



**State of California
Department of Health Care Services**

***Medicaid Section 1115 Demonstration
Request
California's Reproductive Health Access
Demonstration (CaIRHAD)***

March 2023

Table of Contents

Introduction	3
Section I. Program Description	3
Background.....	3
Demonstration Goals	5
Proposed Demonstration	6
Sections II–V. Demonstration Eligibility, Delivery System, Benefits, and Cost Sharing.....	8
Medi-Cal Eligibility.....	8
Medi-Cal Delivery System.....	8
Medi-Cal Covered Benefits	8
Medi-Cal Cost-Sharing.....	8
Section VI. Implementation of Demonstration	9
Section VII. Demonstration Financing and Budget Neutrality.....	9
Section VIII. List of Proposed Waivers and Expenditure Authorities	9
Expenditure Authority.....	10
Section IX. Evaluation and Demonstration Hypotheses	10
Section X. Oversight, Monitoring, and Reporting.....	11
Section XI. Public Notice	12
Section XII. Demonstration Administration	12

Introduction

California seeks to ensure that everyone in the Golden State has access to the information, services, and treatment needed to promote sexual and reproductive health and well-being. To advance these goals, California is seeking a new Medicaid demonstration project under Section 1115 of the Social Security Act (“the Act”) to strengthen the State’s reproductive health provider safety net, with an emphasis on ensuring access to sexual and reproductive health services as well as the services and supports to access these services by addressing health-related social needs (HRSNs).

Through this demonstration, California’s Reproductive Health Access Demonstration (CalRHAD), the California Department of Health Care Services (DHCS) is requesting expenditure authority under Section 1115(a)(2) to provide grants to reproductive health providers for enhancing capacity and access to sexual and reproductive health services and promoting the sustainability of California’s reproductive health provider safety net, for the benefit of individuals enrolled in Medi-Cal and other individuals who currently face barriers to access.

California has a strong legacy of protecting bodily autonomy and reproductive choice, including through recent legislative [actions](#) to increase access to sexual and reproductive health services and providers, strengthen patient privacy protections, and protect people who are seeking legal abortions in California. Through this demonstration proposal, California proposes to create a new CalRHAD grant program for providers to enhance capacity and access for sexual and reproductive health services, including family planning, for individuals enrolled in Medi-Cal, as well as other individuals who may need assistance to access such services. Providers that receive CalRHAD grants would *not* be permitted to use those funds for abortions. California currently covers abortions for individuals enrolled in Medi-Cal and others using State funds, without federal Medicaid matching funds.

Section I. Program Description

Background

California has long prioritized the goal of providing access to comprehensive sexual and reproductive health services, including contraception, pregnancy testing, and sterilization, as well as sexually transmitted infection testing and reproductive cancer screening services. Access to these services helps individuals and families achieve their desired birth spacing and family size; improves health outcomes for infants, children, and adults of childbearing age; and supports individuals and families in achieving their educational, career, and financial goals.¹ In California, Medi-Cal is the

¹ M. Kavanaugh and R. Anderson, “Contraception and Beyond: The Health Benefits of Services Provided at Family Planning Centers,” Guttmacher Institute, July 2013. Available at: <https://www.guttmacher.org/sites/default/files/pdfs/pubs/health-benefits.pdf>.

largest payer for family planning and reproductive health services,² and the Medi-Cal program covers nearly half of all individuals of childbearing age in the State.³

Disparities in access to sexual and reproductive health services persist, however, including disparities based on geography,⁴ income,⁵ and race.^{6,7} HRSNs—including housing, employment, transportation, and childcare needs, among other factors—have been shown to affect many reproductive health conditions and can impede access to sexual and reproductive services, further exacerbating disparities.⁸

