



***California Advancing and Innovating
Medi-Cal (CalAIM) Section 1915(b)
Waiver & Section 1115 Demonstration***

***Managed Care Plan Model Change
Amendments Overview***

August 22, 2022

Welcome and Zoom Logistics

Dos & Don'ts of Zoom

- » Participants are joining by computer and phone
- » Everyone will be automatically muted upon entry
- » Use the Q&A box to submit public comments

Closed Captioning

- » Live closed captioning is available
- » You can find the link in the Chat field

Today's Agenda

- » **Overview of CalAIM 1115 Demonstration & 1915(b) Waiver**
- » **Proposed Amendments to CalAIM 1115 Demonstration & 1915(b) Waiver for Managed Care Plan Model Changes**
- » **Timeline and Public Comment Period for Amendments**

Today's Objective

California is seeking amendments to the CalAIM Section 1115 demonstration and Section 1915(b) waiver to implement county-based model changes in the Medi-Cal Managed Care (MCMC) program. In today's public hearing webinar, we will summarize the planned amendments and receive comments from stakeholders on the proposed approach.

How to Access Public Comment Materials

- » [CalAIM Section 1115 Demonstration & Section 1915\(b\) Webpage](#)
 - [Public notice](#)
 - [Tribal and Designees of Indian Health Programs public notice](#)
 - [Section 1115 demonstration amendment draft](#)
 - [Section 1915\(b\) waiver amendment overview](#)
- » [CalAIM Indian Health Program Webpage](#)
- » [CalAIM Homepage](#)

Submitting Public Comments

The state public comment period for the CalAIM Section 1115 and Section 1915(b) amendments is from August 12, 2022 to September 12, 2022. To be considered prior to CMS submission, all public comments must be received by 11:59 p.m. PDT on September 12, 2022.

- » **Mail:** Indicate “CalAIM Section 1115 & 1915(b) Waivers Amendment” in the address line
Department of Health Care Services
Director’s Office
Attention: Jacey Cooper
P. O. Box 997413, MS 0000
Sacramento, California 95899-7413

- » **Email:** Indicate “CalAIM Section 1115 & 1915(b) Waivers Amendment” in email’s subject line
CalAIMWaiver@dhcs.ca.gov

- » **Today’s Public Hearing:**
 - **Q&A Box.** All information and questions received through the Q&A box will be recorded as public comments
 - **Spoken.** Participants will have the opportunity to verbally share public comments in the second half of the webinar

Overview of CalAIM Section 1115 & Section 1915(b) Waivers

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California's Section 1115 Demonstration and 1915(b) Waiver Support the CalAIM Vision

CalAIM is a long-term commitment to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory.

Goals of CalAIM

- » Identify and manage comprehensive needs through whole person care approaches and social drivers of health
- » Improve quality outcomes, reduce health disparities, and transform the delivery system through value-based initiatives, modernization, and payment reform
- » Make Medi-Cal a more consistent and seamless system for enrollees to navigate by reducing complexity and increasing flexibility

California's Section 1115 demonstration and Section 1915(b) waiver, along with California's State Plan and managed care contracts, authorize the various components of CalAIM.

Overview of CalAIM 1115 Demonstration

On December 29, 2021, CMS approved California's CalAIM Section 1115 demonstration. The five-year approval renewed components of the state's existing Medi-Cal 2020 demonstration, and authorized new components, consistent with the goals of the Medi-Cal program.

CalAIM Section 1115 Demonstration Components

- » Community Supports Services for Recuperative Care and Short-Term Post-Hospitalization Housing
- » Providing Access and Transforming Health (PATH) Supports
- » Contingency Management
- » Dual Special Needs Plan (D-SNP) Exclusively Aligned Enrollment Model
- » Continuation of Drug Medi-Cal Organized Delivery Systems (DMC-ODS) Services for Short-Term Residents of Institutions for Mental Diseases (IMDs)
- » Continuation of Global Payment Program
- » Continuation of Community-Based Adult Services (CBAS)
- » Continuation of Chiropractic Services for Indian Health Service and Tribal Facilities
- » Authority to Increase and Eventually Eliminate Asset Limits for Certain Low-Income Individuals ([2022 Amendment](#))

CMS is still reviewing California's requests to provide in-reach services to justice-involved populations, leverage federal funding of Designated State Health Programs (DSHPs) for PATH, and offer traditional healer and natural helper services.

