The Future of Medi-Cal

2019 Behavioral Health Symposium

Agenda

• Medi-Cal Overview

• Future of Medi-Cal—California Advancing and innovating Medi-Cal (CalAIM)
• Created in 1966, mainly for public assistance and the medically needy populations

• Today, Medi-Cal provides services to approximately 1 out of every 3 Californians
Medi-Cal Overview

• Medi-Cal is the largest state Medicaid program in the nation

<table>
<thead>
<tr>
<th>Medi-Cal Population</th>
<th>% of Enrollment</th>
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<tbody>
<tr>
<td>Parent/Caretaker relative and child</td>
<td>39%</td>
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<tr>
<td>Childless adults ages 19-64 (ACA expansion adult)</td>
<td>29%</td>
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<tr>
<td>Seniors and persons with disability (SPDs)</td>
<td>15%</td>
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<tr>
<td>Children’s Health Insurance Program (CHIP)</td>
<td>10%</td>
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<tr>
<td>Restricted Scope (limited to emergency and pregnancy only services for adults only)</td>
<td>5%</td>
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<tr>
<td>Adoption/Foster Care, Long-Term Care, and Other</td>
<td>2%</td>
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Source: California Health Care Foundation, Enrollment as of January 1, 2018

Medi-Cal Overview

• Medi-Cal program has experienced significant growth since 2010

Source: California Health Care Foundation, Enrollment as of January 1, 2018
Medi-Cal Overview

• With Medi-Cal managed care becoming the primary delivery system (80% beneficiaries)

[Bar chart showing Medi-Cal enrollment by year, with managed care increasing over time]

Source: California Health Care Foundation, Enrollment as of January 1, 2018.

Medi-Cal Overview

Medi-Cal Managed Care Models, by County

[Map showing Medi-Cal managed care models by county, with different colors indicating various models]

Source: Medi-Cal Managed Care: An Overview and Key Issues, KFF.org
## Medi-Cal Overview

### How is Medi-Cal financed?

- **Federal government** guarantees matching state spending for qualifying Medicaid expenditures
  - California’s traditional FMAP is 50/50%
  - Enhanced FMAP rates (ACA 90/10, CHIP 65/35, etc.)

- **State Financing of the Non-Federal Share**
  - State General Fund
  - Other non-federal sources

## Medi-Cal Overview

- States have broad flexibility

- Flexibility is limited by the Medicaid statute

- States choose to meet goals by:
  - Amending the State Plan; and/or
  - Developing a waiver from the basic requirements.
Medi-Cal Overview

• Federal changes are impacting the future of the Medi-Cal program:
  
  • CMS’ Budget Neutrality guidance (SMD #18-009)
  
  • California forced to move away from the traditional Section §1115 Waiver authorities

Future of Medi-Cal—California Advancing and Innovating Medi-Cal (CalAIM)
On October 29, 2019, DHCS released a detailed proposal for the future of the Medi-Cal program, called “CalAIM.”

This proposal comes at a time when DHCS is renewing its Medi-Cal 2020 waiver.

The CalAIM proposal includes initiatives and reforms for:
- Medi-Cal Managed Care
- Behavioral Health
- Dental
- Other County Programs and Services

Medi-Cal has significantly changed over the past ten years

Medi-Cal has grown more and more complicated

A beneficiary may require accessing six or more separate delivery systems to receive the care they need

Source: Ronald G. Ross, BRS LLC, March 6, 2017
CalAIM

- CalAIM has three primary goals:

  1. Identify and managed member risk and need through Whole Person Care approaches and addressing 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.

CalAIM—Goal I: Identify and Manage Member Risk and Need

Within CalAIM’s first primary goal, there are the following proposals:

  1. Population Health Management
  2. Enhanced Care Management
  3. Mandatory Medi-Cal Application & BH Coordination
  4. In Lieu of Services and Incentives
  5. Mental Health IMD Waiver (SMI/SED)
  6. Full Integration Plans
  7. Long-Term Plan for Foster Care
CalAIM—5. Mental Health IMD SMI/SED Waiver

- CMS issued a State Medicaid director letter
- Waiver could allow states to receive federal matching funds for services provided to Medicaid beneficiaries during short-term stays for acute care in psychiatric hospitals or residential treatment settings that qualify as an institution for mental disease (IMD).
- Due to the federal IMD exclusion, California’s counties are limited to paying the cost of inpatient mental health services provided to Medi-Cal beneficiaries.
- DHCS is assessing whether to pursue this SMI/SED Waiver

