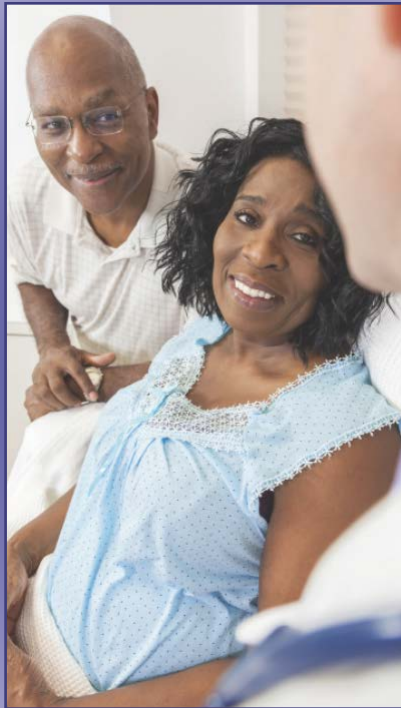




California Department of
HealthCareServices



California Department of Health Care Services
Strategic Plan 2013-2018
2015 Update



Mission

The Department's mission is to provide Californians with access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services and long-term care.

Vision

Our vision is to preserve and improve the overall health and well-being of all Californians.

Core Values

*Integrity
Service
Accountability
Innovation*



Message from the Director

The Department of Health Care Services (DHCS) serves as the hub of California's health care safety net, helping millions of low-income and disabled Californians every day. That was true when we introduced our five-year strategic plan back in 2013. It's just as true today, as we pass the midway point of that plan and see the progress that has been made.

We continue to effectively use state and federal funds to operate Medi-Cal, California's Medicaid program, and to ensure that our beneficiaries receive efficient, high-quality health care services. Almost 4,000 DHCS employees are still pursuing our highest priority – to preserve and improve the overall health and well-being of all Californians.

In many respects, it's an even bigger job now. When we embarked on our strategic plan, we administered health care services for 8.5 million Medi-Cal members. Since the expansion of Medi-Cal through the Affordable Care Act (ACA) in 2014, that number has grown to more than 12.5 million men, women and children spread across the diversity of California, from the Sierra to the Pacific and from the Oregon border to Mexico.

Fortunately, we have a network of skilled and committed partners who help us get the job done. The fabric of the safety net is woven through the combined and coordinated efforts of health care providers and health plans, county and federal officials, other state agencies, community groups and all the other stakeholders concerned with Californians' health. Only by working together can we fulfill the vision of effective, efficient and integrated care.

We've taken some big steps toward that vision in the past few years:

- With the federal approval of our new Drug Medi-Cal Organized Delivery System waiver, DHCS can begin working with counties and health plans to take the old, stand-alone drug and alcohol abuse treatment model and integrate it into a larger coordinated system of physical and behavioral health, including the treatment of substance use disorders.
- We have taken several steps to make DHCS more transparent to the people we serve, from online "dashboards" presenting key data about our contracted health plans to our Stakeholder Engagement Initiative, aimed at improving the quantity and quality of our communication with providers, partners, advocates and the public.
- The launch of the DHCS Academy is providing our managers and supervisors with the tools they need to lead the department through the changes ahead, while our Healthier U wellness initiative is a labor-management partnership to encourage health and well-being at our East End Complex.
- Technology improvement projects completed or under way have improved efficiency, cut costs and reduced paperwork, starting the difficult work of upgrading our 20th Century technology infrastructure for the modern age and the future.

There are challenges ahead, but this strategic plan gives DHCS a chart to steer the future of health care in California, for our members, the public and our employees. It will guide us as we use our new federal waiver to build a high-quality, integrated care system offering comprehensive services from prenatal exams to long-term care for seniors. It will help keep us on track as we build a technology infrastructure for the future that's flexible, efficient and secure.

Lastly, and most importantly, it will help us stay on the path to a robust Medi-Cal program where every one of our millions of members not only has an insurance card, but has meaningful access to the care they need, when they need it.

We welcome your comments and thoughts on the plan laid out in the pages that follow. Please share them with us at StrategicPlan@dhcs.ca.gov.

Jennifer Kent
Director
Department of Health Care Services



Introduction

The California Department of Health Care Services (DHCS) administers publicly financed health insurance and safety net programs. DHCS executive staff began its strategic plan development process in January 2012. Our efforts focused on fulfilling our mission to provide eligible Californians with access to affordable, integrated, high-quality health care, realizing our vision to preserve and improve the overall health and well-being of all Californians, and sustaining our core values of integrity, service, accountability, and innovation.