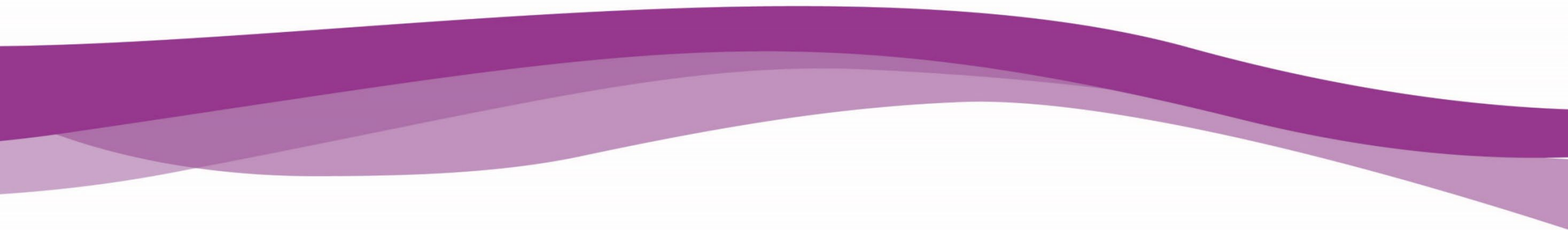
Overview of CalAIM 1915(b) Waiver

On December 29, 2021, CMS approved California's CalAIM Section 1915(b) waiver. The five-year approval transitioned authority for California's managed care delivery systems from the state's longstanding Section 1115 demonstration to authority under the CalAIM 1915(b) waiver.

CalAIM Section 1915(b) Waiver Components

- » Authorized all four Medi-Cal managed care delivery systems:
 - Medi-Cal Managed Care (MCMC)
 - Dental Managed Care (Dental MC)
 - Specialty Mental Health Services (SMHS)
 - Drug Medi-Cal Organized Delivery Systems (DMC-ODS)
- » Standardized enrollment, benefits, and payment across managed care delivery systems

Proposed Amendments to CalAIM 1115 Demonstration & 1915(b) Waiver for Managed Care Plan Model Changes

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Medi-Cal Managed Care is Central to California's Health Care Delivery System

Medi-Cal Provides Coverage for:

- » One in three Californians
- » More than half of school-age children
- » Half of California births
- » More than two-thirds of long-term care patient days

Medi-Cal Managed Care Plans (MCPs):

- » Partner with the state to deliver health care services for Medi-Cal members
 - » Will enroll approximately 99 percent of Medi-Cal beneficiaries by 2024
 - » Operate within multiple managed care models that vary by county
-

Overview of MCMC Model Changes

Prior to the launch of the state's commercial plan re-procurement process in 2022, counties had the opportunity to request a change to their managed care model effective January 1, 2024.

- » **Today, each county offers one of these MCMC models:**
 1. One plan operated by the county (County Organized Health System (COHS) model)
 2. One local initiative plan operated by the county and one commercial plan (Two Plan model)
 3. Multiple commercial plans (Geographic Managed Care, Regional, and Imperial model)
 4. One commercial plan and a Fee-for-Service option (San Benito model)

