



Stakeholder Communication Update

The [Department of Health Care Services](#) (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. If you are not a subscriber and would like to receive these updates, please sign up on the DHCS [website](#). Please view the [Calendar of Events](#) for specific meetings and events, or review the [Stakeholder Engagement Directory](#) by program. You may also view our [State Plan Amendments](#). For questions, concerns, or suggestions, you may contact us by email at DHCSPress@dhcs.ca.gov. Be sure to follow DHCS on social media. Thank you.



Governor's January Budget for DHCS

Governor Brown released his proposed budget on January 10. DHCS posted to the website a [budget highlights](#) document and the [Medi-Cal estimate](#) that reflect the DHCS budget items. We encourage any stakeholders interested in the DHCS proposals to review these documents. The total DHCS budget in the Governor's Budget is \$102.9 billion (\$20.1 billion General Fund (GF)) for 2016-17, which is up approximately \$10 billion (\$2 billion GF) from the 2016-17 appropriation. The total proposed DHCS budget for 2017-18 is \$105.3 billion (\$19.6 billion GF). As noted in the DHCS budget highlights, the Administration is proposing several new or revised policies, including items related to the Coordinated Care Initiative, Newly Qualified Immigrants Wrap program, and Home- and Community-Based Waiver programs. In addition, DHCS notes in the budget highlights that the focus of our work over the next year will be on priority areas, including implementing various significant federal regulations, maintaining the ongoing stability of our programs, and continuing the necessary day-to-day work required to sustain our programs. As such, DHCS listed in the budget highlights several initiatives or other work that will be delayed to enable focus on these main priorities.

Stakeholder Advisory Committee (SAC)

DHCS will host the next regularly scheduled SAC meeting on February 16 in Sacramento. The purpose of the SAC is to provide DHCS with feedback on 1115 waiver implementation efforts as well as other relevant health care policy issues impacting the department. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, member advocacy organizations and representatives of various Medi-Cal provider groups. The meeting is expected to provide updates on the Dental Transformation Initiative and Whole Person Care pilot projects, as well as an update on the Coordinated Care Initiative duals demonstration project. The meeting will also provide a brief update on the new managed care network adequacy standards and

the Specialty Mental Health Services Performance Dashboards. To view meeting materials, as well as information from prior meetings, please visit the DHCS [website](#).

Medi-Cal Children’s Health Advisory Panel (MCHAP)

The next MCHAP meeting is scheduled for April 18, 2017. DHCS held the regularly scheduled MCHAP meeting on January 18. The MCHAP is a 15-member independent statewide advisory body that advises DHCS on matters relevant to children enrolled in Medi-Cal. Meeting topics included a discussion on recommendations to DHCS for improving behavioral health for children and a framework for a discussion on access to care. DHCS is soliciting applications for a vacancy on MCHAP for a parent or legal guardian of a Medi-Cal enrollee who has received mental health services under the Early and Periodic Screening, Diagnostic, and Treatment Program within the past six months. The link to the application is available [here](#). Completed applications and resumes must be submitted to MCHAP@dhcs.ca.gov by February 15, 2017. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

Second Access Assessment Advisory Committee Meeting

California’s Medi-Cal 2020 waiver Special Terms and Conditions require DHCS to conduct an access to care assessment. DHCS is working with its External Quality Review Organization to conduct the assessment, which will evaluate primary, core specialty, and facility access to care for Medi-Cal managed care beneficiaries. As part of the assessment process, DHCS established an advisory committee that includes representatives from consumer advocacy organizations, providers/provider associations, health plans/health plan associations, and legislative staff. The committee provides input into the assessment structure, including network adequacy requirements and metrics, as well as provides feedback on the assessment structure and initial draft report. DHCS held its second access assessment advisory committee meeting on January 31. During this meeting, the access assessment design outline was reviewed, and feedback from the committee was incorporated. The purpose of the outline is to provide committee members with an initial indication of the assessment design structure. DHCS will hold a third meeting on March 9 to review the access assessment design in full, with greater detail, for further review and discussion with the committee. Additional information about the access assessment can be found [here](#).

