DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: APRIL 6, 2021

PROPOSED CALAIM SECTION 1115 DEMONSTRATION AND SECTION 1915(B) WAIVER AMENDMENT AND RENEWAL APPLICATIONS

The California Department of Health Care Services (DHCS) is providing public notice of its intent to (1) submit to the federal Centers for Medicare & Medicaid Services (CMS) an amendment and five-year renewal of California's Section 1115 demonstration and a corresponding amendment and renewal expanding the existing Section 1915(b) waiver and (2) hold public hearings to receive public comments on these requests.

DHCS is seeking these approvals to implement key provisions of its California Advancing & Innovating Medi-Cal (CalAIM) initiative. CalAIM recognizes the opportunity to move California's whole person care approach—first authorized by the Medi-Cal 2020 Section 1115 demonstration—to a statewide level, with a clear focus on improving health and reducing health disparities and inequities. The broader multiyear system, program, and payment reforms included in CalAIM allow California to take a population health, person-centered approach to providing services, with the goal of improving health outcomes for Medi-Cal and other low-income populations in the State.

The CalAIM Section 1115 demonstration proposal seeks to amend and renew the Medi-Cal 2020 Section 1115 demonstration, currently in effect through December 31, 2021. The 1915(b) waiver will be an amendment and renewal expanding the existing Specialty Mental Health Services (SMHS) program 1915(b) waiver and will consolidate Medi-Cal managed care, dental managed care, SMHS, and the Drug Medi-Cal Organized Delivery System (DMC-ODS) under a single authority. While the Section 1115 demonstration and 1915(b) waiver authorities are distinct, the policies reflected in the Section 1115 demonstration and the 1915(b) waiver are complementary; for that reason and because negotiations with CMS might lead to changes in how the proposed policies are authorized, this notice informs the public of both initiatives. DHCS is soliciting public input on the Section 1115 demonstration amendment and renewal application, as well as the planned delivery system that will be part of the 1915(b) waiver and that are described in the Section 1915(b) overview. A full draft of the proposed CalAIM Section 1115 demonstration and a detailed overview of the proposed consolidated CalAIM Section 1915(b) waiver are available on the DHCS CalAIM waiver website: https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx

I. Overview of Proposed Changes

The CalAIM framework encompasses broad delivery system, program, and payment reforms across the Medi-Cal program. It advances several key priorities of Governor Newsom's administration by more fully addressing the complex challenges facing California's most vulnerable residents, such as the growing number of justice-involved populations who have significant clinical needs, the growing aging population, and

individuals experiencing and at risk of experiencing homelessness. CalAIM has three primary goals:

1. Identify and manage member risk and need through whole person care approaches and addressing social determinants of health;
2. Move Medi-Cal to a more consistent and seamless system by reducing complexity, and increasing flexibility; and
3. Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

To accomplish this transition, DHCS is requesting two federal waivers: (1) a five year renewal, with amendment, of some initiatives in the State's existing Medi-Cal 2020 Section 1115 demonstration (to be renamed the CalAIM demonstration), to continue to advance the State's objective of improving health outcomes for Medi-Cal and other low-income populations in the State, and (2) a five year renewal, with amendment, to expand the State's existing SMHS 1915(b) waiver to authorize nearly all of California's Medi-Cal managed care programs, enabling the State to take advantage of flexibilities to implement an integrated, patient-centered, whole person-focused delivery system and support additional benefits for Medi-Cal beneficiaries. Because each of these waiver authorities addresses related aspects of the Medi-Cal program and the CalAIM initiative, this notice provides information with respect to both authorities: the proposed CalAIM Section 1115 demonstration and the consolidated CalAIM Section 1915(b) waiver.

Currently, depending on their needs, some Medi-Cal beneficiaries may have to access six or more separate delivery systems to get the care they need (e.g., managed care for physical health needs, fee-for-service, specialty mental health, substance use disorder (SUD), dental, developmental, In Home Supportive Services). As one would expect, the risk of service gaps and the need for care coordination increases with greater system fragmentation, clinical complexity, deeper social needs, and/or decreased patient capacity for coordinating their own care. In order to meet the physical, behavioral, developmental, and oral health needs of all members in an integrated, patient-centered, whole person fashion, DHCS is seeking to—over time—integrate delivery systems and align funding, data reporting, quality, and infrastructure to mobilize, incentivize, and support care delivery toward common goals. Transitioning Medi-Cal's managed care programs to a single, consolidated 1915(b) waiver, while continuing key Section 1115 demonstration initiatives, is an important step forward along this path.

A key feature of CalAIM that builds off the success of Medi-Cal 2020 Whole Person Care (WPC) pilots and the State's Health Homes Program (HHP) is the introduction of Enhanced Care Management (ECM), to be implemented statewide along with a menu of new In Lieu Of Services (ILOS), which, at the option of a Medi-Cal Managed Care Plan (MCP) and a member, can substitute for covered Medi-Cal services as cost-effective alternatives. MCPs will be responsible for administering both ECM and ILOS by contracting with local community-based providers. California will leverage MCP contracts

to authorize and establish expectations and parameters for these services. In conjunction with the launch of ECM, DHCS plans to sunset the WPC pilots and the HHP. The populations being served through these two programs will be transitioned to ECM. Together, ECM and ILOS will provide a whole-person approach to care—addressing the clinical and non-clinical needs of Medi-Cal beneficiaries—translating the successes of the Medi-Cal 2020 Section 1115 demonstration into the new CalAIM program. Collectively, the Section 1115 CalAIM demonstration and Section 1915(b) waiver, along with related contractual and state plan changes, will enable California to fully execute the CalAIM initiative, providing benefits to certain high needs, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal beneficiaries and other low-income people in the state.

The table below provides an overview of the Medi-Cal 2020 Section 1115 demonstration programs that DHCS is requesting to renew; new demonstration proposals; current demonstration initiatives that DHCS is seeking to continue via alternate authority; and Section 1115 demonstration initiatives that have or will sunset. California's negotiations with the federal government and any changes required by State legislation and/or the State budget could lead to refinements in this list as DHCS works with CMS to move the CalAIM initiative forward.

