



**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: MARCH 16, 2023**

**PROPOSED SECTION 1115 DEMONSTRATION APPLICATION TO ENHANCE
CAPACITY AND ACCESS TO REPRODUCTIVE HEALTH PROVIDERS**

Background

The California Department of Health Care Services (DHCS) is providing public notice of its intent to (1) submit a Section 1115 application to the federal Centers for Medicare & Medicaid Services (CMS), titled California’s Reproductive Health Access Demonstration (CalRHAD); and (2) hold two public hearings to receive public comments on this request.

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), 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.

I. Program Description, Goals, and Objectives of the Demonstration

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 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

DHCS seeks to bolster California's 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 for 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, and integrated primary care and behavioral health services offered by reproductive providers. 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

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: [Contraception and Beyond: The Health Benefits of Services Provided at Family Planning Centers \(guttmacher.org\)](https://www.guttmacher.org/perspectives/2013/07/contraception-and-beyond).

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.



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.

II. Demonstration Approach

To achieve these goals, 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.

CalRHAD grants would support provider and CBO capacity to provide sexual and reproductive health services and HRSN-related supports to reduce barriers to access, focusing on investing in provider capacity and patient access supports. Funds could support purposes such as investments in key workforce, equipment, and technology and connection of patients with other social and health care services. DHCS will define provider eligibility criteria and engage in a selection process to award CalRHAD grants.

As noted above, CalRHAD funding *may not* be used for provision of any services, including abortions. California is not requesting any waivers in connection with this demonstration.

A. 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.

The State anticipates the demonstration will impact the approximately 1.3 million individuals who access family planning services through the Medi-Cal program annually but does not anticipate changes in Medi-Cal enrollment due to the demonstration.



B. 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).

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.

III. Demonstration Waiver 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.

A. 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.



IV. Section 1115 Demonstration Hypotheses and Evaluation Approach

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 supports in the pre- and post-implementation periods in CalRHAD provider sites	<ul style="list-style-type: none"> • Medi-Cal claims data
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



Hypotheses	Evaluation Approach	Data Sources
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.

V. Public Review and Comment Process

The 30-day public comment period for the CalRHAD Section 1115 application is from Thursday, March 16, 2023 until Monday, April 17, 2023. All comments must be received no later than 11:59 PM (Pacific Time) on **Monday, April 17, 2023**.

All information regarding the CalRHAD Section 1115 application can be found on the DHCS website at <https://www.dhcs.ca.gov/provgovpart/Pages/CalRHAD.aspx>. DHCS will update this website throughout the public comment and application process.

DHCS will host two public hearings to solicit stakeholder comments. The public hearings will be held electronically to mitigate the spread of COVID-19 and maximize opportunities for participation. The meetings will have online video streaming and telephonic conference capabilities to ensure statewide accessibility.

- March 29, 2023 – First Public Hearing
 - 10:00 – 11:00 AM PT
 - Register for Zoom conference link: https://manatt.zoom.us/webinar/register/WN_nCmc8aMqRfKzcOLZ2zcMKw
 - Please register in advance to receive your unique login details and link to add to calendar
 - Call-in information (312) 626-6799 or (888) 788-0099 (Toll Free)
 - Webinar ID: 934 7718 5979
 - Passcode: 032923
 - Callers do not need an email address to use the phone option and do not need to register in advance



- April 3, 2023 – Second Public Hearing
 - 9:00 – 10:00 AM PT
 - Register for Zoom conference link:
https://manatt.zoom.us/webinar/register/WN_HN7m0tXLTLCyWiL9X8H6IQ
 - Please register in advance to receive your unique login details and link to add to calendar
 - Call-in information (312) 626-6799 or (888) 788-0099 (Toll Free)
 - Webinar ID: 935 9888 3169
 - Passcode: 040323
 - 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 CalRHAD Section 1115 application is available for public review at: <https://www.dhcs.ca.gov/provgovpart/Pages/CalRHAD.aspx>

If you would like to view the CalRHAD Section 1115 application or notices in person, you may visit your local county welfare department (addresses and contact information available at: <https://www.dhcs.ca.gov/services/medi-cal/Pages/CountyOffices.aspx>). You may also request a copy of the proposed CalRHAD Section 1115 application, notices, and/or a copy of submitted public comments, once available, related to the CalRHAD Section 1115 application by requesting it in writing to the mailing or email addresses listed below.

Written comments may be sent to the following address; please indicate “CalRHAD Section 1115 Application” in the written message:

Department of Health Care Services
Director’s Office
Attn: Jacey Cooper and René Mollow
P.O. Box 997413, MS 0000
Sacramento, California 95899-7413

Comments may also be emailed to 1115waiver@dhcs.ca.gov. Please indicate “CalRHAD Section 1115 Application” in the subject line of the email message.

To be assured consideration prior to submission of the CalRHAD application to CMS, comments must be received no later than 11:59 PM (Pacific Time) on **Monday, April 17, 2023**. Please note that comments will continue to be accepted after April 17, 2023, but DHCS may not be able to consider those comments prior to the initial submission of the CalRHAD Section 1115 application to CMS.

Upon submission to CMS, a copy of the proposed CalRHAD Section 1115 application will be published at the following DHCS website at:
<https://www.dhcs.ca.gov/provgovpart/Pages/CalRHAD.aspx>



After DHCS reviews comments submitted during this State public comment period, the CalRHAD Section 1115 application will be submitted to CMS. Interested parties will also have opportunity to officially comment on the CalRHAD Section 1115 application 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>.