Stakeholder Communication Update
June 2019

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.

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Department Updates

Governor's May Revision

Medi-Cal is projected to cover approximately 13 million Californians in fiscal year (FY) 2019-20. Total Department of Health Care Services (DHCS) spending is estimated to be $107.7 billion ($23.4 billion General Fund) in FY 2018-19, and $106.3 billion ($23.6 billion General Fund) in FY 2019-20. The May Revision includes:

- Proposition 56 and federal investments for supplemental provider payments totaling $2.2 billion in FY 2019-20;
- $96.1 million ($72.4 million General Fund) to expand full-scope Medi-Cal coverage to eligible young adults ages 19 through 25 regardless of immigration status, starting no sooner than January 1, 2020;
- the transition of pharmacy services from Medi-Cal managed care to a fee-for-service (FFS) benefit, with estimated savings reaching $393 million General Fund by FY 2022-23;
- a one-time $20 million allocation from the Mental Health Services Fund for counties that do not currently participate in the Whole Person Care pilots, so counties can develop and implement programs focused on coordinating health, behavioral health, and critical social services, such as housing;
- $3.6 million from the Mental Health Services Fund over the next three FYs (2019-2022) for the California Peer-Run Warm Line to support phone and instant messaging to callers across California using peer counselors with lived experience of mental health challenges; and

- Proposition 64 spending totaling $119 million from the Youth Education, Prevention, Early Intervention, and Treatment Account for competitive grants to develop and implement new youth programs in the areas of education, prevention, and early intervention of substance use disorders.

Please click here for the complete DHCS May Revision highlights and here for the Medi-Cal May 2019 local assistance estimate.

Program Updates

Assembly Bill (AB) 635 Medical Interpretation Services

AB 635 (Chapter 600, Statutes of 2016) requires DHCS to work with stakeholders to conduct a study to identify current requirements for medical interpretation services, including education, training, and licensure. The study will also analyze other Medicaid programs and make recommendations on strategies. The recommendations from the study may also be used to create a pilot project in up to four locations, subject to available time and funding, regarding the provision of medical interpretation services for Medi-Cal beneficiaries who are limited English proficient. As part of this effort, DHCS released a survey to providers, counties, and health insurers to assess the planning, execution, and funding mechanisms for medical interpreting services as an activity to inform the study results. The survey results will be published in the final study, which is expected to be released in October 2019. For questions about AB 635, the study, and/or the survey, please email DHCSAB635Med@dhcs.ca.gov.

Dental Transformation Initiative (DTI)

DTI Domains	Payments To Date
Domain 1 - Preventive Care	$98.9 million
Domain 2 - Caries Risk Assessment	$9.1 million
Domain 3 - Continuity of Care	$21 million
Domain 4 - Local Dental Pilot Projects (LDPP)	$18.5 million

Total	$147.5 million

DHCS approved the revised Domain 1 re-baseline methodology in April and will release the provider re-baseline notification letters and January 2019 payments during the first two weeks of June. Domain 2 continues to see a large number of providers opting in to participate from expansion counties. The current weekly average is approximately 50 providers. DHCS will issue the third annual Domain 3 incentive payment at the end of June. Fact sheets for all DTI domains are available on the DHCS website.

As of May 31, 2019, DHCS visited several LDPPs participating in Domain 4 to observe the administrative and clinical initiatives and innovations in action and to identify best practices for the state. LDPP visits will continue throughout 2019. Bimonthly teleconferences with all LDPPs continue as an opportunity to educate, provide technical assistance, offer support, and address concerns as well as share best practices and lessons learned.

Diabetes Prevention Program (DPP)

In March 2019, DHCS began working to secure a contracted vendor to translate the Centers for Disease Control and Prevention (CDC)-approved DPP curriculum into DHCS' 16 required threshold languages. Once finalized, DHCS will publish the translated materials on the DHCS website. For additional information about other DPP-translated materials, see the National Association of Chronic Disease Directors' National DPP Coverage Toolkit, which includes the National DPP Curriculum and its various translations. Please direct questions about curriculum modifications or translations to the CDC at dprpAsk@cdc.gov. In April 2019, DHCS completed the billing and enrollment system edits required to enable potential DPP providers to enroll in Medi-Cal. The DPP Provider Manual sections will be published no later than July 2019. For questions or comments about DHCS' DPP in Medi-Cal, please email DHCSDPP@dhcs.ca.gov.

Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver

As of June 1, 2019, 27 counties were approved to deliver DMC-ODS services, representing 88 percent of the Medi-Cal population statewide. There are 13 additional counties in various phases of implementation. The California External Quality Review Organization posted the external quality review (EQR) report for San Luis Obispo and Marin counties on its website and completed an EQR for Napa and Santa Cruz 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 a total of 832 designations to alcohol and drug treatment providers in California. More information about the DMC-ODS is available on the DHCS [website](#).

Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Services Benefit

DHCS is developing, clarifying, and expanding information regarding the federal EPSDT benefit. Activities include increasing the amount of EPSDT information available on the DHCS [website](#); providing a more detailed description of EPSDT services in beneficiary documentation; writing a new EPSDT-focused section in the Medi-Cal provider manual; and drafting language to update the California Code of Regulations in Titles 9, 17, and 22 to correct inaccurate EPSDT language. Some of these activities will be completed soon, such as posting more information online, distributing the Spanish translation of the [myMedi-Cal](#) handbook, and publishing the EPSDT section of the provider manual. Other activities, such as regulations amendments, are underway, but will take longer to complete. The updates are being made to comply with Senate Bill 1287 (Chapter 855, Statutes of 2018). For questions or comments, please email [DHCS-Benefits@dhcs.ca.gov.](#)

Home- and Community-Based Alternatives (HCBA) Waiver

DHCS is preparing an amendment to the HCBA waiver to incorporate the prioritization of enrollment for youth under the age of 21. DHCS is targeting July 2019 to release the amendment for public comment. DHCS is planning to submit the final HCBA waiver amendment to the Centers for Medicare & Medicaid Services (CMS) in September 2019. For more information about the HCBA waiver, please visit the DHCS [website](#).

Hospital Quality Assurance Fee (HQAF) Program

DHCS is preparing for the sixth iteration of the HQAF program, which will begin on July 1, 2019. The HQAF program was established in 2009 to improve hospital reimbursement for services provided to Medi-Cal beneficiaries and to maximize federal funding in Medi-Cal. The HQAF program provides private hospitals with federally matched supplemental payments for inpatient and outpatient services and makes increased capitation payments to managed care plans. In addition, the program generates funding for children's health care coverage and public hospital grants. In 2016, California voters passed Proposition 52, which made the program permanent. DHCS is developing the necessary financial models to calculate funding amounts for HQAF VI to submit a SPA to CMS. Upon receiving federal approval of the SPA, the fee and payment model will be posted on the DHCS website, and the fee and payment cycles will start shortly

thereafter. For more information about the HQAF program, visit the DHCS [website](). For questions or concerns, please e-mail [HQAF@dhcs.ca.gov]().

Medi-Cal Managed Care Choice Packets

DHCS' goal is to ensure beneficiaries can quickly and easily obtain the most current information when making a managed care plan choice and joining a plan, including the choice of providers. The Medi-Cal choice packets include essential documents to help beneficiaries choose a health plan, such as the provider directory. The additional requirements added to the choice packets and the provider directories from the Medicaid Final Rule, have greatly increased the size of the enrollment materials mailed to beneficiaries.

As a result, beginning in May 2019, Medi-Cal managed care beneficiaries who are not part of the seniors and persons with disabilities (SPD) population will receive an insert in their Medi-Cal choice packet, in lieu of receiving a provider directory, drug formulary, and evidence of coverage. The insert will explain how beneficiaries may obtain any of these materials electronically or in paper format. At this time, the SPD population will continue to receive a provider directory in their choice packet. DHCS will later update the choice packet for the SPD population, as well as provide a personalized provider directory that contains a condensed list of providers available near the beneficiary's residence.

Medication Assisted Treatment (MAT) Expansion Project

DHCS' MAT Expansion Project is funded by two federal grants to address the opioid crisis through prevention, treatment, and recovery services. A component of the MAT Expansion Project is the Expanding MAT in County Criminal Justice Settings project. An initial cohort of 23 counties was established in August 2018, and a second cohort of seven additional counties in spring 2019. Both cohorts are anticipated to run through September 29, 2020. They will implement and/or enhance MAT services in county jails to address the unmet treatment needs of the criminal justice population in local jails, drug courts, and/or criminal justice diversion programs. Through learning collaboratives, county teams are providing funding, training, and coaching to create and implement a plan to increase MAT services in jails. County plans include increasing access to MAT services, such as opioid use disorder screening, assessment, induction, maintenance treatment, community engagement, and re-entry services. More information about the MAT Expansion Project is on the DHCS [website.]()

Nonmedical Transportation (NMT)

On April 21, 2019, DHCS completed system edits to allow NMT providers to enroll in Medi-Cal and begin billing for transportation they provide to FFS beneficiaries. As of May 1, 2019, DHCS received 141 applications from transportation companies requesting to enroll as NMT providers. DHCS approved five NMT provider applications and is reviewing applications or conducting onsite visits for the other transportation companies. A list of approved NMT providers is on the DHCS website, and will be updated as additional providers are approved. DHCS will continue to assist FFS Medi-Cal beneficiaries who do not have an 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 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.

