worked collaboratively to facilitate a smooth transition, minimize disruption in access to services, maintain existing eligibility gateways, and maintain access to and continuity of care. The final phase of the transition occurred on November 1, 2013. About 24,556 children were transitioned to Medi-Cal during the final phase (Phase 4B) of the transition, bringing the total number of children successfully transitioned to Medi-Cal to 750,806. There were twenty counties that transitioned in this phase to Medi-Cal managed care, including Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Imperial, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, San Benito, Sutter, Tehama, Tuolumne, and Yuba. In these twenty counties, members transitioned into the dental FFS Medi-Cal program, known as Denti-Cal. There were no reported issues with this phase of the transition, and DHCS is pleased with the overall transition of the Healthy Families Program to Medi-Cal. More information about the completed transition, including network adequacy assessments and monitoring reports, can be found on the DHCS website.

Expansion of Optional Benefits in FQHC and RHC

A September 26, 2013, ruling by the United States Court of Appeals for the Ninth Circuit means that adult dental, chiropractic, and podiatric services provided on or after September 26 are available to all Medi-Cal members when provided by federally qualified health centers (FQHC) and rural health clinics (RHC). Chiropractic and podiatric services are subject to the monthly two visit limit on optional benefits. The mandate issued by the court was in the case of *California Association of Rural Health Clinics vs. Toby Douglas.*

County Savings Redirection (AB 85)

With California electing to employ a state-run Medicaid expansion as it implements the ACA, the state anticipates that county costs and responsibilities for health care services for the indigent population will decrease, as much of this population will become eligible

for coverage through Medi-Cal or Covered California. On June 27, 2013, Governor Brown signed into law AB 85, which provides a mechanism for the state to redirect state health realignment funding no longer needed for indigent care to fund social services programs. The redirected amount will be determined according to respective formula options for California's twelve public hospital system counties, 34 County Medical Services Program (CMSP) counties, and the remaining twelve counties. The formula options were developed in consultation with the counties and DHCS to ensure continued viability of the county safety net and to ensure that counties retain sufficient funding for public health and remaining indigent health obligations. As required by AB 85, non-CMSP counties, tentatively choosing the formula, submitted their predetermined amounts and historical percentages to DHCS by October 31, 2013. DHCS is actively working to meet and confer with the counties regarding their historical data submissions by December 15, 2013, and will issue a final determination by January 31, 2014. Non-CMSP counties also submitted their decisions to tentatively elect one of the following two options to calculate their redirection amounts: (1) the 60/40 formula approach, which redirects 60 percent of the 1991 health realignment funds and 60 percent of the county maintenance of effort; and (2) the county savings determination process, which is a formula-based approach that measures certain county health care costs and revenues and redirects 80 percent (70 percent in fiscal year 2013-14). Of the 24 non-CMSP counties, 18 have tentatively selected the county savings determination process, while six counties have tentatively selected the 60/40 formula approach. Tentative decisions can be found on the AB 85 webpage. DHCS-released guidance and forms, as well as additional information, can be found on the AB 85 website. Questions, comments, and concerns regarding AB 85 may be emailed to AB85@dhcs.ca.gov.

New Lab Rate Methodology Development

AB 1494 requires DHCS to develop a new rate setting methodology for clinical laboratories and laboratory services. The new rate setting methodology must take into account the amount other payers, besides Medi-Cal and Medicare, are paying for similar services. DHCS held a series of stakeholder meetings, from the fall of 2012 through the spring of 2013, to establish a standard for submitting other payers' data. DHCS is currently analyzing the submitted fiscal information in order to develop the new lab rate setting methodology. DHCS anticipates having the next stakeholder meeting in December 2013. Please monitor the clinical lab rate development page for information about the next stakeholder meeting.

