DEPARTMENT OF HEALTH CARE SERVICES
STAKEHOLDER ADVISORY COMMITTEE
February 13, 2019

MEETING SUMMARY

Attendance

Members Attending: Michelle Cabrera, SEIU; Richard Chinnock, MD, Children's Specialty Care Coalition; Paul Curtis, CA Council of Community Behavioral Health Agencies; Michelle Gibbons, County Health Executives Association of CA; Brad Gilbert, MD, Inland Empire Health Plan; Kristen Golden Testa, The Children's Partnership/100% Campaign; Carrie Gordon, CA Dental Association; Barsam Kasravi, Anthem Blue Cross; Kim Lewis, National Health Law Program; Anne McLeod, California Hospital Association; Farrah McDaid Ting, California State Association of Counties; Linda Nguy, Western Center on Law and Poverty; Gary Passmore, CA Congress of Seniors; Jessica Rubenstein, CA Medical Association; Jonathan Sherin, LA Department of Mental Health; Stephanie Welch, Department of Corrections and Rehabilitation; Anthony Wright, Health Access CA.

Members Attending by Phone: Maya Altman, Health Plan of San Mateo; Bill Barcellona, America's Physician Groups; Michael Humphrey, Sonoma County IHSS Public Authority; Sherreta Lane, District Hospital Leadership Forum; Erica Murray, CA Association of Public Hospitals and Health Systems; Chris Perrone, California HealthCare Foundation; Kiran Savage-Sangwan, CA Pan-Ethnic Health Network; Cathy Senderling, County Welfare Directors Association; Al Senella, CA Association of Alcohol and Drug Program Executives/ Tarzana Treatment Centers; Bill Walker, MD, Contra Costa Health Services.

Members Not Attending: Lisa Davies, Chapa-De Indian Health Program; Anne Donnelly, Project Inform; Anna Leach-Proffer, Disability Rights CA; Marty Lynch, LifeLong Medical Care and California Primary Care Association; Brenda Premo, Harris Family Center for Disability & Health Policy.

DHCS Attending: Jennifer Kent, Mari Cantwell, Sarah Brooks, Adam Weintraub, Marlies Perez, Rene Mollow, Lindy Harrington, Jacey Cooper, Morgan Clair, Robert Ducay and Erica Bonnifield.

Public in Attendance: 36 members of the public attended in person and 100 by phone.

Welcome and Introductions
Follow-Up Items from Previous Meetings
Jennifer Kent, DHCS

Director Kent welcomed the group and facilitated introductions, including new SAC member Barsam Kasravi, replacing Steve Melody for Anthem Blue Cross, and new DHCS

staff, Robert Ducay and Erica Bonnifield. The responses to the follow-up items from the previous SAC meeting were distributed with the agenda.

Update on Proposed State Budget for Fiscal Year 2019-20
Jennifer Kent and Mari Cantwell, DHCS

Budget Highlights

- Coverage expansion to undocumented adults through age 25 (up to 26, not through 26). The expansion roll-out will follow similar process to the implementation of Senate Bill (SB) 75.

- There is a $100 million augmentation for Whole Person Care (WPC) local housing. No details yet about how money will be allocated. DHCS is interested in feedback from counties on allocation. Open to a variety of suggestions: funding for those with existing housing pool; how to build capacity for others without existing housing pool.

- $25 million augmentation for early psychosis detection and intervention: This will likely be a competitive application for grants, including counties, behavioral health providers, academic institutions and nonprofits, who are working with youth experiencing early signs of psychosis or prevention.

- Governor issued Executive Order (EO) for the Department of General Services (DGS) and DHCS to develop options and recommendations to improve purchasing power across public and private purchasers and lower the cost of drugs. In addition, DHCS would carve pharmacy out of managed care and return to fee-for-service (FFS) for all pharmacy starting in 2021.

- The budget highlights document indicates a General Fund decrease of $2.3 billion. That is not a service reduction, it is a financing mechanism issue across two budget years. There are also operations requests included and we seek support from SAC members to improve staffing, systems, financial management, and transparency of Medi-Cal.

