



TOBY DOUGLAS
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

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Dear Ms. Gibson:

The California Department of Health Care Service (DHCS) requests an amendment to California 1115 "*Bridge to Reform*" Waiver, Standard Terms and Conditions (STC) number 23 (d) and (f). This amendment would change the due date for the Behavioral Health *Service Plan* from the current date of October 1, 2012, to April 1, 2013. See enclosure 1- requested amendment language.

In drafting the due date for this STC, both California and the Centers for Medicare and Medicaid Services (CMS) anticipated that federal guidance for both the Medicaid Benchmark Benefit and Medicaid Behavioral Health Parity would have been released several months ago. Once this guidance is released, DHCS will require several months to consult with stakeholders, analyze options and make decisions critical to the development of the behavioral health *Service Plan*. These decisions include which benchmark benefit package California will choose, the delivery system(s) for those benefits, and concurrent implementation strategies for financing, enrollment, quality oversight and monitoring, access, and work force development.

Once we have identified our preliminary decisions, our consultants (TAC/HSRI) will require a minimum of two months to run their analysis on the impact of those decisions on the various elements of the Medicaid expansion population.

Following their completion of that work product, DHCS will need to then re-engage stakeholders to ensure continued reasonable and meaningful public input and transparency in the decision making process. Once stakeholder input is received and considered, DHCS will then make adjustments, finalize the *Service Plan* and then submit it for California Health and Human Services Agency and Governor Office approval before sending it to CMS.

Ms. Alexis E. Gibson, Esq.
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Thank you for your consideration of this request to adjust our timeline. DHCS will certainly remain in close communication with CMS regarding the various elements of this effort.

Sincerely,

Toby Douglas
Director

Enclosure

cc: Ms. Gloria Nagle
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Enclosure 1: requested amendment language

We request the following changes to the STCs.

Amend STC 23 subparagraphs (d) and (f) as follows:

d. **Behavioral Health Services Plan** - By ~~October 1, 2012~~, April 1, 2013, the State will submit to CMS for approval a detailed plan, including how the State will coordinate with the Department of Mental Health and Alcohol and Drug Programs outlining the steps and infrastructure necessary to meet requirements of a benchmark plan no later than 2014.

e. **Implementation** - By July 1, 2013, the State must begin implementation of a simplified, streamlined process for transitioning eligible enrollees from the Demonstration to Medicaid or the Exchange in 2014 without need for additional determinations of enrollees' eligibility.

f. **Penalty** - Failure to implement or operationalize the milestones listed in this paragraph will result in the loss of a percentage of the expenditure cap applicable to Safety Net Care Pool (SNCP) expenditures cap (not including HCCI expenditures) under the expenditure authorities. If the State fails to meet a milestone, the annual expenditure authority cap will be reduced by the amount(s) listed in the table below for SNCP expenditures other than those reserved for the HCCI.

Demonstration Year (DY) Deadline	Milestone Reference	Penalty Amount as a percentage of The Annual Safety Net Care Pool Expenditure (Total Computable)
DY 8 - July 1, 2012	23. a	0.5%
DY 8 - July 1, 2012	23. b	1.0%
DY 7- Mar. 1, 2012	23. c.	2.0%
DY 8 - Oct. 1, 2012 February 1, 2013	23. d	2.0%
DY 9 - July 1, 2013	23. e.	5.0%