



State of California—Health and Human Services Agency
Department of Health Care Services



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GOVERNOR

June 30, 2021

Administrator Chiquita Brooks-LaSure
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, MD 21244-1850

REQUEST FOR AMENDMENT AND FIVE-YEAR RENEWAL OF CALIFORNIA'S
SECTION 1915(b) WAIVER

Dear Administrator Brooks-LaSure:

I am pleased to submit the enclosed request for an amendment and five-year renewal of the Specialty Mental Health Services (SMHS) Section 1915(b) Waiver, now titled the CalAIM Section 1915(b) Waiver, with a requested effective date of January 1, 2022. The SMHS Waiver is scheduled to expire on December 31, 2021, following Centers for Medicare & Medicaid Services' approval of an extension this year. The CalAIM Section 1915(b) Waiver request is an essential component of California's Advancing & Innovating Medi-Cal (CalAIM) initiative, streamlining DHCS' managed care programs – Medi-Cal managed care, SMHS, dental managed care, and the Drug Medi-Cal Organized Delivery System (DMC-ODS) – into a single authority. Because much will change through the CalAIM initiative, the timing for approval of this request is critical to ensure seamless transitions for beneficiaries and program partners.

CalAIM seeks to take a population health, person-centered approach to providing services, and to expand California's whole person care approach (first authorized as pilots by the Medi-Cal 2020 Section 1115 Demonstration, then statewide through California's managed care delivery system). The goal is to improve health outcomes and advance equity for Medi-Cal beneficiaries and other low-income people in the state. CalAIM is multi-faceted and we are submitting this Section 1915(b) Waiver renewal request in parallel with a corresponding amendment and renewal request to amend and renew the state's existing Medi-Cal 2020 Section 1115 Demonstration (to be titled the CalAIM Section 1115 Demonstration). Other authorities sought by California include various state plan amendments, and Enhanced Care Management and In Lieu of Services within Medi-Cal managed care, creating the opportunity to offer non-clinical interventions that target social determinants of health, and reduce health disparities and inequities.

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The state's SMHS program is already authorized under the existing Section 1915(b) waiver. California is proposing to transition its other Medi-Cal managed care delivery systems – Medi-Cal managed care, dental managed care, and DMC-ODS – from Section 1115 demonstration authority to Section 1915(b) waiver authority. This transition will better align California's managed care programs, while continuing key Section 1115 demonstration initiatives in order to meet the physical, behavioral, developmental, long term services and supports, and health-related social needs of all Medi-Cal beneficiaries in an integrated, patient-centered, whole-person fashion to improve health outcomes and advance equity for Medi-Cal beneficiaries.

Enclosed is all of the information and content required for an amendment and renewal request under 42 CFR § 431.55, the Centers for Medicare & Medicaid Services' Section 1915(b) preprint, and State Medicaid Director Letter #01-024, as well as California's State Plan Amendment #12-002. The enclosed materials include a description of the public and Tribal stakeholder processes that DHCS has conducted over the last few months.

California's ambitious program, delivery system, and payment reforms in CalAIM complement the Biden Administration's priority on improving health and advancing health equity, including through innovative strategies to address the social determinants of health. We look forward to working together to achieve this vision for Medi-Cal enrollees.

Thank you for your consideration of this request. For any questions, please contact Ms. Saralyn M. Ang-Olson, Chief Compliance Officer, by phone at (916) 345-8380 or by email at Saralyn.Ang-Olson@dhcs.ca.gov.

Sincerely,



Jacey Cooper
State Medicaid Director
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Health Care Programs

Enclosures

cc: See Next Page

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