



June 29, 2015

Department of Health Care Services
1501 Capitol Avenue
Sacramento, CA 95814
ATTN: Jennifer Kent, Director

RE: California Children's Services Redesign Whole-Child Delivery Model

Dear Director Kent:

On behalf of more than 40,000 physicians and medical students in the state, the California Medical Association (CMA), thanks you for your commitment to the California Children's Services (CCS) Redesign project. We appreciate the opportunity to work with the Department of Health Care Services (DHCS) in this important effort and offer comments on the state's proposal for the Whole-Child Delivery Model.

The CCS program has served California's most vulnerable children, many of whom have chronic medical conditions such as cystic fibrosis, hemophilia, cerebral palsy, heart disease and cancer. California's Medicaid (Medi-Cal) program has been the primary insurance program for those children who are CCS-eligible. The changes the department proposes would significantly alter the way care is delivered to this population and we are pleased the state has shown a commitment to seeking stakeholder input regarding the implementation of the Whole-Child Delivery Model.

General Comments

CMA is pleased that DHCS has proposed to implement the Whole-Child Model in only specified counties to begin no sooner than 2017. This phased-in approach shows an acknowledgement of the complexities involved with changing health care delivery systems for this vulnerable population; many of whom may require multiple specialists to address co-morbidity diagnosis. Lessons learned from the Senior and Persons with Disabilities transition, the Coordinated Care Initiative and the Healthy Families Program has taught us that slow implementation on a small scale is key to ensuring a smooth transition for beneficiaries. As such, we strongly encourage the department to start with smaller counties and slowly phase-in the project after receiving confirmation the transition was indeed successful.

Patient Choice Must Be a Priority

Currently, beneficiaries have the choice of either fee-for-service or managed care providers. This proposal seeks to streamline another sub-section of beneficiaries into the managed care system. CMA has longstanding policy opposing the required shift of beneficiaries from fee-for-service into managed care. Patients receive the best care when they have the ability to have a choice about how to receive that care.

Adequate Networks Remain a Concern

The forced shift of beneficiaries into the managed care system brings about a new set of issues, mainly the issue of network adequacy. CMA is concerned about the adequacy of provider networks in the Managed Medi-Cal plans that will be covering CCS eligible beneficiaries. Without adequate provider networks, the beneficiaries will have an insurance card without true access to care. CMA appreciates the intent of the proposal to require health plans to contract with CCS providers or providers who meet the CCS panel requirements. However, while this intent is admirable, we know health plans have had a history of problems contracting with specialists—especially in rural parts of California. Furthermore, CMA continues to be concerned about whether staffing levels at the Department of Managed Health Care (DMHC) and in DHCS’ Medi-Cal Managed Care Division are sufficient to allow for them to perform the needed monitoring and oversight. Recently, the California Bureau of State Audits (BSA) reported that the DHCS and Department of Managed Health Care have not been able to verify the provider directory data received from plans. This data is one way the department is able to verify adequate networks. Specifically, the BSA audit found that *“Health Care Services did not verify health plan data; therefore, it cannot ensure that the health plans had adequate provider networks to serve Medi-Cal beneficiaries.”*

CMA continues to be concerned about the ability for DHCS to monitor oversight for this vulnerable population and recommends proper protocols be implemented in the oversight of network adequacy be implemented before moving forward with this project.

Rates Must be Sufficient

CMA continues to be concerned about adequate rates that cover physicians’ costs in both fee-for-service and the managed care Medi-Cal delivery systems. Insufficient rates have a direct impact on the ability for health plans to adequately recruit and retain physicians to treat the CCS population. We encourage the department to work closely with physicians and health plans to develop adequate rates to support the Whole-Child Delivery Model.

Conclusion

Thank you again for the opportunity to comment on the draft plan. CMA looks forward to working with you in the future to make this demonstration successful for patients and their physicians. If you have any questions please do not hesitate to contact Lishaun Francis, Associate Director at lfrancis@cmanet.org.

Sincerely,

Lishaun Francis
Associate Director
California Medical Association