Table 1. Crosswalk of Medi-Cal 2020 Demonstration Initiatives and Requested CalAIM Demonstration Initiatives

Initiative	Duration of Authority Requested in Renewal/Alternate Authorities
Medi-Cal 2020 Section 1115 Demonstration Initiatives DHCS Seeks to Renew	
Global Payment Program (GPP)	January 1, 2022–December 31, 2026
DMC-ODS – Institutions for Mental Disease (IMD) Authority *DHCS is seeking a renewal of Section 1115 expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of IMDs receiving DMC-ODS services.*	January 1, 2022–December 31, 2026
Low-Income Pregnant Women (109%–138% of the Federal Poverty Level (FPL))	January 1, 2022–December 31, 2026
Out-of-State Former Foster Care Youth	January 1, 2022–December 31, 2026[1]

[1] Out-of-State Former Foster Care Youth: DHCS seeks authority to continue Medi-Cal coverage for out-of-state former foster care youth during the renewal period, subject to alternative guidance from CMS pursuant to new coverage requirements created by Section 1002 of the

Initiative	Duration of Authority Requested in Renewal/Alternate Authorities
Community-Based Adult Services (CBAS)	January 1, 2022–December 31, 2026
DMC-ODS Certified Public Expenditure (CPE) Protocols	January 1, 2022–at least July 1, 2022[2]
Designated State Health Care Programs (DSHP)	January 1, 2022–December 31, 2026
CalAIM Initiatives for Which DHCS Requests New Section 1115 Demonstration Authority	
Peer Support Specialists (Drug Medi-Cal) *Waivers of statewideness and comparability for new Medi-Cal State Plan services in Drug Medi-Cal (DMC) counties that opt in; similar waivers for peer support specialist services for SMHS and the DMC-ODS will be included in the 1915(b) waiver.*	January 1, 2022–December 31, 2026
Services for Justice-Involved Populations 30-Days Pre-Release	January 1, 2023–December 31, 2026
Providing Access and Transforming Health (PATH) Supports	January 1, 2022–December 31, 2026
DMC-ODS Traditional Healers and Natural Helpers	January 1, 2022–December 31, 2026
Medi-Cal 2020 Section 1115 Demonstration Initiatives DHCS Seeks to Continue Under Alternate Authorities	
Medi-Cal Managed Care[3] and Dental Managed Care	January 1, 2022–December 31, 2026

Substance Use-Disorder Prevention That Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act (P.L. 115-271), which requires State Plan coverage for out-of-state former foster care youth who attain 18 years of age on or after January 1, 2023.

[2] DMC-ODS CPE Protocols: Beginning no sooner than July 1, 2022, DHCS plans to transition behavioral health financing from CPE-based methodologies to a fee schedule structure to better align payment methodologies across the Medi-Cal delivery systems.

[3] The consolidated 1915(b) waiver will authorize the Medi-Cal managed care delivery system, including the Coordinated Care Initiative (CCI) program and Program of All-Inclusive Care for the Elderly (PACE) as an alternative delivery system in select County-Organized Health Systems (COHSs).

Initiative	Duration of Authority Requested in Renewal/Alternate Authorities
DMC-ODS *As noted above, DHCS is seeking a renewal of its expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of IMDs receiving DMC-ODS services and other programmatic changes described in the Section 1115 renewal application. The remainder of the DMC-ODS will be transitioned from the 1115 demonstration to the 1915(b) waiver authority and corresponding State Plan Amendments (SPAs).*	January 1, 2022–December 31, 2026
Medi-Cal 2020 Section 1115 Demonstration Initiatives DHCS Plans to/Has Sunset	
Tribal Uncompensated Care (UCC) *DHCS implemented Tribal Federally Qualified Health Centers (FQHCs), obviating the need for these UCC payments.*	N/A
WPC Pilots and HHP *DHCS seeks to continue the majority of WPC and HHP services under the managed care delivery system via ECM and ILOS.*	N/A N/A
Dental Transformation Initiative (DTI) *DHCS is establishing a new, statewide dental benefit for children and certain adults and expanded pay-for-performance initiatives under the State Plan.*	N/A
Rady California Children's Services (CCS) Pilot	N/A
PRIME *Applicable performance measures were transitioned to, and public hospitals may now qualify to receive managed care directed payments through, the Quality Incentive Program (QIP).*	N/A

CalAIM implementation was originally scheduled to begin in January 2021 but was delayed due to the impact of the COVID-19 public health emergency. CMS granted the State's request for a temporary extension of the Medi-Cal 2020 Section 1115 demonstration, extending most components of the demonstration through December 31, 2021. DHCS is proposing a new CalAIM start date of January 1, 2022, for the renewed and amended Section 1115 demonstration and consolidated 1915(b) waiver. Other elements of the CalAIM initiative do not require federal approval and will be implemented by the State. Additional information is available at:

https://www.dhcs.ca.gov/calaim.

II. Background on Section 1115 Demonstrations and Section 1915(b) Waivers

Section 1115 of the Social Security Act gives the United States Secretary of Health & Human Services (HHS) authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid and the Children's Health Insurance Program (CHIP). Under this authority, the Secretary may waive certain provisions of the Medicaid law to give states additional flexibility to design and improve their programs. To learn more about Section 1115 demonstrations, visit the CMS website at: https://www.medicaid.gov/medicaid/section-1115-demo/index.html.

Section 1915(b) of the Social Security Act gives the Secretary of HHS authority to waive statutory requirements for comparability, statewideness, and freedom of choice so that states can modify their delivery systems. States may use 1915(b) waivers to authorize managed care delivery systems. California currently operates its SMHS program under a 1915(b) waiver and now is proposing to use Section 1915(b) to authorize managed care for other populations. This change will allow the State to streamline, align, and simplify federal authorities; maintain flexibilities to further integrate the Medi-Cal delivery systems; and fund additional services for Medi-Cal beneficiaries through savings generated by the use of Medi-Cal managed care (known as "1915(b)(3) services").

DHCS will negotiate both waivers with CMS simultaneously to ensure that California secures the authorities needed to implement CalAIM. The actual authority (e.g., Section 1115 demonstration, Section 1915(b) waiver, Medi-Cal State Plan) for any particular initiative may change over the course of the public comment process and engagement with CMS.

III. Summary of Current Demonstration Features to Be Continued Under the Section 1115 Demonstration Renewal

A. Description

DHCS is requesting a five-year renewal of the Section 1115 demonstration waiver and expenditure authorities to continue operating a discrete set of program elements that generally cannot be covered under the Medi-Cal State Plan or 1915(b) waiver authorities. Following are the elements of the Medi-Cal 2020 Section 1115 demonstration that are proposed to continue under the five-year renewal, with modifications as noted:

- **Global Payment Program (GPP)** – The GPP provides a pool of funding for value-based payments to participating designated public hospital systems providing care for California's uninsured by allocating federal Disproportionate Share Hospital (DSH) and uncompensated care (UCC) funding. These payments support designated public hospital systems' efforts to provide health care services for the uninsured while promoting the delivery of more cost-effective and higher-value care. This Section 1115 demonstration renewal is necessary to

continue and expand GPP payments, using a portion of California's federal DSH allotment funds for the relevant time period and enhanced Safety Net Care Pool (SNCP) funding. DHCS seeks to make GPP a stronger tool for addressing health inequities by expanding SNCP funding to establish an equity sub-pool through which eligible designated public hospital systems earn points (and thereby receive payments) for services and activities designed to address health inequities and social determinants of health.

