



RICHARD FIGUEROA
ACTING DIRECTOR

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



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GOVERNOR

**Department of Health Care Services (DHCS)
Managed Care Advisory Group**
Meeting Notes
December 5, 2019

1. Introductions

Bambi Cisneros, Chief, Program Monitoring and Compliance Branch, Managed Care Quality and Monitoring Division (MCQMD), called the Managed Care Advisory Group (MCAG) meeting to order at 10:04 a.m. and welcomed all in attendance including those on the webinar.

MCQMD Staffing Updates:

Cortney Maslyn is the new Chief of the Plan Oversight Section in MCQMD.

2. CalAIM

A. *Full Overview*

Jacey Cooper, Senior Advisor, Health Care Programs, gave an overview of Medi-Cal Healthier California for All, formerly known as California Advancing and Innovating Medi-Cal (CalAIM). Medi-Cal Healthier California for All is a multi-year initiative by DHCS to improve the quality of life and health outcomes of our population by implementing broad delivery system, program and payment reform across the Medi-Cal program. Medi-Cal Healthier California for All produced successful outcomes of various pilots such as Whole Person Care, Health Homes and the Coordinated Care Initiative. Medi-Cal Healthier California for All's three primary goals include: identify and manage member risk and need through Whole Person Care approaches and addressing social determinants of health; move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems, and payment reform. More information on the Medi-Cal Healthier California for All proposals is available on the [CalAIM website](#).

B. *Managed Care Benefit Standardization*

Nathan Nau, Chief, Managed Care Quality and Monitoring Division (MCQMD), discussed the Managed Care Benefit Standardization proposal. Medi-Cal Managed Care is currently under six different model types that differ based on certain benefits. This proposal is to standardize the benefits that are provided by the MCPs statewide by January 1, 2021. Proposed changes include carved out benefits and carved in benefits. Effective January 1, 2020, Medi-Cal will provide the fabrication of optical lenses statewide through the fee-for-service system

(currently CenCal and Health Plan of San Mateo provide these services). Effective January 1, 2021, benefits that will be carved out of all MCPs are prescription drugs and/or pharmacy services billed on a pharmacy claim, specialty mental health services (currently carved in for Kaiser in Solano and Sacramento counties), and Multipurpose Senior Services Program (MSSP). Effective January 1, 2021, benefits that will be carved in for all MCPs will include all institutional long-term care service and all major organ transplants. These services which are currently carved out to the County Organized Health Systems (COHS) model will be carved in for all MCPs across the other plan models. Nathan also discussed that beneficiaries will no longer have to deal with the confusion that may arise when moving between counties/plans and DHCS will be able to move to a regional rate setting process that will reduce the number of rates being developed. DHCS plans to submit the proposal to CMS by July 2020.

C. *Mandatory Managed Care Enrollment*

Michelle Retke, Chief, Managed Care Operations Division (MCO), and Yingjia Huang, Assistant Division Chief, Eligibility Division, discussed the proposal for mandatory managed care enrollment. This proposal is to standardize mandatory managed care enrollment instead of mandatory fee-for-service enrollment across all models of care and aid code groups, statewide. Mandatory managed care enrollment will reduce the complexity of the varying models of care delivery in California, as well as allow for Medi-Cal managed care plans to provide more coordinated and integrated care. They also discussed the implementation of this proposal that will occur in two phases. Effective January 1, 2021, the transition of non-duals and pregnancy related aid code group and population based will occur. Effective January 1, 2023 the transition of dual aid codes group will occur. During this transition, Cal MediConnect and Coordinated Care Initiative will be discontinued.

For more information regarding the CalAIM initiative and proposals, please visit the [DHCS CalAIM website](#). For any comments or feedback regarding the planning and policy development phase, please submit them at CalAIM@dhcs.ca.gov. DHCS encourages stakeholder engagement during the planning and policy development phase.

3. Telehealth Policy

Cynthia Smiley, Chief, Benefits Division, discussed the changes of telehealth in Medi-Cal. Cynthia discussed DHCS' revised policy regarding telehealth which establishes a uniform, standardized approach to telehealth in Medi-Cal. The revised policy also further clarified flexibility of telehealth, requirements of consent, and will place no limitations on originating and/or distant sites. The recently signed bills of AB 1494, Aguiar-Curry, Chapter 829, Statutes of 2019 and AB 744, Aguiar-Curry, Chapter 867, Statutes of 2019 will help strengthen telehealth going forward. DHCS is committed to continuing to explore opportunities for innovation and advancement in telehealth services. They will continue to actively monitor and assess applicable federal guidance.

