Closed-Loop Referrals (CLR) Implementation Guidance

February 13, 2025

All Comer Webinar

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

Today's DHCS Presenter

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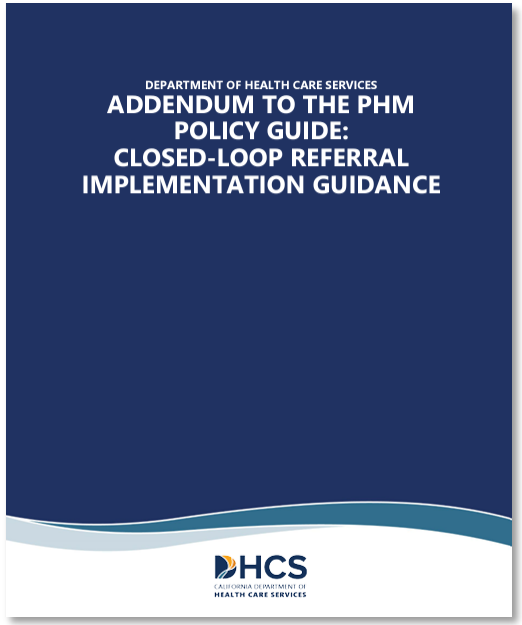
Now Available: CLR Implementation Guidance and Additional Resources

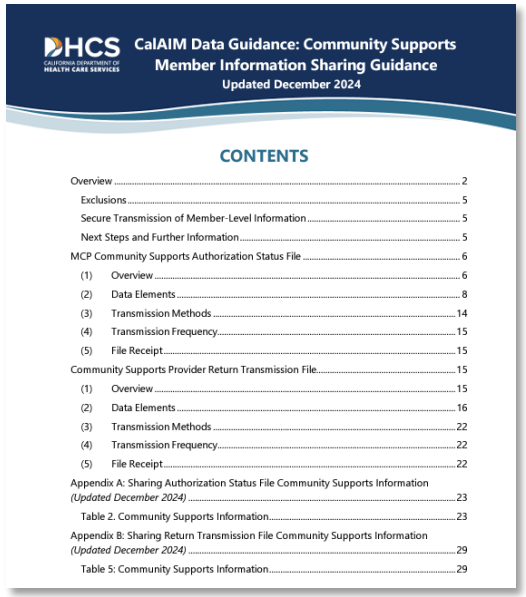
In December 2024, DHCS released a bundle of guidance to support Managed Care Plans (MCPs) in implementing CLR requirements. Resources are available on the Population Health Management and ECM and Community Supports webpages.

NEW
Closed-Loop Referral Implementation Guidance



UPDATED
ECM Member-Level Information Sharing Guidance

UPDATED
Community Supports Member-Level Information Sharing Guidance



Today's Webinar

- Motivation for Closed-Loop Referral (CLR) Requirements
- Overview of CLR Definition, Goals, and Services
- Overview of CLR Requirement Framework
- Walkthrough of CLR Scenario
- Questions and Answers
- Next Steps

Questions?

- Please use the chat feature to send your questions and comments.
- We will also hold a Q&A session at the end of our presentation.

A recording of today's webinar will be posted on the DHCS website in ~3 weeks.

Motivation for Closed-Loop Referrals

Medi-Cal Member Experience

Why are DHCS Closed-Loop Referrals Important?

Supported and successful referrals for a range of services are **critical** for **improving health and well-being of Medi-Cal Members.**

- Improved communication and information about referrals is important because it:
  - Helps MCPs and providers ensure referrals aren't dropped or lost without service delivery
  - Allows MCPs and providers to identify and address delays in referrals such as waitlists for services
  - Supports coordination across a Member's care team by improving communication to Referring Entities and Members

Closed-Loop Referrals and Existing MCP Requirements

- Outside of Closed-Loop Referrals, Managed Care Plans (MCPs) are already required to support referrals under DHCS's Population Health Management approach.

- New Closed-Loop Referral (CLR) guidance enhances existing DHCS requirements **for specific services**, so more Members are quickly connected to the services they need.

Closed-Loop Referrals: Definition, Goals and Services

Closed-Loop Referral Definition and Goals

- DHCS defines a Closed-Loop Referral (CLR) as a referral initiated on behalf of a Medi-Cal Managed Care Member that is **tracked, supported, monitored** and results in a **Known Closure.**
- Examples of Known Closures:
  - Services Received
  - Service Provider Declined
  - Member No Longer Needs/Declines Services

- The **goal of CLRs** is to increase the share of Medi-Cal Members successfully connected to the services they need by:
  - Improving MCP information collection to **support individual referrals.**
  - Identifying and **addressing system-level gaps** in referral practices and service availability that impact Members.

