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November 4, 2011

Peter Harbage  
Harbage Consulting  
Via email: info@calduals.org

**RE: Comments on California Duals Demonstration Overview Paper**

Dear Peter,

On behalf of On Lok, I want to thank you for the opportunity to comment on the California Duals Demonstration Overview paper. We support the demonstration's goal of better coordinated delivery models for dual eligible beneficiaries for the benefit of beneficiaries and payers. The design and execution of the demonstration is critical to meeting that goal. We appreciate DHCS' and Harbage Consulting's efforts to make available draft documents to enable stakeholders to provide feedback in the development process.

As you know, On Lok has almost thirty years of experience in developing and operating the PACE (Program of All-inclusive Care for the Elderly) model of integrated financing and care for vulnerable individuals who meet Medi-Cal's criteria for nursing home eligibility. PACE integrates all Medicare and Medi-Cal covered benefits and is fully accountable for the financing and delivery of care. By aligning incentives between beneficiaries, payers and the PACE organization, PACE maximizes beneficiaries' ability to remain in their homes and communities through better management chronic conditions and timely access to a full range of home and community-based services. PACE is an operating person-centered integrated care model that encompasses many of the desired features of the dual eligible demonstration for a frail sub-group of the target population.

We remain very interested in participating in California's dual eligible demonstration. We want to build on our experience in creating and operating the PACE model to serve more dual eligibles and a broader spectrum of dual eligibles. We look forward to working with CMS and DHCS to increase the flexibility of PACE to increase the numbers of individuals served. We believe our experience in operating PACE will be instructive in both expansion of PACE and the development of new models of care for the dual eligible population.

We have the following general comments on the California Duals Demonstration Overview paper:

- We believe all the stated goals on pages 5-6 are critical to the demonstration. We suggest making more explicit the goal of aligning incentives to increase the use of home and community-based services to promote independence and prevent unnecessary use of inpatient services.
- We want to underscore the diversity of the dual eligible population. For this reason, we believe it is critical that the selection criteria assess the capacity of applicants to adequately serve sub-groups of beneficiaries within the dual eligible populations. We recommend that DHCS permit carve-outs if the selected applicant is not able to address the needs of certain sub-group populations. Furthermore, the selection criteria should assess the applicants' ability to meet the cultural and linguistic needs of the population served.
- We believe an "opt-in" enrollment system is preferable for beneficiaries rather than to be enrolled on a mandatory basis. Regardless of the enrollment system adopted, we strongly urge that any system provide beneficiaries "meaningful, understandable" information on how their care would change and their rights to make an informed choice on opting in or opting out.
- While we understand the desire for one set of outcome measures, the diversity of the dual eligible population will make it challenging to have a single set of measures that are meaningful. It is important to consider outcome measures for long-term services and supports as well as medical services. In addition, unless a uniform assessment instrument is developed as part of this effort, it will be difficult to make comparisons across programs.

Thank you for your consideration. We look forward to working with DHCS and Harbage Consulting in this process.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Edmondson', with a long horizontal flourish extending to the right.

Robert Edmondson,  
Chief Executive Officer

cc Jane Ogle, Deputy Director, Health Care Delivery Systems  
John Shen, Chief, Long-Term Care Division