DHCS values and encourages ongoing stakeholder engagement and participation to further inform policy development. For more information regarding Medi-Cal's telehealth policy, please visit the [telehealth website](#). For general questions, submit via email to DHCS-Benefits@dhcs.ca.gov.

4. Medi-Cal Rx

Harry Hendrix, Jr., Chief, Pharmacy Benefits Division, discussed the transition of Medi-Cal pharmacy services from Managed Care (MC) to Fee-For-Service (FFS). The Governor issued Executive Order N-01-19 which requires all Medi-Cal pharmacy services be transitioned from MC to FFS by January 1, 2021. This initiative is referred to as Medi-Cal Rx. Medi-Cal Rx will impact all Medi-Cal Managed Care Plans (MCPs), including SCAN and AIDS Healthcare Foundation, with the exception of PACE and Cal MediConnect. Transitioning pharmacy services from MC to FFS will standardize the Medi-Cal pharmacy benefit statewide under one delivery system, improve access to pharmacy services, and apply statewide utilization management protocols to all outpatient drugs. It will apply to all pharmacy services billed on pharmacy claims including, but not limited to, outpatient drugs, enteral nutrition products, and medical supplies. Medi-Cal Rx does not apply to pharmacy services billed on medical/institutional claims. The transition and implementation regarding this change applies to DHCS, the Medi-Cal Rx Contractor, and MCPs.

DHCS released Request for Proposal (RFP) #19-96125 for the takeover, operation, and turnover of administration of Medi-Cal Rx.

DHCS is committed to working closely with MCPs to ensure a smooth and successful transition and implementation of Medi-Cal Rx. DHCS has established a regularly occurring meeting with health plan associations and subgroup to discuss topics of the scope of Medi-Cal Rx and plan related concerns.

DHCS is also committed to working with external partners (MCPs, counties providers, Tribal Health programs, consumer advocates and beneficiaries) to ensure a smooth and successful transition and implementation of Medi-Cal Rx. This applies to comments of various Medi-Cal Rx draft informing materials and providing status updates and stakeholder feedback through various DHCS sponsored public meetings.

DHCS has also created a Medi-Cal Rx Advisory Workgroup that will hold meetings regarding updates on the pharmacy transition and targeted discussions starting January 2020 through April 2021. Medi-Cal Rx Public Forums will also be available throughout 2020 and 2021.

Additional information about Medi-Cal Rx will be at the [DHCS Medi-Cal Rx website](#). For questions and/or comments regarding Medi-Cal Rx, please submit via email to RxCarveOut@dhcs.ca.gov.

5. RFP Procurement

Michelle Retke, Chief, MCO, provided an update on the RFP procurement. DHCS is currently in the procurement period. DHCS will be releasing the RFP for MCPs to bid during summer/fall of 2020. A summary of changes will be released during the 1st quarter of 2020.

6. Updates

A. Transitions and Implementations

Michelle Retke, Chief, MCOB, provided an update on the Full-Scope Expansion for Undocumented Adults, Ages 19-25 with the implementation date of January 1, 2020. DHCS notices have been released.

B. Ombudsman Report

Michelle Retke, Chief, MCOB, addressed the July – September 2019 Ombudsman reports. Reports are available on the [MCAG website](#). The requirements that are published online are requirements from Senate Bill 97.

C. Sanctions

Nathan Nau, Chief, MCQMD, reported that there are no updates on sanctions at this time.

D. Dashboard

Nathan Nau, Chief, MCQMD, gave an update on the Managed Care Performance Dashboard. MCQMD has noted the feedback of timely access data and more information will be provided in the annual report. The full set data for 2019 is currently being finalized and is scheduled to publish by March 2020. The dashboard will also be expanding to include audit findings from the MCPs' annual audits.

7. All Plan Letters (APLs) and Dual Plan Letters (DPLs) Updates

Dana Durham, Chief, Policy and Medical Monitoring Branch, provided an update on APLs that have been issued from September to November 2019.

A list of APLs can be found [here](#) and a list of DPLs can be found [here](#).

8. Open Discussion

Attendees requested an update on the preventative utilization report.

9. Next Meeting

The next MCAG meeting is scheduled for Thursday, March 12, 2020 at 1700 K Street, Sacramento, CA 95814 from 10 a.m. to 1 p.m. To request future agenda items or topics for discussion, please submit to advisorygroup@dhcs.ca.gov.