



Stakeholder Communication Update

June 2020

The [Department of Health Care Services](#) (DHCS) is pleased to share this bimonthly update of important events and actions at the Department. If you are not a subscriber and would like to receive these updates, please sign up on the DHCS [website](#). Check out the [Calendar of Events](#) for specific meetings and events, or visit the [Stakeholder Engagement Directory](#) for listings by program. You also can view our [State Plan Amendments \(SPA\)](#), and find the most [recent data](#) on Medi-Cal enrollment. For questions or suggestions, contact us at DHCSPress@dhcs.ca.gov. Be sure to follow DHCS on social media, too. Thanks.



Contents

Department Updates

[DHCS Leadership Transition](#)
[Governor's May Revision](#)
[Beneficiary Outreach Letter](#)
[COVID-19 Update](#)
[Medi-Nurse Advice Line](#)

Program Updates

[1915\(b\) Specialty Mental Health Services Waiver Extension Request](#)
[DMC-ODS Update](#)
[Implementation of Three New PACE Organizations](#)
[Medi-Cal Rx](#)
[Newborn Hearing Screening Program \(NHSP\) Hearing Coordination Centers \(HCC\)](#)
[Nonmedical Transportation \(NMT\)](#)
[Outpatient Prescription Drug Rule – Blood Factor Reimbursement](#)

Stakeholder Meetings and Webinars

[Behavioral Health Stakeholder Advisory Committee \(BH-SAC\) and Stakeholder Advisory Committee \(SAC\) Meetings](#)
[California Children's Services \(CCS\) Advisory Group \(AG\) Meeting](#)
[Foster Care Model of Care Workgroup](#)

[Managed Care Advisory Group \(MCAG\) Meeting](#)
[Medi-Cal Children's Health Advisory Panel \(MCHAP\) Meeting](#)
[Medi-Cal Consumer Focused Stakeholder Workgroup \(CFSW\) Meeting](#)
[Medi-Cal for Students Workgroup](#)
[Medi-Cal Rx Advisory Workgroup](#)
[Medi-Cal Rx Public Forums](#)

Department Updates

DHCS Leadership Transition

Bradley P. Gilbert, MD, MPP, announced that he will retire from his role as Director of DHCS effective June 12, 2020. Dr. Gilbert had previously retired as chief executive officer from the Inland Empire Health Plan, where he helped build the managed care plan from its earliest days. He came back to work and relocated to Sacramento after Governor Gavin Newsom announced his appointment on January 30, 2020, to lead DHCS.

“After much thought, I have decided to really retire and rejoin my family in Southern California,” he said in a message to employees. “Although I have been your Director for only a few months, it has been a privilege to have worked with so many dedicated public servants.” He praised the efforts throughout DHCS to meet the challenges of the COVID-19 public health emergency and its economic effects on the people of California and the state budget.

The Administration and Department leadership are working on a plan to ensure that DHCS will continue to meet the health care needs of Californians through the transition.

Governor's May Revision

The state of California is facing a severe budget shortfall due to the economic disruptions caused by the COVID-19 public health emergency and recession. Given the size and scope of the shortfall, increasing caseload, and the need to put forward a balanced budget, the Governor's May Revision proposes extremely difficult budget reductions, constrained by a number of federal and state requirements. DHCS projects the average monthly Medi-Cal caseload for the budget year to be approximately 14.2 million, a 9.2 percent increase over the revised current year forecast. Total DHCS spending is estimated to be \$106.6 billion (\$23.7 billion General Fund) in FY 2019-20 and \$115.7 billion (\$23.7 billion General Fund) in FY 2020-21.

The May Revision includes program impacts due to the COVID-19 emergency and various budget reductions in response to the estimated budget shortfall. Such reductions include reverting funding from various augmentations that were included in the 2019 Budget Act and January Governor's Budget. Additionally, DHCS proposed to eliminate various Proposition 56 supplemental payments and programs as well as various rate reductions and program efficiencies, such as reducing managed care capitation rates and freezing Medi-Cal county administration cost of doing business increases.

