



Medi-Cal 2020 Section 1115 Waiver Extension Proposal

**Public Hearing Webinar
August 7 & 10, 2020**



Presentation Overview

- Medi-Cal 2020, California Advancing and Innovating Medi-Cal (CalAIM), and COVID-19
- 12-Month 1115 Waiver Extension Request
- Evaluations
- Financing and Budget Neutrality
- Stakeholder Engagement and Next Steps



Medi-Cal 2020, CalAIM, and COVID-19

- The state's current Section 1115 waiver (Medi-Cal 2020) is set to expire on December 31, 2020.
 - Prior to the COVID-19 public health emergency, DHCS planned to implement CalAIM at the end of the waiver period.
- COVID-19 has greatly impacted all aspects of California's health care delivery system, due to focus on surge planning, infection control, transition to telehealth/telework, and reprioritization of resources.



Medi-Cal 2020, CalAIM, and COVID-19

- California's health care systems, plans, providers, and counties requested a delay in CalAIM, due to the ongoing need to address the public health emergency.
- While the state is still committed to CalAIM, an extension of the Medi-Cal 2020 waiver is crucial to maintaining the current delivery system and services for beneficiaries.
- The final Fiscal Year 2020-21 state budget reflected a delay in funding for CalAIM.



Medi-Cal 2020 12-Month Extension Request

- DHCS must request a Section 1115 waiver extension from CMS, which is set to expire on December 31, 2020.
- The requested 12-month extension will provide the necessary federal authority and Medicaid matching funds to support the financial viability of the delivery system.
- The [12-month 1115 waiver extension proposal](#) was released for public comment on July 22, 2020.
 - The 30-day comment period closes on **August 21, 2020**.
 - DHCS will review stakeholder comments and update the extension request accordingly.
 - DHCS plans to submit the Section 1115 Extension request to CMS by September 15, 2020.



NOT included in Medi-Cal 2020 Waiver Extension Request

- Public Hospital Redesign and Incentives in Medi-Cal (PRIME) authority will not be extended.
- PRIME reporting metrics and funding to be transitioned to Medi-Cal managed care Quality Incentive Payment (QIP) program.
 - Request submitted to CMS; approval pending.



Key Elements of the Medi-Cal 2020 12-Month 1115 Waiver Extension



Components of Medi-Cal 2020 Waiver Extension Request

- Medi-Cal Managed Care
- Whole Person Care pilots
- Global Payment Program
- Drug Medi-Cal Organized Delivery System
- Low-Income Pregnant Women
- Out of State Former Foster Care Youth
- Community-Based Adult Services
- Coordinated Care Initiative
- Dental Transformation Initiative
- Tribal Uncompensated Care
- Rady's California Children's Services Pilot
- Program of All-Inclusive Care for the Elderly as an Alternative Delivery System in Select County Organized Health Systems



Medi-Cal Managed Care

- Approximately 80% of the state's Medi-Cal beneficiaries across 58 counties received their health care through a managed care plan.
- 1115 waiver extension needed to continue authority for managed care until CA shifts authority to Section 1915(b)



Whole Person Care (WPC)

- Continue WPC Pilot Program as currently structured.
- Additional year of funding at FY 2019-2020 (Program Year 4) budget levels.
- New target population for individuals impacted by the COVID-19 PHE.
- Allow WPC pilots to modify their budgets in response to the COVID-19 PHE.



Global Payment Program and Safety Net Care Pool

- The 12-month Section 1115 extension request would provide authority and federal Medicaid matching funds for:
 - Global Payment Program extension to December 31, 2021
 - Associated Safety Net Care Pool/Uncompensated Care Costs funding proposed to continue to December 31, 2021



Drug Medi-Cal Organized Delivery System

- The 12-month Section 1115 extension will provide Medi-Cal funding for county-based pilots, including expenditure authority for residential substance use disorder (SUD) treatment services in Institutions for Mental Disease (IMDs).
- The state is proposing the following technical changes:
 - Remove limitation on the number of residential treatment episodes that can be reimbursed in a one-year period;
 - Clarify that reimbursement is available for SUD assessment and appropriate treatment even before a definitive diagnosis is determined;
 - Clarify the recovery services benefit;
 - Expand access to Medication Assisted Treatment (MAT); and
 - Increase access to SUD treatment for American Indians and Alaska Natives.



Other Components of the Medi-Cal 2020 Extension Request

- **Dental Transformation Initiative:** Changes include:
 - Designated State Health Programs (DSHP) mechanism (the state may claim FFP)
 - Discontinue Domain 4
- **Tribal Uncompensated Care Waiver Amendment:** Includes requirement for the California Rural Indian Health Board (CRIHB) to contract with any willing Tribal health program enrolled in Medi-Cal
- **Extension Only – No Changes**
 - Low-Income Pregnant Women
 - CBAS
 - Out-of-State Former Foster Care Youth
 - CCI
 - Rady's CCS Pilot



Evaluations

- As required under the STCs of the Medi-Cal 2020 waiver, California engaged independent research organizations to evaluate the performance of key initiatives.
- Under the 12-month extension, DHCS will continue its current evaluation efforts and extend the deadline for the final evaluation to December 31, 2022.
 - Evaluations for Seniors and Persons with Disabilities (SPD) and PRIME will not be extended, as the programs are being discontinued.



Financing

- **Whole Person Care:** Requesting an additional year (\$300 million) of federal funding equal to 2020 program year (PY4) expenditures.
- **GPP/SNCP:** Continued federal financial participation (FFP) for value-based payments to participating Public Health Care Systems that incur costs for services to the remaining uninsured.
- **Budget Neutrality:** Request to continue “pass-through” treatment of the following expenditures:
 - DMC-ODS
 - CBAS
 - Health Homes
 - Out-of-State Former Foster Care Youth
 - Managed care payments for the ACA new adult expansion population (aged 19-64 years)
 - Hospital Quality Assurance Fee program-related payments



Stakeholder Engagement

- **Public Comment**
 - The 30-day public comment period started on July 22, 2020
 - Waiver extension request & all other documentation posted on the DHCS website: <https://www.dhcs.ca.gov/provgovpart/Pages/Medi-Cal-2020-Extension.aspx>
 - Comments made at public meetings will be transcribed
 - Written comments on the Section 1115 waiver extension can be submitted to 1115waiver@dhcs.ca.gov by **COB on August 21, 2020**
- **2nd Public Hearing (held via webinar)**
 - Monday, August 10, 2020, 2:00 p.m. – 3:30 p.m.
- **Tribal Notice**
 - The Tribal Notice was distributed on July 22, 2020: https://www.dhcs.ca.gov/services/rural/Pages/Tribal_Notifications.aspx
 - Medi-Cal Tribal & Designees of Indian Health Programs Meeting hosted on July 29, 2020



Next Steps

- DHCS will review stakeholder comments and update the extension request accordingly.
- DHCS plans to submit the Section 1115 Extension request to CMS by September 15, 2020.
- CMS will conduct a completeness review within 15 days of receipt.
- After the completeness review, CMS will post the extension request to Medicaid.gov for a 30-day federal public comment period.
- Negotiations between DHCS & CMS will resume at the conclusion of the federal public comment period (approximately 45 days post submission).



Questions and Comments