These disparities are at risk of further widening as sexual and reproductive health providers face the combined pressures of ongoing financial recovery and stabilization related to the COVID-19 Public Health Emergency (PHE), economic uncertainty, inflation, workforce challenges, and the effects from the U.S. Supreme Court’s June 2022 decision in *Dobbs v. Jackson Women’s Health Organization*. Since *Dobbs* was decided, California’s providers have seen a significant influx of patients traveling from other states to access reproductive health services that are no longer available in their home states,^{9,10} whether due to express legal prohibitions, the chilling effect those

² D. Early, M. Dove, H. Bocanegra, E. Schwarz, “Publicly Funded Family Planning: Lessons From California, Before And After The ACA’s Medicaid Expansion,” Health Affairs, 2018. Available at: <https://www.healthaffairs.org/doi/10.1377/hlthaff.2018.0412>.

³ Internal California Department of Health Care Services data, 2021.

⁴ Power to Decide, “Contraceptive Deserts,” 2023. Available at: <https://powertodecide.org/what-we-do/access/contraceptive-deserts>.

⁵ Guttmacher Institute, Data Center: Women in Need of Contraceptive Services, 2023. Available at: <https://data.guttmacher.org/counties>.

⁶ D. Qato, “Women and Adolescent Girls Face Barriers Accessing Birth Control and Plan B – Even in Blue States Like California,” The Evidence Base, University of Southern California (USC) Leonard D. Schaeffer Center for Health Policy & Economics, July 2022. Available at: [Women and Adolescent Girls Face Barriers Accessing Birth Control and Plan B – Even in Blue States Like California – USC Schaeffer](https://evidencebase.usc.edu/women-and-adolescent-girls-face-barriers-accessing-birth-control-and-plan-b-even-in-blue-states-like-california-usc-schaeffer).

⁷ Managed Care Quality and Monitoring Division, California Department of Health Care Services, “2020 Health Disparities Report,” December 2021. Available at: <https://www.dhcs.ca.gov/Documents/MCQMD/CA2020-21-Health-Disparities-Report.pdf>.

⁸ American College of Obstetricians and Gynecologists, “Importance of Social Determinants of Health and Cultural Awareness in the Delivery of Reproductive Health Care,” Committee on Health Care for Underserved Women Opinion No. 729, January 2018. Available at: <https://www.acog.org/clinical/clinical-guidance/committee-opinion/articles/2018/01/importance-of-social-determinants-of-health-and-cultural-awareness-in-the-delivery-of-reproductive-health-care>.

⁹ The Press Enterprise, End of Roe v. Wade Makes California an Abortion Destination, Planned Parenthood of Orange and San Bernadino Counties, July 2022. Available at: <https://www.plannedparenthood.org/planned-parenthood-orange-san-bernardino/about-us/news/end-of-roe-v-wade-makes-california-an-abortion-destination>.

¹⁰ B. Sears, C. Cohen, and L. Stemple, “People Traveling to California and Los Angeles for Abortion Care if Roe v. Wade is Overturned,” UCLA School of Law Center on Reproductive Health, Law, and Policy, June 2022. Available here:

prohibitions create for reproductive health services overall, or growing “reproductive health deserts,” referring to geographic regions with a significant shortage of local reproductive health providers. This sudden increase in patient volume is all the more challenging because many of these new patients lack coverage or personal funds to pay for the services they receive.

DHCS seeks to continue California’s progress toward equitable access to comprehensive sexual and reproductive health services, for individuals enrolled in Medi-Cal and other individuals who need access to quality, affordable sexual and reproductive health care. The grant funding outlined in this proposed demonstration will build on California’s [2022 Budget Act](#) investments for reproductive health services and complements other State efforts to promote equitable access to comprehensive sexual and reproductive health care, such as California’s Family Planning, Access, Care, and Treatment (Family PACT) Program.