AB 1629 Quality Payment Update

DHCS and the California Department of Public Health (CDPH) are holding the next Quality and Accountability Supplemental Payments (QASP) program stakeholder meeting on December 19 from 10 a.m. to Noon. This will be a conference call meeting only, and a call-in number will be provided in early December. Although the agenda for the meeting is currently under development, most of the discussion will be devoted to the consideration of additional measures for the 2013-14 performance period. The agenda will be posted prior to the meeting on the DHCS and CDPH websites at www.dhcs.ca.gov/services/medi-cal/Pages/LTCAB1629QAP.aspx and

www.cdph.ca.gov/programs/LnC/Pages/SNFQandAProg.aspx. In addition, DHCS will be making QASP program payments to eligible facilities by the end of April 2014. The QASP scoring and payment methodology will be posted on the DHCS and CDPH websites posted above by mid-December 2013. Interested parties may also obtain additional, ongoing information regarding the QASP program at the above websites.

Primary Care Physician Rate Increase

On October 24, 2013, DHCS received approval from CMS of its SPA to implement the ACA's primary care physician reimbursement rate increase. The SPA allows the state to increase FFS payments for certain primary care services provided in calendar years 2013 and 2014 by physicians with a primary specialty designation or subspecialty under family medicine, general internal medicine, or pediatric medicine at a rate not less than 100 percent of the Medicare rate in effect during 2013 and 2014 or, if greater, the payment that would have been applicable in 2009. DHCS will receive 100 percent federal financial participation for any additional increase in payments between the Medi-Cal rates in effect as of July 1, 2009, and the 2013 and 2014 Medicare rates. The first interim FFS payment was released in early November and represents estimated increases retroactive to dates of service on or after January 1, 2013. A final reconciled payment for amounts owed but not reimbursed by the interim payment will be issued as early as February 2014. Managed care rates will also be increased to account for payments to primary care providers for services to Medi-Cal managed care members. Managed care payments are scheduled to begin in January 2014 and are also retroactive to January 1, 2013. The approved SPA package can be found on the DHCS website, and additional information on the rate increase can be found here.

Performance Outcomes System Plan

In partial fulfillment of SB 1009, DHCS released a legislative report on November 1 entitled, "The Performance Outcomes System Plan for Medi-Cal Specialty Mental Health Services for Children and Youth." The report sets forth a plan for developing a performance outcomes system for Early and Periodic Screening, Diagnosis, and Treatment mental health services. The report describes the development and activities of a Stakeholder Advisory Committee, sets forth a system plan that, consistent with the statute, considers evidence-based models and federal requirements, and includes an implementation timeline at the provider, county, and state levels. DHCS will continue working with partners and stakeholders to develop an implementation plan, which is due to the Legislature on January 10, 2014. The system plan report is available on the DHCS website.

Medi-Cal Managed Care Rural Expansion

On September 1, 2013, more than 110,000 members transitioned to Medi-Cal managed care in Del Norte, Humboldt, Lake, Lassen, Modoc, Shasta, Siskiyou, and Trinity counties, where they are members of Partnership HealthPlan of California (PHC) under the County Organized Health System (COHS) managed care model. On November 1, 2013, DHCS completed the expansion of Medi-Cal managed care in the remaining 20 California counties, including the 18 regional model counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas,

Sierra, Sutter, Tehama, Tuolumne, and Yuba; the Imperial model; and the San Benito model. The available health plans in the 20 counties, depending upon the county, are Anthem Blue Cross, California Health and Wellness Plan (CHWP), Kaiser Permanente, and Molina Healthcare of California. In the regional model, CHWP has 66,541 new members, and Anthem has 56,824. In the San Benito model, Anthem has 5,456 new members, with only 1,419 choosing to remain in FFS Medi-Cal. In the Imperial model, CHWP has 29,797 new members, and Molina has 9,193. Kaiser also has 1,429 new Medi-Cal members who were transitioned during the final Healthy Families' transition phase. DHCS' Medi-Cal Managed Care Division is currently monitoring the rural expansion for enrollment, primary care provider (PCP) assignment, call center reporting of access to care and continuity of care, and grievances. Of the more than 100,000 members transitioned, approximately 90 percent were assigned a PCP within 30 days of enrollment. Thus far, monitoring has not reflected significant concerns for rural expansion members transitioning to Medi-Cal managed care.