- **Drug Medi-Cal Organized Delivery System (DMC-ODS)** – DMC-ODS is now available in 37 (out of 58) counties, providing access to 96 percent of the Medi-Cal population. DHCS aims to expand the program statewide, contingent on additional counties opting in. In the Section 1115 demonstration proposal, the State is seeking a renewal of its expenditure authority allowing federal reimbursement for Medi-Cal services provided to short-term residents of IMDs receiving DMC-ODS services as well as several program modifications. Other current elements of DMC-ODS that do not require Section 1115 demonstration authority, including the expanded continuum of services currently available through the Medi-Cal 2020 Section 1115 demonstration, will remain in place, with authority transitioned to the Medi-Cal State Plan authority and the consolidated CalAIM Section 1915(b) waiver.
- **Low-Income Pregnant Women** – The State requests authority to continue to provide full-scope Medi-Cal coverage to pregnant women with incomes from 109 percent up to and including 138 percent of the Federal Poverty Level (FPL) (including all benefits that would be available for pregnant women with incomes below 109 percent of the FPL). California is not requesting any changes as part of the Section 1115 demonstration renewal request.
- **Out-of-State Former Foster Care Youth** – The Medi-Cal 2020 Section 1115 demonstration authorizes Medi-Cal coverage for former foster care youth under age 26 who were in foster care under the responsibility of another state or a tribe when they aged out. DHCS requests a renewal of this coverage authority pending further guidance from CMS regarding implementation of the SUPPORT Act requirement that states extend State Plan coverage to this population. California is not requesting any changes as part of the Section 1115 demonstration renewal request.
- **Community-Based Adult Services (CBAS)** – CBAS offers services to eligible older adults and adults with disabilities in an outpatient facility-based setting to restore or maintain their optimal capacity for self-care and to delay or prevent institutionalization. California is requesting technical changes as part of this Section 1115 demonstration renewal to align with MCP contract changes, Medi-Cal Provider Manual updates, and provider enrollment requirements, and to clarify both eligibility and medical necessity criteria.

B. Eligibility Requirements

The Section 1115 demonstration does not affect Medi-Cal eligibility under the Medi-Cal State Plan, with the exception of out-of-state former foster care youth. Additionally, low-

income pregnant women (109 percent to 138 percent of the FPL) receive access to full-scope benefits through the Section 1115 demonstration. These provisions are not changing under the Section 1115 demonstration renewal. Because of the delivery system changes described here, during the renewal period, fewer Medi-Cal beneficiaries will be directly impacted by the Section 1115 demonstration as the authority for many of the components of the demonstration will be through the consolidated 1915(b) waiver, SPAs, and the MCP contract requirements.

C. Cost Sharing

There are no cost-sharing requirements in the current Medi-Cal 2020 Section 1115 demonstration nor the proposed CalAIM Section 1115 demonstration.

IV. Summary of New Medi-Cal Program Features to Be Included in the CalAIM Section 1115 Demonstration

- **Peer Support Specialists** – To enhance DMC services, and consistent with State legislation,[4] peer support specialist services will be added to the Medi-Cal State Plan through a SPA, beginning no sooner than January 2022. As required by State legislation, peer support specialist services will be provided at county option, and the State is, therefore, seeking waivers of statewideness and comparability. (DHCS is seeking similar waiver authority to allow peer support in the 1915(b) waiver for SMHS and DMC-ODS).
- **Services for Justice-Involved Populations 30 Days Pre-Release (effective January 1, 2023)** – To ensure continuity of health coverage and care for justice-involved populations—who experience disproportionately higher rates of physical and behavioral health diagnoses—DHCS requests authority to provide targeted Medi-Cal services to eligible justice-involved populations 30 days pre-release from county jails, state and federal prisons, and youth facilities. These Medi-Cal services include ECM and limited community-based clinical consultation services provided via telehealth or e-consultation and a 30-day supply of medication for use post-release into the community.
- **Providing Access and Transforming Health (PATH) Supports** – As California implements the CalAIM initiative statewide, the State is requesting expenditure authority to support services and capacity building, including payments for supports, infrastructure, interventions, and services to complement the array of care that will be authorized in the consolidated 1915(b) waiver delivery system. This expenditure authority will support California's efforts to shift delivery systems in furtherance of its objectives to advance the coordination and delivery of quality care for all Medi-Cal beneficiaries. California also is requesting federal funding of DSHPs to support CalAIM implementation, including efforts to strengthen the effectiveness of Medi-Cal in addressing the significant gaps in health outcomes across beneficiaries based on race and ethnicity. This request reflects the same

[4] See Sections 14045.14(a) and 14045.19 of the California Welfare & Institution Code, as amended by Senate Bill 803.

DSHPs authorized in the initial five-year period of the Medi-Cal 2020 demonstration, although at a reduced level.

V. Summary of Current Medi-Cal 2020 Section 1115 Demonstration Initiatives Being Discontinued or Transitioned to Other Authority

A. Description

CalAIM represents a fundamental shift in the Medi-Cal delivery system, benefits, and financing structure. As such, several authorities in the Medi-Cal 2020 Section 1115 demonstration will be transitioned to the consolidated 1915(b) waiver or the Medi-Cal State Plan, and some are no longer needed. In sunsetting or transitioning these programs, the State seeks to build upon their successes to date and take an important step toward a more integrated, whole person-oriented Medi-Cal delivery system.

- **Medi-Cal Managed Care** – DHCS will not continue Medi-Cal managed care delivery system authority under a Section 1115 demonstration; rather, the authority will be transitioned to a consolidated 1915(b) waiver, which will be the vehicle to authorize Medi-Cal managed care for current beneficiaries, including the Coordinated Care Initiative (CCI), which was previously authorized by the Medi-Cal 2020 Section 1115 demonstration. DHCS also will seek 1915(b) waiver authority to standardize Medi-Cal managed care enrollment statewide. Additional aid code groups—Trafficking and Crime Victims Assistance Program (except share of cost); Individuals participating in accelerated enrollment; Child Health and Disability Prevention infant deeming; and pregnancy-related Medi-Cal (Pregnant Women only, 138 percent – 213 percent of the FPL who are citizens or lawfully present)—will be required to enroll in Medi-Cal managed care in all counties starting in 2020. Some American Indians or Alaska Natives residing in non-County Organized Health System (COHS) counties will continue to have the ability to opt out of mandatory Medi-Cal managed care enrollment for fee-for-services. In non-COHS counties, beneficiaries with other health coverage and beneficiaries in rural ZIP codes will no longer be excluded and will be subject to mandatory Medi-Cal mandatory enrollment. Finally, all dual eligibles will be required to enroll in Medi-Cal managed care in 2023. As of March 2020, approximately 80 percent of the State's Medi-Cal beneficiaries across 58 counties received their health care through managed care.
- **Managed Care for Seniors With Disabilities (SPDs)** – To streamline managed care authority, the authority to enroll the SPDs population in Two-Plan and Geographic Managed Care plan model counties into managed care will transition out of the Section 1115 demonstration and into the consolidated 1915(b) waiver.
- **Coordinated Care Initiative (CCI)** – The State will transition both components of the CCI—(1) Cal MediConnect (CMC), a Section 1115A demonstration project under the federal Financial Alignment Initiative; and (2) mandatory Medi-Cal managed care enrollment for dual-eligibles for most Medi-Cal benefits and Medi-Cal managed care carve-in for long-term care and some managed long-term

services and supports (MLTSS)—into a statewide aligned enrollment structure, in which dual eligible beneficiaries will enroll in a Medi-Cal Managed Care Plan and have the option to enroll in a dual eligible special needs plan (D-SNP) operated by the same parent company to allow for greater integration and coordination of care. DHCS plans to begin this transition in CCI counties starting in 2023, and will expand this approach statewide by 2025. DHCS seeks this managed care authority (now provided under the Section 1115 demonstration) via the consolidated 1915(b) waiver and will work with the CMS Medicare-Medicaid Coordination Office to effectuate necessary changes to the Section 1115A Financial Alignment Initiative.