Closed-Loop Referral Services and Phasing

Initial CLR requirements go live on July 1, 2025 and will apply to ECM (all POFs) and 13 Community Supports.*

**Sobering Centers are not included because services are often delivered in real-time and authorized after provision of care.*

- Enhanced Care Management (ECM) and Community Supports are the initial services for CLR requirements because:
  - Both services are **critical** for Medi-Cal's highest need Members.
  - The **MCP plays a pivotal role in the "referral loop"** by authorizing services and assigning the Member to a Network Provider.
  - Data is already regularly shared between Providers, MCPs and DHCS. CLR requirements build on existing data sharing pathways without overburdening Providers.

What to Expect from CLR Requirements

Members

- Receive notice from their MCP when the service is authorized.
- Receive support from MCPs to identify other services or providers if re-referral is needed.

More details on p. 15-17

ECM & Community Supports Providers

- Submit 3 new data elements to MCPs via the Return Transmission File each month.
- Ex: Referral Status, Date of Referral Status Update, Reason for Referral Closure

More details on p. 24

Referring Entities

- Receive notices from MCPs when the service is authorized and referral is closed.
- If not authorized, MCPs include why.
- MCPs include referral closure reason.

More details on p. 15-16

CLR Requirement Framework

Overview: CLR Requirements

DHCS Closed-Loop Referrals require three actions for MCPs – tracking, supporting, and monitoring.

Tracking – MCPs are required to track a minimum set of data elements on each Member referral

Supporting – MCPs are required to support referrals, notifying Members and Referring Entities, and work with providers to troubleshoot challenges

Monitoring – MCPs are required to regularly monitor data to resolve challenges across Referring Entities, internal operations, and providers

Goals of Tracking Member Referrals

- MCPs must track a set of minimum data elements for each phase of a referral to ECM and Community Supports.
- These requirements aim to ensure that MCPs act on CLRs in a timely manner and have full information to intervene when there are challenges in connecting Members to services.
- **MCPs may choose their own systems to store data and process referrals to implement CLR tracking requirements.** While DHCS has requirements for data collection, the department will not require nor provide a universal system to implement CLRs.

Examples of Required Data Elements and Sources

Column 1: Data Element	Column 2: Example Values	Column 3: Data Source
Date of Referral	MM/DD/YYYY	Referring Entity via the referral sent to the MCP for authorization
Referral Authorization Status	Approved; Under Review; Need Additional Information from Referral Source; Denied.	Internal MCP Data
Referral Status	Accepted; Declined; Pending; Outreach Initiated; Referral Loop Closed.	ECM/Community Supports Provider via the Return Transmission File (RTF)
Reason for Referral Loop Closure	Services Received; Service Provider Declined; Unable to Reach Member; Member No Longer Eligible for Services	ECM/Community Supports Provider via the Return Transmission File (RTF) OR Internal MCP data if due to denied authorization

Notifying Members and Referring Entities

Referral Loop Closure information constitutes PHI under HIPAA. As covered entities, **MCPs can share that information with covered and non-covered entities without individual authorization** for purposes of treatment and care coordination.

- Under CLR requirements and in alignment with APL 21-011, MCPs are required to notify Members and Referring Entities of a service's authorization and referral closure.
  - **Member Authorization Notifications**: MCPs are required to notify Members within 2 business days of the service authorization decision.
  - **Referring Entity Authorization Notifications***: MCPs are required to notify Referring Entities within 1 business day of the service authorization decision.
  - **Referring Entity Referral Loop Closure Notifications*:** MCPs are required to share Referral Loop Closure information with Referring Entities within 2 business days of receiving from a Provider via the RTF.

*DHCS requires MCPs to use **electronic methods** to communicate the information above to Referring Entities unless another non-electronic method is mutually agreed upon by both parties

Supporting Pending & Re-Referrals

MCPs must **use collected data** to identify CLRs that have been open for extended periods of time without status updates and **take action to follow up with the Service Provider** for resolution.

- MCP actions to **support referrals** may include:
  - Elevating referrals pending for extensive amounts of time to the Service Provider for follow up during monthly meetings.
  - Providing supplemental contact information to the Service Provider to support Member outreach.
  - Supporting Providers in using alternative contact methods to outreach Members (e.g. text, Member portals).
- MCPs must have **clear procedures for Member follow-up and re-referral in cases** where a Member's referral is denied due to eligibility or capacity of the Service Provider.
- DHCS **will not require a specific timeline for follow-up action** due to the urgent or long-time nature of certain services (i.e., asthma home modifications, housing deposits)

Monitoring Member Referrals – MCP Role

- MCP efforts to monitor referral trends are essential for increasing Members' successful connections to services by identifying and addressing gaps.
- MCPs are required to regularly monitor data collected through CLR tracking to resolve challenges across Referring Entities, internal operations and Providers.
- MCPs are expected to **provide technical assistance (TA)** to Referring Entities and Providers when referrals are experiencing consistent delays or outcomes that do not result in Member connections to services.
  - For example, MCPs can use data to identify Providers with a higher rate of referral loop closures due to failed member outreach, and design TA to support best practices and expectations in outreach.