Final Rule Network Adequacy Policy Proposal

In response to the federal Medicaid Managed Care Final Rule requirement that states develop network adequacy standards for primary care, specialty care, OB/GYN, hospitals and pharmacies, mental health and substance use disorder services, pediatric dental providers, and long-term services and supports, DHCS has developed a Network Adequacy Policy Proposal that can be found [here](#). The network adequacy standards provided in the Final Rule will become effective during the 2018 contract year. DHCS is seeking public comment on the proposed standards. Questions and comments should be submitted to dhcsmcqmndnau@dhcs.ca.gov by February 28, 2017.

Pediatric Palliative Care Waiver (PPCW)

The current waiver term is set to expire on December 31, 2017. The PPCW offers children with life-limiting conditions a range of home-based hospice-like services, in

addition to curative treatment. The goal of the PPCW is to improve the quality of life for the child and family and to minimize the use of hospitals. DHCS will solicit stakeholder input on proposed changes for the PPCW renewal. DHCS will convene two forums, one in Northern California and one in Southern California, in February/March to receive stakeholder input on the proposed changes.

Dental Transformation Initiative (DTI)

On January 31, DHCS issued the first incentive payment to dental service office locations statewide that have met or exceeded their 2016 partial/full benchmarks for the DTI, [Domain 1: Increase Preventive Services Utilization](#). Approximately 2,534 service office locations received more than \$20.5 million in all, based upon their performance in increasing utilization identified through approved dental encounters: 2,314 fee-for-service providers received a total of \$19.4 million; 156 dental managed care providers received \$491,342; and 64 safety net clinic providers received \$606,509. The second payment for Domain 1, based upon program year 2016 performance, is anticipated in July 2017.

- [Domain 2: Caries Risk Assessment \(CRA\) and Disease Management](#), was implemented in January 2017 in 11 pilot counties. Useful resources, including the provider opt-in attestation, training, and the CRA tool approved for this domain, are all posted on the DHCS DTI [website](#).
- [Domain 3: Continuity of Care](#), was implemented last year in 17 pilot counties. Outreach letters were sent to fee-for-service office locations and are being sent to safety net clinics. The first payment to providers for this domain is expected in July 2017.
- [Domain 4: Local Dental Pilot Projects](#) (LDPP) are on track for February 15 implementation. DHCS is in the final review and selection period of up to 15 LDPPs. The selected applicants will be notified by February 10. For more information, please visit the DHCS DTI [website](#).

Whole Person Care (WPC) Pilot Program Second Round Application

Applications for the second round of the WPC pilot program are due on March 1. DHCS held a webinar on January 27 for applicants interested in applying for the second round of the WPC pilot program. The webinar provided details on the application, application process, timeline, and budget. Staff also answered questions from interested parties. In addition, DHCS has posted the revised WPC pilot program application template and the slide deck from the webinar for anyone interested in applying. The revised application template is for use by new entities interested in participating in the second round of WPC applications. Existing WPC lead entities interested in expanding their WPC programs through participation in the second round may not use this revised application, but will instead follow these [instructions](#) to expand the scope of their existing pilot. WPC pilots are part of the Medi-Cal 2020 waiver. The pilots are intended to provide locally-based, comprehensive care to specified patient groups, using coordinated physical health, behavioral health, and social services in a patient-centered manner, while improving the health and well-being of beneficiaries through a more

efficient and effective use of resources. The services target Medi-Cal beneficiaries who are high users of multiple health systems and continue to have poor health outcomes. They include those who are released from institutions or incarceration, have mental illness or a substance use disorder, or are currently homeless or at risk of homelessness. For more information about the WPC pilot program, please visit the DHCS [website](#).