- **Rady Children's Hospital of San Diego California Children's Services (CCS) Pilot** – The State will sunset the CCS pilot.
- **Program of All-Inclusive Care for the Elderly (PACE)** – The State will shift authority to the consolidated 1915(b) waiver to continue to allow Medi-Cal beneficiaries to enroll in PACE independent of the COHS MCP in select Medi-Cal COHS counties (currently Humboldt and Orange).
- **Oral Health Services** – Building upon the success of the Dental Transformation Initiative (DTI), and in acknowledgement of the State legislature's charge that DHCS achieve a 60 percent dental usage rate for Medi-Cal eligible children, DHCS plans to establish a new, statewide dental benefit for children, encompassing the services included in Domains 1 through 3 of the DTI. DHCS also will offer new dental benefits statewide for children and certain adult enrollees including: the Caries Risk Assessment Bundle for young children; Silver Diamine Fluoride for young children (ages 0-6) and adults in specified high-risk and institutional populations; and pay-for-performance initiatives that will offer payments to service office locations that render preventive services. These services and payment initiatives will be included in forthcoming amendments to the Medi-Cal State Plan.
- **Tribal Uncompensated Care** – DHCS implemented Tribal federally qualified health centers (FQHCs), obviating the need for these uncompensated care payments.
- **Public Hospital Redesign and Incentives in Medi-Cal (PRIME)** – The State transitioned PRIME to the Quality Incentive Program (QIP) managed care directed payment program as of July 1, 2020.
- **WPC & HHP** – California is not requesting the renewal of authorities related to the WPC pilots and HHP during this renewal period. Instead, the State intends to build on the success of WPC pilots and the HHP by implementing ECM and targeted ILOS, which will be delivered through Medi-Cal managed care and community providers. A key feature of CalAIM is the introduction ECM statewide, as well as ILOS, which, at the option of a MCP can be offered to members as a cost-effective alternative benefit. MCPs will be responsible for administering both ECM and ILOS, with a phased implementation for both ECM and State approved ILOS beginning in 2022. The combination of ECM and ILOS within CalAIM represents an opportunity for MCPs to work with providers, counties, and

community-based organizations to knit together a stronger set of supports for those who need it most, supported entirely within the managed care delivery system.

B. Health Care Delivery Systems and Benefits

As noted above, California is proposing to transition the key Medi-Cal managed care delivery systems from Section 1115 demonstration authority to 1915(b) waiver authority; these systems are (1) Medi-Cal managed care; (2) dental managed care; (3) DMC-ODS; and (4) SMHS. This transition will streamline California's managed care programs into a consolidated 1915(b) waiver, while continuing key Section 1115 demonstration programs, in order to meet the behavioral, developmental, physical, and oral health needs of all Medi-Cal members in an integrated, patient-centered, whole person fashion.

With respect to DMC-ODS, the State is proposing to transition the federal authorization for some DMC-ODS benefits to the Medi-Cal State Plan and Section 1915(b) waiver (which will continue to authorize waivers of statewideness and comparability in order for DMC-ODS to remain available only in counties that opt in) and to add new Contingency Management services for recipients of DMC-ODS. These changes will not result in a change to the benefits currently available to DMC-ODS beneficiaries or to the voluntary participation of counties in DMC-ODS; instead, they are being made to align the benefits and delivery systems as described in this notice.

VI. Goals and Objectives of the Section 1115 Demonstration

Through this proposed CalAIM Section 1115 demonstration, California seeks to continue advancing the State's goal of improving health outcomes for Medi-Cal beneficiaries or other low-income populations in the State. With respect to particular initiatives included in the demonstration, California seeks to accomplish the following goals and objectives:

- **GPP*** – Promote the objectives of Title XIX by increasing access to, stabilizing, and strengthening providers and provider networks available to serve Medi-Cal and low-income populations while increasing efficiency, equity, and quality of care; move away from payments restricted to hospital setting; encourage the use of primary and preventive services, and create access to services like telehealth, group visits, and health coaching by expanding the settings in which designated public hospital systems can receive payments; emphasize coordinated care and care provided outside of the hospital and emergency room; and recognize the value of services that have not typically been reimbursable through Medi-Cal, but that substitute for or complement services that are reimbursable.
- **DMC-ODS*** – Improve access, quality, and coordination of care for SUD services in participating counties.
- **Peer Support Specialist Services** – Improve recovery outcomes and prevent relapses and symptoms of behavioral disorders; and provide further integration

between local mental health and SUD delivery systems and support administrative efficiencies.

- **Low-Income Pregnant Women*** – Improve health outcomes for Medi-Cal enrollees who are pregnant or have recently given birth.
- **Out-of-State Former Foster Care Youth*** – Improve health outcomes by extending Medi-Cal coverage to former foster care youth who may not otherwise be eligible for coverage.
- **CBAS*** – Offer services that restore or maintain optimal capacity for self-care and that delay or prevent institutionalization, thereby improving health outcomes, access to health care services, and integration of care for Medi-Cal beneficiaries.
- **Services for Justice-Involved Populations 30-Days Pre-Release** – Improve physical and behavioral health outcomes of justice-involved populations post-release; reduce the number of justice-involved populations being released into homelessness by, prior to their release, connecting them to ECM and ILOS; reduce emergency department visits, hospitalizations, and other avoidable services by connecting justice-involved individuals to ongoing community-based physical and behavioral health services; promote continuity of medication treatment for individuals receiving pharmaceutical treatment; and reduce health care costs by ensuring continuity of care and services upon release into the community.
- **PATH Supports** – Advance the coordination and delivery of quality care for Medi-Cal beneficiaries and will help improve health outcomes for Medi-Cal and other low-income populations in the State; and promote the objectives of Title XIX by increasing efficiency and quality of care through initiatives to transform service delivery networks to support better integration, improved health outcomes, and increased access to health care including across racial and ethnic groups.

**Indicates original policy objectives of the Medi-Cal 2020 Section 1115 demonstration.*

VII. Enrollment Projections and Annual Expenditures

A. Enrollment Projections

The State is not proposing any changes to Medi-Cal eligibility requirements in the Section 1115 demonstration renewal request. As such, the demonstration is not expected to affect enrollment trends, which will continue to be determined largely by demographic changes, economic conditions, and, if applicable, continued coverage requirements during the COVID-19 public health emergency. The amended and renewed Section 1115 demonstration will continue to authorize full-scope Medi-Cal benefits for 1) out-of-state former foster care youth, and 2) low-income pregnant women, who would not otherwise be eligible for such benefits under the Medi-Cal State Plan. Specific historical and projected estimates of the number of former foster care youth and pregnant women gaining full Medi-Cal under the demonstration are provided in Tables 2 and 3.

