

DEPARTMENT OF HEALTH SERVICES

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October 31, 1996

Medi-Cal Eligibility Branch Information Letter No.: I-96-34

TO: All County Welfare Directors
All County Health Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

**CALIFORNIA DEPARTMENT OF HEALTH SERVICES' LONG-TERM CARE
INTEGRATION PILOT PROJECT**

Ref.: E-Mail No. 96128 Dated October 1, 1996

The purpose of this Medi-Cal Eligibility Branch Information Letter is to inform counties about the California Department of Health Services' Long-Term Care Integration Pilot Project (LTCIPP) through the enclosed Informational Notice. In our Department of Health Services' E-Mail No. 96128 of October 1, 1996, we described the intent, goals and timeline for interested counties to apply as prospective pilot project sites for our LTCIPP. The Medi-Cal Eligibility Branch is asking that you contact Carol Freels, Chief, Long-Term Care Integration Unit, Medi-Cal Benefits Branch, at (916) 657-0131 should you have further questions regarding the LTCIPP.

LONG-TERM CARE INTEGRATION PILOT PROJECT

The following is an update to letters previously sent to county health administrators, directors and officers, county welfare directors, Area Agencies on Aging directors, and interested parties on March 28, 1996, and August 23, 1996, related to the LTCIPP which is administered by the California Department of Health Services' (DHS) Medi-Cal Benefits Branch.

Background: The LTCIPP intends to restructure and integrate the State Medicaid (Medi-Cal) program and certain State-only programs through pilot projects to facilitate the State's goal for long-term care (LTC) services reform. The State passed and enacted legislation (Chapter 875, Statutes of 1995) permitting DHS to administer the LTCIPP, in up to five pilot project sites, in order to test the viability of consolidating and integrating the administration and financing of LTC services at the local level. It is expected that each pilot project site will offer the full continuum of medical, social, and supportive services, emphasizing home- and community-based services (HCBS). At a minimum, consolidated funds will include Medi-Cal long-term institutional care, the Medi-Cal Personal Care Services Program, and the In-Home Supportive

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Services Program. The enabling legislation for the LTCIPP encourages local communities to develop innovative, integrated systems that will allow greater flexibility and consolidated resources, identify and remove barriers to the effective and efficient delivery of services, enhance consumer choice, improve quality by focusing on continuity and appropriateness of care, improve health and social outcomes, and promote cost efficiency. It is in the interest of consumers and the State as a whole to develop a LTC system that provides dignity and maximum independence for the consumer and creates HCBS alternatives to unnecessary and costly institutionalization.

The LTCIPP's targeted population will be comprised of persons who: (1) are Medi-Cal eligible; (2) are functionally or cognitively impaired (having an impairment caused by an organic brain disorder or disease); (3) are adults; and (4) need assistance with two or more activities of daily living or are unable to remain living independently without the LTC services provided through the LTCIPP. Functionally-impaired adults and elderly consumers are encouraged to participate in the process of building a LTC services network to link consumers with the full continuum of LTC services providers, with an emphasis on HCBS providers. The network will establish a "one-stop shopping" system of innovative social and health services delivery options designed to enable consumers to manage their services more independently. DHS expects that pilot project sites will seek to include the Medicare dually-eligible population and services in their plans either at the onset or in a future phase.

DHS, as lead agency for the State, will work in coordination with the Departments of Social Services and Aging, and any other departments that have direct responsibility for programs that may be consolidated under any pilot project site. A working group comprised of representatives from each of these departments and each pilot project site, upon its selection by DHS, will be established as a resource for problem solving and as a means of maintaining interdepartmental and intersite communication. DHS will consult with the working group during the design and implementation of the LTCIPP, in the selection of pilot project sites, and in the monitoring of the LTCIPP. The resulting systems will allow local communities to develop integrated LTC services that enhance consumer choice, improve quality by focusing on continuity and appropriateness of care, and promote cost efficiency.

Pilot project sites may be comprised of a single county, a multicounty unit, or a subcounty unit. Selection will be contingent upon the most progressive and comprehensive application submitted. With technical assistance from DHS, the selected county(ies) will then develop an administrative action plan detailing the strategy and timeline for implementation. The

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administrative action plan will demonstrate how the county(ies) will administer its proposed integrated services delivery system while meeting the needs of consumers, both those who live in their own homes and those who are in out-of-home placements, in a humane, appropriate, and cost-effective manner. When DHS determines that a completed administrative action plan meets the final selection criteria, a contract will be awarded for a pilot project site.

Status: DHS released two letters statewide to all counties in order to determine if there is interest in the LTCIPP. At least 15 counties have responded to DHS' letters as being interested in participating as a pilot project site. DHS will select pilot project sites through two-stage Requests for Applications (RFA) processes spread out over the next two years. Interested parties that return a Statement of Intent to Participate form (attached to the August 23, 1996, letter) comprise the mailing list for the RFA process. Others interested in receiving a copy of the Statement of Intent to Participate form and RFA may do so by accessing DHS' Internet Home Page (<http://www.dhs.cahwnet.gov>). The first RFA was released on September 11, 1996, in recognition of Governor Wilson's proclamation of September 8, 1996, through September 14, 1996, as Long-Term Care Awareness Week. DHS hopes to select one or two pilot project sites by December 23, 1996. The final date to submit an application is November 13, 1996.

If you have any questions, please contact Carol Freels, Chief, Long-Term Care Integration Unit, Medi-Cal Benefits Branch, at (916) 657-0131.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch