



MICHELLE BAASS
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

**CalAIM Incentive Payment Program
Frequently Asked Questions (FAQ)**
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Introduction

CalAIM is a multi-year Department of Health Care Services' (DHCS) initiative to improve the quality of life and health outcomes of the Medi-Cal managed care population through the implementation of broad delivery system, program and payment reform across the Medi-Cal program.¹

CalAIM's Enhanced Care Managed (ECM) and Community Supports (In Lieu of Services [ILOS]) programs will launch January 1, 2022, requiring significant investments in care management capabilities, ECM and Community Supports (ILOS) infrastructure, information technology (IT) and data exchange, and workforce capacity across Medi-Cal Managed Care Plans (MCPs), city and county agencies, providers and other community-based organizations. The 2021-22 California State Budget allocated \$300 million for incentive payments to MCPs for State Fiscal Year (SFY) 2021-22, \$600 million for SFY 2022-23, and \$600 million for SFY 2023-24.

Effective January 1, 2022, DHCS will implement the CalAIM Incentive Payment Program. DHCS designed the CalAIM Incentive Payment Program with input from various stakeholders. As designed, the CalAIM incentive payments are intended to compliment and expand ECM and Community Supports (ILOS) in the following ways:

- Build appropriate and sustainable capacity;
- Drive MCP investment in necessary delivery system infrastructure;
- Bridge current silos across physical and behavioral health care service delivery;
- Reduce health disparities and promote health equity
- Achieve improvements in quality performance) and;
- Incentivize MCP take-up of Community Supports (ILOS).

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Please submit questions about the Incentive Payment Program to:

CalAIMECMILOS@dhcs.ca.gov. Additional program documents, including an All Plan Letter, is available at www.dhcs.ca.gov/enhancedcaremanagementandinlieuofservices.

¹ For more information on CalAIM, please see the CalAIM webpage at:
<https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM.aspx>

CalAIM Incentive Payment Program Frequently Asked Questions (FAQ)

Program Design

1. Are MCPs required to participate in this program in full or in any part?

The incentive program is voluntary. MCPs will only be eligible to receive incentive payments by fulfilling all the requirements of the program; that includes completing the required measures for Payment 1 and Payment 2. Additionally, Payment 1 is subject to recoupment should a MCP choose not to participate in Payment 2 or in instances where MCPs fail to engage in efforts as outlined in their Payment 1 Gap-Filling Plan. (see section below on Recoupment for additional details).

2. Which measures are optional and which are mandatory for the MCP to earn the payment in full?

The Measure Set outlines which measures are mandatory and which are optional. To be eligible to receive full incentive payment allocations, MCPs must complete all the mandatory measures, and they must complete the specified number of optional measures for each priority area.

3. Which measures will be counted toward Payment 1 and which measures will be counted toward Payment 2?

The Measure Set indicates which measures MCPs should submit and which items will be counted toward fulfilling Payment 1 obligations, and which items will be counted toward Payment 2.

4. Do the optional payment measures MCPs select and submit for Payment 1 need to be the same optional payment measures MCPs select and submit for Payment 2?

No, the Measure Set includes different optional measure for Payment 1 and Payment 2. The MCP may select among any of the optional measures. As long as the MCP responds to the specified number of measures for each priority area, the MCP will be eligible to earn their payment in full. Actual earnings will be based on achievement of the measures.

5. Should MCPs be including information for non HHP/WPC counties in the Fall?

Yes, MCPs should submit a Gap-Filling Plan for any county where they will be administering the ECM benefit and Community Supports (ILOS) for their members. MCPs that operate in multiple counties will need to submit a separate Gap-Filling Plan for each county.

6. Why is DHCS using the quality measure “Utilization of the PHQ-9 to Monitor Depression Symptoms for Adolescents and Adults (DMS)”?

DHCS believes this is an important metric to evaluate the ECM population. Additionally, this quality measure is a data resource for the State as it is part of the Value-Based Payment program measure set.

Program Timing

1. When will MCPs be required to submit information to receive payments in Program Year 1?

MCPs must submit a Needs Assessment and Gap-Filling Plan, using the Reporting Template in December 2021. DHCS will issue Payment 1 to MCPs as early as February 2022, subject to DHCS' acceptance of the Needs Assessment and Gap-Filling Plan submissions. MCPs must meet subsequent submission requirements using the Reporting Template in the fall of 2022 to demonstrate overall progress and performance against targets linked to achievement of the Gap-Filling Plan. The achievement of these targets will result in Payment 2.

MCP Evaluation

1. How will DHCS evaluate provider capacity, knowing that each contracted ECM and Community Supports (ILOS) provider may have different levels of capacity?

