



Stakeholder Communication Update

August 2017

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](#). In addition, please visit [here](#) for recent data on Medi-Cal enrollment. 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.



Proposition 56 Supplemental Payments

DHCS posted public notices announcing its intent to submit State Plan Amendments (SPA) to the Centers for Medicare & Medicaid Services (CMS) on proposed supplemental provider payments for dental services, physician services, the Family Planning, Access, Care, and Treatment (FPACT) program, women's health services, HIV/AIDS waiver services, and Intermediate Care Facilities for the Developmentally Disabled (ICF-DD), all for dates of service of July 1, 2017, through June 30, 2018, except for ICF-DD, which is effective from August 1, 2017, through July 31, 2018. The supplemental payments for dental services will include restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, and visits and diagnostic services. The supplemental payment will be at a rate equal to 40 percent of the Dental Schedule of Maximum Allowances. Also, the supplemental payments for certain physician services will be fixed amounts for specific codes. In addition, the supplemental payments to FPACT providers will be for specific services at a rate 150 percent above the current FPACT rates. Furthermore, the supplemental payments for ICF-DD will consist of an additional payment calculated based upon the difference between the frozen rate at the 2008-09 65th percentile increased by 3.7% per ABX 2 1 (2016-17) and the 2017-18 unfrozen rate. Finally, DHCS has proposed an increase in payments for select HIV/AIDS waiver services under the §1915(c) Home and Community-Based Services AIDS waiver. These payments will be effective on the date identified in the approved waiver amendment and will occur once the systems necessary to implement these payments are in place. More information is available on the DHCS [website](#).

Restored or New Programs

On January 1, 2018, several restored or new programs will begin to provide services to Medi-Cal beneficiaries. Included are the restoration of full dental services for adult beneficiaries, the implementation of a Diabetes Prevention Program as a covered Medi-Cal benefit, and a three-year pilot program to provide medically tailored meals for chronically ill Medi-Cal beneficiaries. The budget also includes an increase in the minimum number of direct care services hours in skilled nursing facilities from 3.2 to 3.5 hours per patient day, and specifies that a minimum of 2.4 hours per patient day must be provided by certified nurse assistants. In addition, effective January 1, 2020, the budget restores optometric and optical services for adult beneficiaries, contingent upon the Legislature including funding in the state budget for these services.

Final Rule Network Adequacy Policy

DHCS finalized its Network Adequacy Policy on July 19 after reviewing and incorporating stakeholder feedback, where appropriate. DHCS developed these standards in response to the federal Medicaid Managed Care Final Rule, which requires states to develop network adequacy standards for primary care, specialty care, OB/GYN, hospitals, pharmacies, mental health and substance use disorder services, pediatric dental providers, and long-term services and supports (LTSS) when a beneficiary travels to the provider. The Final Rule included network adequacy requirements and gave states the flexibility to implement them. These standards become effective during the 2018 Medi-Cal managed care health plan contract year that begins on July 1, 2018. For more information about the network adequacy standards, please visit the DHCS [website](#).

Spousal Impoverishment Update

DHCS published All County Welfare Directors Letter (ACWDL) 17-25 on July 19 to instruct counties to apply spousal impoverishment provisions to married individuals who apply for Home and Community-Based Services (HCBS). Spousal impoverishment provisions provide an eligibility determination methodology that allows the community spouse to retain more income and resources when their spouse requests HCBS services or submits an application for Medi-Cal. For details about this ACWDL, please visit the DHCS [website](#).

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

The next MCHAP meeting is scheduled for September 12 in Sacramento. DHCS held its most recent MCHAP meeting on June 28. DHCS Director Jennifer Kent responded to panel recommendations on behavioral health care, and the meeting included an update on the children's health dashboard. In addition, the panel approved a letter supporting reauthorization of the Children's Health Insurance Program (CHIP). The MCHAP is a 15-member independent statewide advisory body that advises DHCS on matters relevant to children enrolled in Medi-Cal. Topics for the next meeting include updates from Director Kent on the latest federal developments and a deep-dive on issues related to school-based health care. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

Stakeholder Advisory Committee (SAC)

The next SAC meeting is scheduled for October 19 in Sacramento. DHCS held the most recent SAC meeting via webinar on July 19. The webinar provided updates on the DHCS budget, recent federal developments, and the managed care final rule. The webinar also included status updates on Medi-Cal 2020 waiver programs and the Health Homes Program. The purpose of the SAC is to provide DHCS with feedback on Section 1115 waiver implementation efforts as well as other relevant health care policy issues affecting 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. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

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

DHCS is hosting the annual substance use disorders statewide conference, entitled “Focusing the SUD System of Care Toward Recovery” on August 22-24, 2017, in Pomona. The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria for substance use disorder treatment services. Thirty-four counties from the first four phases of implementation (Bay Area-Phase One, Southern California-Phase Two, Central California-Phase Three, and Northern California-Phase Four) have submitted implementation plans, nineteen of which have been approved by DHCS. (The roll out of Phase Five-Tribal Partners is scheduled for fall 2017.) DHCS also received a regional model plan from a group of eight counties, mostly in the northern region, that collaborated to provide the required services. This regional model is still under DHCS review. DHCS has also approved the interim rates for thirteen counties. CMS approved intergovernmental agreements for seven counties – San Francisco, Marin, Riverside, San Mateo, Santa Clara, Los Angeles, and Contra Costa – which then began delivering services. 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 July 18, DHCS has issued 636 ASAM designations identifying levels of care within 387 licensed residential facilities. DHCS is providing technical assistance via contracted services, regional meetings, county-specific sessions, and webinars. More information about the DMC-ODS is available on the DHCS [website](#).