[Back to Top](#)

The May Revision also proposes the elimination of various adult optional benefits, including dental (reducing to the partial restoration levels of 2014); audiology; speech therapy; optometric and optician/optical lab; podiatry; incontinence cream and washes; acupuncture; nurse anesthetist; occupational therapy; physical therapy; pharmacist-delivered services; screening, brief intervention, and referral to treatments for opioids and other drugs; the Diabetes Prevention Program; and Community-Based Adult Services and the Multipurpose Senior Services Program.

Please click [here](#) for the complete DHCS May Revision highlights and [here](#) for the Medi-Cal May 2020 local assistance estimate.

Beneficiary Outreach Letter

The Department of Health Care Services (DHCS) is closely monitoring the COVID-19 public health emergency. DHCS prepared and posted on its website a [beneficiary letter](#) and frequently asked questions (FAQ) to address concerns Medi-Cal beneficiaries may have about their coverage. On June 3, DHCS began mailing the letter to all Medi-Cal households. The letter will be translated in 17 Medi-Cal threshold languages. The letter and FAQ include information related to eligibility, benefits, COVID-19 testing, and resources, such as where to obtain mental health services and what to expect during a telehealth appointment.

COVID-19 Update

The COVID-19 public health crisis and the federal and state declarations of emergency triggered the availability of Medicaid flexibilities. Additionally, the President signed major federal legislation, including the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act that provide increased federal funding in Medicaid and create new options for states to address the COVID-19 emergency.

The federal Centers for Medicare & Medicaid Services (CMS) granted [approval](#) of DHCS' request for multiple Section 1135 flexibilities related to Medicaid and the Children's Health Insurance Program (CHIP). To the extent applicable, the following modifications also apply to CHIP through the duration of the public health emergency:

- Temporarily suspending Medi-Cal fee-for-service prior authorization requirements.
- Extending pre-existing authorizations for which a beneficiary has previously received prior authorization through the end of the public health emergency.
- Modifying the timeframe for managed care entities to resolve appeals.
- Modifying the timeframe for enrollees to exercise their appeal rights to allow an additional 120 days to request a fair hearing when the initial 120th day deadline for an enrollee occurred during the period of this waiver.
- Authorizing DHCS to provisionally, temporarily enroll providers who are enrolled with another state Medicaid agency or Medicare for the duration of the public health emergency.

[Back to Top](#)

- Provision of services in an alternative care setting.
- Services to be provided in settings that have not been determined to meet the home- and community-based settings (HCBS) criteria.
- Temporarily waiving written consent under HCBS programs and permitting documented verbal consent as an alternative.

On May 13, CMS approved California's State Plan Amendment (SPA) [20-0024](#), retroactive to March 1, 2020. Disaster Relief SPA modifications include, but are not limited to:

- Expanding presumptive eligibility (PE) to cover the uninsured.
- Expanding Hospital PE to a new coverage group of individuals who are 65 or older and whose income is below 138 percent of the federal poverty level.
- Allowing Hospital PE for certain eligibility groups for two PE periods within a 12-month period.
- Expanding the use of certain home health benefits.
- Allowing expanded use of telehealth for certain services that previously required a face-to-face visit.
- Removing certain limits on the number of prescriptions allowed and extending the maximum allowed length of prescriptions.
- Increasing certain laboratory rates for COVID-19 testing to equal the Medicare rate and increasing rates for skilled nursing facilities and intermediate care facilities for the developmentally disabled.
- Removing or modifying face-to-face requirements to allow expanded telehealth services at rural and Indian health centers and federally qualified health centers.
- Allowing paid sick leave for In-Home Supportive Services and Waiver Personal Care Service workers.
- Waiving the county interim rate setting methodology for Specialty Mental Health Services, the Drug Medi-Cal-Organized Delivery System (DMC-ODS), and Statewide Maximum Allowance (SMA) rate limitation for DMC.

On April 2, 2020, CMS approved all five HCBS Appendix K Waivers submitted by DHCS. Requests include waivers for telephonic or telehealth services, assessment for case/care managers or level of care reassessments, as well as administrative flexibilities.