Questions and Comments:

Anne McLeod, California Hospital Association: Is there an update on the Managed Care Organization (MCO) tax and what we may see in the May Revise?

Jennifer Kent, DHCS: We will work with Department of Finance (DOF) for the May Revise. We are open to discussion and want to work with stakeholders. No decision has been made.

Anthony Wright, Health Access CA: On expansion of Medi-Cal to age 26, is there work starting now? Do you have a timeline? Is there a stakeholder process planned?

Jennifer Kent, DHCS: Yes, the work has started. The expansion requires changes in CalHEERS and other eligibility systems and that is the biggest driver of the timeline. Also, we need to develop and translate notices, and work with counties and health plans to operationalize. We hope to have expansion roll-out complete six months from budget approval and will update the timeline in May Revise. We plan to share draft notices and other communications with stakeholders over the summer and use the Consumer-Focused Stakeholder Workgroup for input.

Anthony Wright, Health Access CA: The budget includes a claw back financing mechanism of $60 million for nonperforming counties in County Medical Services Program (CMSP)?

Jennifer Kent, DHCS: That is a DOF item.

Michelle Gibbons, County Health Executives Association of CA: CHEAC has concerns about this item and are in touch with DOF and the administration on how funds are being used.

Anthony Wright, Health Access CA: How does the $100 million augmentation for WPC relate to the current waiver?

Jennifer Kent, DHCS: The budget augmentation is not matched and not part of the current waiver, although it may be part of a WPC successor program. This will be flexible money to get people into permanent housing. This is complementary to, but not an expansion of the waiver.

Carrie Gordon, CA Dental Association: Related to the Governor's proposal to continue Prop. 56 dental payments, will there be a way to avoid the past problem of gaps between budget approval and payments going out to providers?

Jennifer Kent, DHCS: We need to work with DOF because currently these are supplemental payments, and continuous payments would be an underlying change. We can follow up with you.

Anthony Wright, Health Access CA: What is the timeline and process related to prescription drug changes?

Jennifer Kent, DHCS: The EO timeline is that DHCS will make recommendations by July 12, 2019. DGS is a bulk purchaser on behalf of institutional populations; DHCS is a payer of prescription benefits. As a state, are there ways to integrate our disparate methods and leverage our size to lower cost? We are open to suggestions, then we will have an internal process to develop and forward recommendations to the Governor.

Anthony Wright, Health Access CA: How does the carve-out of prescription drugs impact current MCO contract negotiations?

Jennifer Kent, DHCS: The carve-out of pharmacy from managed care will not happen before 2021 and will include a stakeholder process. The current thinking is that it will be removed from contracts and come back to DHCS, but this is not linked to procurement.

Kim Lewis, National Health Law Program: We have concerns about access issues related to the roll-out of the change, such as whether additional TARs or restrictions would be put in place.

Brad Gilbert, MD, Inland Empire Health Plan: Is there openness to discuss solutions to meet all the goals – cost and clinical – before moving to a carve-out?

Jennifer Kent, DHCS: We can take input about concerns, but the decision will be made at the Governor's level and we are not in a position to change the EO and budget proposal. Many things led up to this, including Centers for Medicare & Medicaid Services (CMS) changes in relationships between pharmacy benefit managers (PBMs), MCOs and Medicare Part D plans.

Chris Perrone, California HealthCare Foundation: Is there analysis or examples from other states that led to this proposal? Is there analysis you would find helpful?

Mari Cantwell, DHCS: This is not done in many places. In addition to savings, standardization across Medi-Cal and moving toward value are key pieces.