DHCS will evaluate MCP capacity to serve the ECM and Community Supports (ILOS) populations based on their submission of the number of contracted providers and their submission of the anticipated number of providers to meet the needs of each population of focus. MCPs will provide DHCS with this information via the numerator and denominator submission for the measure related to provider capacity for both ECM and Community Supports (ILOS).

2. How will DHCS reward MCPs for “progress” activities completed in 2021, prior to Program Year 1?

MCPs will detail activities they completed/plan to develop for both delivery system infrastructure and ECM and Community Supports (ILOS) provider capacity in the Gap-Filling Plan submission, which is due in December 2021. DHCS will evaluate these submissions to determine whether activities will be applicable to demonstrate progress against their Gap-Filling Plan and payments are deemed to be unearned until final progress review is completed by DHCS.

3. How will DHCS evaluate MCPs knowing that certain populations of focus for ECM will not be enrolled until 2023 and beyond?

DHCS is cognizant of the variability in enrollment in ECM and Community Supports (ILOS) for different populations of focus and will evaluate MCP submissions accordingly.

Earning Payment

1. How are the discretionary 300 points (30%) that MCPs can elect to apply across Priority Areas counted toward the MCP's overall score and related payment?

The discretionary 300 points (30%) that the MCP can add will increase the overall weight of the areas where the MCP chooses to apply the additional points. The points will not be applied to specific measures, but rather to the priority area as a whole. The additional 30% will be earned proportional to the points earned for that Priority Area(s) where the MCP allocates it.

2. Is it possible for a MCP to request earning all of their incentive payment in only select priority areas, for instance, could they reallocate the minimum 20% of incentive to be earned in ECM to another priority area?

Generally, no. However, in addition to the 300 points that MCPs can assign to a priority area at their discretion, MCPs have the option to request additional points be re-allocated from one priority area to another. MCPs must describe their preferred allocation in the Gap-Filling Plan and justify to DHCS why they are proposing to reallocate funds. The proposed allocation is subject to review and approval by DHCS.

3. Will partial payments for measures be awarded?

In general, partial payments for measures will not be awarded. Each measure will either be earned in full, or not earned. There are two instances in which measures are tiered and a partial payment for the measure is allowable based on the tiers indicated by DHCS. See question 4 for additional information on tiered measures.

4. What is meant by a “tiered” evaluation approach? Does this mean plans can earn partial credit for meeting some portion of a measure?

A tiered evaluation approach is used for two measures in the Community Supports (ILOS) Priority Area. The tiered measures are related to the number of Community Supports (ILOS) that each MCP offers and the type of Community Supports (ILOS) each MCP offers. For each measure, there are three tiers. A MCP can earn the number of specified points for offering the Community Supports (ILOS) as described in the Measure Set. All other measures do not use a tiered approach and MCPs will achieve either full or no credit for the measures.

5. What is the baseline that DHCS will use to measure progress for MCPs?

The baseline measurement can be set on 7/1/2021 or any subsequent date. However, MCPs cannot earn incentives for progress made in 2021, per 42 CFR 438.6(b)(2)(i) which requires that performance be “measured during the rating period under the contract in which the incentive arrangement is applied.” DHCS will establish target measures for each MCP's submitted Needs Assessment and

Gap-Filling plan. Incentive payments to MCPs will be made based on their performance against those measures as reported in 2022.

Use of Funds

1. Can the incentive payment be used for MCP infrastructure or to build ECM capacity within the MCP?

DHCS is not directing how the MCP may spend their earned incentive payments. DHCS anticipates MCPs will use the incentive payments to make significant investments in their ECM and Community Supports (ILOS) provider networks and support provider network infrastructure development. In addition, MCPs may use their incentive payment to further develop their internal infrastructure and capacity, as well as to oversee and administer the ECM and Community Supports (ILOS) programs.

2. Will DHCS require MCPs to share a minimum percentage of incentive funding with providers?

No, this is not federally permissible in this context. However, for the successful implementation of ECM and Community Supports (ILOS), MCPs will need to make significant investments in their ECM and Community Supports (ILOS) provider networks and support the infrastructure development of their provider networks. DHCS expects MCPs to work closely with all applicable local partners including, but not limited to, county social services, county behavioral health, public healthcare systems, county/local public health jurisdictions, community based organizations (CBOs), correctional partners, housing continuum and others,, in their efforts to achieve the measures. In order to meet the goals of the program and achieve the measures, DHCS anticipates participating MCPs will maximize the investment and flow of incentive funding to ECM and Community Supports (ILOS) providers to support capacity and infrastructure.

Payment 1 Recoupment

1. If the MCP uses the Payment 1 incentive payment to make grants or pay downstream entities and providers, will those funds still be subject to recoupment?

