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"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities. "

February 28, 2017

Via electronic mail (jennifer.kent@dhcs.ca.gov)

Jennifer Kent, Director
Department of Health Care Services
1501 Capitol Avenue
MS 0000
Post Office Box 997413
Sacramento, CA 95889-7413

Re: **Medicaid Managed Care Final Rule: Network Adequacy Policy Proposal**

Dear Director Kent:

The Los Angeles County Health Agency (LACHA) submits the enclosed comments for your consideration in response to the February 2, 2017 Medicaid Managed Care Final Rule: Network Adequacy Policy Proposal (Proposal).

LACHA is comprised of the following three departments:

1. Department of Health Services which contracts as a provider with both Medi-Cal managed care health plans in the two-plan model for the County.
2. Department of Mental Health which serves as the County's mental health Medi-Cal managed care plan for those with specialty mental health service needs.
3. Department of Public Health which assures provision of specialty substance use disorder services and will serve as the County's substance use Medi-Cal managed care plan for those with specialty substance use service needs once the Drug Medi-Cal Organized Delivery System Waiver is implemented.

Each of these LACHA departments is directly impacted by the Proposal.

LACHA shares the federal Centers for Medicare and Medicaid Services (CMS) and California Department of Health Care Services (DHCS) goals of ensuring network adequacy standards under Medi-Cal managed care. LACHA also understands the Proposal is designed to help DHCS meet compliance with network adequacy provisions in the Medicaid Managed Care and CHIP Managed Care Final Rule (Final Rule).

The Final Rule provides states with flexibility to consider, among other factors, the following in developing the network adequacy standards:

- "geographic location of network providers and Medicaid enrollees, considering distance, travel time, the means of transportation ordinarily used by Medicaid enrollees" and
- "availability of triage lines or screening systems, as well as the use of telemedicine, e-visits, and/or other evolving and innovative technological solutions."

It is with this context that LACHA provides its comments to ensure that the DHCS takes full advantage of the flexibility afforded under the Final Rule. In addition, it provides comments designed to help clarify what constitutes a visit for the purposes of network adequacy.

Time and Distance Standards

Under the Proposal, time and/or distance standards can vary based on the geographic size and population count of the county. Los Angeles County is the only county in the State categorized as large based on a population size in excess of 4 million people. As outlined in the standards, the smaller the county (including rural), the more distance and time allocated to beneficiaries seeking services and the larger the county, the less distance and time allocated. This variation is specifically allowed for the following services: specialty care, OBG/GYN (if provider is designated as a specialist), mental health, pharmacy and substance use disorder services.

The Proposal does not take into account the unique geographic circumstances of Los Angeles County. Specifically, it does not recognize that Los Angeles County has significant areas that are sparsely populated (residents and providers alike), for example in the Antelope Valley region. In many ways, these Los Angeles County geographic areas are similar to rural/small counties and should be considered as such. In recognition of the fact that variation exists within geographic regions of a county, LACHA requests that DHCS take into account population density when establishing the time and distance standards within a county. Specifically, LACHA strongly urges DHCS to revise the Proposal to allow a large county (or medium county, if similar conditions exists) to have within it designated geographic areas where the time and distance standard would be similar to what exists in the Proposal for rural to small counties, that is 60 miles or 90 minutes from a beneficiaries residence based on population density within that area.

Timely Access – Use of Innovative Technological Solutions

LACHA appreciates DHCS' acknowledgment that the Final Rule allows it to consider the "use of telemedicine or other similar technologies." At the same time, LACHA believes that DHCS' use of this flexibility should be more specifically referenced in the network adequacy standards with respect to timely access. DHCS appropriately notes that some specialists "do not need to provide face-to-face patient encounters to perform their service" and gives pathology and radiology as examples. LACHA strongly believes that this is the right direction and recommends that DHCS go a step farther, and define primary care and specialty visits for the purposes of timely access in the Proposal. This definition should include both face-to-face and non-face-to-face visits/clinical encounters. Non-face-to-face should include, but not be limited to telemedicine visits, telephone visits and electronic consult.

These various electronic communications all share a common trait - they are cost-effective alternatives to providing clinical care in a face-to-face visit setting. According to CMS' Medicaid division, telemedicine visits use audio and video technology to allow "two-way, real time interactive communication between the patient, and the physician or practitioner at the distant site." Scheduled telephone visits can serve in place of face-to-face visits and/or supplement those visits. Electronic consult (also known as eConsult) is a clinical exchange of information initiated by a primary care provider to a specialist and the specialist responds within a specified period of time in lieu of a face-to-face visit. If a specialist determines that a face-to-face visit is necessary following an eConsult, then they will request that an in-person visit be scheduled. In keeping with the intent of the Proposal, LACHA notes that technologies such as telemedicine, telephone visits and eConsult reduce wait times for primary and specialty care and should be specifically referenced as methods by which the timely access standards can be met.

Pharmacy

LACHA recommends that DHCS consider separate time and distance standard for specialty pharmaceutical agents. Specialty pharmaceuticals are used to treat chronic, high-cost, or rare diseases. They can be more complex to maintain, administer, and monitor than traditional pharmacy agents. It is not uncommon for health plans to have distinct separate distribution networks for specialty pharmaceuticals. Often this can involve distributing such medication through a pharmacy mail order system. The physical location of pharmacy mail order system may be outside the proposed county-based time and distance standards (i.e., rural/small, medium and large counties). DHCS references pharmacy mail order under the alternative access standards section of the Proposal. The proposed Pharmacy Network Adequacy Standards should be revised to specifically state that the time and distance standard can also be met if a prescription is provided via a pharmacy mail order system and the location of that pharmacy mail order is outside the time and distance standard.

Alternative Access Standards

DHCS notes that alternative access standards are only approved after an entity has "exhausted all other reasonable options to obtain providers" to meet the standards. LACHA believes that this course of action does not recognize the inherent challenges that exists in some geographic areas due to a lack of providers participating in Medi-Cal. Alternative access standards should be an initial option in these geographic areas and not something which is achieved after an application process. In addition, the Proposal states alternative access standards for non-face-to-face service modalities (e.g., telehealth, etc.) are only considered when reviewing applications for alternative access standards. This provision appears counter to the fact that face-to-face visits are not the only way to provide appropriate access to health care services. LACHA recommends that this section of the Proposal be amended to allow access requirements to be met through alternative health care delivery modalities without submission of an application for alternative access standards. Modification to this section should be provided to stakeholders for review and input as part of the stakeholder engagement process outlined by DHCS.

The Los Angeles County Health Agency looks to continuing and expanding its active participation in Medi-Cal managed care. It is committed to working with the State Department of Health Care Services to ensure that patients have access to services in an appropriate and timely manner. If you have any questions, please do not hesitate to contact Tangerine Brigham, Deputy Director, Managed Care at 213.240.7953 or at tbrigham@dhs.lacounty.gov.

Sincerely,

[redacted]

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c: Sarah Brooks
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