Proposition 56 Payments and Loan Program Update
Mari Cantwell, DHCS

Mari Cantwell provided a review of Prop. 56 budget proposals. The spending plan continues supplemental payments for physicians and dentists, women's health, home health, intermediate care facilities for the developmentally disabled (ICF/DD) providers, and HIV/AIDS waiver services. The Governor is proposing to add three new programs:

- Developmental and trauma screenings for pediatric and adult populations, including payment to Federally Qualified Health Centers (FQHC) additional to Prospective Payment System (PPS) rates.
- Additional family planning supplemental payments in both FFS and managed care,
- Value-Based Payment Program incentive payments to managed care providers meeting measures on pre/post-partum care, chronic disease management and behavioral health integration.

Questions and Comments

Barsam Kasravi, Anthem Blue Cross: I encourage aligning with the current 22 External Accountability Set measures.

Mari Cantwell, DHCS: We are looking at existing measures. We also want to address measurement at the provider level and would appreciate input about the best way to do this.

Brad Gilbert, MD, Inland Empire Health Plan: Is this a pay for performance, a directed payment, or a payment for service?

Mari Cantwell, DHCS: The way we determine performance might be a combination of those methods. We are working through our ideas and looking for input, in particular for the integration incentives.

Kim Lewis, National Health Law Program: The trauma workgroup didn't deal with how we would know if screening was happening and whether follow-up services actually happen.

Mari Cantwell, DHCS: We will want to evaluate actual referral and service from the screenings.

Michelle Gibbons, County Health Executives Association of CA: On the public health side, we are interested in how to prevent trauma through investments farther upstream.

Kristen Golden Testa, The Children's Partnership/100% Campaign: What will be the timing and process for input?

Mari Cantwell, DHCS: There will be an input process prior to implementation; we expect to have something out in a month. Screenings will be in place in July, but value payments are next year.

Kristen Golden Testa, The Children's Partnership/100% Campaign: Can you say more on value payments for early childhood immunizations? We need more work to make measures robust.

Mari Cantwell, DHCS: That is newer. We are proposing additional value payments such as for immunizations. We want it to be meaningful and feasible, with data at the individual provider level.

Linda Nguy, Western Center on Law and Poverty: Considering some of value payment focus areas include FFS populations, why do this only through managed care? Also, can you speak to the assessment of money already paid out through Prop. 56?

Mari Cantwell, DHCS: It would be more difficult in FFS and we want to target those in full scope Medi-Cal and managed care. On evaluating previous payments, it is important to factor in the timing of actual money going to providers and we believe it may be too early to see any impact yet. We have not seen an increase in utilization, however, with more time, we hope to see impact.

Brad Gilbert, MD, Inland Empire Health Plan: A positive anecdote: a hand surgeon in Coachella Valley who has never done Medi-Cal was willing to contract with the higher (Prop. 56) rates.

Kiran Savage-Sangwan, CA Pan-Ethnic Health Network: We hope to see rewards for actual improvements in disparities via the value payments. Can you say more about how DHCS will work with the Surgeon General?

Mari Cantwell, DHCS: We will rely on her expertise.

Chris Perrone, California HealthCare Foundation: Given that MCOs are at the center of accountability, why not flow value payments through them? If there is a small set of quality measures, plans can identify how to achieve the goal. This seems a good time to include FQHCs in quality payments given they are such a large market and they are included in screenings.

Mari Cantwell, DHCS: We want a directed payment because we have a specific focus for the payment and want to get payments to provider level. Regarding FQHCs, the proposal is to continue current providers in the supplemental payment program and FQHCs are not in the program.

Michelle Cabrera, SEIU: Does DHCS have a sense of how Medi-Cal payments compare to other states and Medicare? We see money flowing, but unless we understand this at the global level, we are vulnerable.

Mari Cantwell, DHCS: It is not an easy comparison we can make, because we are not a FFS program. We are trying to define the right question to tell us about timely access. What are the data metrics that help us identify access, outcomes, and other meaningful measures? It may not be a rate issue.

Anthony Wright, Health Access CA: What is the total new funding in Prop. 56? Is there significance about this being in a special fund of Prop. 56? Is there a policy reason?

Mari Cantwell, DHCS: New funding is $180 million value payments, $52 million in screening, $50 million in family planning.

