

Introductions

Amara Bahramiaref, Branch Chief, Managed Care Policy Branch, Managed Care Quality and Monitoring Division (MCQMD), called the Managed Care Advisory Group (MCAG) meeting into session and welcomed all in attendance virtually on the webinar and in person.

Managed Care Organization (MCO) Tax

Rafael Davtian, Deputy Director, Health Care Financing, gave an update on MCO Tax – CA:

- » Assembly Bill [\(AB\) 119](#) reauthorized a MCO tax for tax period April 1, 2023, through December 31, 2026. DHCS obtained federal approval of the tax in December 2023. Tax amounts were increased by [Senate Bill \(SB\) 136](#) and [AB 160](#). DHCS is awaiting federal approval of the amended tax.
- » The 2024 Budget includes the following state funds:
 - \$6.9 billion in 2024-25, \$23.1 billion total from 2023-24 through 2026-27 to support existing Medi-Cal services.
 - \$133 million in 2024-25, \$728 million in 2025-26, and \$1.2 billion in 2026-27 for new Medi-Cal provider rate increases and investments.
 - 133 million in 2024-25, 728 million in 2025-26, 1.2 billion in 2026-27 for new Medi-Cal provider rate increases and investments.
 - 145.4 million in 2024-25 to sustain [Proposition 56](#) funded payments for which there is declining Prop 56 revenue.
 - 40 million in 2026-27 for Medi-Cal workforce investments are the Department of Health Care Access and Information.
- » If [Proposition 35](#) is approved, MCO Tax package in the 2024 budget becomes inoperable since both cannot be fiscally sustained.
- » Provider Rate Increases and Investments:

- \$150 million for Distressed Hospital Loan Program.
- \$50 million for Small/Rural Hospital relief for Seismic Assessment and Construction.
- » Effective January 1, 2024, DHCS increased rates for targeted services to no less than 87.5 percent of the lowest Medicare rate locality in CA. Rate increases include primary care services, physician/non-physician services, maternal health services including obstetric and Doula Services, and Non-Specialty Mental Health Services (NSMHS).
- » Provider Rate Increases and Investments (2026):
 - Additional increases for primary/specialty care physician and non-physician professional health services (\$753 million state funds annually).
 - Private Duty Nursing (\$62 million State funds annually).
 - Clinic services and supports (\$50 million State funds annually).
 - Non-Emergency Medical Transportation (\$25 million State funds annually).
- » 2024 Budget Act allocates funding to continuous Medi-Cal coverage for children until age five (5) and on-time funding to strengthen and support development and retention of the Medi-Cal workforce.

2025 Transitions

Michelle Retke, Division Chief, Managed Care Operations Division gave an update on Major Risk Medical Insurance Program (MRMIP):

- » DHCS is required to cease to provide coverage through MRMIP effective December 31, 2024, which will impact approximately 400 members.
- » Communications:
 - Member communications (Notice 1: August 2024, Notice 2: October 2024 Notice 3: December 2024). Outreach call campaign will be conducted from September 2024 through October 2024.
 - Monitoring: starting November 2024, monthly updates will be provided to Assembly/Senate Committees on status of the transition of subscribers to other coverage if available. Update includes the number of subscribers transitioned out of MRMIP and the number remaining in the program and any available demographic info of each subscriber if available.

Michelle Retke, Division Chief, Managed Care Operations Division and Camella Taylor, Access Oversight Section Chief, Networks and Access Branch gave an update on Mandatory Foster Youth:

- » Effective January 1, 2025, DHCS will mandatorily enroll current and former foster care children and youth residing in Single Plan counties (Alameda, Contra Costa, and Imperial) into Medi-Cal Managed Care Health Plans. This transition will align policies in all Medi-Cal MCP models where there is a Single Plan operating in the county and is implemented per [AB 118](#). Approximately 8,100 members are impacted.
- » Communications:
 - Member communication: DHCS will mail member notices to impacted members and authorized representatives.
 - Provider communication via provider bulletins/newsflashes are provided.
 - Stakeholder Communications are also provided (monthly MCP Readiness meetings, Quarterly stakeholder meetings, etc.).
- » Member Enrollment: children/youth enrolled in the foster care system and identified with foster care AID code will transition to mandatory Managed Care enrollment January 1, 2025. Members will be automatically enrolled into either the Single Plan or Kaiser based on default assignment and the Medi-Cal Matching Plan policy.
- » Continuity of Care (CoC) Policy overview:
 - APL will be providing MCPs with guidance on enhanced continuity of care protections, such as CoC for providers, covered services, and for Durable Medical Equipment (DME) Rentals and medical supplies.
 - Pre and Post Transition Monitoring will be conducted by DHCS to ensure MCPs take appropriate actions to carry out their CoC transition obligations.