Table 2. Historical Enrollment for Out-of-State Former Foster Care Youth and Low-Income Pregnant Women

	Historical Enrollment						
Population	**DY 11** *1/1/16–6/30/16*	**DY 12** *7/1/16–6/30/17*	**DY 13** *7/1/17–6/30/18*	**DY 14** *7/1/18–6/30/19*	**DY 15** *7/1/19–6/30/20*	**DY 16** *7/1/20–12/31/20*	**DY 17** *1/1/21–12/31/21*
Low-Income Pregnant Women (109%–138% FPL)[1]	9,717	13,208	11,643	11,286	11,364	6,860	14,407
Out-of-State Former Foster Care Youth[2]	-	-	176	193	200	177	215

[1] Enrollment figures are estimated counts of unique beneficiaries based on an assumed percentage of Low-Income Pregnant Women (109%-138% FPL) within the applicable aid code.
[2] Enrollment figures are estimated counts of unique beneficiaries based on an assumed percentage, derived using information from Medi-Cal 2020 Annual Progress Reports, of Out-of-State Former Foster Care Youth within the applicable aid code.

Table 3. Projected Enrollment for Out-of-State Former Foster Care Youth and Low-Income Pregnant Women

Population	Projected Enrollment				
	DY 18 *1/1/22–12/31/22*	DY 19 *1/1/23–12/31/23*	DY 20 *1/1/24–12/31/24*	DY 21 *1/1/25–12/31/25*	DY 22 *1/1/26–12/31/26*
Low-Income Pregnant Women (109%–138% FPL)[1]	15,127	15,883	16,677	17,511	18,387
Out-of-State Former Foster Care Youth[2]	226	237	249	262	275

[1] Enrollment figures are estimated counts of unique beneficiaries based on an assumed percentage of Low-Income Pregnant Women (109%-138% FPL) within the applicable aid code.
[2] Enrollment figures are estimated counts of unique beneficiaries based on an assumed percentage, derived using information from Medi-Cal 2020 Annual Progress Reports, of Out-of-State Former Foster Care Youth within the applicable aid codes. As noted above, DHCS California seeks authority to extend coverage of this population through the Section 1115 demonstration until states are able to provide Medicaid eligibility for out-of-state former foster care youth through the Medicaid State Plan, as outlined in the SUPPORT Act.

Even though the renewed demonstration does not propose to otherwise expand eligibility, the CalAIM initiative (inclusive of the related 1915(b) waiver) is expected to improve care for all of the populations served by Medi-Cal. This is due to a greater focus on population health, ECM, ILOS, and a strong SUD system facilitated by coverage of the full continuum of care needed for substance use disorders in DMC-ODS counties. Table 4 provides information on the number of beneficiaries enrolled in each of the major eligibility categories on an historical basis; Table 5 provides information about projected enrollment under California's current projections. Overall, 13.7 million beneficiaries are expected to be enrolled in Medi-Cal during the first year of the renewed demonstration and 11.8 million by Year 5. As noted, California is not making changes to Medi-Cal eligibility standards or procedures through this renewal. Rather, actual and projected enrollment displayed in these tables reflect a longstanding declining enrollment, followed by a sharp increase in enrollment due to the COVID-19 pandemic (primarily due to federal requirements limiting the number of discontinuances while the federal public health emergency is in place), followed by the phase-out of pandemic-related impacts over a few years. Since a major goal of CalAIM is to move a number of the innovations and initiatives authorized under the preceding demonstration into the Medi-Cal State Plan and a consolidated 1915(b) waiver, a significantly smaller

share of Medi-Cal enrollees will receive care via the 1115 demonstration than in the past.

Table 4. Historical Enrollment by Category of Aid

Category of Aid	Historical Enrollment (in thousands)[1]						
	DY 11 *1/1/16–6/30/16*	DY 12 *7/1/16–6/30/17*	DY 13 *7/1/17–6/30/18*	DY 14 *7/1/18–6/30/19*	DY 15 *7/1/19–6/30/20*	DY 16 *7/1/20–12/31/20*	DY 17 *1/1/21–12/31/21*
Families and Children (not CHIP)	6,134	6,018	5,798	5,566	5,389	5,639	6,447
CHIP	954	940	926	917	907	883	1,011
Seniors and Persons with Disabilities	2,078	2,072	2,085	2,084	2,088	2,118	2,332
ACA Expansion	3,326	3,424	3,469	3,408	3,357	3,647	4,246
Other	44	47	48	50	50	53	56
Total	12,536	12,502	12,326	12,025	11,791	12,340	14,093

[1] The enrollment counts presented above are drawn from eligibility data extracted from the Management Information System/Decision Support System (MIS/DSS) data warehouse. Individuals that receive only restricted scope services are excluded from the counts. The enrollment counts are grouped according to major categories of aid presented in the November 2020 Medi-Cal Estimate. Enrollment counts from the MIS/DSS warehouse are not final for calendar year 2020, and so are adjusted to account for expected future adjustments. Enrollment counts for periods following January 2021 are based on projections in the November 2020 Medi-Cal Estimate.

Table 5. Projected Enrollment by Category of Aid

Category of Aid	Projected Enrollment (in thousands)[1]				
	DY 18 *1/1/22–12/31/22*	DY 19 *1/1/23–12/31/23*	DY 20 *1/1/24–12/31/24*	DY 21 *1/1/25–12/31/25*	DY 22 *1/1/26–12/31/26*
Families and Children (not CHIP)	6,278	5,448	5,366	5,326	5,326
CHIP	1,007	928	914	907	907

Category of Aid	Projected Enrollment (in thousands)[1]				
	DY 18 *1/1/22–12/31/22*	DY 19 *1/1/23–12/31/23*	DY 20 *1/1/24–12/31/24*	DY 21 *1/1/25–12/31/25*	DY 22 *1/1/26–12/31/26*
Seniors and Persons with Disabilities	2,313	2,177	2,180	2,179	2,179
ACA Expansion	4,082	3,402	3,344	3,318	3,318
Other	56	54	54	54	54
Total	13,735	12,009	11,858	11,783	11,783

[1] The enrollment projections presented above are based on the November 2020 Medi-Cal Estimate. Individuals that receive only restricted scope services are excluded from the counts.

B. Expenditure Projections

California's total demonstration expenditures are expected to decrease from approximately $45 billion in DY 15 (the last full, concluded year of the current demonstration period) to approximately $5 billion per year over the course of the renewal period (see Tables 6 and 7 for a detailed breakdown of historical and projected expenditures). Since a major goal of CalAIM is to move a number of the innovations and initiatives authorized under the preceding demonstration into the Medi-Cal State Plan and a consolidated 1915(b) waiver, a significantly smaller share of Medi-Cal expenditures will be authorized via the 1115 demonstration than in the past. Historically, the demonstration represented approximately $44.30 billion in annual expenditures on average, while the projected expenditures under the renewal are $4.9 billion on average, which is 11 percent of the prior demonstration.

Based on the programmatic details described above, California has estimated projected spending for the renewal period. For the purposes of public notice and comment, the State has summarized in the table below the projected expenditures for the renewal, including spending on newly requested expenditure authorities. The State will include final projections in the demonstration renewal request submitted to CMS; final numbers may differ as California continues to finalize financial data demonstrating the State's historical expenditures under the Medi-Cal 2020 demonstration and to determine the impact that the COVID-19 public health emergency has had on enrollment and expenditure trends. As in the current demonstration, California will establish budget neutrality for these items by building estimates into detailed budget neutrality tables.