Richard Chinnock, MD, Children's Specialty Care Coalition: We are moving to population health, yet have a hodgepodge of payments. How care is delivered for children with complex care needs is different than adults and there may be a need for special care centers to be included in value payments.

Lindy Harrington offered a short update on the Prop. 56 loan repayment program being implemented through Physicians for a Healthy California.

Medication Assisted Treatment (MAT) Grants, Round #2
Marlies Perez, DHCS
Slides available: https://www.dhcs.ca.gov/services/Documents/MAT2.0_SAC.pdf

Marlies Perez provided an overview presentation of opioid deaths in California and the coordinated effort to respond, including multiple state departments, foundations, and other partners. There are about 30 current CA MAT Expansion projects funded by the federal State Opioid Response (SOR) grant. She presented specific program information on Naloxone distribution to a range of organizations and sectors. She also provided a presentation on MAT Access Points. Funding is broad, and can be used for training, staffing, and equipment. She offered in-depth information on MAT Programs for special populations, such as perinatal & Neonatal Abstinence Syndrome (NAS), youth, criminal justice settings, and tribal programs.

Questions and Comments

Brad Gilbert, MD, Inland Empire Health Plan: That is an impressive program. We have grants out for MAT but could use many additional sites. Are health plans able to access this funding?

Marlies Perez, DHCS: We have not excluded health plans. Applications are encouraged.

Kim Lewis, National Health Law Program: Is there a place on the website for statewide utilization data on substance use services inside and outside the waiver by age? What is the new youth project through the California Behavioral Health Solutions?

Marlies Perez, DHCS: The California Health Care Foundation produced a great data report on California. We have a report called the Statewide Needs Assessment and Planning. Youth projects will be mostly focused on treatment with some prevention.

Michelle Gibbons, County Health Executives Association of CA: Can you elaborate on MAT access in jails? Are there other states successful in identifying funding for jail MAT services?

Marlies Perez, DHCS: We have a learning collaborative with 23 counties. They each develop a project plan, implement MAT, and report data. They are awarded funding ($200,000 – 300,000) to implement. Most jails across the state do not have services and ongoing funding is one of the issues.

Michelle Cabrera, SEIU: It would be helpful to have Medi-Cal specific data. From the maps, we see serious issues in less populated counties. What are the trends? Is it on the rise? In specific geographic areas? Do you have data for homeless?

Marlies Perez, DHCS: We partnered with CMS on a data analytics project with Medi-Cal MAT services. On trends, we are focusing on both high overdose rate and high overdose volume counties to balance approaches between urban areas with high numbers and

more rural places with high rates. Fentanyl overdose rates are increasing; meth overdoses is also on the rise in addition to poly-substance use. We are increasing access to MAT as well as other substance use disorder treatment services. We are working with providers in all settings to increase access to all types of substance use disorder treatment services.

2021- 2025 Waiver Opportunities and Process: SAC Members Input and Discussion

- **Care Coordination Workgroup Outcomes**
- **Alternative Funding Mechanisms**
- **Other Waiver Ideas**
- **Stakeholder Process and Timing**

Mari Cantwell, DHCS

Mari Cantwell provided an update on expiring waivers – both the 1115 Medi-Cal and 1915(b) Medi-Cal Specialty Mental Health Services waivers. Jacey Cooper will lead this process going forward. The Care Coordination Workgroup has offered early input to DHCS and discussion is still in planning stages on options and strategies. She does not believe there is a way forward to propose another large 1115 waiver, given budget neutrality and other parameters. There is an important conversation about how to develop a smaller waiver, related to Substance Use Disorder Services (SUDS), Mental Health Institution for Mental Disease (IMD), and Global Payment Program (GPP) for public hospitals. These are all initiatives without budget-neutrality challenges because they are pass-through programs. For 2021, the goal is to achieve standardization across the state and incorporate the programs now in the waiver into core Medi-Cal. Looking farther ahead, we will work with plans on a potential 1915 waiver and work with mental health partners to think together in new ways. There will likely be a public process starting in Fall 2019.

