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**DATE:** November 20, 2018

DUALS PLAN LETTER 18-003  
SUPERSEDES DUALS PLAN LETTER 13-006

**TO:** CAL MEDICCONNECT MEDICARE-MEDICAID PLANS

**SUBJECT:** CARE PLAN OPTION SERVICES

**PURPOSE:**

The purpose of this Duals Plan Letter (DPL) is to clarify policy and requirements for Care Plan Option (CPO) services and to explain the difference between the Long-Term Services and Supports (LTSS) that a Cal MediConnect plan must offer as part of Medi-Cal and the optional services, like CPOs, that a Cal MediConnect plan may offer.

**BACKGROUND:**

In January 2012, Governor Brown announced his intent to enhance health outcomes and beneficiary satisfaction for low-income Seniors and Persons with Disabilities by shifting service delivery away from institutional care to home and community-based settings. To implement that goal, the Legislature passed, and Governor Brown signed, Senate Bill (SB) 1008 (Committee on Budget and Fiscal Review, Chapter 33, Statutes of 2012), SB 1036 (Committee on Budget and Fiscal Review, Chapter 45, Statutes of 2012), SB 75 (Chapter 18, Statutes of 2015), SB 94 (Committee on Budget and Fiscal Review, Chapter 37, Statutes of 2013), and SB 97 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2017) to authorize the Coordinated Care Initiative (CCI).

A component of the CCI is the Duals Demonstration, known as Cal MediConnect, which serves enrollees who are both Medi-Cal and Medicare eligible (Duals). Cal MediConnect has been implemented in the following seven counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. Cal MediConnect combines the full continuum of acute, primary, institutional, and home and community-based Medicare and Medi-Cal services into a benefit package delivered through an organized service delivery system administered by participating Medicare-Medicaid Plans.

Under Cal MediConnect, the Department of Health Care Services (DHCS) is allowing additional, optional services known as CPOs.<sup>1</sup> Cal MediConnect plans may offer CPOs to provide care for their enrollees out of the monthly payments they receive from the State. By having the flexibility to offer a wider range of services, the ability to draw on their history and experience, as well as that of an enrollee's interdisciplinary care team (ICT), Cal MediConnect plans may offer CPOs that are aligned with the goals of the Olmstead Act<sup>2</sup> by helping to keep enrollees safely in their own communities, thereby preventing costly and unnecessary hospitalization, or prolonged care in institutional settings. While Cal MediConnect plans may choose to offer CPO services, they must offer eligible enrollees the following programs: Community-Based Adult Services (CBAS),<sup>3</sup> skilled nursing facility services and subacute care services,<sup>4</sup> and the Multipurpose Senior Services Program (MSSP).<sup>5</sup> If CPO services are offered, they must be provided in accordance with Welfare and Institutions Code (WIC) Section 14186(b)(10), which cites WIC Section 14450<sup>6</sup> and Health & Safety Code (HSC) Sections 1368<sup>7</sup> and 1368.01.<sup>8</sup>

**DEFINITION:**

CPO services are a subset of LTSS that may be delivered either under Medi-Cal or an applicable waiver beyond what is required by law. However, whereas certain LTSS and home and community-based services (HCBS) are required to be offered under Medi-Cal, CPO services are optional under the enrollee's Individualized Care Plan (ICP). Specifically, these CPOs are services provided as an option under the ICP and are not intended to replace LTSS that are required under Medi-Cal and that an enrollee has been assessed for and authorized to receive.

Cal MediConnect plans may authorize CPO services at their discretion. The following examples of identified CPO services, which may be authorized by Cal MediConnect

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<sup>1</sup> WIC Section 14186(b)(10). WIC Section 14186 is available at:

[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=14186.&lawCode=WIC](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14186.&lawCode=WIC)

<sup>2</sup> Information on the Olmstead Act is available at: <https://www.loc.gov/item/usrep527581/>

<sup>3</sup> WIC Section 14186.1(c)(2). WIC Section 14186.1 is available at:

[http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=WIC&division=9.&title=&part=3.&chapter=7.&article=5.7](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=WIC&division=9.&title=&part=3.&chapter=7.&article=5.7).

<sup>4</sup> WIC Section 14186.1(c)(4)

<sup>5</sup> WIC Section 14186.1(c)(3)

<sup>6</sup> WIC Section 14450 is available at:

[http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=WIC&division=9.&title=&part=3.&chapter=8.&article=5](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=WIC&division=9.&title=&part=3.&chapter=8.&article=5)

<sup>7</sup> HSC Section 1368 is available at:

[http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=HSC&division=2.&title=&part=&chapter=2.2.&article=5](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=2.&title=&part=&chapter=2.2.&article=5).

<sup>8</sup> HSC Section 1368.01 is available at:

[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=1368.01.&lawCode=HSC](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1368.01.&lawCode=HSC)

plans, as specified under the CCI legislation, include, but are not limited to:

- Respite care: in-home or out-of-home;
- Personal care and chore type services. Cal MediConnect plans must notify counties if additional personal care services are provided;
- Habilitation;
- Nutrition: nutritional assessment, supplements and home delivered meals;
- Home maintenance and minor home or environmental adaptation;
- “Other services” as categorized under the CCI authorizing statute, which could include personal emergency response systems, assistive technology, and other items;
- Supplemental protective supervision;
- Care in licensed residential care facilities; and
- Similar LTSS and HCBS waiver services.

