

# HEALTH MANAGEMENT ASSOCIATES

# HMA Weekly Roundup

Trends in State Health Policy

..... November 20, 2019 .....



In Focus



HMA Roundup



Industry News

RFP CALENDAR

HMA News

Edited by:  
Greg Nersessian, CFA  
[Email](#)

Carl Mercurio  
[Email](#)

Alona Nenko  
[Email](#)

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## IN FOCUS

### CALIFORNIA RELEASES MEDICAID DELIVERY SYSTEM WAIVER PROPOSAL

This week, our *In Focus* section reviews the California Advancing and Innovating Medi-Cal (CalAIM) proposal, issued by the California Department of Health Care Services (DHCS) on October 28, 2019. CalAIM would implement broad delivery system, program, and payment reform for the state's Medicaid program. The proposal includes efforts to address social determinants of health and other policy priorities such as homelessness, lack of access to behavioral health care, children with complex medical conditions,

justice-involved populations, and aging individuals. According to DHCS, the three key goals of the proposal are to:

1. Identify and manage member risk and need through whole person care approaches and address social determinants of health;
2. Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
3. Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

Under the proposal, Medi-Cal managed care, Whole Person Care pilots, and the Health Homes Program will be transitioned to new 1915(b) waivers. The state will also require mandatory enrollment of individuals who are dually eligible for Medicaid and Medicare into Medi-Cal managed care organizations (MCOs) in all 58 California counties. Medi-Cal MCOs will also be required to operate Dual Eligible Special Needs Plans (DSNPs) in their Medi-Cal service areas.

We have included some highlights from the CalAIM proposal below. For all the details, please see the [proposal](#).

### Identifying and Managing Member Risk and Need through Whole Person Care Approaches and Addressing Social Determinants of Health

CalAIM includes reforms to better identify and manage member risk through whole person care approaches. To achieve this, DHCS would implement a population health management program requiring plans to focus on preventative and wellness services, assess member risks and needs, manage member outcomes through care coordination, and mitigate social determinants of health and health disparities. A statewide enhanced care management benefit would build on the current Health Homes Program and Whole Person Care pilots and transition those pilots to this new benefit to address clinical and non-clinical needs of high-need beneficiaries. DHCS is also proposing flexible wrap-around services that an MCO would integrate into its population health strategy. These voluntary services try to prevent hospital or skilled nursing facility admissions. Along with enhanced care management, these services would allow for integration opportunities, including an incentive for building an integrated, managed long-term services and supports (MLTSS) managed care program by 2026.

Under the CalAIM proposal, California will also begin developing a request for proposals (RFP) for Full Integration Plans, which would provide physical health, behavioral health, and oral health. Medi-Cal managed care, mental health managed care, substance use disorder managed care, and dental would all be consolidated under one contract. An RFP is expected sometime between January through July 2022. Awards would be announced July 2022 with implementation beginning January 2024.

By January 2022, DHCS proposes to mandate the county inmate prerelease Medi-Cal application process to ensure inmates receive timely access to Medi-Cal services upon release from incarceration. The state may also pursue an Institutions for Mental Disease (IMD) expenditure waiver.

DHCS will also consider developing a different model of care for children and youth in foster care. In 2020, the state would hold workshops for interested stakeholders, including: the Department of Social Services; the Department of Education; child welfare county representatives and state level associations; Medi-Cal managed care plans; behavioral health managed care plans; juvenile justice and probation; foster care consumer advocates; regional centers; and judicial entities.

### Moving Medi-Cal to a More Consistent and Seamless System by Reducing Complexity and Increasing Flexibility

To reduce complexity and increase flexibility, DHCS is proposing a number of reforms pertaining to managed care, behavioral health, dental, and county-based services. Once such reform would be to standardize the managed care plan benefits, so that all MCOs provide the same benefit package. To eliminate enrollment practices that vary by geographical location and population, by January 2021 non-dual eligible Medi-Cal beneficiaries, and by January 2023 dual beneficiaries, would be required to be enrolled mandatorily in an MCO.

By the end of 2022, the state plans to discontinue the Cal MediConnect pilot program and transition dual eligibles from the Coordinated Care Initiative into Medi-Cal plans. By 2026, California hopes to implement MLTSS statewide in Medi-Cal plans.

By 2022, DHCS would implement an annual health plan open enrollment process. Beneficiaries would only be able to switch plans during this time, beginning November 2021.

Medi-Cal plans would also be required to be accredited by the National Committee for Quality Assurance (NCQA) by 2025.

DHCS is also proposing the administrative integration of specialty mental health and substance use disorder services into one behavioral health managed care program.

### Timeline

Key activities are included in the table below. For a comprehensive timeline of all activity, please see the [proposal](#).