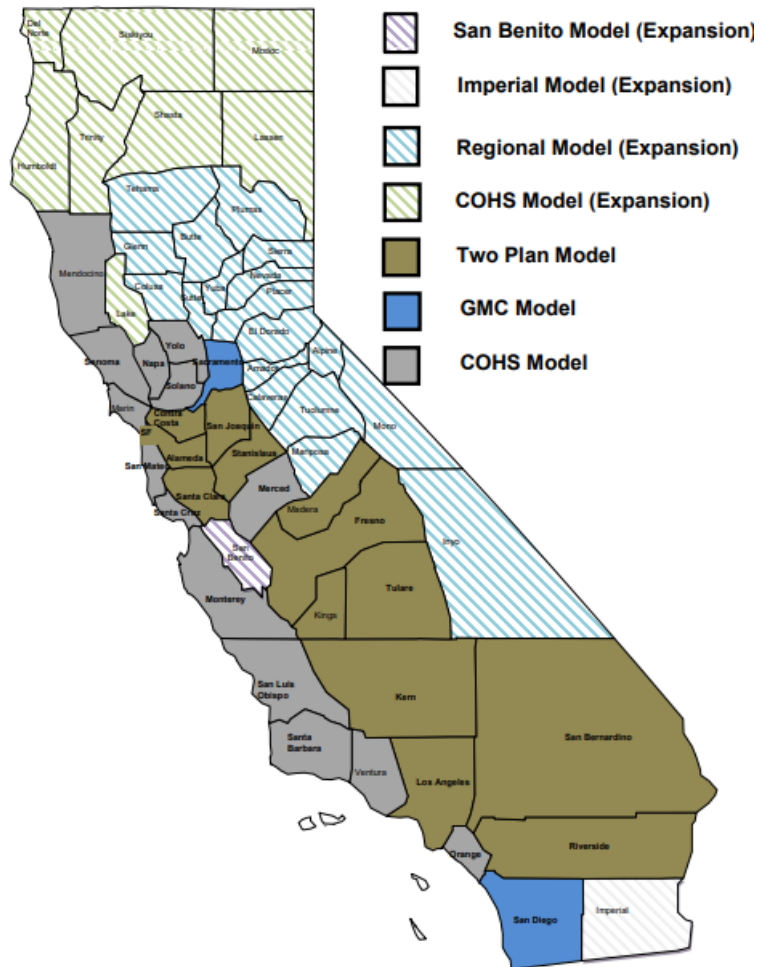
- » DHCS has conditionally approved model changes in 17 counties; **15 counties seek to move to a managed care model that involves one plan per county**, either via expansion of an existing COHS model or establishment of a "Single Plan" model

- » Single Plan models will be expansions of plans currently operating as county-driven local initiatives or will otherwise be operating under a county or local authority