**POLICY AND REQUIREMENTS:**

DHCS will not increase capitation payments to reimburse Cal MediConnect plans for the cost of providing optional CPO services. Cal MediConnect plans are solely responsible for paying for CPO services using their global capitation rate. However, Cal MediConnect plans will be given flexibility to provide CPO services to enhance their enrollees’ care by allowing enrollees to stay in their own homes safely, and thereby preventing costly and unnecessary hospitalization, or prolonged care in institutional settings.

CPO services are an important resource for Cal MediConnect plans to use when responding to changes in an enrollee’s physical or behavioral health, and particularly for those in immediate need. The Cal MediConnect program assumes that systems for evaluating a need for existing programs are, by and large, an accurate reflection of the enrollee’s need for MSSP or CBAS, and coordination with In-Home Supportive Services. As such, CPO services are not to be added to an ICP without due consideration of the existing assessment. At the same time, CPO services can provide an invaluable service when there is a sudden change in enrollment status. ICTs must have direct, ongoing contact with enrollees and may have the ability to be more responsive to sudden changes in health and social status that otherwise may have resulted in a period of institutionalization. The level and duration of CPO services may be determined through the health risk assessment and subsequent ICP.

Enrollees joining Cal MediConnect will be able to retain their position on, or be added to, an HCBS waiver waiting list. If an HCBS waiver position opens up, the enrollee may choose between one of the following options:

- Stay in the Cal MediConnect plan for CPO services as offered by the plan; or,
- Opt out of Cal MediConnect and join the HCBS waiver. If the enrollee chooses to join the HCBS waiver, the enrollee will continue to receive non-waiver LTSS through a Medi-Cal managed care health plan, but will no longer be a part of Cal MediConnect. Additionally, institutional deeming rules will continue to apply to those who would be otherwise eligible for nursing facility care.

### Cal MediConnect Plan Approach to CPO Services

As a requirement for participating in Cal MediConnect, and with regard to CPO services only, Cal MediConnect plans will:

- Coordinate such services for enrollees who need them;
- Refer enrollees to community providers to deliver services and to work with those providers according to an enrollee's needs;
- Develop an ICP that includes the enrollee's input into the services to be provided (for enrollees requiring such a plan); and,
- Be authorized to deliver CPO services to enrollees at the Cal MediConnect plan's discretion. There is a financial incentive to provide these CPO services; however, Cal MediConnect plans are not required to offer CPO services.

This approach creates a flexible structure where the Cal MediConnect plan can offer services beyond those traditionally covered by Medicare and Medi-Cal and can work with service providers to provide person-centered care planning.

Cal MediConnect plans will develop comprehensive, internal procedures to record and address complaints as part of developing an ICP that is person-centered and, when applicable, will account for personal preference of services to be provided. Cal MediConnect plans will report the results to DHCS as per Core 4.2, DPL 14-001 titled, *Complaint and Resolution Tracking*, including superseding DPLs and the Cal MediConnect three-way contract.<sup>9</sup>

For consumer protection, Cal MediConnect plans must ensure that CPOs are subject to a grievance and appeal process, which mirrors the process used for other benefits authorized by the Cal MediConnect plan and that complies with Sections 2.14 and 2.15 of the Cal MediConnect three-way contract, WIC Section 14186(b)(10) and 14450 and HSC Sections 1368 and 1368.01.

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<sup>9</sup> The three-way contract is available at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/California.html>

### Readiness and Compliance

At the time of CCI implementation, the provision of CPO services was a new function for Cal MediConnect plans. As such, DHCS required that Cal MediConnect plans take a number of steps to prepare for implementation. For the services discussed in this DPL, Cal MediConnect plans were required to create:

- Policies and procedures that guide the Cal MediConnect plan's care coordinators, ICTs, and primary care physicians in assessing the appropriate authorization of these services, in addition to the required LTSS, including, but not limited to, assessment tools and reassessment cycles;
- Policies and procedures to identify enrollees who may need CPO services, and to refer enrollees to community-based organizations and other entities that provide these services, such as California Community Transitions Organizations, Area Agencies on Aging, Independent Living Centers, or Aging and Disability Resource Centers, where available;
- A training curriculum and program for Cal MediConnect plan staff that provides an orientation for all staff on the Americans with Disabilities Act, the Olmstead Act, CPO service issues, and detailed training on community and county HCBS that maybe available; and,
- A grievance and appeal process for CPO services that mirrors the process used for others benefits authorized by the Cal MediConnect plan. If policy and procedure updates are required to implement this process, the MMP must resubmit updated policies and procedures to DHCS for review.<sup>10</sup>

If you have any questions regarding this DPL, please contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original Signed By

Nathan Nau, Chief  
Managed Care Qulaity and Monitoring Division

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<sup>10</sup> WIC Section 14186