



State of California—Health and Human Services Agency
Department of Health Care Services



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**Department of Health Care Services (DHCS)
Managed Care Advisory Group**
Meeting Notes
March 11, 2021

1. Introductions

Nathan Nau, Chief of the Managed Care Quality & Monitoring Division (MCQMD), called the Managed Care Advisory Group (MCAG) into session and welcomed all of those in attendance on the webinar.

2. DHCS COVID-19 Updates

A. *Encounter Data Trends*

Andrew Wong, Program Data Section Chief, provided an update on encounter data utilization and grievance volume trends.

Outpatient visits and Prescriptions fell to their lowest point in April or May 2020 but have now stabilized at around 900 visits per 1,000 member, about 80% of normal and around 630 prescriptions per 1,000 members, about 90% of normal. Emergency Room (ER) visits fell to their lowest point in April 2020 but rose to 38 visits per 1,000 members in July 2020, around 67% of normal, and show a slight downward trend after July 2020. Mild to Moderate Mental Health visits per 1,000 members appears to be rising slowly; this is in alignment with trends observed in prior years. Inpatient Admission trends remain slightly depressed between in April 2020 and September 2020.

DHCS receives grievance data from managed care plans on a quarterly basis. DHCS is able to stratify this data by grievance type to monitor critical aspects of the Medi-Cal managed care delivery system pertaining to beneficiary experience. To account for changes in the number of beneficiaries receiving care under Medi-Cal managed care between quarters, DHCS measures grievance volumes on a per 10,000 basis. Quality of care grievance volumes remained steady between the third quarter of 2019 and the first quarter of 2020 at around 5.5 grievances per 10,000 beneficiaries, fell during the second quarter of 2020 to 3.9 grievances per 10,000 beneficiaries, and then rose back up to 5.5 grievances per 10,000 beneficiaries in the third quarter of 2020. Accessibility grievance volumes showed a slight downward trend between the second quarter of 2019 and the second quarter of

2020, but then rose sharply in the third quarter of 2020 from 1.9 to 3.9 grievances per 10,000 members. Referral and Benefits grievance volumes have remained relatively steady between the third quarter of 2019 and the third quarter of 2020 at around 1.5 and 0.6 grievance per 10,000 beneficiaries, respectively.

B. Vaccine Distribution

Karen Mark, Medical Director, Office of the Medical Director, provided an update on the Department's efforts regarding COVID-19 Vaccine Distribution. DHCS is seeking federal approval to cover the cost of the vaccine administration for Medi-Cal beneficiaries who are in restricted scope coverage and the COVID-19 Uninsured population. Enrollees of the Family Planning, Access, Care, and Treatment (Family PACT) program are covered per the American Rescue Plan Act. DHCS also seeks federal approval to pay Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Indian Health Services Memorandum of Understanding (IHS-MOU) clinics, for the vaccine administration fee outside of the Prospective Payment System (PPS). DHCS submitted the waiver request to Centers for Medicare & Medicaid Services (CMS) on December 18, 2020.

The state announced a collaboration with Blue Shield to allocate vaccines directly to providers. Blue Shield aims to allocate vaccines directly with providers across California. Blue Shield is working towards developing a statewide, vaccine provider network in collaboration with Kaiser Permanente. DHCS will be transitioning towards this new state lead approach. Providers, who are interested in becoming part of the network, email COVIDVaccineNetwork@BlueshieldCA.com.

Once the provider has signed a contract with Blue Shield, they must enroll in Mycavas at <https://mycavas.cdph.ca.gov> to start the enrollment process to become a COVID-19 vaccine provider.

3. Rate Setting

Jesse Delis, Branch Chief, Capitation Rates Development Division, presented on the fundamentals of Rate Setting in Medi-Cal Managed Care. Managed care plans receive monthly payments referred to as a capitation payments, the capitation payments are paid on a per-member-per-month (PMPM) basis. Actuaries analyze plan-reported base data at the Category of Aid (COA) and categories of service (COS) levels for each county or region a Managed Care Plan covers. After actuarial analysis, including back-and-forth with MCPs, appropriate upward/downward adjustments are applied to develop a reasonable "base" for rate development. Rate setting must follow applicable state and federal regulations and each "rating period" must be approved by CMS. Plan-specific utilization and cost data is leveraged for rate-setting. However, additional claims, Fee-for-Service (FFS) or other pertinent ad hoc data are considered when setting rates.

As of calendar year 2021, DHCS incorporates five efficiency adjustments into managed care rate setting. The efficiency adjustments include, Potentially Preventable Hospital Admissions (PPA), Maximum Allowable Cost (MAC) Pricing, Medicare Part B/D, Low Acuity Non-Emergent (LANE) Services, and Healthcare Common Procedure Coding System (HCPCS). Further adjustments are made for changes in utilization, medical cost inflation (trend), or program changes to recognize the impact of changes that took place during or after the base data period. Supplemental payments and rate add-ons are other components of rate development outside of the base rates.