- How do we want Medi-Cal to look over five, ten, and fifteen-year time horizons?
- How would we structure Medi-Cal if we were starting today?
- What financing is needed?
- How can we simplify the program?
- How do we standardize benefits, starting with pharmacy standardization across the state?
- How do we incorporate programs currently in the waiver, such as WPC and PRIME, into managed care Medi-Cal?

Questions and Comments

Michelle Cabrera, SEIU: My question is how we continue this significant funding, in particular for the public health system? Folding behavioral health into the conversation makes sense. On the IMD waiver, if we as a state are not planning broadly for the needs across the system, we could invest in ways that set us back. Do we have a system that meets needs for most vulnerable populations? Do we have a community system as well as inpatient? I am reticent to discuss the inpatient element without a broad framework.

Mari Cantwell, DHCS: I agree that is what we want to do. On IMD, we have a specific issue to handle but I agree we have to develop the full system.

Kim Lewis, National Health Law Program: Yes, we do need a longer-term vision and then figure out how to roll it out and take steps in phases. We have continued programs on the mental health side without the big picture. We need to look at WPC and make it a statewide approach.

Mari Cantwell, DHCS: Yes, that is what we want to do. We need your help and support to have the broad conversation. We need to agree on what we want to achieve and then move to the harder issue of how we pay for it.

Erica Murray, CA Association of Public Hospitals and Health Systems: I appreciate acknowledgement of the improvements in the current waiver and the importance of keeping that transformation going, through a waiver or other mechanism. We have opportunity in directed payments and it demonstrates the public health system willingness to take financing and convert that to improved outcomes. There is an imperative to renew the GPP to continue funding flexibility and we need to ensure that DSH cuts, the primary funding source for GPP, do not take effect. This would result in $300 million loss of funding this year. As payment structures evolve, we need to be sure there are no unintended funding gaps.

Sherreta Lane, District Hospital Leadership Forum: I agree, even though district hospitals were a late entry to the program, it is beginning to show results. We are ready to work on this.

Carrie Gordon, CA Dental Association: We are making strides with the Dental Transformation Initiative (DTI) and I am concerned we address this, as dental is often left out until the end.

Mari Cantwell, DHCS: We want to continue efforts like the DTI as well as take lessons from DTI and move it through a state plan amendment.

Anthony Wright, Health Access CA: I support dental and the integration of mental health, oral health and physical health. The theory of the waiver is: find savings and get the federal share back for other work. Is this effort primarily to improve the program? Are there thoughts about the next ideas for saving money?

Mari Cantwell, DHCS: I don’t see opportunities for additional savings and there is risk to continuing an 1115 waiver if we don’t achieve budget neutrality. I am proposing we continue current funding through other authorities.

Anthony Wright, Health Access CA: On the GPP, what do we need to show to get that renewed?

Mari Cantwell, DHCS: The evaluation is showing a shift and I see no reason why CMS would not want to continue the program. Also, we see other states mirror California's GPP, like New York, Florida, Massachusetts, and Texas. We can't understate the importance of continuing the GPP.

Paul Curtis, CA Council of Community Behavioral Health Agencies: It would be helpful to get out information soon on the stakeholder process. I agree that instead of going forward with pilot programs, it is better to incorporate programs through the core program. We continue to have mental health and substance use siloes and we should address this.

Stephanie Welch, Department of Corrections and Rehabilitation: In various settings, I hear there is work to assess the "ideal system" that is included in a SAMHSA block grant?

Mari Cantwell, DHCS: I don't have that information and will follow up with you.

Stephanie Welch, Department of Corrections and Rehabilitation: We also want to look at ways to use Medi-Cal for incarcerated populations, for example enrolling 30 days pre-release. We want to work with you to improve services and link to post-incarceration services.

Mari Cantwell, DHCS: Yes, the post incarceration transition is very important. WPC pilots are helping us learn about that as we move ahead within federal guidelines.