Table 6. Historical Expenditures, Medi-Cal 2020 Demonstration

Expenditure Authorities	Historical Expenditures (in thousands of dollars)[1,2]					
	DY 11 *1/1/16–6/30/16*	DY 12 *7/1/16–6/30/17*	DY 13 *7/1/17–6/30/18*	DY 14 *7/1/18–6/30/19*	DY 15 *7/1/19–6/30/20*	DY 16 *7/1/20–12/31/20*
GPP[3]	2,211,335	2,220,803	2,334,853	2,406,232	2,261,438	916,644
PRIME[4]	798,814	1,582,643	1,577,230	1,415,732	1,223,690	-
DTI	-	38,799	102,886	147,100	249,333	128,342
Whole Person Care	179,246	498,726	542,092	755,193	763,214	339,782
IHS Uncompensated Care	534	2,159	1,243	720	893	214
DSHP	75,000	150,000	37,437	100,063	269,493	12,010
Medi-Cal Managed Care[5,6]	18,709,907	38,594,788	39,564,778	38,376,446	39,411,772	19,705,886
CBAS[5]	228,669	476,797	472,084	460,632	471,174	235,587
Health Homes Program[5]	-	-	-	10,978	102,395	51,197
Out-of-State Former Foster Care Youth[5,7]	-	-	172	283	295	159
DMC-ODS	-	14,045	184,330	338,550	469,039	287,082
Total Expenditures	**22,203,505**	**43,578,760**	**44,817,105**	**44,011,929**	**45,222,736**	**21,676,903**

[1] Expenditure amounts are the sum of actual expenditures as of November 2020 plus estimates of future expenditures applicable to DYs 11-16. DY 16 amounts are based on estimated expenditures for DY 15 or for 7/1/20-6/30/21.
[2] CMS approved a temporary extension of the demonstration through DY 17 (1/1/21-12/31/21). Expenditures for this period are not included at this time.
[3] DY 11 includes GPP expenditures for 7/1/15-6/30/16.
[4] As of 7/1/20, the PRIME program transitioned to a Medi-Cal Managed Care quality incentive program.

[5] DY 11 expenditures, if applicable, are estimated for 1/1/16-6/30/16 based on annual expenditures for 7/1/15-6/30/16. DY 16 expenditures are estimated based on DY 15 expenditures.
[6] Amounts include expenditures for the New Adult Group and Low-Income Pregnant Women, but exclude expenditures for CBAS and HHP.
[7] Expenditures are approximations based on the estimated percentage of Out-of-State Former Foster Care Youth for member months within the applicable aid code.

Table 7. Projected Expenditures, CalAIM Demonstration

	Projected Expenditures (in thousands of dollars)				
Expenditure Authorities	**DY 18** *1/1/22–12/31/22*	**DY 19** *1/1/23–12/31/23*	**DY 20** *1/1/24–12/31/24*	**DY 21** *1/1/25–12/31/25*	**DY 22** *1/1/26–12/31/26*
GPP[1]	3,050,000	3,050,000	3,150,000	3,150,000	3,150,000
PATH Supports	450,000	300,000	250,000	125,000	125,000
DSHP	90,000	90,000	75,000	30,000	30,000
CBAS[2]	609,220	957,508	1,005,384	1,055,653	1,108,436
Low-Income Pregnant Women[3]	130,768	144,172	158,949	175,242	193,204
Out-of-state Former Foster Care Youth[4]	377	415	458	505	557
DMC-ODS: IMD Exclusion[5]	209,982	217,153	223,211	229,818	236,437
DMC-ODS: AI/AN Traditional Healers and Natural Helpers[6]	4,059	4,164	4,280	4,407	4,534
Justice-Involved Populations[7]	-	186,841	190,932	195,117	199,399
Total Expenditures	**4,544,406**	**4,950,253**	**5,058,214**	**4,965,742**	**5,047,567**

[1] Projections assume DSH Allotments will increase by 2% each year. Projections assume the GPP/UC split will remain at 21.896% and new funding for Equity Sub-pool.
[2] Projections assume mandatory enrollment of dually eligible beneficiaries statewide as of 1/1/23.
[3] Projections are based on estimated counts of unique beneficiaries with an assumed percentage of Low-Income Pregnant Women (109%-138% FPL) within the applicable aid code, and include the projected cost of monthly capitation as well as a delivery event for approximately 90% of beneficiaries.
[4] Projections are approximate based on the estimated percentage of Out-of-State Former Foster Care Youth for member months within the applicable aid code, and further assume 5% annual expenditure growth per member.
[5] DHCS used SFY 2019 – 2020 actual (DMC-ODS counties) and estimated (DMC Regional Model) claims for Substance Use Disorder services rendered in an IMD coupled with the Home Health Agency Market Basket Index to project future expenditures. Additional adjustments were made to account for 6 additional counties have notified DHCS that they intend to participate in DMC-ODS beginning July 1, 2022. This estimate does not assume significant increase in utilization during any of the demonstration years.
[6] Projections reflect DMC-ODS services provided by AI/AN traditional healers and natural helpers that otherwise would be provided by other DMC-ODS providers.
[7] Projections assume approximately 250,000 utilizers of services 30 days pre-release annually. Services reflected in the projections for the 30-day period include ECM, clinical consultation (assuming 1.2 visits on average), and a 30-day supply of outpatient medications dispensed upon release (assuming the average managed care pharmacy cost for an SPD beneficiary, plus an assumed amount for costs of medications that are currently not covered under MCP contracts).

VIII. Section 1115 Demonstration Waiver and Expenditure Authorities

DHCS intends to maintain the relevant waiver and expenditure authorities approved under the Medi-Cal 2020 Section 1115 demonstration in the new CalAIM Section 1115 demonstration and is requesting limited new authorities, as described below, while proposing to transition certain authorities currently authorized in the Section 1115 demonstration to the consolidated 1915(b) waiver or to the Medi-Cal State Plan.

These requests are being made in tandem with requests that the State will submit as part of its coordinated request for a 1915(b) waiver. To the extent that CMS advises the State that additional authorities are necessary to implement the programmatic vision and operational details described above, the State is requesting such waiver or expenditure authority, as applicable. California's negotiations with the federal government, as well as State legislative/budget changes, could lead to refinements in these lists as we work with CMS to move the CalAIM initiative forward.

Table 8. Section 1115 Waiver Authority Requests

The State is seeking to continue §1115(a)(1) waiver authority for various programmatic features and for new features, as described below. For purposes of transitioning Medi-Cal managed care delivery systems from Section 1115 demonstration authority to Section 1915(b) waiver authority (for Medi-Cal managed care, dental managed care, and DMC-ODS), DHCS will request to waive Freedom of Choice (§1902(a)(23)(A)) under the consolidated 1915(b) waiver and therefore is not requesting to continue those

authorities during the Section 1115 renewal period.

