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

JENNIFER KENT
DIRECTOR

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GOVERNOR

February 14, 2017

Ms. Angela Garner, Director
Division of System Reform Demonstrations
Centers for Medicare and Medicaid Services
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Baltimore, MD 21244-1850

Ms. Sandra Phelps
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Ms. Henrietta Sam-Louie
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CALIFORNIA MEDI-CAL 2020 DEMONSTRATION (NO. 11-W-00193/9) AMENDMENT REQUEST FOR THE MEDI-CAL ACCESS PROGRAM TRANSITION TO THE MEDI-CAL MANAGED CARE DELIVERY SYSTEM

Dear Ms. Garner, Ms. Phelps, and Ms. Sam-Louie:

The State of California proposes to amend the Special Terms and Conditions (STCs) of Waiver 11-W-00193/9, California Section 1115 Waiver entitled, "Medi-Cal 2020 Demonstration" (Demonstration Waiver) pursuant to STC paragraph 7.

This proposed amendment would allow the Department of Health Care Services (DHCS) to add the Medi-Cal Access Program (MCAP) population to the Medi-Cal Managed Care (MMC) delivery system. DHCS is requesting this Demonstration Waiver amendment have an effective date of July 1, 2017.

Director's Office
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Internet Address: http://www.DHCS.ca.gov

MCAP's transition to MMC delivery will mirror the benefits of Medi-Cal full-scope pregnancy coverage, which includes dental services. DHCS is prepared to collaborate with the Centers for Medicare and Medicaid Services (CMS) in order to secure prompt approval of this amendment, requested to be May 1, 2017, in order to ensure the smooth and timely transition of MCAP subscribers to MMC.

Background
MCAP provides comprehensive coverage to pregnant women with incomes above 213 percent up to and including 322 percent of the federal poverty level. Eligibility for MCAP includes a premium payment which is 1.5 percent of their modified adjusted gross income. MCAP was previously under the Managed Risk Medical Insurance Board; it transitioned to DHCS in 2014. Since then, DHCS has maintained the existing MCAP health plan delivery system to minimize care disruption for enrolled subscribers.

Impact to Services
With applications for MCAP now included in the California Healthcare Eligibility, Enrollment, and Retention System – and with the aim of efficiently providing comprehensive, coordinated care to women covered by MCAP – the primary focus of this plan is to transition MCAP enrollees into MMC. All new MCAP enrollees will be enrolled starting July 1, 2017, into a MMC plan operating in thier county of residence.

To minimize care disruption, women enrolled into MCAP prior to July 1, 2017, will remain in their assigned MCAP health plan if they were enrolled prior to October 1, 2016 and in the Fee-For-Service delivery system if enrolled on or after October 1, 2016. All MCAP women stay in the health delivery system that they were enrolled until the end of the month of the 60th day following the end of their pregnancy. There will be no changes in the manner in which premiums are billed and collected.

Waiver Authority
DHCS believes the existing waivers of freedom of choice, statewideness, and comparability encompass this proposed Demonstration Waiver amendment. To the extent necessary, DHCS requests authority to operate under these waivers to extend to the amendments contained in this request.

Expenditure Authority
This proposed Demonstration amendment will not impact the existing Demonstration Waiver expenditure authority.

Public Notice and Tribal Notice
As required by STC paragraphs 8 and 14, DHCS has provided, and continues to conduct, public notice through the following means:

Public Notice and Processing:
On December 13, 2016, DHCS provided public notice for this proposed amendment through a notice emailed to the DHCS General Stakeholders distribution list, which includes approximately 4,500 individuals, who have joined the list to receive significant Medi-Cal updates. This notice included a background of the program and the impact to services. A copy of the Medi-Cal 2020 News Stakeholder Notice is attached.

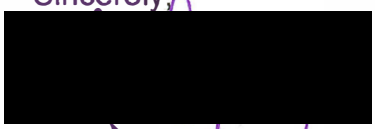
Tribal Notice:
On December 5, 2016, CMS accepted the state's written rationale for no tribal consultation or publication. A copy of the "No Notice Summary Request" is attached.

Budget Neutrality
This proposed amendment will not impact the Demonstration budget neutrality.

Evaluation Design
MCAP transition to MMC will not impact the Demonstration's Waivers's evaluation efforts. Evaluations for pregnant women receiving services from Medi-Cal are completed by the External Quality Review Organization, which is currently under contract with DHCS for quality monitoring of Medi-Cal's health delivery system.

Thank you for your support and consideration. DHCS is happy to assist you and your staff in any way as you review the proposed Demonstration Waiver amendment. If you have any questions, please contact Angeli Lee, by email at Angeli.Lee@dhcs.ca.gov or by phone at (916) 324-0184.

Sincerely,



Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director

Enclosures:
Medi-Cal 2020 Newsletter 12-13-16
CMS No Notice Summary Request - MCAP