

July 2, 2015

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

Dear Director Kent:

I am writing on behalf of Lucile Packard Children's Hospital Stanford to provide comments on the Department's CCS Redesign "Whole-Child Model", released June 11, 2015. We have a number of serious concerns about the proposal and we cannot support its implementation as laid out in the Department's document. Our decades spent treating children with complex health care needs have taught us that it is absolutely critical that these children get to the right care at the right place at the right time, and we do not feel confident that the Department's proposal ensures timely access to the right providers. Our major concerns are described below:

There is no evidence that this proposal would protect access to appropriate pediatric medical care for vulnerable children. Under the proposal DHCS would eliminate the CCS program's role in managing the care of CCS children, including designing treatment plans, determining the locus of care, issuing service authorizations, and monitoring service delivery, and would transfer responsibility for these functions to Medi-Cal managed care plans; these plans would be at full financial risk for the CCS care. To our knowledge there is no evidence that managed care plans have the expertise to recognize and support the unique needs of this very vulnerable population of children. If the Department has data to demonstrate that transferring responsibility for core CCS services to Medi-Cal managed care plans with full financial risk would improve care to children with CCS conditions, we request that this information be released publicly as soon as possible.

Children would not be ensured access to the full CCS provider network. The proposal states that part of the readiness assessment before implementation of the proposal is demonstration of an "adequate" provider network. The complex, serious, sometimes life-threatening, and often rare conditions that make children eligible for CCS are not predictable nor do they occur evenly throughout the state. There is no way individual managed care plans can create a network as broad and appropriate for CCS children as the existing statewide network of CCS-approved providers and facilities. This is particularly true in rural areas, including many of the counties proposed for initial implementation of the Department's "Whole-Child Model". In addition, the county CCS program staff who currently direct children to appropriate approved providers and monitor the care provided to eligible children have pediatric expertise, are familiar with the provider network, often have long-standing relationships with CCS providers, and understand the typical referral pathways based on children's conditions. When those referral pathways don't meet individual children's needs, CCS staff research options, including services out-of-state, and work with pediatric providers and families to get children to the right sources. Given the medically complex children treated at Packard, we have numerous examples of this level of expert consultation with local CCS staff to ensure that children get to the right care at the right place in a timely way.

Dismantling the CCS program puts the entire state's pediatric system of care at risk. The statewide CCS provider standards and provider network are the backbone of the entire system of health care for all children with complex health care needs. A strong CCS system ensures that there is a network of pediatric-specific providers with the expertise to care for children with complex health care needs, regardless of whether they are privately or publicly insured. We are extremely concerned that implementation of this proposal would have the unintended consequence of destabilizing that regionalized system of pediatric care and the impact for all our children would be profound.

The Department's track record in oversight, monitoring and enforcement with plans has been criticized. The proposal is vague about critical components like the definition of adequate provider networks, assurance of referrals to CCS-approved providers, timely access to appropriate care, and expertise in care coordination and case management, among other items. The lack of specificity coupled with the major change in responsibility from CCS programs to Medi-Cal managed care plans means that oversight, monitoring and enforcement of standards would be vital to ensuring that children get to the right care. Yet the State Auditor recently released a report concluding that the state has been negligent in its oversight and enforcement of plans in the care of the populations already enrolled in managed care and called for more stringent oversight. We cannot support transfer of our most vulnerable children to plans that have not demonstrated they can serve their current enrollees, particularly when the state appears unable to police them.

The proposal would be implemented without adequate planning or evaluation. The Department proposes to eliminate CCS program management of eligible conditions for more than 31,000 CCS children currently enrolled in County Organized Health Systems, approximately 20% of total CCS enrollment. If two-plan model counties Riverside and San Bernardino are included, adding more than 25,000 children to this proposal, the number of CCS children transferred to managed care would reach a third of total CCS enrollment. This massive systems change is proposed for implementation in 2017, just 18 months away, which simply does not provide adequate time for the amount of planning necessary to ensure that plans have the appropriate pediatric expertise and understand the service system pathways, that children's health care relationships are not disrupted, and that state staff are prepared to oversee and monitor implementation and to identify and address problems before they escalate. The state often uses the CCS pilot in San Mateo County as an example of how CCS could be rolled into a managed care plan. As a major participant in this pilot, we can assure you that the county spent well over a year and a half planning for and then bringing up the pilot, even though Health Plan of San Mateo already had portions of the system in place and the local CCS staff continue to have responsibility for case management and care planning. We also find it alarming that the proposal does not include plans for evaluation of the model, despite its potential for disruption of care for extremely vulnerable children.

First, do no harm. There are significant concerns about the proposal and its appropriateness for children with serious and complex medical conditions, but the Department appears to be on a fast track to obtain approval and set the stage for implementation. We ask the Department to reconsider this strategy. The CCS program has demonstrated that it delivers quality care; surveys conducted in 2014 during the federally mandated Title V Needs Assessment reported extremely high satisfaction ratings from families; and there is evidence for its cost-effectiveness (according to the California Budget and Policy Center, between 2007 and 2013 program General Fund expenditures, adjusted for inflation, fell by 17% while enrollment grew by 3.5%). Major changes to the program must at least meet the quality, satisfaction, and cost-effectiveness standards achieved by the current program and should be vetted thoroughly before implementation. We recommend that the Department pull back on this proposal, extend the CCS carve-out, and continue the stakeholder advisory process focusing on CCS program improvements, including potential models for system redesign.

We cannot stress enough how vitally important it is that children with complex health care needs reach the right care at the right place at the right time. We strongly urge the Department to take the time necessary to thoughtfully and deliberately plan redesign of the CCS program so that that any changes enhance the system of care and protect children's access to that care.

Thank you for this opportunity to comment on the proposal. We look forward to working with you to strengthen the system of care for children with complex medical conditions.

Sincerely,



Sherri R. Sager
Chief Government and Community Relations Officer

cc: Diana Dooley, Secretary, California Health and Human Services Agency
The Honorable Jim Beall
The Honorable Jerry Hill
The Honorable Mark Leno
The Honorable William Monning
The Honorable Bob Wieckowski
The Honorable Holly Mitchell
The Honorable Ed Hernandez
The Honorable Luis Alejo
The Honorable Catharine Baker
The Honorable Susan Bonilla
The Honorable Nora Campos
The Honorable David S. Chiu
The Honorable Kansen Chu
The Honorable Richard S. Gordon
The Honorable Evan Low
The Honorable Kevin Mullin
The Honorable Bill Quirk
The Honorable Mark Stone
The Honorable Philip Y. Ting
The Honorable Rob Bonta
The Honorable Tony Thurmond
The Honorable Richard Pan