Minimum Essential Coverage (MEC) Application

DHCS anticipates submitting the MEC application to CMS no later than August 31, 2017, with a retroactive effective date of January 1, 2017. Per the approved budget, DHCS is working with CMS to receive MEC designation for individuals in state Medi-Cal coverage not currently considered MEC. The MEC will not apply to individuals who are using religious exemptions, not lawfully present, or incarcerated.

Home and Community-Based Alternatives (HCBA) Waiver

In early September, DHCS will release a Solicitation for Application (SFA) to invite eligible organizations to apply to become “waiver agencies” under the Home and Community-Based Alternatives (HCBA) waiver. The SFA will require applicants to demonstrate that they have the experience, organizational capacity, and fiscal stability to meet minimum qualifications, and to meet the needs of their proposed service area

over the five-year term of the waiver. Contracted waiver agencies will receive funding to perform waiver administrative functions and to provide the Comprehensive Care Management Service. The use of waiver agencies is expected to improve participant access to waiver services, enhance care management, and improve statewide quality control. Waiver agencies will be responsible for waiver administration functions, including, but not limited to, reviewing person-centered plans of treatment, establishing an adequate network of HCBA waiver service providers, authorizing requests for services based upon medical necessity, billing the Medi-Cal fiscal intermediary for all authorized services, reimbursing contracted HCB service providers within their service area, monitoring provider performance, and ensuring the health and safety of participants receiving waiver services. For more information about the HCBA waiver, please visit the DHCS [website](#).

Dental Transformation Initiative (DTI)

The Domain 1 (preventive dental services) payment was mailed on July 31 for preventive services provided in calendar year 2016. Domain 2 (diagnose early childhood caries) dental providers are still eligible to opt-in for caries risk assessment and treatment in the currently selected counties. DHCS is collaborating with provider associations, Delta Dental, and dental managed care plans on outreach efforts to encourage and increase provider participation in Domain 2. The Domain 3 (continuity of dental care for children in Medi-Cal) payment of approximately \$9.4 million was mailed on June 30 to approximately 692 dental provider service office locations in the currently selected counties. For Domain 4 (addresses one or more of the three domains through alternative programs), 11 of the 15 Local Dental Pilot Project (LDPP) contracts have been executed and are being implemented, and four LDPP contracts are pending budget revisions. DHCS has updated the DTI webinar archives with additional resources that can be found [here](#). More information about the DTI and its domains are posted on the DHCS [website](#).

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

DHCS held the regularly scheduled CCS AG meeting on July 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 spring complex care and family engagement workshops as well as an update on the progress of the performance measures workgroup and neonatal intensive care group's discussions. Information was also provided on the WCM county/health plan memorandum of understanding template and the WCM implementation timeline. DHCS will host the next quarterly CCS AG meeting on October 4 in Sacramento with stakeholders, including parents and family advocates, to continue WCM implementation discussions and improvements to the CCS program statewide. To view meeting agendas and presentations, or for more WCM information, please visit the [CCS AG website](#).

Medi-Cal Dental Stakeholder Meetings

DHCS held the Medi-Cal Dental Los Angeles stakeholder meeting on June 9. DHCS provided updates on the DTI, the state budget, data collection/reporting, dental benefits, beneficiary/provider outreach, performance measures, and the Final Rule.

Stakeholders were able to ask questions and voice concerns during the open discussion portion of the meeting. The next meeting will be held in September. More information about these meetings is available on the Medi-Cal Dental Program stakeholder engagement [page](#).

Whole Person Care (WPC) Pilot Program

On June 8, CMS approved 15 applications, expanding eight previously approved WPC pilots, and authorizing seven new pilots in additional areas around the state. All 15 pilots were implemented on July 1. The WPC pilot program provides locally based comprehensive care to specific patient groups, coordinating physical health, behavioral health, and social services in a patient-centered manner, improving the health and well-being of beneficiaries through an efficient and effective use of resources. Services target Medi-Cal beneficiaries who are high users of multiple health systems that traditionally have poor health outcomes. Populations served 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](#).