From the beginning, we envisioned a strategic plan that would serve as a guide to determine the appropriate strategies that would help us capitalize on upcoming changes to health care delivery, purchasing, and innovation, while allowing us to maximize our efficiency and positive impact on the health care system. The strategic plan defines our strong commitments to our three main constituencies — the people we serve, the public, and our employees.

The commitments in our strategic plan support our dedication to enhancing the consumer experience, improving health outcomes, lowering the cost of care, fostering a positive work environment for DHCS employees, and adhering to our core values of integrity, service, accountability, and innovation.

The following pages describe DHCS' role in state government, the state's health care delivery system, and key trends that influence DHCS' programs. DHCS addresses these important issues through its mission, vision, core values, and goals.

DHCS' Role in California's Health Care Delivery System

DHCS' programs serve more than 12.5 million Californians. Nearly one in three Californians receive health care services financed or organized by DHCS, making the department the largest health care purchaser in the state. DHCS invests more than \$91 billion in public funds to provide low-income Californians with access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use disorder services, and long-term services and supports.

DHCS programs emphasize prevention-oriented health care that promotes health and well-being. This is done to: a) serve those with the greatest health care needs through the appropriate and effective expenditure of public resources, with a focus on improving the health of all Californians; b) enhance quality, including the patient care experience, in all DHCS programs; and c) reduce the Department's per capita health care program costs. DHCS programs provide members with medical, dental, mental health, substance use disorder services, and long-term services and supports. DHCS also administers programs for underserved Californians, including farm workers and American Indian communities.



DHCS' Role in California's Comprehensive Health Care Reform

DHCS has played a major role in helping Californians realize the benefits of the Affordable Care Act (ACA). Governor Brown committed to implementing the ACA's optional Medi-Cal expansion for uninsured, childless adults. As a result, the Department saw a significant increase in Medi-Cal enrollment and responsibility for coverage, with more than 3.9 million people enrolling in Medi-Cal since January 2014. We are putting into place effective systems that will support this growth in ways that provide quality care and yield financial benefits to the state. We are also working closely with our county partners to share the responsibility of the costs associated with maintaining a vibrant safety net and caring for those who remain uninsured after the implementation of federal health care reform.

DHCS' Role in the California Health and Human Services Agency

DHCS is one of 13 departments within the California Health and Human Services Agency (CHHS) that provide a range of health care services, social services, mental health services, alcohol and drug treatment services, income assistance, and public health services to Californians. The CHHS Action Plan contains the following five goals that help guide DHCS' work:

- *Every child will live in a safe, stable, and permanent home, nurtured by healthy families and strong communities.*
- *Every Californian will have access to high quality, affordable health care coverage.*
- *California will support and value healthy lifestyle behaviors, particularly physical activity and healthy eating, to improve health outcomes and reverse the upward obesity trend.*
- *Disabled and aged Californians will have the opportunity to live in their own homes and communities, rather than institutional settings, in the most integrated setting possible.*
- *California will be maximally prepared to prevent and respond to natural or intentional disasters, including acts of terrorism.*

DHCS plays a significant role in achieving these goals. DHCS' strategic plan reflects the unique policy and operational contributions DHCS can make in furthering CHHS' goals.



What We've Achieved

At the midway point of our five-year strategic plan, the Department has laid a solid foundation for the continuing transformation of California's health care system in the years ahead. Important accomplishments the Department has overseen since 2013 include:

- **Explosive Growth in Health Care Coverage:** *Since the January 1, 2014, implementation of the ACA, Medi-Cal enrollment has increased by more than 3.9 million, bringing total enrollment as of July 2015 to 12.5 million people, many of them receiving meaningful full-scope health coverage for the first time. Roughly 2.7 million of the new enrollees joined under the ACA's optional Medicaid expansion. The additional 1.2 million new enrollees were previously eligible for Medi-Cal, but had not enrolled until now. Nearly all were enrolled in Medi-Cal managed care plans providing integrated, comprehensive care. This care is overseen through our contracts with the plans to ensure timely access and high-quality standards.*
- **Section 1115 Waiver Renewal:** *DHCS has applied to the Centers for Medicare & Medicaid Services (CMS) to renew its demonstration [waiver](#). The renewal seeks \$15 billion to \$20 billion in federal funding over five years to support demonstration projects to transform and realign the health care delivery system by shifting financial incentives to encourage efficiency, improve health outcomes and better coordinate whole-person care.*
- **Drug Medi-Cal (DMC) Program Organized Delivery System Waiver:** *The Department received a [waiver](#) from CMS to operate the DMC program as an organized delivery system through voluntary county participation. In organizing a comprehensive array of treatment services available under Medi-Cal, the waiver will help improve the success rate of individuals seeking substance use disorder treatment. The waiver gives the state flexibility to establish a continuum of care to help ensure that services and treatment are delivered in the right place at the right time in the right setting for the individual's needs. Delivering services through a continuum of care and an integrated system of treatment also helps guide and track the progress of patients.*
- **Coordinated Care Initiative (CCI):** *The Department launched its program for "dual eligibles" in 2014. Dual eligibles are Californians covered by both Medi-Cal and Medicare who often have complex health care needs. [Cal MediConnect](#), a program created by the CCI, now integrates health care and other services to improve health outcomes for individuals with dual coverage in seven pilot counties. This is helping more Californians with complex health care needs remain in their homes and communities and have a higher quality of life. As of July 1, 2015, there were 120,470 beneficiaries enrolled in the Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara counties.*
- **Increased Stakeholder Engagement:** *DHCS recognizes the vital role that stakeholders play in working with Medi-Cal to fulfill the vision of the Triple Aim – improving the patient experience of care, improving the health of populations and reducing the per capita cost of health care. The Department's [Stakeholder Engagement Initiative](#) strives to seek out and actively consider stakeholder recommendations, continuously improve a consistent feedback mechanism and increase public transparency. Current stakeholder efforts underway include the posting of a stakeholder engagement directory on the DHCS website, the completion of a stakeholder survey, producing a catalog and overall review of stakeholder meetings and instituting a department-wide protocol for effective stakeholder engagement efforts.*

- **Healthier U:** Healthier U's mission is to establish the East End Complex as a model worksite where labor and management work together to build a workplace culture that supports and encourages the health and well-being of all. The program, begun in June 2013, uses social media, peer support and friendly competition to encourage healthy living. Healthier U is now available to approximately 4,000 workers in DHCS and the California Department of Public Health who work at the East End Complex.
- **Medi-Cal Managed Care Performance Dashboard:** Launched in 2014, the [dashboard](#) is a monitoring tool produced quarterly by the Managed Care Quality and Monitoring Division. The dashboard displays comprehensive data on a variety of measures, including enrollment, health care utilization, appeals and grievances, network adequacy and quality of care. Information contained in the dashboard assists DHCS and its stakeholders in observing and understanding managed care health plan performance statewide, by plan model and by plan. As part of the ongoing effort to improve transparency and visibility into the program, the Department is now posting [State Plan Amendments](#), [federal waivers](#), [corrective action plans](#) and [audit reports](#) to its website.
- **Provider Application and Validation for Enrollment (PAVE):** The Department is automating its enrollment processes for Medi-Cal providers. The new PAVE system will transform provider enrollment from a manual paper-based process to a web-based portal that providers can use to complete and submit their applications, submit verifications and more easily report changes. PAVE will afford providers online instructions, a secure log-in, increased accuracy, document uploading capability, electronic signature, application progress tracking and reduced processing time.
- **Automation Projects:** Beginning in 2013, DHCS worked cooperatively with its partners, including the Statewide Automated Welfare Systems (SAWS) enrollment workers, Medi-Cal Eligibility Data System (MEDS) staff, County Welfare Directors Association and Covered California, to implement the streamlined California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) application process for Medi-Cal and Covered California health plans. The Department worked to coordinate information exchanges between the various systems, laying the modernized information technology infrastructure that will carry the Medi-Cal program forward for many years to come.



California Department of Health Care Services Strategic Plan 2013-2018

MISSION AND VISION

The Department's mission is to provide Californians with access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services, and long-term care. Our vision is to preserve and improve the overall health and well-being of all Californians.

CORE VALUES

The Department's mission and vision are imbued by its core values of integrity, service, accountability, and innovation. These core values are linked to clear professional standards for all Department managers, employees, and business partners.



COMMITMENTS

The Department makes the following commitments in this strategic plan:

To the People We Serve:

The Department will:

- Improve the consumer experience so individuals can easily access integrated, high-quality health care when they need it, where they need it, at all stages of life.
- Treat the whole person by coordinating and integrating medical, dental, mental health, substance use treatment services, and long-term care.
- Improve and maintain overall health and well-being through effective prevention and intervention.
- Develop effective, efficient, and sustainable health care delivery systems.