Also, DHCS announced that it will begin development of a potential new "Long-Term Care at Home" benefit in Medi-Cal. This new model of care is intended to help address the COVID-19 emergency and provide eligible consumers with a coordinated and bundled set of home and community services to help vulnerable adults statewide stay healthy at home. The benefit will be offered through the Medi-Cal managed care and fee-for-service delivery systems. DHCS will develop this model in coordination with the Master Plan for Aging Stakeholder Advisory Committee, as well as partner departments within the Administration, including the Departments of Social Services, Aging, Public Health, Developmental Services, and Rehabilitation. DHCS will seek approval from CMS for this benefit, and intends to implement this model by early 2021. More information about the Long-Term Care at Home benefit will be available on the DHCS [website](#).

On April 20, 2020, DHCS was approved for the Substance Abuse and Mental Health Services Administration (SAMHSA) Crisis Counseling Assistance and Training Program (CCP)-Immediate Services Program (ISP). The ISP program supports a website (<https://calhope.dhcs.ca.gov>) that offers resources for emotional support and crisis counseling (833-317-HOPE (4673)), a COVID-19 peer-run warm line by the Mental Health Association of San Francisco, and a media campaign that includes television, social media, and postcards. On May 21, 2020, DHCS submitted a CCP-Regular Services Program (CCP-RSP) grant application to expand the ISP program and have it continue for an additional nine months. It is planned to support crisis counseling services focused on high-risk populations. DHCS will work in collaboration with the California Mental Health Services Authority and the County Behavioral Health Directors Association of California to design and implement the proposal. The CCP-RSP program will be designed to provide virtual crisis counseling in order to strengthen existing community support systems and help survivors understand their reactions to the current situation, reduce stress, provide emotional support, and connect survivors with other people and agencies who can help in the recovery process.

On April 23, 2020, Governor Newsom signed Executive Order [N-55-20](#) to give Medi-Cal providers and DHCS flexibility with state law. Flexibilities include, but are not limited to:

- Extending time limitations for administrative hearings and issuance of final decisions related to administration or services.
- Allowing California Children's Services (CCS) fair hearings by phone or video conference and allowing CCS Medical Therapy Programs to operate in non-school settings.
- Waiving signature requirements for deliveries of certain Medi-Cal covered drugs.
- Authorizing substance use disorder residential treatment facilities to operate beyond the limitations of license for the purpose of ensuring sufficient bed capacity.
- Allowing DHCS and managed care plans to delay or suspend annual medical audits, surveys of physician offices, facility site reviews, plan and county data collection from providers, and similar audit or review activities.
- Extending timeframes for managed care plans to conduct beneficiary risk assessments.
- Extending the deadline for fee-for-service providers to submit information required for a Medical Exemption Request.
- Permitting DHCS to reimburse county behavioral health departments administrative costs up to 30 percent of the total actual cost of directed client services.
- Waiving state law, to the extent necessary, to implement any waiver of applicable federal law.

On April 3, 2020, DHCS submitted an 1115 waiver request to CMS. Requests include:

- Reimbursing for COVID-19 testing and treatment inside jails and prisons for Medi-Cal-eligible inmates.
- Waiving the 16-bed limitation application to certain Institutions for Mental Diseases.
- Extending coverage of COVID-19 treatment to the optional uninsured category at the 100 percent Federal Medical Assistance Percentage rate.
- Deeming any COVID-19 testing and treatment provided to Medi-Cal beneficiaries in appropriate care settings outside of hospital emergency rooms as “emergency services.”
- Reimbursing for temporary, emergency housing within the Whole Person Care pilot.
- Waiving certain utilization limits to the residential treatment benefit in DMC-ODS pilots.
- Reimbursing for retainer payments in specific HCBS programs.
- Waiving the interim rate setting methodology for DMC-ODS pilots to provide temporary reimbursement.
- Authorizing DHCS and managed care plans, as applicable, to make adjustments to incentive payments for the Public Hospital Redesign and Incentives in Medi-Cal program and Quality Incentive Pool.

Additional updates will be posted to the [DHCS COVID-19 resource page](#).