Final Rule for Covered Outpatient Drugs (COD)

On January 27, DHCS posted the final survey report and selected alternatives relating to the Final Rule for CODs on the DHCS [website](#). On January 31, DHCS conducted its fifth and final stakeholder engagement session to discuss the report's findings and DHCS' selected alternatives to meet the requirements of the Final Rule. On February 1, 2016, a [Final Rule](#) for CODs was released by the Centers for Medicare & Medicaid Services (CMS). This rule implements provisions of the Affordable Care Act that pertain to Medicaid reimbursement for CODs. Under the Final Rule, each state is responsible for establishing a Medicaid fee-for-service payment methodology that reimburses outpatient pharmacy providers based upon an actual acquisition cost, plus a professional dispensing fee.

California Children's Services (CCS) Advisory Group (AG) Meeting

DHCS held the regularly scheduled CCS AG meeting on January 11. The purpose of the AG is to discuss improving the delivery of health care to CCS children and their families through the Whole Child Model (WCM) delivery system. DHCS shared an overview of the Managed Care Final Rule, and discussed a delayed implementation date for the WCM, which now will occur no sooner than July 2018. To view meeting materials, as well as information from prior meetings, please visit the [CCS AG website](#). Senate Bill 586 authorizes DHCS to establish the WCM program in designated County Organized Health System or Regional Health Authority counties to incorporate CCS-covered services for Medi-Cal-eligible CCS children and youth into a Medi-Cal managed care plan contract. For more information, please visit the DHCS [website](#).

Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver Update

The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria for substance use disorder treatment services. Nineteen counties from the first three phases (Bay Area, Southern California, and Central California) have submitted implementation plans, twelve of which have been approved by DHCS. DHCS opened implementation for phase four counties (Northern California) on November 1, 2016. DHCS has also approved the interim rates for eight counties. There have been six intergovernmental agreements approved by CMS, with four of the counties anticipating to implement services as early as February 2017. CMS requires all residential providers to meet the ASAM requirements and obtain a DHCS-issued ASAM designation as part of their participation in the DMC-ODS. As of January 17, 2017, DHCS has issued 560 ASAM designations identifying levels of care within 350 licensed residential facilities. DHCS is providing technical assistance through contracted services, regional meetings, county-specific sessions, and webinars. Additionally, in October 2016, DHCS submitted a concept design to

CMS to further integrate substance use disorder and physical health services. More information about the DMC-ODS is available on the DHCS [website](#).

Implementation of AB 97 Recoupment Forgiveness

Per AB 97, DHCS obtained federal approval to reduce State Plan payments for specified services, effective June 1, 2011, or later. Some of those reductions were not immediately implemented, and the State Plan was later amended to exempt affected providers from prospective AB 97 reductions. During these periods when approved AB 97 reductions were in effect, these providers received payments in excess of amounts authorized in the State Plan. The 2014-15 Governor's Budget authorized DHCS to forgive retroactive recoupment of amounts associated with such overpayments for specified Medi-Cal providers and services (physicians/clinics, certain drugs that are typically high cost and used to treat serious conditions, dental, intermediate care facilities for the developmentally disabled, and medical transportation). On January 19, 2017, CMS approved State Plan Amendment (SPA) 17-006, authorizing a one-time, supplemental payment to offset the overpayment amounts previously paid to affected providers. The approved SPA is for accounting purposes only, and Medi-Cal payments associated with affected providers will not be impacted. The approved SPA can be viewed [here](#).

Provider Application and Validation for Enrollment (PAVE)

PAVE release 2.0 became operational on November 18, 2016. Since its launch, PAVE has registered more than 2,000 users. More than 450 applications have been submitted through PAVE, and another 660 applications are being completed. Early data show a significant reduction in the time it takes to process an application, from an average of 96 days with paper applications to well below 30 days with PAVE. Providers may visit DHCS on Tuesdays each week for hands-on PAVE support, and the Provider Enrollment Division hosts a weekly webinar on Thursdays for providers to call in with PAVE-related questions. Additional information about these and other support resources available for PAVE users is located under [PAVE Support Resources](#) on the PAVE [website](#).