Kristen Golden Testa, The Children's Partnership/100% Campaign: I do not think we have realized our potential to leverage Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT) federal funding. We could push the limit of what is possible, how to address social determinants of health through the powerful tool of EPSDT. In particular, we should look at a new opportunity through Integrated Care for Kids or something like that structure.

Gary Passmore, CA Congress of Seniors: Overall, the population is fundamentally changing; we will double the senior population in the next 20 years. The undocumented population of seniors has not been addressed and this is the next priority to focus on. There is Medi-Cal funding in Long Term Care (LTC), such as home care, Adult Day Health Care and other programs and we don't talk about those in this setting. Would you consider a separate global budget for all LTC programs? The Governor committed to develop a long-term care plan and we will propose this as part of the plan.

Cathy Senderling, County Welfare Directors Association: We would like to be at the table to ensure county systems understand and shape what is proposed.

Farrah McDaid Ting, California State Association of Counties: I echo comments about the importance of working on the potential loss of federal resources. On mental health financing, we are open to examining this area and simplification. We have struggled with IMD and want to emphasize that CMS says we need more community services as part of this discussion.

Mari Cantwell, DHCS: Yes, the substance use disorders waiver is a good example of that expansion in community systems as part of flexibility.

Anne McLeod, California Hospital Association: I am in full support of colleagues from public hospitals and district hospitals and, regardless of whether it is a waiver, we want to scale some of the initiatives beyond public hospitals and align behavioral and physical health financing.

Brad Gilbert, MD, Inland Empire Health Plan: It's about integration and the ability to deliver a full range of services that MCOs can deliver that are not possible in a FFS system. I agree with standardizing benefits and using integrated structures to deliver care.

Jonathan Sherin, LA Department of Mental Health: LA Board of Supervisors all signed a letter on the IMD exclusion. We don't want to lock people up in psychiatric facilities and need an appropriate continuum of care. We have patients who are very sick and live well and we face a dilemma as to whether they fit medical necessity criteria to remain in our system but will not do well in the mild-moderate system. The continuum of mental health needs to be viewed holistically.

Kim Lewis, National Health Law Program: I support Kristen's interest in all the options, including the Integrated Care for Kids (InCK) Model that puts families at the center of care and is a pot of money we can pursue now.

Mari Cantwell, DHCS: My bias has been not to do lots of small programs, but that structure may be useful and it could be useful to take advantage of multiple financing.

Kristen Golden Testa, The Children's Partnership/100% Campaign: Is there a new timeline for procurement? Is there a stakeholder process planned?

Mari Cantwell, DHCS: We removed the posted timeline to revise it and make it more accurate. The general timeline is for the application to be out next year. There is a longer internal timeline needed than we had previously thought, and we will release the calendar soon. We can take input to the process but will not share out certain things because it is a procurement process.

Maya Altman, Health Plan of San Mateo: There is activity coming out of Capability Maturity Model Integration (CMMI) to bring Medicaid into changes and projects on the Medicare side. I don't know exactly what that means but it could be an opportunity. Has there been discussion with Medicaid directors on this?

Mari Cantwell, DHCS: Not in any specific way beyond information sharing.

Public Charge Regulations and State Response
Mari Cantwell, DHCS

DHCS submitted comments. There is no clarity about implementation implications if the regulations are finalized.

Questions and Comments

Kim Lewis, National Health Law Program: When the rule comes out, legal action is expected to follow. We know it is already having an impact on programs because there are many unknowns and people are fearful to use benefits they are eligible for.

Public Comment

Several advocates requested that the Department seek an 1115 waiver to allow federal funding of IMD services.

Next Steps and Final Comments
Mari Cantwell, DHCS

Thank you for your participation. Please send your comments or ideas for agendas for upcoming meetings. The dates for 2019 are:

- May 23, 2019
- July 10, 2019
- October 29, 2019

The Stakeholder Advisory Committee agenda and meeting materials can be viewed on the DHCS website.