Demonstration Goals

As noted above, DHCS seeks to bolster California’ sexual and reproductive health delivery system to support equitable access to comprehensive sexual and reproductive health services. Through this demonstration, California seeks to promote the following objectives:

- **Support access to whole-person sexual and reproductive health services for individuals enrolled in Medi-Cal, as well as other individuals who may face barriers to access.** Specifically, this demonstration would provide grants to sexual and reproductive health providers aimed at *enhancing access* to Medicaid services. The grants would not be used to reimburse the direct provision of services; however, the grants would help increase access to the following types of services:
 - Family planning services;
 - Family-planning-related services, as defined in the Centers for Medicare & Medicaid Services’ (CMS) State Health Official Letter ([SHO](#)) #16-008; and
 - Integrated primary care and behavioral health services offered by reproductive health providers, such as:
 - Well care; and

- Behavioral health services and peer supports for individuals struggling with issues related to gender identity or sexual orientation.

Although California supports the ability for individuals who are pregnant to terminate their pregnancy, abortions *would not* be included nor reimbursed within the scope of this demonstration. California will maintain its current approach of covering abortions for individuals enrolled in Medi-Cal and others using State-only funds.

- **Support the capacity and sustainability of California’s sexual and reproductive health provider safety net.** California’s sexual and reproductive health providers face ongoing financial recovery, workforce, and stabilization challenges, which limits their ability to maintain and expand their capacity. The State also seeks to support community-based organizations (CBOs) that help individuals connect with health care services and health-related services and supports, alleviating administrative and cost burden on reproductive health providers. Through the demonstration, DHCS would provide grants to sexual and reproductive health providers to support partnerships with CBOs to build capacity and sustain access to services to address HRSNs.
- **Promote system transformation for California’s sexual and reproductive health safety net.** The State seeks to promote integrated models for the delivery of reproductive, primary, and behavioral health services and mitigate access barriers arising out of the social drivers of health. Through the demonstration, DHCS would provide grants to sexual and reproductive health providers to enhance availability of services in an integrated setting and capacity for patient supports to access services such as transportation, childcare, and logistical assistance arranging these and other supports.

Overall, the demonstration would promote the objectives of the Medicaid program by helping to assure access to sexual and reproductive services covered by Medi-Cal and bolstering the sustainability and capacity of the providers who offer these critical services. The State would comply with applicable federal laws.

Proposed Demonstration

The State is requesting expenditure authority for \$200 million (total computable) over a three-year demonstration term to advance the goals described above. The State is seeking the expenditure authority following approval of California’s 2023-24 Annual Budget. With these funds, DHCS will issue grants to sexual and reproductive health providers to support transitional non-service expenditures (e.g., equipment, technology investments) and investments to strengthen the accessibility, capacity, and sustainability of California’s sexual and reproductive health safety net. As noted above, CalRHAD funding *may not* be used for provision of any services, including abortions.

Permissible uses of CalRHAD grants. Grants under this demonstration would support provider and CBO capacity to provide sexual and reproductive health services and HRSN-related supports to reduce barriers to access.

- ***Investments in provider capacity.*** Grants to providers would be used to support key workforce, equipment, and technology investments, including costs associated with:
 - Staff recruitment, retention, or training;
 - Expanding available appointment times (e.g., evenings and weekends);
 - Expanding the range of services offered (e.g., family planning and related services; integrated primary care, behavioral health, or other services to promote whole-person care); and
 - Supporting necessary investments in non-service expenditures (e.g., autoclaves to sterilize medical equipment and other equipment, telehealth investments).
- ***Patient access supports.*** To address barriers related to the social drivers of health, to the extent not otherwise covered by Medi-Cal or other payer, grants to providers would be used to:
 - Establish or expand partnerships with CBOs who can assist with transportation, child care and similar needs, as documented in their grant request applications; or
 - Assist patients in identifying an appropriate and available provider, arrange travel, and connect patients with other social and health care services.