Money Follows the Person Workgroup

Under a special grant through the Money Follows the Person Rebalancing Demonstration, DHCS is helping willing and eligible Medi-Cal nursing facility residents return to community living arrangements. DHCS is collaborating with the California Health and Human Services Agency to create a Long-Term Care Services and Supports workgroup that will include consumer representatives, health plans, housing providers, independent living centers, area agencies on aging, and other home- and community-based providers to strengthen the community infrastructures to care for these former nursing facility residents. Workgroup member applications are being accepted now, and the first meeting is scheduled for February 4, 2014. Workgroup meetings will be held on a quarterly basis, and additional information will be posted on the California Community Transitions Project website.

Universal Assessment Stakeholder Workgroup

This workgroup was established in September 2013 and is charged with the responsibility to work with DHCS, CDSS, and the California Department of Aging (CDA) to develop a universal assessment tool and process for home- and community-based long-term care services. The workgroup includes consumer representatives, county In-Home Supportive Services (IHSS), IHSS public authority, Medi-Cal managed care health plans, multipurpose senior services, community-based adult services, independent living centers, Program of All Inclusive Care, family caregivers, and disability right advocates. The workgroup has met twice to review other states' experience with universal assessment and key assessment domains and processes, and the workgroup has also engaged in discussion about the strengths and weaknesses of current assessments in California's home- and community-based services. In addition, the workgroup is looking at opportunities and challenges to create a universal tool and process that can facilitate communication and person-centered care planning among consumers and providers. The workgroup is engaging the public for input and feedback. Documents, meeting summaries, and a schedule of workgroup meetings for 2013 and 2014 are available on the DSS website.

California Children's Services (CCS)

The next quarterly meeting of the CCS county executives is scheduled for December 5, 2013. These meetings are used predominantly to discuss operational issues related to administration of the CCS program at the county level. Changes to the utilization management system referred to as the Children's Medical Services Network are also discussed because they may impact local county operations.

Community-Based Adult Services (CBAS)

DHCS and CDA held the first CBAS stakeholder workgroup meeting on December 3. The workgroup meeting was the first of four such meetings that will run through April 2014 and address the future of CBAS. Please note that all future meeting announcements, agendas, and meeting materials will be shared through the CDA CBAS distribution list. If you have not signed up, you may register on the CDA website. Information about the CBAS stakeholder process can be found on the CDA website at www.aging.ca.gov. We will post meeting summaries and action items to the CDA website following the stakeholder workgroup meetings. Public comment will be allowed at each meeting and is encouraged in writing (CBAScda@aging.ca.gov) or by phone (916-419-7545) through April 2014.

Dental Surgery Centers AB 97 Exemptions

DHCS has determined through our ongoing access monitoring that an exemption from the AB 97 10% payment reductions is necessary for dental surgery centers that meet specified requirements in order to ensure that access to the critical services provided in these centers is maintained. DHCS will submit a SPA to the Centers for Medicare & Medicaid Services (CMS) with a proposed effective date of December 1, 2013, for the exemption. This exemption requires CMS approval of the SPA. Dental surgery centers impacted by this proposed exemption will be those that provide at least 95% of their Medi-Cal services to children. Based upon our current analyses, we anticipate that this will result in an additional 13 dental surgery centers being exempt from the payment reduction.

Low Income Health Program (LIHP)

The LIHP ends on December 31, 2013, with the January 1, 2014, transition of eligible enrollees into Medi-Cal managed care or health coverage options available under Covered California. Effective January 1, it is estimated that approximately 600,000 enrollees will be administratively moved into Medi-Cal. Approximately 24,000 enrollees were sent letters by their LIHPs notifying them of their opportunity to apply for health plan coverage through the Covered California website (CoveredCA.com). Covered California is also calling these individuals to inform them of their coverage options. In November, DHCS partnered with the UCLA Center for Health Policy Research to conduct the last of six regional meetings for frontline personnel, community-based organizations, and stakeholders; conduct provider-focused webinars to share information about the transition; and post online final notices for enrollees and other transition-related material. Recordings of presentations and webinars, and the other information noted above, are available at the LIHP website. If you have any questions about the LIHP transition, please email LIHPTransitionProject@dhcs.ca.gov.