CalAIM—Goal II: Moving Medi-Cal to a Consistent and Seamless System

1. Standardize the Managed Care Benefit
2. Standardize the Managed Care Enrollment
3. Transition to Statewide MLTSS
4. Annual Medi-Cal Health Plan Open Enrollment
5. NCQA Accreditation of Medi-Cal Managed Care Plans
6. Regional Rates for Medi-Cal Managed Care
7. Behavioral Health Proposals
   a. Payment Reform
   b. Revisions to Medical Necessity
   c. Administrative Integration Statewide
   d. Regional Contracting
   e. SUD Managed Care Renewal (DMC-ODS)
8. Future of Dental Transformation Initiative Reforms
9. Enhancing County Oversight and Monitoring
10. Improving Beneficiary Contact and Demographic Information
### Managed Care
1. Standardize Benefit
2. Standardize Enrollment
3. Transition to Statewide MLTSS
4. Annual Open Enrollment
5. NCQA Accreditation
6. Regional Rates

### Behavioral Health
7. Behavioral Health Proposals
   a. Payment Reform
   b. Revisions to Medical Necessity
   c. Admin Integration Statewide
   d. Regional Contracting
   e. SUD Renewal (DMC-ODS)

### Dental
8. Future of DTI

### County Partners
9. Enhancing Oversight and Monitoring
10. Improving Beneficiary Contact and Demographic Information
CalAIM—1. Standardize Managed Care Benefit

• Standardize the benefits statewide

• Carved-Out Services:
  • All prescription drugs and/or pharmacy services billed on a pharmacy claim (Medi-Cal Rx)
  • Specialty mental health services for Medi-Cal members enrolled in Kaiser in Solano and Sacramento counties.
  • Multipurpose Senior Service Program (MSSP)

• Carve-In Services:
  • All institutional long-term care services
  • All major organ transplants

CalAIM—2. Standardize Managed Care Enrollment

• Standardize managed care enrollment statewide

• Proposed implementation in two phases:
  • Effective Jan. 1, 2021, all non-dual populations will be standardized as either mandatory or excluded
  • Effective Jan. 1, 2023, all dual-eligible populations will be standardized as either mandatory or excluded

• Remaining FFS populations: (Restricted scope, SOC, PE, others)
**CalAIM—Goal II: Moving Medi-Cal to a Consistent and Seamless System**

<table>
<thead>
<tr>
<th>Managed Care</th>
<th>Dental</th>
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<tr>
<td>2. Standardize Enrollment</td>
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<td><strong>County Partners</strong></td>
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<td>e. SUD Renewal (DMC-ODS)</td>
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**CalAIM—7(a) Behavioral Health Payment Reform**

- Reform Medi-Cal behavioral health payment methodologies via a multi-phased approach.

- Possibility to incentivize outcomes and quality as well as increase reimbursement.

  **First Step:**
  - Shift away from the cost-based Certified Public Expenditure to other rate-based/value-based structures and utilize intergovernmental transfers (IGTs)

| CPEs | IGTs |
CalAIM—7(a) Behavioral Health Payment Reform

Second Step:

• Phase 1:
  • Transition specialty mental health and substance use disorder services from the existing HCPCS Level II coding to Level I coding; and

• Phase 2:
  • Establish reimbursement rates and ongoing methodology for updating

CalAIM—7(b) Revisions to BH Medical Necessity

DHCS is proposing to:

• Separate the concept of eligibility from the county and medical necessity

• Allow counties to provide and be paid for services to meet a beneficiary’s needs prior to determination of a covered diagnosis.

• Revise and clarify the intervention criteria
CalAIM—7(b) Revisions to BH Medical Necessity

• Identify an existing or develop a new statewide, standardized level of care assessment tool
  • one for beneficiaries 21 and under
  • one for beneficiaries over 21

• Align with federal requirements by allowing a physician’s certification/recertification to document a beneficiary’s need for acute psychiatric hospital services.

• Other technical corrections.

CalAIM—7(b) Revisions to BH Medical Necessity

• CalAIM proposes that eligibility criteria should be the driving factor for determining the delivery system in which someone should receive services

• Each delivery system would then provide services in accordance with an individualized beneficiary plan

• “No Wrong Door” approach with children <21 years old
CalAIM—7(c) Administrative BH Integration Statewide

• Proposal to administratively integrate specialty mental health and substance use disorder services into one behavioral health managed care program

• Single prepaid inpatient health plan by county/region implemented by 2026.