CalRHAD Grant Eligibility Criteria and Program Parameters. Providers critical to ensuring access to a broad spectrum of sexual and reproductive health services for individuals enrolled in Medi-Cal would be eligible to receive grant dollars under the program. Eligible providers are those defined as:

- One of the following provider types:
 - Providers enrolled in the Family PACT program;
 - Community health centers (including Federally Qualified Health Center (FQHC)), FQHC look-alikes, migrant health centers, rural and frontier health centers, and non-profit community or free clinics licensed by the state as primary care clinics, or clinics affiliated with Disproportionate Share Hospital (DSH) facilities);
 - Tribal FQHCs;
 - Tribal health clinics;

- Rural hospitals, small hospitals (fewer than 50 beds), or critical access hospitals that are not part of a large health systems or hospital systems, or
- Other Medi-Cal enrolled providers as designated by DHCS.

AND

- Meeting all of the following criteria:
 - Are located in California and licensed under applicable California law;
 - Provide a broad spectrum of sexual and reproductive health care services;
 - Serve a minimum volume of individuals enrolled in Medi-Cal; and
 - Accept patients regardless of ability to pay.

DHCS may prioritize grant awards to applying providers located in areas with documented reproductive health provider shortages and access challenges, including rural geographies or medically underserved areas, among others.

As part of the demonstration’s operational protocols, DHCS would develop, for CMS review, parameters for the allocation, distribution, and oversight of payments under this demonstration.

Sections II–V. Demonstration Eligibility, Delivery System, Benefits, and Cost Sharing

The proposed demonstration would not modify the parameters for Medi-Cal eligibility, benefits, or care delivery systems. This demonstration would not involve enrolling specific individuals or covering specific services, and would not provide reimbursement for direct service provision. Rather, the proposed demonstration aims to support access, capacity, and sustainability for California’s sexual and reproductive health safety net through grant payments to sexual and reproductive health providers, as described above.

Medi-Cal Eligibility

The State is not proposing any changes to Medi-Cal eligibility requirements.

Medi-Cal Delivery System

The State is not proposing any changes to the delivery systems employed in Medi-Cal.

Medi-Cal Covered Benefits

The State is not proposing any changes to the benefits available to individuals enrolled in the Medi-Cal program.

Medi-Cal Cost-Sharing

The State is not proposing any changes to cost-sharing under the Medi-Cal program.

Section VI. Implementation of Demonstration

To ensure successful implementation of the demonstration, DHCS will develop, for CMS review, policies and procedures for administration and oversight. As part of this process, DHCS will establish parameters for DHCS or a third-party administrator (TPA) to administer the grant awards, including review of grant applications, disbursement of funds, and collection of required provider documentation and reports, among other processes.

Section VII. Demonstration Financing and Budget Neutrality

DHCS requests expenditure authority for \$200 million (total computable) over three years, all of which would be considered administrative costs for purposes of federal financial participation (FFP). The State anticipates the demonstration will impact the approximately 1.3 million individuals who access family planning services through the Med-Cal program annually.

DHCS seeks to support the non-federal share of funding this three-year demonstration using Designated State Health Program (DSHP) expenditures. California is requesting \$85 million in DSHP funding overall, with the State contributing \$15 million in new State general fund dollars. DSHP expenditures under this demonstration will not affect other DSHP funds authorized or requested under the CalAIM demonstration or any other DHCS waivers or demonstration projects. California will work with CMS to develop Special Terms and Conditions (STCs) and DSHP funding and reimbursement protocols for the demonstration period to reflect the demonstration’s goals and funding levels.

The following table shows the with waiver expenditures across the three Demonstration Years (DYs).

(in millions)	DY 1	DY 2	DY 3
CalRHAD Grants	\$200	\$0	\$0

To the extent any of the funds associated with the CalRHAD grants are not fully expended or fully allocated in DY 1, CalRHAD grant funds may be reallocated across other CalRHAD DYs, subject to overall CalRHAD expenditure limits.

Section VIII. List of Proposed Waivers and Expenditure Authorities

Under Section 1115(a)(2) of the Act, California is requesting expenditure authority for the program described above, through which the State would award grants to support providers as they maintain or expand the capacity of California’s sexual and

reproductive health safety net, for the benefit of individuals enrolled in Medi-Cal and other low- and middle-income people seeking timely access to comprehensive sexual and reproductive health care services. California is not requesting any waivers in connection with this demonstration.

