



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



EDMUND G. BROWN JR.
GOVERNOR

July 8, 2013

Kevin Prindiville, Deputy Director
National Senior Citizens Law Center
1330 Broadway
Oakland, CA 94612
Via Email: kprindiville@nscclc.org

Dear Mr. Prindiville and Interested Parties:

Thank you for taking the time to share your thoughts and recommendations for moving forward with the Coordinated Care Initiative (CCI) in your letter dated May 2, 2013. CCI represents a historic effort to integrate the medical, social, and mental health services provided to some of the most vulnerable members of society.

In the attached, the Department of Health Care Services (DHCS) has prepared a response to your letter. This response has been reviewed by the Centers for Medicare and Medicaid Services (CMS).

DHCS appreciates your feedback and remains committed to improving the care of those on both Medicare and Medi-Cal in California. As part of this effort, DHCS and our Federal partners place a high premium on beneficiary protections and are working diligently to ensure a successful implementation.

Thank you again for your letter and for your participation in making CCI a successful program.

Sincerely,

Toby Douglas
Director

Enclosure

Enclosure

Response to May 2, 2013 Advocate Letter Regarding the Care Coordination Initiative

Prepared by the California Department of Health Care Services

Topic 1. Find additional ways to limit the size of the demonstration

The size of the demonstration has been carefully considered. DHCS and the federal Centers for Medicare and Medicaid Services (CMS) have listened to feedback from advocates, providers, and beneficiaries and reduced the size of the demonstration. As you may know, the Governor's 2012-13 budget called for 800,000 enrollees in the demonstration. Under current estimates, 527,000 beneficiaries will receive at least one notice of their eligibility for the demonstration, though only a smaller number will be eligible for passive enrollment (new estimate forthcoming).^{1,2}

In addition, the Memorandum of Understanding (MOU), released in March of this year, details a demonstration cap on participation specifically in Los Angeles County. Of those, no more than 200,000 participants will be allowed in the demonstration at any time. This demonstration enrollment cap is in direct response to feedback on the size of the demonstration.

DHCS and CMS, through a neutral, third party evaluator, will continue to do a close assessment of the plan's capabilities to ensure that eligible beneficiaries have the full spectrum of benefits and coordination.

Topic 2. Set a realistic timeframe for implementation of Cal MediConnect and other elements of the CCI

The timeframe for CCI implementation continues to be carefully considered. As you know, planning efforts have been going on for well over two years, with the original program design contract having been submitted to CMS in February 2011. Recently, the implementation timeframe was changed from October 2013 to no sooner than January 2014. This move shows an understanding that implementation requires work on multiple levels among governments, health plans, and communities. DHCS acknowledges that this kind of systematic change takes time and the decision to move the implementation date will ensure that every issue has the full consideration it deserves. DHCS will continue to assess the most appropriate start date as we work to strengthen policy and conduct outreach and education. Over the next few months, DHCS will determine the final start date based on our ongoing assessment.

¹ DHCS, Research and Analytic Studies Branch, November 2012, based on July 2010 data.
<http://www.dhcs.ca.gov/dataandstats/statistics/Documents/CCI%20Population%20Brief.pdf>

² Senate Bill 94, June 2013, http://leginfo.ca.gov/pub/13-14/bill/sen/sb_0051-0100/sb_94_bill_20130618_enrolled.pdf

Topic 3. Start the enrollment process with a voluntary enrollment period in all counties and take steps to simplify the enrollment process

DHCS continues to refine the enrollment process across counties to ensure it is as simplified and as clear as possible. DHCS has proposed enrollment be phased in over 12 months, with certain exceptions for Los Angeles and San Mateo counties. Assuming a start date of January 2014, San Mateo will have a passive enrollment effective date of January 1, 2014, and all eligible beneficiaries will be enrolled in January. The Los Angeles enrollment strategy will be released for public comment, in accordance with the MOU. Released on July 3, stakeholders have until August 2, 2013 to comment on the proposed strategy (available at calduals.org).

Topic 4. Require that home and community based waiver services be part of the plan benefit package

Cal MediConnect seeks to transform today's system to one where services are more broadly and consistently offered. Under California's Medi-Cal system, managed care plans are the most appropriate vehicle capable of achieving integration of acute and long-term care services at scale. Cal MediConnect plans are required to offer all Medi-Cal services required by the program today. With regard to optional and waiver services, Cal MediConnect plans have the ability to provide such services to those not receiving them today in order to enhance a beneficiary's care³ and allow the beneficiary to stay in their own homes safely for as long as possible. This should reduce unnecessary hospitalization and care in institutional settings. Called Care Plan Optional (CPO) services, these services may be offered by Cal MediConnect plans to help beneficiaries live in the community, rather than in the more restrictive, costly institutional care system. Those who are receiving waiver services under Medi-Cal are exempt from passive enrollment into Cal MediConnect.

Topic 5. Strengthen and broaden continuity of care requirements established in the MOU

DHCS is committed to ensuring continuity of care. CCI includes robust continuity of care requirements to ensure that beneficiaries can continue to see current providers (including those at community health centers) during transitions into Cal MediConnect health plans. These standards were based on stakeholder input and lessons learned from the Seniors and Persons with Disability (SPD) transition. A draft All Plan Letter on continuity of care was released on June 18, 2013, for stakeholder review. That letter provides a vehicle to have this conversation, and we look forward to hearing your specific feedback on that letter. With regard to nursing homes as mentioned in your letter, continuity of care does apply to them as providers.

³ For the letter, please see: <http://www.calduals.org/2013/06/06/hcbs-policy/>

Topic 6. Provide data on the assumptions that were made in the development of spending reduction amounts so that stakeholders can evaluate whether these reductions will threaten access and/or quality

CCI is designed to improve access and quality. The current fragmented fee-for-service system results in little to no coordination of services for the average dual eligible beneficiary—and virtually no data on outcomes. Currently, DHCS and CMS are developing payment rates with health plans. Once that process is concluded, the state and CMS will be in a better position to share additional information on the rates. Both DHCS and CMS believe that the demonstration can achieve the overall savings through improved care management and administrative efficiencies.

Topic 7. An independent, funded ombuds or consumer assistance program is needed prior to implementation

DHCS recognizes the importance of accessible, knowledgeable, and helpful assistance for beneficiaries. DHCS is working with the federal government to develop an independent program to support the needs of Cal MediConnect-enrolled beneficiaries. DHCS is pursuing a number of different options, including one similar to the Department of Managed Health Care's (DMHC's) Consumer Assistance Program (CAP), where outside, independent groups would be funded to support individual advocacy under Cal MediConnect. DHCS is already working with stakeholders to apply to the CMS grant "Support for Demonstration Ombudsman Programs Serving Medicare-Medicaid Enrollees" as released on June 27, 2013.