Waiver Authority	Use for Waiver	Currently Approved Waiver Request?
§ 1902(a)(13)(A) (insofar as it incorporates Section 1923) DSH Requirements	To exempt the State from making DSH payments, in accordance with Section 1923, to a hospital that qualifies as a DSH during any year for which the participating designated public hospital system with which the DSH is affiliated receives payment pursuant to the GPP.	Yes
§ 1902(a)(1) Statewideness	To enable the State to operate the demonstration on a county-by-county basis. To enable the state to provide DMC-ODS services to individuals on a geographically limited basis. To enable the State to provide peer support specialist services within DMC State Plan counties to individuals on a geographically limited basis. (Peer support specialist services will be available in DMC counties that opt in.)	Yes, with modifications to reflect a new request related to peer support specialists in DMC
§ 1902(a)(10)(B) Amount, Duration, and Scope and Comparability	To enable the State to provide different benefits for low-income pregnant women between 109 percent up to and including 138 percent of the FPL, as compared to other pregnant women in the same eligibility group. To enable the State to provide certain services, supports, and other interventions to eligible individuals with SUDs under the DMC-ODS program that are not otherwise available to all beneficiaries in the same eligibility group. To the extent necessary, to enable the State to provide peer support specialist services within DMC State Plan counties that are not otherwise available to all beneficiaries in the same eligibility group.	Yes, with modifications to reflect the modification and sunset of Medi-Cal 2020 Section 1115 programmatic features, and a new request for peer support specialists in DMC

Table 9. Section 1115 Expenditure Authority Requests

The State is seeking to continue §1115(a)(2) expenditure authority for various programmatic features and for new features, as described below.

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
1. Expenditures Related to the GPP for Participating Designated Public Hospital Systems	Expenditures for payments to eligible designated public hospital systems, subject to the annual expenditure limits set forth in the Special Terms and Conditions (STCs), to support participating designated public hospital systems that incur costs for uninsured care under the value-based global budget structure set forth in the STCs.	Yes, with technical modification
2. Expenditures Related to CBAS	Expenditures for CBAS furnished to individuals who meet the level of care and other qualifying criteria.	Yes
3. Expenditures Related to Low-Income Pregnant Women	Expenditures to provide benefits for pregnant women with incomes between 109 percent up to and including 138 percent of the FPL, which includes all benefits that would otherwise be covered for pregnant women with incomes below 109 percent of the FPL.	Yes, with technical modification
4. Expenditures Related to Out-of-State Foster Care Youth	Expenditures to extend eligibility for full Medicaid State Plan benefits to former foster care youth who are under age 26 and were in foster care under the responsibility of another state or tribe in such state on the date of attaining 18 years of age or such higher age as the state has elected and were enrolled in Medicaid on that date.	Yes

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
5. Expenditures Related to the DMC-ODS	Expenditures for services not otherwise covered that are furnished to otherwise eligible individuals who are DMC-ODS beneficiaries, including services for individuals who are short-term residents in facilities that meet the definition of an IMD. These facilities include but are not limited to free-standing psychiatric treatment centers, chemical dependency recovery hospitals, and DHCS-licensed residential facilities for residential treatment and withdrawal management services.	Yes
6. Expenditures Related to Providing Access and Transforming Health Supports	Expenditure authority to support services and capacity building, including payments for services, supports, infrastructure and interventions, to strengthen the delivery and efficacy of care otherwise available in the Medi-Cal program as California implements the CalAIM initiative statewide.	No
7. Expenditures Related to the DMC-ODS: Traditional Healers and Natural Helpers	Expenditure authority as necessary to receive federal reimbursement for traditional healing and natural helper services provided to DMC-ODS beneficiaries by facilities and clinics operated by IHCPs.	No

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
8. Expenditures Related to Justice-Involved Populations	Expenditure authority as necessary under the pre-release demonstration to receive federal reimbursement for costs not otherwise matchable for certain services rendered to individuals who are incarcerated 30 days prior to their release, including ECM and limited community-based clinical consultation services provided via telehealth or e-consultation and a 30-day supply of medication for use post-release into the community.[5]	No

[5] As this demonstration request is a novel one, the specific additional waivers or expenditure authorities, if any, will be identified in collaboration with CMS.

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?
9. Expenditures for Designated State Health Care Programs	Expenditures for costs of designated programs which are otherwise state-funded, subject to the terms and limitations set forth in the STCs for the following programs: • AIDS Drug Assistance Program (ADAP) • Breast & Cervical Cancer Treatment Program (BCCTP) • California Children Services (CCS) • Department of Developmental Services (DDS) • Genetically Handicapped Persons Program (GHPP) • Medically Indigent Adult Long Term Care (MIA-LTC) • Prostate Cancer Treatment Program (PCTP) • Song Brown Health Care Workforce Training • Mental Health Loan Assumption Program (MHLAP) • Steven M. Thompson Physician Corps Loan Repayment Program (STLRP)	Yes, as approved in original Medi-Cal 2020 demonstration

IX. Section 1115 Demonstration Hypotheses and Evaluation Approach

The State intends to contract with independent third parties to evaluate: (1) the objectives and hypotheses under the current Medi-Cal 2020 Section 1115 demonstration that the State is seeking to continue in the amended and renewed CalAIM Section 1115 demonstration; and (2) the objectives and hypotheses for the new authorities requested for the CalAIM Section 1115 demonstration.

The hypotheses under consideration for the new authorities requested for the CalAIM Section 1115 demonstration application period are below.

Table 10. New Evaluation Hypotheses Under Consideration

New Hypotheses	Evaluation Approach	Data Sources
I. GPP: Equity Sub-pool		
The demonstration will improve access to services that address the social determinants of health among the uninsured and contribute to reducing health disparities and promoting health equity.	Examine the utilization of SDOH-related services over time (from the first year of the equity pool), stratified by race/ethnicity.	• GPP Equity Sub-pool services utilization data, stratified by race/ethnicity data
Individuals who access GPP Equity Sub-pool services will experience reductions in ED utilization and inpatient hospitalizations.	Examine inpatient and emergency utilization over time for individuals who receive GPP SDOH-related services via the GPP, stratified by race/ethnicity	• GPP Equity Sub-pool services utilization data, stratified by race/ethnicity data • Hospital and emergency utilization data, stratified by race/ethnicity data
By providing funding for services to address SDOH, the demonstration will improve participating public health care systems' capacity to provide SDOH services to the uninsured.	Examine progress in developing capacity to serve the uninsured with SDOH-related services, including: improved data sharing and collaboration between public health care systems and social service/community-based organizations, improved ability to collect and analyze REAL data for the uninsured, and system improvements in screening uninsured populations to assess need for SDOH supports.	• Surveys and/or interviews of GPP leads • Pre- and post-implementation surveys to track changes and progress over time