DHCS' and its actuaries' goals in the rate development process is to ensure rates are reasonable, appropriate, and attainable.

4. Population Health Management

Adrienne McGreevy, Health Program Specialist, Quality & Medical Policy Branch, provided an update on Population Health Management (PHM) and its timeline. PHM requires MCPs to develop and maintain a person-centered PHM program for addressing member health and health-related social needs across the continuum of care. Core program objectives include, assessing member risks and needs on an ongoing basis, mitigating Social Determinants of Health (SDOH) while reducing health disparities, keeping all members healthy by focusing on preventive and wellness services and managing member safety and outcomes during transitions across delivery systems or setting through effective care coordination. The PHM program has specific Operational and Program requirements, some of which include data integration, care management, transitional services, and quality assurance reviews.

In summer 2021, DHCS aims to release SDOH Coding Guidance to MCPs. In fall 2021, DHCS aims to release the PHM Policy Documents for stakeholder review and comment. In spring 2022, the finalized PHM Policy Documents and Readiness Deliverables will be release to the MCPs. In fall 2022, the PHM deliverables will be due from the MCPs. In January 2023, Managed Care PHM implementation complete.

5. Children's Preventative Services Report

Oksana Meyer, External Quality Organization & Utilization Section Chief, provided an update on the 2020 Preventive Services Report (PSR). In 2020, DHCS and its External Quality Review Organization (EQRO) developed an annual Preventive Services Report (PSR) that expands analysis & adds metrics to capture preventive services rendered to children in Medi-Cal. DHCS will be able to identify utilization patterns and implement targeted improvement strategies by assessing the data.

The 2020 PSR uses administrative data due to the impacts of COVID-19. The 2020 PSR contains analysis of 9 indicators, including: Alcohol Use Screening, Blood

Lead Screening, Developmental Screening in the First Three Years of Life, and much more. Regional analysis showed that overall the highest performance was seen in the central Coast Region and San Francisco Bay Area. The lowest performance overall was seen in the more rural counties, in Northern California and the San Joaquin Valley.

Blood lead screening performance is regional. DHCS developed metrics to capture Blood Lead (BL) screening rates with national HEDIS specifications, as well as CA Title 17 with Medi-Cal data. DHCS will continue to request input from stakeholders regarding BL benchmarks and will be releasing guidance documents for stakeholders review. DHCS will continue to engage stakeholders in the development of the 2021 PSR.

6. Health Disparities Report

Priya Motz, Medical Consultant, Quality & Medical Policy Branch, provided an update on the 2019 Health Disparities Report. The purpose of the report is to assess potential differences in health outcomes between groups within a population. There are five reports available [online](#) to view for measurement years 2015-2019.

For calendar year 2019 report, the COVID-19 pandemic affected MCP retrieval of complete medical records and decreased accuracy for hybrid measures. Given the uncertainty and limited hybrid measurement data reporting, DHCS only assessed administration measures for the 2019 Report. DHCS analyzed the 10 administrative Managed Care Accountability Sets (MCAS) measures.

All Race/Ethnicity groups performed higher than the Minimum Performance Levels (MPL) in chlamydia screening. Asthma medication showed a majority of Race/Ethnicity groups below the MPL. Breast cancer screening showed three Race/Ethnicities performing above the MPL while four performed below. Antidepressant Medication Management Effective Acute Phase Treatment as well as Antidepressant Medication Management Effective Continuation Phase Treatment displayed lower rates for Race/Ethnicities than the control group.

7. Asian Disparities Focused Study

DHCS has rescheduled this topic for the June 3, 2021 meeting.

8. Updates

A. Managed Care Project Updates

Due to time, DHCS will be providing the Managed Care project updates in the June 3, 2021 meeting.

B. Ombudsman Report

Due to time, DHCS will be providing any Ombudsman Report updates in the June 3, 2021 meeting. The reports were provided to the advisory group.

C. Network Monitoring 2021

Due to time, DHCS will be providing the Managed Care project updates in the June 3, 2021 meeting.

D. CalAIM

Nathan Nau, Division Chief, provided an update to CalAIM. CalAIM stakeholder review and comment on Enhanced Care Management (ECM) and In Lieu of Services (ILOS) documents that include plan contract language, health plan to provider contract language, model of care documents, and encounter data coding guidance are due March 12.

DHCS will be releasing three different CalAIM focused All Plan Letters (APLs). An APL focused on ECM, an APL focused on ILOS, and a combination APL on benefit standardization and enrollment.

8. All Plan Letters (APLs) and Dual Plan Letters (DPLs) Updates

DHCS provided an updates on APLs. Updates revolved around APL 20-021, APL 20-022, APL 21-001, and APL 21-002.

A list of APLs can be found [online](#) and a list of DPLs can be found [online](#).

9. Next Meeting

The next MCAG meeting is scheduled for Thursday, June 3, 2021. To request future agenda items or topics for discussion, please submit them to advisorygroup@dhcs.ca.gov.