



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



EDMUND G. BROWN JR.
GOVERNOR

Mr. Eliot Fishman
Director of State Demonstrations Group
Center for Medicaid and CHIP Services (CMS)
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Ms. Heather Ross
Acting Project Officer
Center for Medicaid & CHIP Services (CMS)
7500 Security Boulevard, Mail Stop S2-02-16
Baltimore, MD 21244-1850

Ms. Henrietta Sam-Louie
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services, Region IX
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

TECHNICAL CORRECTIONS AND ACCEPTANCE OF THE "CALIFORNIA MEDI-CAL 2020 DEMONSTRATION" PROJECT (WAIVER NUMBER 11-W-00193/9) SPECIAL TERMS AND CONDITIONS, WAIVER AUTHORITY, AND EXPENDITURE AUTHORITY

Dear Mr. Fishman, Ms. Ross, and Ms. Sam-Louie:

On December 30, 2015, the State of California, Department of Health Care Services received approval from the Centers for Medicare and Medicaid Services (CMS) of the state's request to extend California's section 1115(a) demonstration (Waiver Number 11-W-00193/9), which is under the Social Security Act. This project titled "California Medi-Cal 2020 Demonstration" will provide the State with approximately \$6.2 billion in federal funds over the course of this five-year waiver period from December 30, 2015 through December 31, 2020.

This letter serves as California's requested technical corrections and official acceptance of the Standard Terms and Conditions (STCs) and expenditure authorities as set forth in CMS's approval letter. The approval of the waiver is a significant milestone in the shared effort between the State and the federal government to support and improve our health care delivery system. The Medi-Cal 2020 program initiatives include:

Public Hospital Redesign and Incentives in Medi-Cal Program (PRIME). This builds on the success of the previous Delivery System Reform Incentive Program (DSRIP) that significantly improved care delivery in the Designated Public Hospital (DPH) systems. PRIME will improve

the quality, experience, and value of care provided by California's safety net hospitals and hospital systems. Participating entities will earn incentive payments based on the achievement of specified benchmarks across various metrics.

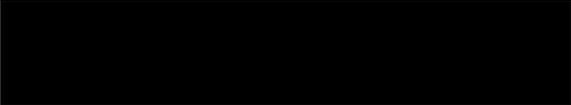
Global Payment Program (GPP). GPP will improve the health of the remaining uninsured through coordination of care and will create a value-based mechanism to increase incentives to provide primary and preventive care services and other high-value services.

Whole Person Care (WPC). The overarching goal of the WPC Pilots is the coordination of health, behavioral health, and social services, as applicable, in a patient-centered manner with the goals of improved beneficiary health and well-being through more efficient and effective use of resources.

Dental Transformation Initiative. This will focus on high-quality care and improving access to dental care for children in Medi-Cal. To improve the oral health of children in California, this pilot program also aims to increase the utilization of preventive services and to increase dental continuity of care.

We have reviewed the special terms and conditions, and a copy of the revised document with our proposed technical corrections for your consideration and approval is enclosed. We are very excited about the approval of this waiver and the opportunities it presents. We thank all of you and the entire CMS team for your work with us on this waiver. .

We look forward to your response, and if you have any questions, please contact Angeli Lee at (916) 324-0184.



Ms. Mari Cantwell
Chief Deputy Director
Health Care Programs

cc: Ms. Sarah Brooks
Deputy Director of Health Care Delivery Systems
Sarah.Brooks@dhcs.ca.gov