To the Public:

The Department will:

- Ensure there is a viable health care safety net for people when they need it.
- Maintain effective, open communication and engagement with the public, our partners, and other stakeholders.
- Hold ourselves and our providers, plans, and partners accountable for performance.
- Be prudent, responsible fiscal stewards of public resources.

To Our Employees:

The Department will:

- Foster a healthy, positive, and respectful work environment.
- Focus on communication, collaboration, teamwork, and effective decision-making.
- Recognize and show appreciation for dedication, innovation, and excellence.
- Provide opportunities for professional learning and growth.

Through our mission, vision, core values, and commitments, we will contribute to a healthier California.



Commitments, Strategies, and Priorities

This section defines broadly how each commitment will be achieved (the strategies) as well as the specific Department initiatives necessary to achieve each strategy (priorities).

To the People We Serve:

| Commitments: | Strategies: | Priorities: | |
|---|--|---|--|
| <p>1. Improve the consumer experience so individuals can easily access integrated, high-quality health care when they need it, where they need it, at all stages of life.</p> | <p>1.1 Improve the enrollment experience</p> | <p>1. Streamline eligibility and health plan enrollment.</p> <p>2. Monitor eligibility and access.</p> <p>3. Establish a continuous quality improvement (CQI) process to identify and address problems.</p> | |
| | <p>1.2 Enhance outreach and education</p> | <p>1. Educate members to make better decisions about their health care.</p> <p>2. Engage in culturally-appropriate outreach and education.</p> | |
| | <p>1.3 Provide efficient and effective customer service</p> | <p>1. Expand options for consumers to contact and receive assistance from the Department.</p> <p>2. Provide easy-to-use, web-based vehicles to submit forms, applications, and payments.</p> | |
| | <p>2. Treat the whole person by coordinating and integrating medical, dental, mental health, substance use treatment services, and long-term care.</p> | <p>2.1 Support integrated linkages between systems of care</p> | <p>1. Encourage coordinated and integrated delivery of medical, dental, mental health, substance use treatment services, and long-term care.</p> |
| | | | <p>2. Ensure every member has a medical home.</p> |
| | | | <p>3. Strengthen electronic health record (EHR) use, content, and system integration.</p> |
| <p>3. Improve and maintain overall health and well-being through effective prevention and intervention.</p> | <p>3.1 Address quality, population health, and outcomes across systems of care</p> | <p>1. Implement the Department's Quality Strategy.</p> | |
| | | <p>2. Improve care management by enhancing attention to primary, secondary, and tertiary prevention.</p> | |
| | | <p>3. Improve the quality and timeliness of data collection and analysis to enable rapid-cycle quality improvement.</p> | |



To the People We Serve (continued)

| Commitments: | Strategies: | Priorities: |
|--|---|--|
| | 3.2 Identify and eliminate disparities in health outcomes | <ol style="list-style-type: none"> 1. Perform ongoing assessment of health disparities. 2. Address disparities through policies and programs. |
| | 3.3 Base clinical policies on principles of effectiveness and value | <ol style="list-style-type: none"> 1. Foster the use of evidence-based medicine throughout the care delivery system, including medical, dental, mental health, substance use treatment services, and long-term care. 2. Advance the use of methods, such as value-based purchasing, which take into account effectiveness and cost. |
| 4. Develop effective, efficient, integrated, and sustainable health care delivery systems. | 4.1 Design delivery systems and payment strategies to drive improved quality and outcomes | <ol style="list-style-type: none"> 1. Adopt and utilize evidence-based health care policies and utilization management criteria. 2. Provide effective incentives and disincentives to improve quality of care. 3. Explore and implement new models of care, including medical, dental, mental health, substance use treatment services, and long-term care. |
| | 4.2 Through effective oversight, ensure program integrity and compliance | <ol style="list-style-type: none"> 1. Measure the health status of members to better assess successes and areas for improvement. 2. Enhance education and training for providers to improve efficiency and reduce waste. 3. Develop and utilize streamlined and, when possible, automated utilization management and oversight methods. |



