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DIVISION OF HEALTH SCIENCES AND SERVICES

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Secretary Diana Dooley
California Health and Human Services
1600 Ninth Street, Room 460
Sacramento, CA 95814

Subject: 1115 Waiver Renewal – Workgroups

Via email: ddooley@chhs.ca.gov

Dear Secretary Dooley:

We understand from the September 11, 2014 Stakeholder Advisory Committee meeting on the topic of the Section 1115 Medicaid Waiver Renewal, that the State will engage in a different stakeholder process than used in prior Waiver discussions. We support the State's new approach to establish smaller workgroups with individuals that represent entities that will be directly impacted by the next Waiver.

The University of California (UC) writes to respectfully request inclusion as a committee member on the various committees to be established in the 1115 Waiver Renewal Stakeholder process. We understand that the structure of the next stakeholder engagement process will include focused workgroups, organized around the following content issues outlined below. For each of these content areas, we believe that UC is well equipped to make substantive and unique contributions that will be of benefit to the entire process.

1. **Federal-State Shared Savings.** As one the largest and most visible public sector healthcare delivery systems in the U.S., we believe that the UC system can contribute experience and expertise in support of the State's proposed financing mechanisms for the next Waiver.
2. **Safety Net Payment Reform/DSH & SNCP Bundled Payment.** UC subject matter experts have played key roles in collaborating with the State in prior Waivers, and welcome the opportunity to continue to provide valuable feedback.
3. **DSRIP II.** DSRIP is widely viewed across the UC system as a vehicle for accelerating delivery-system transformation within the context of national health reform and in focusing innovation and applied research strengths of our academic medical centers on achieving higher-quality outcomes at a lower cost. In the current DSRIP program, UC

medical centers collectively set 733 milestones across 60 projects to capture approximately \$500 million dollars in at-risk funding over five years.

4. **MCO and Provider Incentive Programs**. UC medical centers are among the most experienced of all safety net providers in contracting with managed care entities for Commercial, Medicare, Medi-Cal, and other population segments.
5. **Medicaid – Funded Shelter**. While not a direct provider of shelter-related services, UC-initiated innovations include projects such as enhanced communication and referral pathways from emergency department staff to social services. As a result, vulnerable populations, including the homeless, experienced improved quality of life and hospitals endured reductions in emergency room visits that were driven by shelter needs rather than medical needs.
6. **Workforce Development**. As the largest single medical education system in the State, UC is a key resource for the workforce development that will be required in order to improve health care access to vulnerable populations.

As you know, the five academic medical centers of the UC – UC Davis, UC Irvine, UCLA, UCSD and UCSF comprise the nation's largest health sciences training program, with 14,000 students and 16 health professional schools. As designated public hospital and essential Safety Net Providers throughout the state, more than 60% of the care is provided to patients that are publicly insured or uninsured.

UC leadership at all medical center campuses and within the UC Office of the President welcome future dialogue about how best to advance and refine pay-for- performance initiatives within the Medicaid program. As partnering institutions begin discussing the next iteration of California's Section 1115 Medicaid Waiver, we welcome the opportunity to serve on the various committees relating to the Section 1115 Waiver Renewal process.

Sincerely,



John D. Stobo, MD
Senior Vice President
Health Sciences and Services

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