Michelle Retke, Division Chief, Managed Care Operations Division and Marc Fujii, Health Program Specialist II, Project Coordination Section, Managed Care Program Oversight Branch, gave an update on Specialty Mental Health Services (SMHS):

- » Effective July 1, 2024, SMHS will no longer be capitated in Sacramento/Solano County to the Kaiser Permanente Health Plan. SMHS will be available through the Mental Health Plans (MHPs). Approximately 4,800 members will be impacted.
- » Communications:
 - Member notices will be provided for Kaisers phased transition beginning May 2024 through December 2024.
 - Provider and Stakeholder communication will also be provided to Members.

- » SMHS Post-Transition Monitoring (PTM) strategy: Transition plan outlines how Kaiser and MHPs facilitate the transition of care in a phased approach from July 1, 2024, through December 31, 2024. Joint transition report elements include information on the number of Screening and Transition of Care tools sent to the MHPs, intake appointments scheduled, and intake appointments completed, best practices, lessons learned, and other status updates.
- » SMHS MCP Readiness: All deliverables for July 1, 2024, transition implementation has been approved. County MHPs are determined ready to absorb population to be transitioned to county responsibility.

Joseph Billingsley, Assistant Deputy Director, Integrated Systems of Care, Health Care Delivery Systems, gave an update on Whole Child Model (WCM):

- » WCM is expanding into 12 new counties California Children's Services (CCS) and contracting with existing WCM MCPs:
 - Partnership counties (10): Butte, Colusa, Glenn, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Yuba
 - Central California Alliance for Health (CAAH) counties (2): Mariposa, San Benito
 - Kaiser counties (4): Placer, Mariposa, Sutter, Yuba
 - Approximately 3,957 members will be impacted.
- » Communications:
 - Member Communications: notices will be out 90/60/30 days prior to January 1, 2025. DHCS will mail out the 90-day notices and the MCPs are responsible for mailing the 60 and 30-day notices.
 - Provider Communication via bulletins and newsflashes will be provided.
 - Stakeholder Communication via ongoing Monthly DHCS/MCP/County calls and quarterly CCS advisory group meetings will be held.
- » MCP readiness: MCPs are required to submit readiness deliverables to DHCS for review and approval. Deliverables consist of updated Policies & Procedures (P&P) to CoC, care coordination, referrals, local engagement, and network information. All County Operational Transition Plans (OTP) and P&Ps have been submitted.
- » WCM Network Readiness: DHCS has approved initial MCP Network Template submissions. MCPs will provide final network template submission by September 30, 2024. DHCS will assess network readiness for Licensed Acute Hospitals, Special Care Centers, and paneled providers.

- » Pre and Post Transitional Monitoring will take place across multiple domains including CoC including Member requests, public health nurses, provider outreach, agreements, and authorizations.
- » Monitoring cadences are:
 - Bi-Weekly (November 2024 through February 2025)
 - Monthly (March through June 2025)
 - Long-term (Effective July 1, 2025)

Focused Audits

Dana Durham, Division Chief, Managed Care Quality and Monitoring Division (MCQMD), gave an update on Focused Audits:

- » Focused audits to assess performance in furnishing covered Behavioral Health (BH) and Transportation to Members January 2023 through December 2023. Review period from November 2021 through October 2023. Exit conferences were held June 25, 2024, through July 9, 2024. Report was issued on August 30, 2024, and was posted on September 4, 2024.
- » Case Management and CoC:
 - Behavioral Health: SMHS, NSMHS, and substance use disorder services.
- » Access and Availability:
 - Transportation: Non-Emergency Medical Transportation, and Non-Medical Transportation.
- » Corrective Action on findings from the focused audit reports are issued and in progress. DHCS is working with plans to ensure actions are taken to ensure accountability and clarifying policy. Corrective actions should be no longer than six (6) months and is dependent on what the change is. If it's identified to be a systemic change that needs to happen, it may require a "hard wire" type of fix for their system which may require more than 6 months.

CalAIM Transitional Rent Proposal for Public Comment

Glenn Tsang, Policy Advisor for Homelessness and Housing gave an update on the CalAIM Transitional Rent Proposal for Public Comment:

- » DHCS is in a three-week public Transitional Rent Concept Paper comment period, all comments are due by 5 P.M. PT, September 20, 2024. DHCS' Vision and Timeline for Transitional Rent will cover up to six (6) months of rent for members approaching near homelessness who meet eligibility criteria.

- » Transitional Rent eligibility: must meet clinical risk factors, must be experiencing or at risk of homelessness per HUD definition with two minor modifications, and in a specified transitioning population.
- » DHCS is exploring flex pools and other ways to support delivery of service for members to access housing quickly. Payment on Transitional Rent will be separate from usual capitation rates. DHCS will provide additional requirements and guidance.

