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Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

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Ms. Judith Cash, Director
State Demonstrations Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

AMENDMENT REQUESTS FOR CALIFORNIA ADVANCING AND INNOVATING
MEDI-CAL (CALAIM) SECTION 1115 DEMONSTRATION AND SECTION 1915(b)
WAIVER

Dear Ms. Cash,

I am pleased to submit the enclosed requests to amend the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration (Project No.: 11-W-00193/9) and Section 1915(b) waiver (Control No. CA 17.R10) to implement county-based model changes in the Medi-Cal Managed Care program. Through the Section 1915(b) waiver amendment, DHCS also plans to add or update language on policies or programs in the approved CalAIM 1915(b) waiver, including to reflect proposed direct contracts with the Kaiser Foundation Health Plan available for enrollment of certain Medi-Cal beneficiaries in select counties.

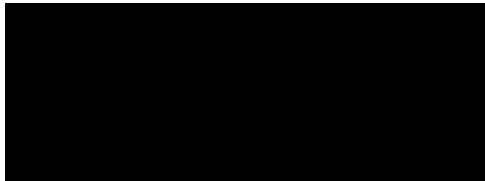
California's Medi-Cal Managed Care delivery system consists of multiple managed care models that vary by county. Each county offers one of these models: one plan operated by the county (County Organized Health System (COHS)); one local initiative plan operated by the county and one commercial plan (Two Plan); multiple commercial plans (Geographic Managed Care, Regional, and Imperial model); or one commercial plan and a Fee-for-Service option (San Benito model). Prior to the launch of the State's commercial plan re-procurement process in 2022, counties had the opportunity to request a change to their managed care model. As part of this process, DHCS conditionally approved model changes in 17 counties; 15 of these counties seek to move to a managed care model that involves one plan per county, either via expansion of an existing COHS model or establishment of a "Single Plan" model. Single Plan models will be expansions of plans currently operating as county-driven local initiatives or will otherwise be operating under a county or local authority.



To effectuate the expanded COHS and new Single Plan models, DHCS is requesting to amend the CalAIM Section 1115 demonstration to include expenditure authority to limit choice of managed care plans in these relevant geographic regions. This authority would apply in the Metro, Large Metro, and Urban counties operating under the COHS and Single Plan models. Through a coordinated submission, DHCS is also requesting an amendment to the CalAIM 1915(b) waiver to reflect use of the rural area exemption for plan choice in rural counties with existing and/or expanding COHS, and rural counties intending to operate a Single Plan.

DHCS looks forward to working with CMS to advance this request and further strengthen the goals of CalAIM, which include improving quality, access, and accountability in Medi-Cal. For any questions, please contact Ms. Susan Philip, Deputy Director of Health Care Delivery Systems, by phone at (916) 324-5870 or by email at Susan.Phipp@dhcs.ca.gov.

Sincerely,



Jacey Cooper
State Medicaid Director
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cc: See Next Page



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