Palliative Care (SB 1004)

SB 1004 requires DHCS to establish standards and provide technical assistance for Medi-Cal managed care plans for the delivery of palliative care services. DHCS released its palliative care policy in September 2016 and draft managed care All-Plan Letter in November 2016. Due to a challenging budget environment and competing priorities, statewide implementation of SB 1004 has been delayed to no sooner than July 1, 2018. In the meantime, DHCS policy materials are posted on the SB 1004 [website](#). Health plans and providers may continue to develop partnerships and palliative care programs ahead of statewide implementation.

Estate Recovery (ER) – Senate Bill (SB) 833

Per SB 833, for those Medi-Cal members who die on or after January 1, 2017, recovery is restricted to the federal-mandated minimum. Among other changes to the ER program, recovery is limited solely to those services required under federal law (nursing facility services, home- and community-based services, and related hospital and

prescription drug services) and only from those estate assets that are subject to probate. On December 29, 2016, DHCS submitted a State Plan Amendment (SPA) to implement these changes. Regulations would follow after receiving federal approval of the SPA. For more information about the ER changes, please visit the ER [website](#).

Health Services Initiative for Mobile Vision Services

On January 11, 2017, DHCS submitted a Children's Health Insurance Program State Plan Amendment (SPA) to authorize Title XXI administrative reimbursement to support a five-year, school-based health services initiative related to mobile vision services. Under the proposed initiative, California will contract with one or more nonprofit organizations to offer mobile vision exams and glasses to certain low-income students attending qualifying California schools. The pending SPA can be viewed [here](#).

Public Notice & Input Processes for State Plan Amendments (SPAs)

As previously reported last fall, DHCS has developed the Access Monitoring and Public Notice & Input [webpage](#), which is used to: (1) electronically publish public notices associated with the submission of SPAs that propose to modify methods and standards for setting payment rates; and (2) solicit public input regarding impacts to access to care for certain proposed SPAs that seek to reduce or restructure fee-for-service payment rates. DHCS encourages stakeholders to review this webpage periodically to stay up to date on proposed SPAs and opportunities for public comment.

Medi-Cal Monthly Enrollment Fast Facts

DHCS' Research and Analytic Studies Division (RASD) each month produces a Fast Facts report to serve as a quick reference for Medi-Cal enrollment data. In addition to overall enrollment trends, Fast Facts also presents the distribution of program enrollment by various demographic characteristics, including gender, age group, race/ethnicity, primary language, administrative aid category, and delivery system. Data are presented for the program as a whole, as well as for specific subpopulations, such as adults ages 19-64 without dependent children who gained eligibility through the Affordable Care Act's optional Medicaid expansion. The monthly Fast Facts reports are available on the DHCS [website](#).

Data De-Identification Guidelines Updated

In December 2016, DHCS released the Data De-Identification Guidelines (DDG) v2.0. The DHCS DDG contain the procedures DHCS uses to ensure that summary data is appropriately and accurately de-identified before public release. The DDG are part of DHCS' commitment to report on performance while ensuring that privacy and security is maintained. The DHCS DDG is based upon the [California Health and Human Services Agency DDG](#), which focus on the assessment of summary or aggregate data for purposes of data de-identification and public release. The DHCS DDG are available on the DHCS Public Reporting Guidelines [webpage](#).

CHHS Open Data Portal

DHCS continues to add data to the [California Health and Human Services \(CHHS\) Open Data Portal](#). The data includes new data sets, such as Medi-Cal Electronic

Health Record Incentive Program data, and updates to existing data sets, such as eligibility and provider data and county program contacts. The portal offers access to standardized data that can be easily retrieved, combined, downloaded, sorted, searched, analyzed, redistributed, and re-used by individuals, business, researchers, journalists, developers, and government to process, trend, and innovate.