

**California Department of Health Care Services
Proposed May Revision Trailer Bill Legislation**

New 1115 Waiver: Persons with Dual Medi-Cal and Medicare Eligibility

DUAL ELIGIBLE SERVICE INTEGRATION PROJECTS

FACT SHEET

Background on the topic (prior legislation, previous budget action, and related matters).

Assembly Bill (AB) x4 6 requires the Department of Health Care Services (DHCS) to pursue a waiver to the Social Security Act that will restructure the organization and delivery of health care for populations considered to be the most medically vulnerable, high-cost Medi-Cal beneficiaries with complex chronic conditions.

One of the most vulnerable and high-cost populations are persons with dual Medicare and Medi-Cal eligibility. Dual eligible beneficiaries are the most chronically ill patients within both Medicare and Medicaid, requiring a complex array of services from multiple providers. Despite the complexity of their needs, the vast majority of dual eligibles remain in the fragmented Fee-for-Service Medi-Cal system. Only 174,000 of California's 1.1 million dual eligibles (less than 20 percent) receive care through a managed care plan.

This proposal will allow DHCS to seek federal approval to establish pilot projects that enable dual eligibles to receive a continuum of services, that maximizes the coordination of benefits between the Medi-Cal and Medicare programs and access to the continuum of services needed.

Why is this change needed (i.e., what problem is the language trying to address)?

This proposal will provide DHCS with the authority to develop organized, patient-centered health care delivery systems that integrate the full range of care and services for dually eligible persons. In doing so, California can better manage the health care, outcomes, and costs for this vulnerable population.

Potential for opposition, if yes, why.

There may be opposition from stakeholder groups if the Department mandatorily places fee-for-service dual eligibles into an organized managed care system. The Department is working through this issue with stakeholders in waiver technical workgroup meetings and other venues.

Is there a BCP associated with this language (yes or no)?

Yes – part of the Implementation of 1115 Waiver Renewal BCP.