Medi-Nurse Advice Line

On May 4, 2020, DHCS launched the Medi-Nurse advice line, in partnership with its contracted vendor. Available 24 hours per day, 7 days per week, the Medi-Nurse line helps Medi-Cal fee-for-service (FFS) beneficiaries without a regular doctor and uninsured Californians navigate health care resources related to COVID-19 symptoms, testing, and/or treatment. Medi-Nurse provides services in the 17 Medi-Cal threshold languages. DHCS has processes in place to allow callers to access interpreters, as needed. For questions about COVID-19 symptoms, testing, and/or treatment, eligible Californians can access the Medi-Nurse line by calling DHCS’ customer service toll-free number at (877) 409-9052.

The Medi-Nurse staff will help callers understand if their symptoms might be COVID-19 related and if they need to self-isolate and employ home self-care techniques, or whether their individual symptoms necessitate seeing a health care practitioner to get COVID-19 testing and/or treatment. In addition, the Medi-Nurse staff can also provide callers with information in their geographical area, including contact information for county offices or other nearby resources, such as a doctor for testing/treatment or locations where they can apply for health coverage. For more information, please visit the DHCS [website](#).

[Back to Top](#)

Program Updates

1915(b) Specialty Mental Health Services Waiver Extension Request

On May 8, 2020, DHCS formally requested an 18-month extension of the state's current Medi-Cal Specialty Mental Health Services (SMHS) Waiver authorized under Section 1915(b) of the Social Security Act. As originally approved by CMS, this 1915(b) waiver is set to expire on June 30, 2020. DHCS requested CMS' approval to extend the term of the waiver through December 31, 2021, to coincide with DHCS' extension request for California's Section 1115(a) Demonstration, entitled "Medi-Cal 2020."

On June 2, 2020, DHCS received a response from CMS approving a six-month extension to December 31, 2020, acknowledging the need for an additional extension request due to the delay of California Advancing and Innovating Medi-Cal (CalAIM) that resulted from the COVID-19 public health emergency. DHCS had a corresponding call with CMS, and they assured the Department of their commitment to work with us on the alignment of the further extension of the 1915(b) SMHS waiver and the 1115(a) waiver. Please direct any questions to DHCS at CountySupport@dhcs.ca.gov.

DMC-ODS Update

DHCS will host a DMC-ODS provider requirement training in the first week of June, where the Provider Enrollment Division, Behavioral Health Licensing and Certification Division, and Medi-Cal Behavioral Health Division will each present information on the various requirements necessary for each provider type.

As of May 1, 2020, 30 counties were approved to deliver DMC-ODS services, representing 94 percent of the Medi-Cal population. In addition, there are seven counties continuing to work with a managed care health plan to implement a regional model with a targeted implementation date of July 1, 2020. DHCS' contracted External Quality Review Organization (EQRO) posted FY 2019-20 [reports](#) for Placer and Ventura counties. The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria for substance use disorder treatment services. ASAM designations continue to be processed for licensed residential alcohol and other drug program providers. DHCS has issued 901 designations to alcohol and drug treatment providers in California. Of these providers, 638 are actively providing DMC-ODS services. More information about DMC-ODS is posted on the DHCS [website](#).

Implementation of Three New PACE Organizations

Effective July 1, 2020, DHCS will add three new Program of All-Inclusive Care for the Elderly (PACE) organizations to join the PACE organizations operating in the state. InnovAge PACE – Sacramento will provide services in approved zip codes in Sacramento, El Dorado, Placer, San Joaquin, Sutter, and Yuba counties. Central Valley PACE will provide services in approved zip codes in San Joaquin and Stanislaus counties. Sequoia PACE will provide services in approved zip codes in Fresno, Kings, Tulare, and Madera counties.

[Back to Top](#)

The PACE model of care provides a comprehensive medical/social service delivery system utilizing an interdisciplinary team approach. Eligibility criteria include being age 55 or older, residing in a PACE service area, having a nursing home level of care determination, and having the ability to live safely in the home or community at the time of enrollment. The continued growth of the PACE program has allowed for new PACE organizations to enter the California market and provide care to California's frail and elderly population. More information is available on the DHCS [website](#).