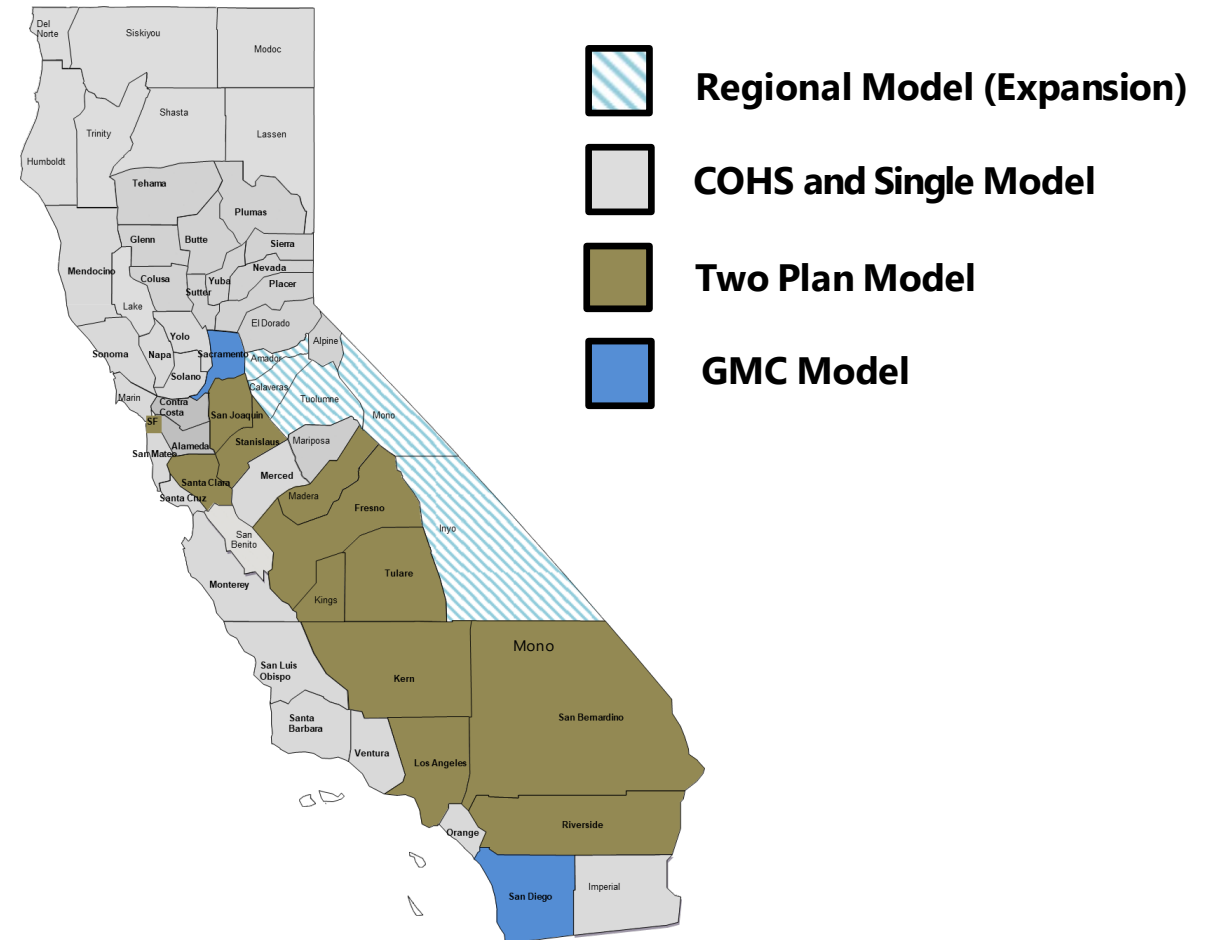
DHCS is seeking Section 1115 and 1915(b) authority to limit choice of MCPs for enrollees residing in counties participating in the COHS and Single Plan models.

Conditionally Approved Changes to County MCMC Models

Current Models:



Conditionally Approved 2024 Models:*



* Pending plan readiness and federal authorization

Authorities and Other Updates Requested in the Section 1115 and 1915(b) Amendments

Section 1115 Amendment

- » **Expenditure authority to limit plan choice in metro, large metro, and urban counties** to allow counties to participate, or continue participating, in the COHS and Single Plan models

Section 1915(b) Amendment

- » **Authority to limit plan choice in rural counties** to allow counties to participate, or continue participating, in the COHS and Single Plan models
- » **Updates to policies and program descriptions memorialized in the CalAIM 1915(b)**, including to reflect:
 - MCMC model changes in select counties
 - Direct contracts with Kaiser Foundation Health Plan available to certain Medi-Cal beneficiary populations in 32 counties, where Kaiser Foundation Health Plan currently operates as a commercial plan

The Section 1115 and 1915(b) amendments will not impact Medi-Cal eligibility or benefits.

Ensuring Smooth Transitions for Members

DHCS is committed to ensuring a smooth transition among plans for Medi-Cal members transitioning to a new plan following the planned model changes.