II. Justice-Involved Populations		
The demonstration will improve physical and behavioral health outcomes of justice-involved populations post-release.	Examine the diagnoses and health outcomes for justice-involved populations.	• Usage and diagnosis data • California Outcomes Measurement Systems (CalOMS) data • Quality measures (Healthcare Effectiveness Data and Information Set (HEDIS))
The demonstration will reduce emergency department visits, hospitalizations, and other avoidable services by connecting justice-involved populations to ongoing community-based physical and behavioral health services.	Examine the utilization of medical and behavioral health services and treatment.	• Usage data • CalOMS data • Quality measures (HEDIS)
The demonstration will promote continuity of medication treatment for individuals receiving medications.	Examine the number of medication claims and usage surveys and interviews to measure the usage and challenges associated with medication treatment post-release.	• Pharmacy claims • CalOMS data • Surveys and interviews • Usage and diagnosis data
III. DMC-ODS Program Changes *(includes evaluations related to changes DHCS is currently negotiating with CMS and requested renewal changes)*		
(a) *Increase access to SUD treatment for American Indians and Alaska Natives*		
The number of residential treatment admissions among American Indian/Alaska Native beneficiaries will increase during the 12-month and five-year periods.	UCLA will examine residential treatment admissions among American Indian/Alaska Native beneficiaries; UCLA will look for	• DMC claims • CalOMS discharge status data

The total per-person time in residential treatment each year will increase during the 12-month and five-year periods.	changes in metrics such as retention (time of treatment) and impact (e.g., treatment completion, satisfactory progress).	
The number of American Indian/Alaska Native beneficiaries receiving community-based SUD treatment will increase.	UCLA will examine usage of SUD treatment services among American Indian/Alaska Native beneficiaries.	• Medi-Cal claims
(b) *Expand evidence-based practice options to include Contingency Management*		
The number of deaths among people with stimulant use disorder will be lower if using Contingency Management.	UCLA will examine the number of deaths among beneficiaries with stimulant disorder who have utilized Contingency Management services and those that have not.	• DMC-ODS claims • Death data from the California Department of Public Health
SUD treatment retention rates will increase among individuals with stimulant use disorder who receive Contingency Management incentives.	UCLA will examine usage of SUD treatment services among individuals using Contingency Management. It also will gather information by asking specific questions in surveys.	• DMC-ODS claims • Patient-reported outcomes survey
The percentage of people with stimulant use disorder who participate in Contingency Management will increase during the five-year period.	UCLA will examine the usage of Contingency Management for people with stimulant use disorder, pending implementation of a benefit and establishment of billing codes.	• DMC-ODS claims

The rate of negative drug screens (stimulant-free biological tests) will be higher among individuals with stimulant use disorder who participate in Contingency Management than among individuals with stimulant use disorder who do not participate in Contingency Management.	UCLA will examine rates of positive and negative drug screens among individuals with stimulant use disorder using Contingency Management.	• Data from Contingency Management app
(c) Remove the limitations on residential treatment services that may be provided in a one-year period		
Treatment outcomes for beneficiaries in residential treatment will improve.	Evaluator will review outcomes data.	• CalOMS data • DMC-ODS claims
(d) Clarify that reimbursement is available for SUD assessment and appropriate treatment in nonresidential settings for up to 30 days (or 60 days if experiencing homelessness) prior to a diagnosis		
The number of beneficiaries served will increase.	UCLA will determine the usage of SUD treatment services by county and service type.	• Drug Medi-Cal claims • ASAM Level of Care usage data
(e) Expand access to MAT		
The percentage of people with an SUD who use MAT will increase during the 12-month and five-year periods.	UCLA will determine the use of MAT among people receiving treatment from DMC-ODS providers. It also includes questions about MAT use and the use of effective referrals using county administrator surveys and interviews.	• Drug Medi-Cal claims • County administrator surveys and interviews
(f) *Clarify the recovery services benefit*		
The percentage of people with an SUD who use recovery services will increase during the 12-month and five-year periods.	UCLA examines the number of recovery services claims and uses surveys and interviews to measure the usage and challenges associated with recovery services.	• Drug Medi-Cal claims • Surveys and interviews

X. Public Review and Comment Process

The 30-day public comment period for the CalAIM Section 1115 demonstration application and DHCS' plans for the consolidated 1915(b) waiver as described in the 1915(b) waiver overview is from Tuesday, April 6, 2021 until Thursday, May 6, 2021. All comments must be received no later than 11:59 PM (Pacific Time) on **Thursday, May 6, 2021.**

All information regarding the CalAIM Section 1115 demonstration application and the 1915(b) overview can be found on the DHCS website (https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx). DHCS will update this website throughout the public comment and application process.

DHCS will host the following public hearings to solicit stakeholder comments. The public hearings will be held electronically to promote social distancing and mitigate the spread of COVID-19. The meetings will have online video streaming and telephonic conference capabilities to ensure statewide accessibility.

- Monday, April 26, 2021 – First Public Hearing
  - 1:00 – 2:30 PM PT
  - Register for Zoom conference link: https://manatt.zoom.us/webinar/register/WN_csWzNuSFQiiY46ZinTufLg
    - Please register in advance to receive your unique login details and link to add to calendar
  - Call-in information (669) 900-6833 *or* (888) 788-0099 (Toll Free)
    - Webinar ID: 944 4865 1547
    - Passcode: 042621
    - Callers do not need an email address to use the phone option and do not need to register in advance

- Monday, May 3, 2021 – Second Public Hearing
  - 2:00 – 3:30 PM PT
  - Register for Zoom conference: https://manatt.zoom.us/webinar/register/WN_dj9UAypdQ76aOtCXafuhSA
    - Please register in advance to receive your unique login details and link to add to calendar
  - Call-in information (669) 900-6833 *or* (888) 788-0099 (Toll Free)
    - Webinar ID: 994 3157 8945
    - Passcode: 050321
    - Callers do not need an email address to use the phone option and do not need to register in advance

The complete version of the draft of the CalAIM Section 1115 demonstration application and the 1915(b) waiver overview are available for public review at https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx

You may request a copy of the proposed CalAIM Section 1115 demonstration application; CalAIM Section 1915(b) waiver overview; and/or a copy of submitted public comments related to the CalAIM Section 1115 demonstration application and Section 1915(b) waiver overview by sending a written request to the mailing or email address listed below.

Written comments may be sent to the following address; please indicate "CalAIM Section 1115 & 1915(b) Waiver" in the written message:

Department of Health Care Services
Director's Office
Attn: Angeli Lee and Amanda Font
P.O. Box 997413, MS 0000
Sacramento, California 95899-7413

Comments may also be emailed to CalAIMWaiver@dhcs.ca.gov. Please indicate "CalAIM Section 1115 & and 1915(b) Waivers" in the subject line of the email message.

To be assured consideration prior to submission of the CalAIM Section 1115 demonstration application and Section 1915(b) waiver application to CMS, comments must be received no later than 11:59 PM PT (Pacific Time) on **Thursday, May 6, 2021.** Please note that comments will continue to be accepted after May 6, 2021, but DHCS may not be able to consider those comments prior to the initial submission of the CalAIM waiver applications to CMS.

Upon submission to CMS, a copy of the proposed CalAIM Section 1115 demonstration and Section 1915(b) waiver will be published at the following internet address: https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM-1115-and-1915b-Waiver-Renewals.aspx

After DHCS reviews comments submitted during this State public comment period, the CalAIM Section 1115 demonstration and 1915(b) waiver will be submitted to CMS. Interested parties will also have the opportunity to officially comment on the CalAIM Section 1115 demonstration during the federal public comment period; the submitted application will be available for comment on the CMS website at: https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html. There is no federal public comment period for the 1915(b) waiver.