Community Supports Updates to the Policy Guide

Tyler Brennan, Health Program Specialist II, Program Administration Section, Managed Care Program Oversight Branch, gave a presentation on Community Supports Updates to the Policy Guide:

- » DHCS is identifying areas where increased standardization would improve implementation and address uneven uptake of Community Supports across the state.
- » DHCS is currently revisiting and updating service definitions for:
 - Asthma Remediation
 - Housing Deposits
 - Medically Tailored Meals (MTM)/Medically supportive foods (MSF)
 - Community Transitions Home
 - Nursing Facility Transition/Diversion to Assisted Living Facilities
- » The menu of 14 Community Supports services has been live since January 1, 2022. DHCS is identifying and working on areas to increase standardization and clarity to improve implementation. The key focus areas for updated and reinforced policies include standardizing eligibility, streamlining, and standardizing referral/authorization processes, expanding provider networks, and streamlining payment, strengthening market awareness, and improving data exchange.
- » DHCS received feedback from stakeholders raising confusion about service definitions, what the intended goals are, what service components are included as part of each service, and how they relate to available benefits and services. The lack of clarity in the current service definition language has prompted DHCS leadership to prioritize refining the service definitions before the end of the year. DHCS has released several areas of guidance for public comment on ECM and Community Supports in August through September.

- » The latest public information on MCP Community Supports Elections can be found on the [DHCS website](#). DHCS released an updated ECM and Community Supports Quarterly Implementation Report with data through Q4 2023.
- » In early August, DHCS released an updated ECM and Community Supports Quarterly Implementation Report which includes program data through Q4 2023. The report summarizes implementation trends and data through the end of 2023 and includes 6 months of data on children and youth ECM Populations of Focus.
- » The JSON transition began in January 2024 and will take at least 12-18 months to complete in phases. Community Supports will be implemented in Phase 3 of this transition, beginning January 2025. Phase 4, which starts July 2025, will include reporting detail elements for Closed Loop Referrals for both ECM and Community Supports.

Enhanced Care Management (ECM) Referral and Authorization Guidance

Laura M. Miller, MD, Medical Consultant II, Quality Population Health Management, gave an update on ECM Referral and Authorization Guidance:

- » Goals for streamlining ECM Referrals and authorizations:
 - Reduce time from when a member is identified for ECM to when they begin ECM services.
 - Create a consistent statewide format and process for ECM referrals.
 - Build awareness of ECM in the community.
 - Improve quality of matching of Members being referred, with ECM providers.
 - Standardize what information is needed for ECM eligibility.
- » Feedback of ECM and Community Supports received: increased standardization of the ECM and Community Supports program design is needed to reduce administrative burden, increase uptake, and ensure consistency of service delivery for Members.
- » DHCS developed an action plan that outlines short, medium, and long-term policy and design priorities for ECM and Community Supports. All short-term priorities in 2023 have been finished and is currently working to achieve the medium and long-term priorities. Starting January 1, 2025, all MCPs will collect the same information from referral partners through their ECM Referrals. MCPs

will not be permitted to impose additional documentation requirements for reviewing a Member's eligibility and authorizing ECM beyond what is included in the ECM Referral Standards.

- » Referral Standards and Form Templates Detail provides mandatory fields, including: Medi-Cal Member information, Referral Source info, Eligibility Criteria for Adults and Children/Youth, and enrollment in other programs. Referral transmission methods are also delineated.
- » ECM presumptive authorization guidance will expand MCP use of presumptive authorization, so specific ECM providers that are already contracted in an MCP's ECM provider network can start serving Members faster and be reimbursed for their services. Select ECM providers will be able to initiate ECM for members and be paid for ECM services for a 30-day timeframe. ECM providers must meet two (2) sets of criteria to be eligible: ECM Provider is contracted in the MCP's network to deliver ECM for the specific Populations of Focus (POF).
- » Upcoming TA on ECM Referrals and Authorization:
 - All Comer Webinar on ECM Referral Standards and Presumptive Authorization Guidance: Wednesday, October 9, 2024, from 11 A.M. – 12 P.M. PT, Registration link:
https://manatt.zoom.us/webinar/register/WN_nLj8czxJQWGgaYCMhufaCQ#/registration
 - For questions and requests on additional TA email
CalAIMECMILOS@dhcs.ca.gov.

Providing Access and Transforming Health (PATH) – CITED

Shel Wong, Program Coordination Section Chief, Managed Care Program Oversight Branch, gave an update on PATH – CITED:

- » The 2023-2024 Governor's Budget included \$40 million in State General Funding to support activities to expand capacity/implement ECM and CS at clinics. Round 3/CITED-Clinics application window was open from January 15, 2024, through February 15, 2024. 470 applications received; \$711,529,975.58 amount requested.
- » Round 3 priorities: Meet County ECM POF gaps based on MCP provider network exception or corrective action plan, ECM/Community Supports in rural counties, ECM providers serving Children/Youth POF, Tribal Partners, Statewide Community Support needs, County specific gaps in ECM, County specific gaps in Community Supports, New ECM POF going live.

- » Round 3 award summary of the 421 applicants submitted, 133 entities were awarded (32% of total applications).
- » CITED Round 4 upcoming:
 - Timeline and priorities are in development.
 - Round 4 is targeted to open late 2024 or early 2025.
 - For the most up to date information, visit [Capacity & Infrastructure Transition, Expansion & Development | PATH TPA \(ca-path.com\)](https://ca-path.com/transition-expansion-development)

Open Discussion

- » Next meeting is Thursday, December 19, 2024, at 1700 K St, Sacramento CA.