- » **Member noticing, outreach and continuity of care policies and procedures are being carefully considered** and will be included in a transition plan developed with substantial input from stakeholders
- » **MCPs are required to ensure access and member rights; DHCS will provide plans with monitoring and oversight standards and processes**
 - DHCS will communicate the standards and processes through a variety of mechanisms including, but not limited to, policy guidance, contract amendments, All Plan Letters, and Frequently Asked Questions (FAQs), as well as provide ongoing training and technical assistance
- » **Throughout 2022, DHCS has engaged with stakeholder and advocacy groups, and will continue to do so to keep them informed with timely information about the transition**

Timeline and Public Comment

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Timeline and Next Steps

Milestones	Proposed Timeline
Conduct 30-day State public comment	August 12– September 12, 2022
Distribute Tribal and Designees of Indian Health Programs Notice (Allow 30-day comment period)	August 12– September 12, 2022
Public Hearing	August 22, 2022 10 a.m. – 11 a.m.
Tribal Webinar	August 31, 2022 2 p.m. – 3 p.m.
Review public comments and finalize documents for CMS submission	September – October 2022
Submit Section 1115 and 1915(b) amendments to CMS	November 2022
CMS conducts federal 30-day public comment period	November – December 2022
Negotiations with CMS	December 2022 – early 2023
Effective date for MCMC Model Changes	January 1, 2024

CalAIM Waiver Public Comment Period

To be considered prior to CMS submission, public comments on the CalAIM 1115 and 1915(b) amendments must be received by 11:59 p.m. PDT on September 12.

Email Comments

Email CalAIMWaiver@dhcs.ca.gov and include “**CalAIM 1115 & 1915(b) Waivers Amendment**” in the email subject line

Write-In Comments

Mail written comments to:
Department of Health Care Services
Director’s Office
Attention: Jacey Cooper
P. O. Box 997413, MS 0000
Sacramento, California 95899-74173

CalAIM Waiver Resources

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Public Comments

The Department of Health Care Services (DHCS) will now take comments from stakeholders on the proposed Section 1115 and 1915(b) amendments for the MCMC model changes.

- » **Q&A Box.** All information and questions received through the Q&A box will be recorded as public comments
- » **Spoken.** Participants must “raise their hand” for Zoom facilitators to unmute the participant to share their public comment
 - If you logged on via phone-only**
 - Press “*9” on your phone to “raise your hand”
 - Listen for your phone number to be called by moderator
 - After selected to share your public comment, please ensure you are “unmuted” on your phone by pressing “*6”
 - If you logged on via Zoom interface and/or registered via email**
 - Press “Raise Hand” in the “Reactions” button on the screen
 - After selected to share your public comment, please ensure you are “unmuted” on your audio

Thank You!

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Appendix

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Background on Section 1115 Demonstration Authority

Under **Section 1115 of the federal Social Security Act**, the U.S. Secretary of Health and Human Services (HHS) has authority to approve a state's request to waive compliance with provisions of federal Medicaid law.

A Section 1115 demonstration (or waiver) must be:

- ✓ An experimental, pilot or demonstration project.
- ✓ Likely to assist in promoting the objectives of the Medicaid program.
- ✓ Budget neutral to the federal government.
- ✓ Limited in duration to the extent and period necessary to carry out the demonstration.

States must provide a **public process for notice and comment** on proposed demonstration applications and extensions.

Background on Section 1915(b) Waiver Authority

Under **Section 1915(b) of the federal Social Security Act**, the U.S. Secretary of HHS has authority to approve a state's request to waive requirements for implementation of Medicaid managed care delivery systems. **States often authorize Medicaid managed care through Section 1915(b) waiver authority.**

A Section 1915(b) waiver must be:

- ✓ Likely to assist in promoting the objectives of the Medicaid program.
- ✓ Cost effective for the federal government.
- ✓ Limited in duration for up to two years, or five years if the waiver authorizes enrollment of enrollees dually eligible for Medicare and Medicaid.

States submit Section 1915(b) waivers and any amendments using a "**pre-print**" and the Centers for Medicare & Medicaid Services (CMS) has 90 days to review and decide on the waiver.