California Medication Assisted Treatment (MAT) Expansion

On July 7, DHCS completed its review of the competitive application process for the distribution of funds to narcotic treatment program (NTP) providers for opioid treatment, consistent with the federal grants issued by the Substance Abuse and Mental Health Services Administration (SAMHSA) – State Targeted Response Opioid Grant Program. Of the \$485 million of 21st Century Cures Act-authorized funding issued by the Department of Health and Human Services to address opioid abuse, the amount allocated to California is \$90 million over two years. California’s project, MAT Expansion, strategically focuses on populations with limited MAT access, including rural areas and American Indian and Native Alaskan tribal communities, and increasing statewide access to buprenorphine. The grant focuses on two projects – the California Hub and Spoke System (CA H&SS) and the Tribal MAT Project. DHCS received 62 applications by providers to operate a hub and spoke system and selected 19 to fund across the state. The total amount allocated for the CA H&SS is \$78 million for the two-year period. The remaining grant funds will be used to fund the Tribal MAT Project, as well as training conducted by UCLA and the California Society of Addiction Medicine. In addition, the project will conduct a statewide needs assessment and create a strategic plan. The CA H&SS will also participate in a Learning Collaborative, which is a vehicle to create the connection that is needed to have an effective network with bi-directional patient movement and team care. UCLA will conduct an evaluation of project efforts, which will include the required federal performance measures, in addition to other data elements. More information about the MAT Expansion project, along with a list of the funded CA H&SS applications, can viewed on the DHCS [website](#).

Health Homes Program (HHP)

DHCS is continuing its development of a SPA to begin implementing the first wave of county-based, managed care plan-delivered HHPs in July 2018. The HHP will serve eligible Medi-Cal beneficiaries with multiple chronic conditions who are frequent utilizers and may benefit from enhanced care management and coordination. The HHP

provides six core services: comprehensive care management, care coordination (physical health, behavioral health, and community-based LTSS), health promotion, comprehensive transitional care, individual and family support, and referral to community and social support services. DHCS is working with the three managed care plans that will implement the HHP in eleven counties in this first wave. DHCS has posted a revised implementation schedule on the HHP [webpage](#). If you wish to be added to the HHP stakeholder list, please email your request to HHP@dhcs.ca.gov.

Pediatric Palliative Care (PPC) Waiver Renewal

DHCS is requesting renewal of the PPC waiver for an additional five-year term. The renewal application will be posted in August for a 30-day public comment period before it is submitted to CMS. The purpose of the public comment period is to ensure meaningful opportunities for comments, suggestions, and recommendations from waiver providers, family members, advocates, and individuals served or eligible under the PPC waiver. Through the renewal, DHCS is proposing to shift the waiver program to an organized health care delivery system model. Within this model, DHCS will contract with waiver agencies to provide waiver services and enhanced care coordination, and will contract with other qualified providers to furnish additional direct waiver services. For more information about the PPC waiver renewal, please visit the DHCS [website](#).

Provider Application and Validation for Enrollment (PAVE)

DHCS continues to make progress with the PAVE system for providers and facilities that enroll in Medi-Cal through the Provider Enrollment Division (PED). Since the release of PAVE 2.0 on November 18, 2016, more than 6,700 users are registered in PAVE, and nearly 1,800 applications have been successfully processed through PAVE. The PAVE 3.0 release will incorporate the remaining provider types, including Drug Medi-Cal providers. The PAVE [webpage](#) provides a list of provider types by release. In addition, to assist PAVE users, PED hosts a weekly question and answer webinar each Thursday where providers can speak directly with PAVE experts. Based upon the high number of participants, the webinars have been extended through December 2017. More information about these and other support resources available for PAVE users is located under [PAVE Support Resources](#) on the PAVE [website](#).

Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Performance Outcomes System

State law requires DHCS to develop a performance outcomes system for EPSDT mental health services that will be used to improve outcomes at the individual and system levels, and inform fiscal decision-making related to the purchase of services. Data regarding child/youth functioning is a critical component of this system. DHCS received input from county partners, providers, and stakeholders, and commissioned a study with UCLA to identify an appropriate functional assessment tool. Throughout 2016, UCLA conducted a comprehensive study, resulting in a recommendation for DHCS to adopt the parent/caregiver version of the Pediatric Symptom Checklist – 35 (PSC-35). In addition to adopting the PSC-35, DHCS determined that it would also be beneficial to adopt a tool that represents the clinician's

perspective of child/youth functioning. Therefore, using the information gleaned from the UCLA study that 33 counties are already using the Child and Adolescent Needs and Strengths (CANS), along with stakeholder and county mental health program input, DHCS selected the CANS to represent the clinician's perspective. DHCS is developing an implementation plan, and is preparing an information notice that will provide additional information to support counties, all of which will be released later this year.

CHHS Data Playbook

The California Health and Human Services Agency (CHHS) has released the second edition of the [CHHS Data Playbook](#). This toolkit is designed to help the departments that CHHS oversees, including DHCS, use data to support program and policy development. It contains five “plays” that a department can use to operate its programs and address policy issues. These are: Define – goals and objectives; Assess – tools and capabilities; Implement – plan and strategy; Evaluate – outcomes and impacts; and Share – progress and results. The playbook goal is to help departments use internal data to improve programs and services delivered to the public. Check out the CHHS Data Playbook to find tools that you can adapt for your own operations, such as the Open Data Handbook, Data Sharing Framework, and Data De-identification Guidelines.