



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



EDMUND G. BROWN JR.
GOVERNOR

April 4, 2012

Mr. David Friedman
Health Net Community Solutions
11971 Fountain Place
Rancho Cordova, CA 95670

Dear ~~Mr. Friedman~~, 

We are pleased to inform you that Health Net has been selected to participate as an integrated health plan in the Duals Demonstration in Los Angeles and San Diego counties. Both counties are among the four counties selected to proceed under current state authority to implement the proposed demonstration. The department looks forward to working with you to achieve the goals of improved care coordination, better beneficiary health, and a more efficient delivery system.

Health Net has more than 15 and 17 years of experience operating as a Medi-Cal managed care in Los Angeles County and San Diego County, respectively. In this capacity, you have partnered with the state to serve the most vulnerable populations, including seniors and persons with disabilities. Additionally, Health Net has provided Medicare benefits to dual eligible beneficiaries through its Dual Eligibles Special Needs Plan (D-SNP) in both counties. Both programs are accredited by the National Committee for Quality Assurance (NCQA), indicating quality care and service delivery.

This local experience coupled with the Health Net's ability to draw on experience from its program innovations in other states, convinced the reviewers that you have the infrastructure and preparation to achieve success. Your collaboration with L.A. Care encourage us that you will ensure a coordinated and consistent approach in working with beneficiaries, providers and county agencies to ensure this demonstration works in the a county as large and complex as Los Angeles.

Recently, we announced a series of workgroups to support the development and implementation of the demonstration. We look forward to Health Net being an active participant in these workgroups, as well as your ongoing engagement of local stakeholders to prepare for the launch of the demonstration.

This letter marks an important milestone in a process begun a year ago to develop this demonstration. Prior to the program beginning on January 1, 2013, the demonstration will require approval of various agreements and plans by the federal Centers for Medicare & Medicaid Services. In addition, your health plan will need to document having met stringent federal and state operational standards through various readiness review procedures. The Department of Health Care Services' Medi-Cal Managed Care Division will soon send you a letter that will help you continue preparing for the demonstration.

Congratulations on your work to date. We look forward to working with you in partnership on this important program to support California's dual eligible beneficiaries.

Sincerely,



JANE OGLE,
Deputy Director, Health Care Delivery Systems