Yes. However, while **all** incentive payments in Payment 1 are interim payments subject to recoupment, DHCS views recoupment as a last resort that will be used in instances where MCPs fail to engage in efforts as outlined in their Gap-Filling Plan. MCPs that fail to demonstrate a minimum level of effort, as determined by DHCS, must work with DHCS on a corrective action plan (CAP) aimed at improving results and performance on the process measures. DHCS will consider the extent of investments made by MCPs in ECM and Community Supports (ILOS) provider capacity and infrastructure in accordance with their Gap-Filling Plan when determining whether the MCP has demonstrated a minimum level of effort. If upon engaging in a CAP, the MCP continues to fail to

meet the minimum level of effort, DHCS may require the MCP return to DHCS all or a portion of Payment 1.

2. How much of Payment 1 is subject to recoupment?

DHCS may require that all or a portion of Payment 1 is returned if the MCP fails to engage in efforts outlined in their Gap-Filling Plan, as stated in the question above. Note: This is deemed as a last resort action and DHCS will work closely with MCPs prior to this occurring.

Data Collection and Data Sources

1. If plans don't have race and ethnicity data at that level provided in the Reporting Template, will DHCS accept submissions at a less granular level?

Yes, DHCS will provide an outline of how MCPs may report if their data on the race and ethnicity of providers is not as granular as that detailed in the Reporting Template. The incentive program submissions related to race and ethnicity mirror those in the Medi-Cal application and the 834 DHCS Companion Guide to ensure consistency around beneficiary reporting.²

2. Is DHCS considering a threshold for ECM Providers with the employee breakout of the racial and ethnic demographics for reporting?

No, this measure is pay-for-reporting, and MCPs will be awarded either full credit for reporting their data on this measure or no credit if it is not reported.

3. Will DHCS share or reference code sets (i.e. HEDIS) that will be used for MCPs' denominator identification (CINs) and DHCS's numerator calculations?

Yes, DHCS will provide MCPs with TA and measure details as requested for all data collection related to quality measures.

Terms and Definitions

1. For measure that refer to a "care team", how is the care team defined?

MCPs should consider a definition for "care team" that includes an interdisciplinary team needed to appropriately provide care for the Member based on the Member's level of need and determine which providers are necessary as part of the Member's care team.

² DHCS 834 Companion Guide available at:
<https://www.dhcs.ca.gov/formsandpubs/laws/hipaa/Documents/2.02%20834%205010%20Documents/DHCS-5010-834-CG.pdf>

2. What level of clinical documentation is expected for the measure asking about “ECM Providers capable of electronically exchanging care plan information”?

As part of the ECM Core Services, MCPs are required to provide policies and procedures outlining the approach describing how their EMC Providers will develop comprehensive, individualized, and person-centered care plans that leverages input from members of the multi-disciplinary care team, support networks, and caregivers, as appropriate. Care plans should include clinical information related to a Member’s stated goals (e.g., health and wellness, service or care needs, lifestyle and independent and stable living conditions). Information that is managed and shared electronically should include information that matters most to the person in meeting their care goals.

3. What is required in a “care management documentation” system or process that MCPs must ensure ECM Providers use?

A care management documentation system is an information management system that is capable of using physical, behavioral, social service, and administrative data and information from other entities – including MCPs, ECM, Community Supports (ILOS) and other county and community-based Providers – in order to support the management and sharing of a Member’s care plans. Care management documentation systems may include Certified Electronic Health Record (EHR) technology or other documentation tools that can document Member goals and goal attainment status; develop and assign care team tasks; define and support Member care coordination and care management needs; gather information from other sources to identify Member needs and support care team coordination and communication; and support notifications regarding Member health status and transitions in care (e.g., discharges from a hospital, long-term care facility, housing status, etc.). A care management documentation system need not be a certified EHR technology, and it may include systems that are securely managed and hosted by third parties, including MCP partners.

Plan Delegates

1. For the measures requiring health plans to coordinate activities, what is the expectation for sub-contracted plans or sub-contracted, fully capitated public healthcare systems, such as in Los Angeles, San Francisco, and Santa Clara?

Each MCP will be responsible for their subcontractors, including coordination, reporting and oversight.

Delegating Activities to Providers

1. Can MCPs delegate the activities and deliverables for each milestone to providers, and therefore have the incentive earned at the provider level?

Incentives are earned, or not earned, at the MCP level. The MCP is responsible for ensuring the activities are completed and reported to DHCS to earn their full incentive payment. DHCS recognizes the importance of MCPs delegating activities, such as staff training, to providers to support capacity building at the provider-level.

Future Program Development

1. For Program Year 2 and 3, what will the process be for introducing new measures and MCP reporting requirements?

DHCS will continue to engage in a robust stakeholder process as the incentive payment evolves for Program Year 2 and 3. DHCS appreciates the partnership with all our stakeholders to date and looks forward to our continued engagement.