Family PACT and Medi-Cal Family Planning Code Conversions

Effective for dates of service on or after December 30, 2013, DHCS will discontinue use of the current Family PACT (Planning, Access, Care, and Treatment) program and Medi-Cal family planning local codes. The local codes will be replaced with national codes in order to comply with federal regulations. On November 20, 2013, DHCS' Office of Family Planning hosted a webinar that explained the "crosswalk" from the Family PACT coding system that used local codes to the national codes to be used for dates of service on and after December 30, 2013. A variety of family planning case studies were presented to demonstrate the use of the new codes in clinical practice. This webinar is posted on the Family PACT website. Additional information will be provided in future Medi-Cal updates and Family PACT update bulletins.

Mental Health and Substance Use Disorder Services

On January 1, 2014, Medi-Cal members will be able to receive expanded mental health benefits through either their Medi-Cal managed care plan or Medi-Cal FFS delivery system. In addition, for more serious mental illnesses, county-administered specialty mental health services plans will continue to be available. Members who qualify for managed care and FFS mental health services may receive individual and group mental health evaluation and treatment (psychotherapy); psychological testing when clinically indicated to evaluate a mental health condition; outpatient laboratory, medications, supplies, and supplements; and psychiatric consultation. State law will also dramatically expand substance use disorder services to more Medi-Cal members, offering services currently only available to pregnant and postpartum women, children, and youth. Intensive outpatient treatment services, residentially-based treatment services, and medically necessary inpatient detoxification will be available to Medi-Cal members who qualify. For more information, please view SPA 13-008 on the DHCS website. Please forward any questions or comments to 1115BehavioralHealthAssessment@dhcs.ca.gov.

Prohibition on Copayments for Preventive Services and Vaccines for Adults

Effective July 1, 2013, Medi-Cal providers may not collect a copayment from Medi-Cal members for certain preventive services and approved vaccines for adults 19 and older. Specifically, AB 82 prohibits cost sharing (copayments) for Medi-Cal members who receive Medi-Cal preventive services and/or vaccines for adults that are in accordance with the United States Preventive Services Task Force and the Advisory Committee on Immunization Practices. There is currently no copayment for these services for individuals under age 19.

Hospital Presumptive Eligibility

Beginning on January 1, 2014, the Hospital Presumptive Eligibility (PE) program will provide individuals with temporary and no-cost Medi-Cal benefits for up to two months. Those potentially eligible for Hospital PE benefits are children (ages 0-18), parent caretaker relatives, pregnant women, newly eligible adults (ages 19-64, not pregnant, not on Medicare, and ineligible for any other mandatory group), and former

foster care children between 18-26 years of age. In order to receive Hospital PE benefits, an individual must submit a simplified application online during their hospital stay. Individuals will be notified immediately of their eligibility determination. Individuals will also be provided with the Covered California health insurance affordability application that they can complete to ensure their benefits will not expire after two months. Many hospitals throughout California recently participated in user acceptance testing training that provided hospitals with their first look at the new program. User acceptance testing will begin in early December. In late December, hospitals will be permitted to enroll in the Hospital PE program as qualified providers. Once hospitals enroll in the program, they will be asked to complete the Hospital PE training program that will teach hospitals how to use the Hospital PE system. Also, DHCS will submit the Hospital PE SPA to CMS in mid-December. Once approved, the SPA will allow California to implement the Hospital PE program effective January 1, 2014. Inquiries regarding the Hospital PE Program may be directed to HospitalPE@dhcs.ca.gov. For more information, and to view materials related to the Hospital PE program, please visit the DHCS website.