Monitoring Member Referrals – DHCS Role

- In addition to MCP monitoring, DHCS will collect a set of measures to assess CLR implementation.
- Beginning July 2025, DHCS will request **monthly data submissions** from MCPs to review referral volume, timelines, closure reasons, and other quality measures.
- For ECM and Community Supports, DHCS will leverage the **existing JSON data submission** to collect data for CLR monitoring effective July 1, 2025.

Unique Requirements for ECM and Community Supports Referrals

- **Streamlined Authorization and CLR Tracking -** In cases when a Member begins receiving ECM or Community Supports under a streamlined authorization process, MCPs must still follow the referral tracking requirements outlined for CLRs.
- **Referrals from Correctional Facility Pre-Release Care Managers –** Referrals made by a correctional facility or Pre-Release Care Manager to ECM and Community Supports on behalf of individuals residing in Correctional Facilities and receiving or eligible for Pre-Release Services through the CalAIM Justice Involved Initiative are also subject to CLR requirements.

CLR Use Case

CLR Use Case (1/2)

Scenario: A Primary Care Provider (PCP) initiates a referral for a Member to receive the Medically Tailored Meals Community Support.

1. PCP Makes Referral

- *Day 1:* PCP makes a referral to the MCP for a Member for Medically Tailored Meals

2. MCP Authorizes Service

- *Day 1-5:* MCP reviews the Member's eligibility and authorizes services within 5 business days.

3. MCP Notifies PCP and Member of Authorization

- *Day 5-7:* MCP notifies the PCP of the service's authorization status within 1 business day and the Member and their caretaker within 2 business days.

CLR Requirement: MCPs provide notice of service authorization to Members and Referring Entities

4. Provider Accepts Referral

- *Day 8-12:* MCP assigns Member to Community Supports Provider and shares this information via the Authorization Status File (ASF). Community Supports Provider receives the ASF, reaches out to the Member to offer the service, and assesses the Member for the appropriate meal intervention.

CLR Requirement: MCP Tracking of Required CLR Data Elements

CLR Use Case (2/2)

Scenario: A Primary Care Provider (PCP) initiates a referral for a Member to receive the Medically Tailored Meals Community Support.

5. MTM Provider Delivers Service

Day 12: Community Supports Provider begins providing Medically Tailored Meals to the Member.

6. MCP Tracks Referral

Day 15-30: Once services start, the Community Supports Provider marks the Referral Status as 'Referral Loop Closed' with the reason as 'Services Received' on the Return Transmission File (RTF).

CLR Requirement: MCPs collect new, select data on referrals from ECM and Community Supports Providers

7. MCP Closes Referral Loop and Notify PCP

Day 32: MCP notifies the Member's PCP of the closure within two business days of receiving the RTF.

CLR Requirement: MCPs provide electronic notice of referral loop closure and reason to the Referring Entity

8. DHCS and MCP Monitor Referral

Day 60: DHCS receives data from the MCP via monthly JSON report to monitor the referral alongside data from other Community Supports referrals during a similar timeframe.

CLR Requirement: MCPs report select CLR data monthly to DHCS for monitoring of CLR requirements

Q&A

Next Steps

Next Steps

Thank you for your participation today.

Materials from this webinar will be posted on the PHM website in 2-3 weeks.

- Further discuss detailed technical requirements for MCPs at the February MCP TA call (Thursday, February 27, 2:00-3:30 pm PT)
- Begin collecting monthly data from MCPs on CLR in August 2025 and move to enforcement/monitoring of CLR in 2026
- Leverage the CLR requirement framework to support CLR for other services over time, starting with Behavioral Health services in 2026

Thank You

Please send any questions and comments about Closed-Loop Referrals or this event to PHMSection@dhcs.ca.gov

DHCS

Appendix

Updates to RTF to Support CLR

DHCS is implementing **three additional data elements** to the Return Transmission File (RTF) to support the tracking of referral progress and closure by providers:

- Referral Status
  - Accepted, Denied, Waitlist, Closed
- Date of Referral Status Update (MM/DD/YYYY)
- Reason for Referral Closure
  - Services Received, Service Provider Denied, Unable to Reach Member, Member No Longer Eligible for Services, Member No Longer Needs Services, Member Refused Services, Other, Unknown
- DHCS requires MCPs to build systems for collecting updates on CLR status on at least a **monthly** basis with Providers.
  - A monthly cadence aligns with current JSON reporting requirements for most providers and MCPs and is not expected to impact provider burden.

Updates to MIF & ASF to Support CLR

- DHCS will update 1 data element in the ECM Member Information File (MIF) and the Community Supports Authorization Status File (ASF):
  - **Referral Type**: Captures whether the Member referral was generated by the MCPs through available data or was submitted to the MCP from the community.
- For more details, please refer to the ECM and Community Supports Member Information Sharing Guidance (updated Fall 2024).