



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

May 8, 2020

Ms. Alissa Mooney DeBoy, Director
Disabled and Elderly Health Programs Group
Center for Medicaid & CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

**REQUEST FOR EXTENSION OF CALIFORNIA'S SECTION 1915(b) MEDI-CAL
SPECIALTY MENTAL HEALTH SERVICES WAIVER, CONTROL NO. CA-17.R09**

Dear Ms. Mooney DeBoy:

The California Department of Health Care Services (DHCS) formally requests an eighteen-month extension of the state's current Medi-Cal Specialty Mental Health Services (SMHS) Waiver authorized under Section 1915(b) of the Social Security Act. As originally approved by the Centers for Medicare and Medicaid Services (CMS), the waiver is set to expire on June 30, 2020. Other than the extension, DHCS is not proposing any other changes to the currently approved terms and conditions of the Section 1915(b) waiver.

DHCS requests CMS' approval to extend the term of the waiver through December 31, 2021, to coincide with the proposed one-year extension of California's Section 1115(a) Demonstration, entitled "Medi-Cal 2020," which currently is set to expire on December 31, 2020. As recently discussed with CMS, DHCS will require additional time to develop and obtain approval for our California Advancing and Innovating Medi-Cal (CalAIM) initiative due to the ongoing COVID-19 public health emergency. One of the primary purposes of CalAIM is to align our existing managed care authorities under a single, comprehensive Section 1915(b) waiver, including those currently approved under Medi-Cal 2020 (Medi-Cal Managed Care and the Drug Medi-Cal Organized Delivery Systems). Thus, in anticipation of this change, DHCS intends to synchronize the current expiration dates for such authorities to allow for a single effective date period under CalAIM starting January 1, 2022. DHCS is working with CMS concurrently to obtain a one-year extension of the Medi-Cal 2020 demonstration.

Ms. Alissa Mooney DeBoy
Page 2
May 8, 2020

Through its CalAIM initiative, DHCS proposes to implement overarching policy changes across all Medi-Cal delivery systems. The broader system, program, and payment reforms included in the initiative allow the state to take a population health, person-centered approach to providing services and focus on improving outcomes for all Californians. To achieve such principles, the initiative has three primary goals:

1. Identify and manage 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.

On March 25, 2020, a notice was provided to California Tribal Chairpersons, Indian Health Programs, and Urban Indian Organizations to inform them of this waiver extension request and solicit their advice. While the notice made reference to the department's initial plan to request a six month extension, DHCS has subsequently notified California Tribal Chairpersons, Indian Health Programs, and Urban Indian Organizations of the department's plans to now pursue an eighteen-month extension due to the COVID-19 public emergency and to align with the proposed delay of CalAIM. As of the date of this letter, DHCS has not received any feedback or comments.

Thank you again for the opportunity to submit this waiver extension request. We look forward to continuing to work with you and your staff towards obtaining approval of this extension.

Original signed by,

Jacey Cooper
Chief Deputy Director
Health Care Programs
State Medicaid Director

cc: See Next Page

Ms. Alissa Mooney DeBoy
Page 3
May 8, 2020

cc: Judith Cash, Director
Division of State Demonstrations and Waivers
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
Judith.Cash@cms.hhs.gov

Lorraine Nawara
Project Officer
Division of State Demonstrations and Waivers
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
Lorraine.Nawara1@cms.hhs.gov

Bradley P. Gilbert, MD, MPP
Director
Department of Health Care Services
Bradley.Gilbert@dhcs.ca.gov

Anastasia Dodson
Associate Director for Policy
Department of Health Care Services
Anastasia.Dodson@dhcs.ca.gov

Kelly Pfeifer, M.D.
Deputy Director
Behavioral Health
Department of Health Care Services
Kelly.Pfeifer@dhcs.ca.gov

Brenda Grealish, Chief
Medi-Cal Behavioral Health Division
Department of Health Care Services
Brenda.Grealish@dhcs.ca.gov