• Goal: improve outcomes and reduce administrative and fiscal burdens for counties, providers, and the State.

CalAIM—7(c) Administrative BH Integration Statewide

<table>
<thead>
<tr>
<th>Clinical Integration</th>
<th>Administrative Functions</th>
<th>DHCS Oversight</th>
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<tbody>
<tr>
<td>• Access Line</td>
<td>• Contract</td>
<td>• Quality Improvement</td>
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<tr>
<td>• Intake, Screening, Referrals</td>
<td>• Data Sharing/Privacy</td>
<td>• External Quality Review Organization</td>
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<tr>
<td>• Assessment</td>
<td>• Electronic Health Records Integration</td>
<td>• Compliance Reviews</td>
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<tr>
<td>• Treatment Planning</td>
<td>• Cultural Competence Plans</td>
<td>• Network Adequacy</td>
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<tr>
<td>• Beneficiary Informing Materials</td>
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<td>• Licensing and Certification</td>
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CalAIM—7(d) BH Regional Contracting

- Counties option of developing *regional approaches* to administer and deliver specialty mental health and substance use disorder services to Medi-Cal beneficiaries
  - Potential options:
    - Joint Powers Authority for a multi-county region,
    - Counties could pool resources to contract with an admin services organization/third-party admin or other entity (ex. CMSP)
  - State will provide counties with technical assistance and support

CalAIM—7(e) Substance Use Disorder Managed Care Renewal

- Even though 30 counties have implemented the substance use disorder managed care program (DMC-ODS)—the Managed Care model is *still very new* or hasn’t been implemented yet
  - **Requested stakeholder input on policy changes:**
    - Residential treatment length-of-stay requirements
    - Residential treatment definition
    - Recovery services
    - Additional medication assisted treatment
    - Physician consultant services
    - Evidence-based practice requirements
    - Provider appeals process
    - Tribal services
    - Treatment after incarceration
    - Billing for services prior to diagnosis
CalAIM—Goal II: Moving Medi-Cal to a Consistent and Seamless System

Managed Care
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9. Enhancing Oversight and Monitoring
10. Improving Beneficiary Contact and Demographic Information

CalAIM—8, 9, and 10. Dental, County Partners

- #8—Proposed statewide reforms to the Dental program (new dental benefits (focus on young children), and pay for performance initiatives for providers).
- #9—Recommendations to phase-in changes to increase program integrity with respect to the eligibility and enrollment.
- #10—Request for Stakeholder feedback on ways to improve contact and demographic information and the reliability of the data.
CalAIM—Stakeholder Process

- DHCS is conducting 5 topic-specific workgroups
  - Population Health
  - Enhanced Care Management
  - Behavioral Health
  - Full Integration
  - NCQA Accreditation

- Over 25 days of workgroup meetings will occur between Nov-19 and Feb-20.

CalAIM—Stakeholder Process

- CHA selected to serve on two Stakeholder Workgroups:
  - Population Health (Amber Kemp)
  - Behavioral Health (Sheree Lowe)

- For every workgroup meeting, CHA will have representation monitoring the actions and evolution of the proposals

- CHA to host webinar post Gov Budget on Jan.10, 2020
## CalAIM—Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Implementation Activity</th>
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<tbody>
<tr>
<td>Dec. 2020</td>
<td>Medi-Cal 2020 Waiver expires</td>
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<tr>
<td>Jan. 2021</td>
<td>Many CalAIM proposals implement</td>
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<tr>
<td></td>
<td>• BH Payment Reform—HCPCS Level I</td>
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<td></td>
<td>• Changes to BH Medical Necessity</td>
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<td></td>
<td>• Standardization of benefits and non-dual enrollment</td>
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<tr>
<td>Jan. 2023</td>
<td>Standardization of enrollment: duals</td>
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<tr>
<td>Jan. 2024</td>
<td>Full Integration Plans: Go Live</td>
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<td>Jan. 2025</td>
<td>NCQA accredited</td>
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<tr>
<td>Jan. 2026</td>
<td>• LTSS, LTC, D-SNP: Full Implementation</td>
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<td></td>
<td>• Behavioral Health Managed Care: Single integrated BH managed care plan/by county/region</td>
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### Questions?

**CHA Contact Info:**

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rwitz@calhospital.org
• CalAIM References:
  □ Main Website: https://www.dhcs.ca.gov/calaim