



Department of Health Care Services
MEMORANDUM

DATE: April 13, 2021

TO: Managed Care Counties and Interested Parties considering participating in the upcoming MCP Procurement

FROM: Will Lightbourne
Director, Department of Health Care Services

SUBJECT: Managed Care Plan (MCP) Procurement – County Letter of Support

Purpose

This memorandum is to communicate the optional County Letter of Support requirements for potential Proposers to include as part of their managed care plan (MCP) Request for Proposal (RFP) submission. The County Letter of Support serves to demonstrate the county's support for the potential Proposer. Although the County Letter of Support is an optional component in the RFP, the Department of Health Care Services (DHCS) will account for County Letters of Support in the RFP evaluation scoring. DHCS will still evaluate the RFP submission even if a County Letter of Support is not provided. County Letters of Support are only applicable for counties where DHCS is procuring more than one commercial plan. Therefore, County Letters of Support are not applicable for County Organized Health Systems (COHS) plans or Two Plan MCP model type counties.

Background

MCP Procurement Process and Timeline

DHCS is currently preparing for the release of a draft RFP to procure commercial health plans in the following MCP model types: Two-Plan, Geographic Managed Care, Regional, Imperial, and San Benito. DHCS is not procuring County Organized Health Systems (COHS) plans or Local Initiative Plans in Two Plan counties as part of this RFP.

DHCS intends to release the draft RFP for stakeholder feedback in Spring 2021 and the final RFP in late 2021. Contract awards are anticipated in mid-2022 and MCP operational readiness activities will start shortly thereafter. Once MCPs have successfully demonstrated operational readiness, operations will begin on January 1, 2024. More information on the RFP timeline is available on the DHCS [website](#).

Plan Model Change

In 2020 and 2021, DHCS provided technical assistance to counties regarding their option to change their Medi-Cal managed care model type to include a local plan (either a Two-Plan or COHS). For counties to participate in the model change process, DHCS required that they

submit either a preliminary letter of interest or a full letter of intent by March 31, 2021. DHCS allowed an extension to submit the full letter of intent by April 30, 2021 but still required a preliminary letter of interest by March 31.

To proceed with the model change, counties must submit to DHCS an executed county ordinance to formalize the choice to change their Medi-Cal managed care model by October 1, 2021. After October, DHCS will finalize the plan procurement RFP to determine the number of commercial plans DHCS will procure in each county. Counties that do not submit the letter of intent by April 30, 2021 and county ordinance by October 1, 2021 are precluded from changing their model type for the current procurement, which is effective on January 1, 2024 and will therefore be applicable to the County Letter of Support process.

The counties below submitted the preliminary letter of interest or full letter of intent, which indicates the model choice and the local plan that the county is pursuing.

Single Counties

1. Alameda County: COHS with Alameda Alliance
2. Contra Costa County: COHS with Contra Costa Health Plan
3. Imperial County: COHS with California Health and Wellness

COHS with Central California Alliance for Health

1. Mariposa County
2. San Benito County

COHS with Partnership Health Plan

1. Colusa, Nevada, Plumas, Placer, Butte, Tehama, Glenn, and Sierra Counties
(These counties submitted the full Letter of Intent)
2. Yuba and Sutter Counties

Two-Plan with Health Plan of San Joaquin

1. El Dorado County
2. Calaveras County
3. Alpine County

DHCS will provide another update to stakeholders after the April 30 deadline of the counties that submitted a full letter of intent.

Applicable Managed Care Plan Counties and Plan Model

The County Letter of Support applies to health plans participating in the RFP process, where more than one commercial plan is being procured. Therefore, County Letters of Support are not applicable for COHS or Two Plan MCP model types. The chart below lists the current counties that would be eligible to submit County Letters of Support for the upcoming procurement. This list takes into account the counties who have submitted a letter of interest/intent to propose a model change.

County	Model Type
Amador	Regional Model
Inyo	Regional Model

Mono	Regional Model
Sacramento	GMC
San Diego	GMC
Tuolumne	Regional Model

County Letter of Support

The potential Proposer may obtain a County Letter of Support from one or more of the counties and submit to DHCS as part of its RFP submission. The County Letter of Support is **not** an RFP requirement. However, it will be taken into account in the RFP evaluation scoring. DHCS will still evaluate the RFP submission even if a County Letter of Support is not provided.

A county can provide a Letter of Support to one or more potential proposers. Conversely, a county can opt not to provide any Letters of Support to any potential Proposers. Please note DHCS has no jurisdiction to oversee county decisions regarding the issuance of a County Letter of Support, consequently, any and all disputes pertaining to obtaining a Letter of Support should be addressed exclusively between the MCP and County prior to proposal submission.

Process and Letter Requirements

The County will determine the stipulations and process for obtaining the County Letter of Support and is responsible for communicating these requirements to potential Proposers no later than June 1, 2021. Possible items for the county to include in the communication to the MCPs include but are not limited to: key milestone and dates associated with Letter of Support process, how the county will communicate the process to interested parties intending to submit a proposal in response to the MCP RFP, how the interested party will request a county Letter of Support, how the county will determine whether to provide a Letter of Support, conditions under which the county will not provide a Letter of Support, how the county will communicate the response to interested parties, and county point of contact for additional questions or information.

The County Letter of Support must be on County letterhead and include:

1. The potential Proposer's name
2. A statement that the county has reviewed, vetted, and endorses the Proposer within the named county.
3. A statement by the Board of Supervisors certifying that the Letter of Support from the County was not obtained through any effort by any individual or entity through inappropriate means or lobbying of the board or its members, such as promises of compensation or favors in exchange for such Letter of Support. For purposes of this certification, lobbying does not include the Proposer's act of providing documentation establishing its qualifications nor Proposer's request that the County Board of Supervisors provide a Letter of Support.
4. Date
5. Board of Supervisor's signature

Key Milestones, Dates and Responsible Entities

Responsible Entity	Key Milestone	Date
DHCS	Letter of Support Memorandum released	April 13, 2021
DHCS	Letter of Intent due to DHCS for any counties/MCPs requesting to change the Plan Model type currently operating in the county	April 30, 2021
DHCS	Draft RFP released	Spring 2021
DHCS	Draft RFP stakeholder feedback due	30 days from release of Draft RFP
County	Inform health plans of Letter of Support process and timeline	No later than June 1, 2021
DHCS	Final RFP released	Late 2021
DHCS	Proposals due	60 days following release of Final RFP
DHCS	Health Plan Operational Readiness Process	2022-2023
DHCS	Contract Implementation	January 1, 2024

Please email questions related to this memo to CSBRFP8@dhcs.ca.gov.