To the extent that CMS advises the State that additional authorities are necessary to implement the programmatic vision and operational details described in this application, 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 CalRHAD initiative forward.

Expenditure Authority

Expenditures for State grant administration, and capacity- and access-enhancing grant payments to qualified provider applicants under the demonstration, which may not otherwise be reimbursable under Section 1903 of the Act.

Section IX. Evaluation and Demonstration Hypotheses

The table below provides a preliminary plan to evaluate the demonstration and its achievement of the demonstration goals:

- Support access to whole-person sexual and reproductive health services for individuals enrolled in Medi-Cal, as well as other individuals who may face barriers to access;
- Support the capacity and sustainability of California’s sexual and reproductive health provider safety net; and
- Promote system transformation for California’s sexual and reproductive health safety net.

These hypotheses and plan are subject to change and will be further defined as California works with CMS to develop an evaluation design consistent with the STCs and CMS policy.

Hypotheses	Evaluation Approach	Data Sources
Providing CalRHAD grants to sexual and reproductive health providers will expand access to sexual and reproductive health services for individuals enrolled in Medi-Cal	Analyze the number or percentage of individuals enrolled in Medi-Cal of childbearing age utilizing family planning and family planning-related services, sexual health services, well care, behavioral health services, and peer	<ul style="list-style-type: none"> • Medi-Cal claims data

Hypotheses	Evaluation Approach	Data Sources
	supports in the pre- and post-implementation periods in CalRHAD provider sites	
Sexual and reproductive health providers that receive CalRHAD grants will have expanded capacity to provide sexual and reproductive health services to individuals enrolled in Medi-Cal and other individuals who currently face barriers to access	Examine progress in developing capacity to provide sexual and reproductive health services, including improvements in available appointments, operating hours, telehealth capabilities, range of services offered, and connections to CBOs that offer supports to address HRSNs	<ul style="list-style-type: none"> • Surveys and/or interviews of sexual and reproductive health providers • Pre- and post-implementation surveys to track changes and progress over time
Providing CalRHAD grants to sexual and reproductive health providers will enhance availability of services in an integrated setting and patient supports to access services	Examine Medi-Cal consumer perception of availability of services in an integrated setting and available supports, such as transportation and childcare	<ul style="list-style-type: none"> • Surveys and/or focus groups of consumers that receive services from sexual and reproductive health providers that receive CalRHAD grant funding • Pre- and post-implementation surveys to track changes and progress over time

The State is also proposing an evaluation goal to understand successes and challenges in setting up and operationalizing this demonstration to help inform lessons learned and best practices for other states potentially seeking to implement programs similar to CalRHAD. The State proposes to examine qualitative feedback shared by sexual and reproductive providers that receive CalRHAD grants obtained through surveys and/or interviews of such providers.

Section X. Oversight, Monitoring, and Reporting

Upon approval of this demonstration, California will monitor expenditures and submit reporting, including quarterly and annual monitoring reports, consistent with the STCs and CMS policy.

Section XI. Public Notice

In March 2023, DHCS released the requisite notices for the CalRHAD application and launched a state public comment period from March 16, 2023 through April 17, 2023. DHCS will present and discuss the CalRHAD proposal and implementation during two public hearings, the first on March 29, 2023 from 10:00 – 11:00 AM PT and the second on April 3, 2023 from 9:00 – 10:00 AM PT. DHCS will also host a webinar to solicit Tribal and Indian Health Program stakeholder comments on March 20, 2023 from 9:00 – 10:00 AM PT. All hearings and webinars will be held electronically to mitigate the spread of COVID-19 and maximize participation. The meetings will have online video streaming and telephonic conference capabilities to ensure accessibility.

Section XII. Demonstration Administration

Please see below for contact information for the State's point of contact for this demonstration application:

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