Date	Implementation Activity
November 2019 - February 2020	Stakeholder engagement process
December 31, 2020	Medi-Cal 2020 1115 waiver expires
January 1, 2021	Managed Care Authority: Shifts to 1915(b) authority
	Implementation of the following CalAIM proposals:

	<ul style="list-style-type: none"> <li>• Population health management</li> <li>• Enhanced care management/In lieu of services</li> <li>• Shared savings and incentive payments</li> <li>• PRIME transitions to Quality Improvement Program</li> <li>• Dental benefits and pay for performance</li> <li>• Managed care benefit standardization</li> <li>• Non-dual managed care enrollment standardization</li> <li>• Long-term care integration</li> <li>• Regional rates Phase I</li> <li>• Behavioral health payment reform (at the earliest for HCPCS Level I code implementation)</li> <li>• Substance use disorder managed care renewal and policy improvements</li> <li>• Changes to behavioral health medical necessity</li> </ul>
	Behavioral Health Administrative Integration
	Begin technical assistance of the County Inmate Pre-Release Application Process
	Begin building managed care contract and RFP
	Begin assessing County Performance Standards
	Policy work for Long-Term Plan for Foster Care based on workgroup recommendations
November 2021	Medi-Cal managed care plan open enrollment begins
January 1, 2022	County Inmate Pre-Release Application Process Implementation
	Annual Open Enrollment: Effective date of enrollment into Medi-Cal plans selected during first open enrollment period
January – July 2022	<b>Full Integration Plans RFP</b>
July 2022	<b>Full Integration Plans Awards</b>
December 31, 2022	Cal MediConnect program ends
January 2023	<b>Require statewide mandatory enrollment of dual eligibles in a Medi-Cal managed care plan</b>
	All Medi-Cal health plans required to operate Dual Eligible Special Needs plans in all service areas for which they operate as an Medi-Cal managed care plan
January 2024	<b>Full Integration Plan Implementation</b>
January 2025	All Medi-Cal managed care plans required to be NCQA accredited
January 2026	Managed Long-Term Services and Supports, Long-Term Care, Dual Eligible Special Needs Plans Full Implementation
	Behavioral Health Managed Care: Submit for a single, integrated behavioral health managed care plan in each county or region responsible for providing, or arranging for the provision of, specialty mental health and substance use disorder services under the 1915(b) waiver

Source: California Department of Health Care Services

[Link to California Advancing and Innovating Medi-Cal \(CalAIM\) Proposal](#)

California Advancing and Innovating Medi-Cal (CalAIM) is a multi-year initiative by the Department of Health Care Services (DHCS) to improve the quality of life and health outcomes of our population by implementing broad delivery system, program, and payment reforms across the Medi-Cal program. Due to the comprehensive scope of the CalAIM initiative, stakeholder engagement is critical during the current planning and policy development phase. Below is a summary of ways in which stakeholders can engage with CalAIM.

- **Submit Comments via Email:** The [CalAIM proposal](#) was released on October 28, 2019. In order to incorporate comments into future CalAIM workgroups and engage in early discussions with stakeholders, DHCS is soliciting comments by **December 16, 2019**. Although DHCS will continue to accept comments until February 29, 2020, comments received after the December 16 deadline may not be incorporated into CalAIM workgroup discussions. Comments on the proposal can be submitted to [CalAIM@dhcs.ca.gov](mailto:CalAIM@dhcs.ca.gov).
- **Engage in CalAIM Workgroup Meetings.** DHCS has established five topic-specific stakeholder workgroups to further explore specific sections of the CalAIM proposal. The workgroups are meeting between November 2019 and February 2020. Please visit the [CalAIM webpage](#) to review the workgroup schedules, access materials, and learn how to attend a workgroup meeting in-person or via phone. Each meeting includes a public comment period for in-person attendees. Written comments can also be submitted to [CalAIM@dhcs.ca.gov](mailto:CalAIM@dhcs.ca.gov) up to **seven calendar days** following each meeting. This will allow DHCS to consider comments when planning for future workgroup meetings.
- **Attend DHCS Stakeholder Meetings.** While the majority of CalAIM issues will be discussed through the CalAIM workgroups, some will be presented for discussion during the [Stakeholder Advisory Committee \(SAC\)](#), [Behavioral Health Stakeholder Advisory Committee \(BH-SAC\)](#), and other DHCS sponsored stakeholder meetings. Stakeholders are welcome to attend SAC, BH-SAC, and other stakeholder meetings in-person or via phone. Each meeting includes a public comment period for in-person attendees.
- **Subscribe to Receive Email Updates.** In November 2019, DHCS kicked off a CalAIM newsletter to alert stakeholders about important announcements and to highlight upcoming stakeholder events focused on CalAIM. You can [subscribe](#) to DHCS' stakeholder email service to receive CalAIM updates.
- **Visit the CalAIM Website.** The [CalAIM page](https://www.dhcs.ca.gov/calaim) (<https://www.dhcs.ca.gov/calaim>) on the DHCS website serves as a one-stop shop for information and materials regarding CalAIM. The website is updated on a real-time basis, so check back often for the latest developments, including information about CalAIM workgroup meetings.

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