To the Public:

| Commitments: | Strategies: | Priorities: |
|---|--|--|
| 5. Ensure there is a viable health care safety net for people when they need it. | 5.1 Continuously measure access and address sufficiency of providers | 1. Make it easier for providers to participate in Medi-Cal. 2. Develop payment and programmatic policies that ensure access to services. |
| | 5.2 Manage financing to support adequate network of safety net providers | 1. Ensure reimbursement and payment policies consider needs of providers serving underserved populations. |
| | | 2. Improve coordination of care to increase cost effectiveness. |
| | | 3. Maximize federal funding. |
| 6. Maintain effective, open communication and engagement with the public, our partners, and other stakeholders. | 6.1 Engage and communicate effectively with stakeholders | 1. Implement processes to better manage stakeholder communication and message coordination, in advance of and during the Department's initiatives. |
| | 6.2 Make information readily available to people who need it | 1. Improve communication with stakeholders, including through various technologies and other outreach formats. |
| | | 2. Proactively communicate the value our programs provide to Californians. |
| 7. Hold ourselves and our providers, plans, and partners accountable for performance. | 7.1 Use metrics tied to performance for providers, health plans and partners | 1. Ensure all contracts contain metrics of accountability. |
| | | 2. Use metrics tied to payment to drive value and quality. |
| | | 3. Strengthen contracts with managed care plans to raise their role in oversight and monitoring of their contractors. |
| | | 4. Assess the patient experience across the full range of health care services. |
| 7.2 Hold ourselves accountable to our core values, professional standards, and commitments. | | 1. Define performance measures for DHCS, and use them to drive continuous improvement in performance. |
| | | 2. Report publically on our performance as a Department. |



To the Public: (continued)

| Commitments: | Strategies: | Priorities: |
|--|--|---|
| <p>8. Be prudent, responsible fiscal stewards of public resources.</p> | <p>8.1 Leverage our role to drive improvements in quality and efficiency of a broader health care system</p> | <p>1. Maximize the use of project management tools to encourage improvements in quality and efficiency.</p> <p>2. Implement payment structures that support efficient health care delivery systems.</p> |
| | <p>8.2 Through effective oversight, ensure program integrity and compliance</p> | <p>1. Identify and prioritize areas to reduce waste, fraud, and abuse.</p> |
| | | <p>2. Ensure that our policies and procedures support provider efficiency.</p> |
| | | <p>3. Identify and improve high priority business practices.</p> |
| <p>4. Ensure oversight and compliance in:</p> <ul style="list-style-type: none"> 1) state and federal laws and regulations 2) program standards 3) contractual requirements | | |



To Our Employees:

| Commitments: | Strategies: | Priorities: | |
|---|---|--|---|
| 9. Foster a healthy, positive, and respectful work environment. | 9.1 Embrace our core values and professional standards, and hold people accountable to them | <ol style="list-style-type: none"> Promote our core values and professional standards throughout the organization. Provide training and coaching on core values. Provide opportunities for regular feedback on core values throughout the organization. | |
| | 9.2 Promote workplace wellness | <ol style="list-style-type: none"> Actively engage and support state employee workplace wellness efforts. | |
| 10. Focus on communication, collaboration, teamwork, and effective decision-making. | 10.1 Strengthen collaboration across the organization | <ol style="list-style-type: none"> Set clear expectations by upper management on the importance of collaboration. Create a thriving culture and adopt a continuous learning model throughout the organization. Improve communication throughout the organization, using various technologies and tools. | |
| | | 10.2 Build trust by empowering people with responsibility | <ol style="list-style-type: none"> Clarify decision making roles and delegated authority throughout the organization. Provide training opportunities to support effective facilitation, collaboration, teamwork, delegation, and decision making. |
| | | 10.3 Improve performance management | <ol style="list-style-type: none"> Establish clear performance expectations at all levels. Provide timely, fair, and accurate performance feedback. |
| | 11.1 Provide meaningful and specific recognition of individual and team accomplishments | | <ol style="list-style-type: none"> Provide opportunities to recognize employees both formally and informally. Report publically on our performance as a Department. |
| 11. Recognize and show appreciation for dedication, innovation, and excellence. | 11.1 Provide meaningful and specific recognition of individual and team accomplishments | <ol style="list-style-type: none"> Provide opportunities to recognize employees both formally and informally. Report publically on our performance as a Department. | |
| | 12.1 Encourage and create opportunities for employees to lead projects. | <ol style="list-style-type: none"> Encourage and create opportunities for employees to lead projects. Report publically on our performance as a Department. | |
| 12. Provide opportunities for professional learning and growth. | 12.1 Encourage and create opportunities for employees to lead projects. | <ol style="list-style-type: none"> Encourage and create opportunities for employees to lead projects. Report publically on our performance as a Department. | |
| | 12.2 Invest in professional training and development | <ol style="list-style-type: none"> Use annual Individual Development Plans to help employees grow and develop professionally. | |



Commitments



Strategic Plan