Medi-Cal Rx

DHCS continues implementation activities per Governor's Executive Order [N-01-19](#), which, in part, requires DHCS to transition pharmacy services from Medi-Cal managed care to FFS by January 1, 2021. Since December 20, 2019, DHCS has worked in close partnership with its contracted vendor to gather and validate system requirements. In addition, DHCS and its contractor continue to work on system configuration, and will soon begin the first stage of testing toward a successful assumption of operations on January 1, 2021. For general project questions and/or comments, please visit the DHCS [website](#) or email RxCarveOut@dhcs.ca.gov. In addition, DHCS encourages stakeholders to review the Medi-Cal Rx [Frequently Asked Questions \(FAQ\) document](#).

Newborn Hearing Screening Program (NHSP) Hearing Coordination Centers (HCC)

On May 2, 2020, DHCS posted a Notice of Intent to Award Natus Medical Incorporated the NHSP HCC Request for Proposal. DHCS received one proposal from Natus Medical, which is the current contractor providing NHSP services for DHCS. The proposed contract term is from June 1, 2020, through June 30, 2024, and the contracted budget is \$20,999,786. The purpose of the contract is to provide DHCS a NHSP contractor that is able to identify infants with a hearing loss prior to 3 months of age. The NHSP contractor identifies hearing loss in newborns and infants and, when hearing loss is detected, refers families to the appropriate services needed to mediate hearing loss and/or develop communication skills. More information is available on the DHCS [website](#).

Nonmedical Transportation (NMT)

As of May 26, 2020, DHCS received 388 applications from transportation companies requesting to enroll as NMT providers in FFS Medi-Cal. Of the total, DHCS has approved 63 applications. A list of the approved NMT providers is posted on the DHCS [website](#), and is updated monthly as additional providers are approved. DHCS will continue to assist FFS Medi-Cal beneficiaries with NMT requests if there is no approved NMT provider in their area. Beneficiaries or their designees may email DHCS-Benefits@dhcs.ca.gov to request transportation assistance. Requests should be sent at least five business days in advance of the appointment if their provider is unable to arrange NMT or if they have exhausted all other transportation options. Beneficiaries should not include personal information in their first email; DHCS staff will reply with a secure email asking for their appointment information.

Outpatient Prescription Drug Rule – Blood Factor Reimbursement

Effective July 1, 2020, DHCS will implement its new methodology for blood factor reimbursement for Hemophilia Treatment Centers (HTCs) and non-HTC specialty pharmacies. This new reimbursement methodology was approved via [SPA 19-0015](#). Prior to the SPA submission for federal approval, DHCS engaged extensively with stakeholders regarding the reimbursement methodology for both HTCs and non-HTCs.

Stakeholder Meetings and Webinars

Behavioral Health Stakeholder Advisory Committee (BH-SAC) and Stakeholder Advisory Committee (SAC) Meetings

On May 27, 2020, DHCS hosted the BH-SAC and SAC meetings jointly as a conference call. This call provided updates on COVID-19, the Section 1115, 1915(b), and 1135 waivers and CMS status, and an update on the Governor's May Revision to the 2020-21 budget. The next meetings are scheduled for July 16, 2020, and will be held via webinar. To view meeting information and materials, please visit the [BH-SAC](#) and [SAC](#) webpages.

California Children's Services (CCS) Advisory Group (AG) Meeting

On April 15, 2020, DHCS held the second quarterly CCS AG meeting. Agenda topics included a focused discussion regarding COVID-19 and a brief update on Medi-Cal Rx. Since April's meeting, DHCS has published guidance for the [CCS Program](#) and updated [Medical Therapy Program](#) guidance related to the COVID-19 emergency. The guidance includes, but is not limited to, the provision of CCS services via telehealth, CCS Medical Therapy Unit services, and prior authorization flexibilities. Visit the [DHCS' COVID-19 Response](#) website for the additional guidance. The next CCS AG meeting is scheduled for July 8, 2020. To view CCS AG meeting agendas, presentations, webinars, and meeting materials, please visit the DHCS [website](#).

Foster Care Model of Care Workgroup

The inaugural Foster Care Model of Care [Workgroup](#) meeting is scheduled for June 26, 2020. This workgroup is part of DHCS' CalAIM initiative, and is hosted in partnership with the California Department of Social Services (CDSS). The intent of the workgroup is to create a long-term plan for how children and youth in foster care receive health care services (physical health, mental health, substance use disorder treatment, social services, and oral health) and serve as a venue for stakeholders to provide feedback on ways to improve the current system of care for children and youth in foster care. The workgroup also will determine if a new system of care should be developed and, if so, how it would be established.

