DEPARTMENT OF HEALTH CARE SERVICES PROPOSED CHANGES

Refinements and Efficiencies for Community Supports and Enhanced Care Management FACT SHEET

Issue Title Refinements and Efficiencies for Community Supports and Enhanced Care Management. The Department of Health Care Services (DHCS) proposes to strengthen utilization management (UM) and implement operational efficiencies for Community Supports and Enhanced Care Management (ECM) services in the Medi-Cal program.

Background: Community Supports and Enhanced Care Management are two pillar initiatives under the California Advancing and Innovating Medi-Cal (CalAIM) initiative. Community Supports are services that may be offered by Medi-Cal managed care plan (MCPs) as an alternative to services or settings covered under the California Medicaid State Plan when the substitute service is medically appropriate and cost-effective. There are currently 14 Community Supports which Medi-Cal managed care plans (MCPs) are encouraged to offer within their service areas.

ECM is a whole-person approach to care that addresses the clinical and non-clinical needs of eligible high-cost and/or high-need members through systematic coordination of services and comprehensive care management that is community-based, interdisciplinary, high-touch, and person-centered. ECM is a covered benefit for members who meet Population of Focus eligibility criteria.

MCPs are responsible for ensuring that Community Supports and ECM are provided consistent with state and federal requirements, including that services are sufficient in amount, duration, and scope to achieve their intended purpose. Over time, utilization of these services has increased significantly, consistent with DHCS's goals under the CalAIM initiative. However, some limited patterns of utilization are consistent with low-value utilization such as overuse, misuse, lack of fidelity to service definitions, or other policy guardrails.

Justification for the Change DHCS proposes to strengthen the ability for DHCS and MCPs to refine referral pathways, eligibility criteria, service definitions, and utilization management levers, thereby improving the management of health care costs and reduce inappropriate or low-value utilization of these services. DHCS further proposes to implement operational efficiencies that will improve data quality, oversight and monitoring, and the economy and efficiency of payments for these services.
For Community Supports, DHCS proposes to require MCPs to implement, at minimum, the following updates and refinements to operational and utilization management protocols:

- **All Community Supports:** Establish standardized, minimum enrollment requirements analogous to the State administered enrollment pathway for Community Supports providers.
- **Asthma Remediation:** Constrain referral sources to come from the members' health care team (e.g., primary care provider, specialist) given that this service is intended to be for individuals with asthma and for which this intervention would medically appropriate and cost effective.
- **Housing Transition Navigation Services:** To the extent appropriate, adjust payment levels to be commensurate with service intensity and discontinue or otherwise reduce payments to providers during months when no services are delivered.
- **Housing Transition and Sustaining Services:** Limit eligibility beyond an initial, 6-month service period. To the extent appropriate, adjust payment levels to be commensurate with service intensity.
- **Medically Tailored Meals/Medically Supportive Food:**
    - Constrain referral sources to come from the member's health care team (e.g., primary care provider, specialist) given that this service is intended to be for individuals diagnosed with nutritionally sensitive conditions and for which this intervention would be medically appropriate and cost effective; and explicitly prohibit authorization requests to come directly from Community Supports providers.
    - Update utilization management protocols to explicitly limit coverage to members for whom the intervention is clinically indicated to address the nutritionally sensitive condition.
    - Refine list of covered conditions to ensure they reflect evidence-informed nutritionally sensitive conditions.
- **Personal Care and Homemaker Services:** Tighten requirements for concurrent referral to In-Home Supportive Services (IHSS) and authorization of additional hours beyond those approved by IHSS.

- **Recuperative Care:** As part of the provider vetting and contracting process, ensure providers meet standards that align with National Institute for Medical Respite Care certification standards to the extent applicable.

For ECM, DHCS proposes to implement at least the following:

- **Drive fidelity with the service model:** Continue to encourage MCPs to implement ECM as a community-based, high-touch, and person-centered service, as intended, and remind MCPs that care management models that are predominantly low-touch, remotely delivered, and/or non-individualized does not constitute ECM.
    - DHCS will continue to apply adjustments for low-intensity, inadequately substantiated, and/or otherwise unreasonable ECM utilization and costs in actuarially sound prospective capitated rates and strengthen adjustments for such utilization and costs in retrospective risk corridor calculations. ECM service utilization data indicates that ECM members have been receiving less than 2 ECM services per month, which is not consistent with appropriate ECM care models of 3+ services per month.
- **Graduation and duration criteria:** Strengthen eligibility and UM criteria to reduce instances of members receiving extended periods of low-intensity services.
- **Reduce overlap:** Restrict eligibility for members who are eligible for other high-intensity care management services, such as Behavioral Health Targeted Case Management, High-Fidelity Wraparound services, and 1915(i) waiver care management services.

Fiscal Estimates: These refinements and efficiencies are estimated to result in the following savings:

- **Community Supports:** $72.5 million ($26.9 million General Fund [GF]) in 2026-27 and $137.8 million ($51.0 million GF) ongoing.
- **ECM:** $111.8 million ($41.4 million GF) in 2026-27 increasing to $394.4 million ($145.9 million GF) in 2029-30 and ongoing.