DHCS and CDSS announced the workgroup membership on May 15, 2020, and the roster can be found on the DHCS [website](#). Information on meeting dates is listed on the DHCS [website](#). For questions and/or concerns about this workgroup, please email CalAIMFoster@dhcs.ca.gov.

[Back to Top](#)

Managed Care Advisory Group (MCAG) Meeting

DHCS will hold the next MCAG meeting on June 4, 2020, via webinar. On March 12, 2020, DHCS held a MCAG meeting and provided updates on the Preventative Care Outreach Campaign, Preventative Services Utilization Report, quality updates pertaining to Population Needs Assessment (PNA) and the well-child visits quality measure, and results of the 2019 Network Adequacy Certification. Additionally, DHCS reviewed recently published All Plan Letters (APL) and Dual Plan Letters posted on the DHCS [website](#). The purpose of the MCAG is to provide stakeholders a public forum to advise DHCS on the performance of the Medi-Cal managed care health system. Meetings are held quarterly, and membership and meeting information is available on the DHCS website. To view meeting information and materials, or to sign up for announcements and future meeting information, please visit the DHCS [website](#).

Medi-Cal Children’s Health Advisory Panel (MCHAP) Meeting

The next MCHAP meeting is scheduled for June 5, 2020, via webinar. Expected meeting topics include a discussion of the Governor’s May Revision to the 2020-21 budget and COVID-19 updates. The MCHAP is a 15-member independent statewide advisory body that advises DHCS on matters relevant to children enrolled in Medi-Cal. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).

Medi-Cal Consumer Focused Stakeholder Workgroup (CFSW) Meeting

The next CFSW meeting is scheduled via conference call for June 5, 2020, from 10 a.m. to Noon. The purpose of the CFSW is to provide stakeholders an opportunity to review and provide feedback on a variety of consumer messaging materials. The forum focuses on eligibility- and enrollment-related activities and strives to offer an open discussion on Medi-Cal policies and functionality. Additional stakeholder information is available on the DHCS [website](#).

Medi-Cal for Students Workgroup

Per [Senate Bill 75](#) (Chapter 51, Statutes of 2019), the California Department of Education (CDE) and DHCS are jointly convening a workgroup that includes representatives from local educational agencies (LEAs), county agencies, nonprofit organizations, and other stakeholders to improve the coordination and expansion of access to available federal funds through the LEA Medi-Cal Billing Option Program (BOP), School-Based Medi-Cal Administrative Activities (SMAA) program, and medically necessary federal Early and Periodic Screening, Diagnostic, and Treatment benefits. The workgroup will provide the chairs of the relevant policy committees and budget subcommittees of the Legislature and the Department of Finance with recommendations for program requirements and support services needed to ensure ease of use and access for LEAs and parity of eligible services throughout the state. CDE and DHCS held workgroup meetings on February 25, 2020, and May 28–29, 2020. More information regarding this stakeholder workgroup is available on the SB 75 Medi-Cal for Students [website](#). For questions or comments, please email SMAA@dhcs.ca.gov.

[Back to Top](#)

Medi-Cal Rx Advisory Workgroup

On May 26, 2020, DHCS held the third of seven sessions of the Medi-Cal Rx Advisory Workgroup. These sessions are intended to help facilitate and further inform DHCS' ongoing efforts to implement pharmacy services improvements through the Medi-Cal Rx initiative. The workgroup is composed of such organizations and entities as hospitals, clinics, health plans, counties, pharmacies, tribal health programs, and consumer advocates. The next session is scheduled for July 29, 2020. For more information, please visit the DHCS [website](#).

Medi-Cal Rx Public Forums

The next Medi-Cal Rx public forum will be held via webinar on June 17, 2020. These forums are intended to help ensure that the broader stakeholder community is kept up to date about Medi-Cal Rx implementation activities and timelines. Information on how to join the webinar will be provided on the DHCS [website](#) closer to the meeting date. For questions or comments relating to Medi-Cal Rx, please email RxCarveOut@dhcs.ca.gov.