Program of All-Inclusive Care for the Elderly (PACE)

On July 1, 2019, pending CMS approval, three additional PACE centers will open in San Diego and Los Angeles counties. Currently, there are twelve PACE plans with centers across twelve counties in California (Alameda, Contra Costa, Fresno, Humboldt, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, and Santa Clara). The PACE model of care provides a comprehensive medical/social service delivery system using an interdisciplinary team approach in a PACE center that provides and coordinates preventative, primary, acute, and long-term care services. PACE services allow eligible individuals, who would otherwise reside in nursing facilities, to remain independent and in their homes for as long as possible. PACE participants receive transportation and health care services from the PACE center's interdisciplinary team, which usually consists of physicians, clinic and home care nurses, social workers, and physical, occupational, speech, and recreational therapists. For more information about PACE, including a list of PACE plans, PACE centers, and counties and zip codes served, please visit the DHCS website.

Proposition 56 Dental Supplemental Payments

Erroneous payment corrections for the period of July 1, 2018, through December 18, 2018, were completed in May 2019. Regular Proposition 56 claim payments for both FY 2017-18 and FY 2018-19 will continue to be processed through July 1, 2019.

Proposition 56 Loan Repayment Program – CalHealthCares

Proposition 56 provides a one-time allocation of $220 million for a loan repayment program (CalHealthCares) to increase access to care for Medi-Cal beneficiaries. DHCS contracted with Physicians for a Healthy California (PHC) to administer the loan repayment program. Eligible physicians who applied may receive a loan repayment up to $300,000 in exchange for a five-year service obligation. Eligible dentists who applied may receive a loan repayment up to $300,000 in exchange for a five-year service obligation, or a practice support grant up to $300,000 in exchange for a ten-year service obligation. All medical and dental specialties are eligible. The May Revision allocated an additional $120 million in Proposition 56 funds for the Medi-Cal loan repayment program with a minimum of five rounds of funding. All awardees are required to maintain a patient caseload that includes 30 percent or more of Medi-Cal beneficiaries. CalHealthCares has received more than 1,200 applications. DHCS received 227 loan repayment applications from dentists, including 107 from students/residents, and 14 applications for dental practice support grants. Awardees will be announced by June 30, 2019. For more information, please visit the PHC [website](#).

Proposition 56 Medi-Cal Family Planning Supplemental Payments

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) increased the excise tax rate on cigarettes and tobacco products in order to fund specified expenditures, including funding for existing programs that are administered by DHCS. The Budget Act of 2019, once enacted, will continue to allocate a portion of Proposition 56 revenue to DHCS as the state's share of health care expenditures included in the Department's 2019-20 budget.

DHCS will seek federal approval on the use of this funding via a SPA for select family planning services under the Medi-Cal program in both the fee-for-service and managed care delivery systems. Effective July 1, 2019, providers qualified to offer family planning services are eligible to receive supplemental payments. As outlined in the family planning [proposal](#), the supplemental payments will focus on increasing access and family planning services for Long-Acting Reversible Contraception; other contraceptives when provided as a medical benefit; emergency contraceptives when provided as a medical benefit; pregnancy testing; and sterilization procedures. Supplemental payments will be retroactive to July 1, 2019, pending system changes and federal approval.

Smile, California Campaign for the Medi-Cal Dental Program

The *Smile, California* campaign is continuing outreach efforts to increase the number of stakeholders and influencers subscribed to Smile Alerts, recruit brand ambassador organizations, increase traffic to SmileCalifornia.org, and increase followers on social media. The focus through the end of June is on community partners that reach pregnant women and the parents of children receiving Medi-Cal dental care. To be added to the *Smile, California* listserv and receive campaign updates, please email hello@smilecalifornia.org.

Superior Systems Waiver (SSW) Renewal

The current Medi-Cal SSW expires on September 30, 2019. DHCS will submit the SSW renewal application to CMS for approval by June 30, 2019. DHCS held a SSW stakeholders conference call on May 31, 2019, to review the renewal application and answer stakeholder questions. The SSW describes how DHCS will continue transitioning non-designated public hospitals and private hospitals from the use of treatment authorization requests (TAR) for most hospital stays to the use of their own utilization management systems using nationally recognized, evidence-based medical criteria. In this approach, DHCS conducts post-payment clinical and administrative monitoring and oversight. This utilization management method is used by designated public hospitals in California, which DHCS has already transitioned from the TAR process. For more information, please visit the DHCS website.

Value Based Payment (VBP) Program

On June 13, 2019, DHCS will conduct a webinar on the VBP. To register in advance for the webinar, please visit here. The Governor's Budget for FY 2019-20 proposes a VBP program through Medi-Cal managed care health plans that will provide incentive payments to managed care providers for meeting measures aimed at improving care for high-cost and/or high-need populations. The incentive payments will focus on providers that meet specific achievement on metrics targeting such areas as behavioral health integration, early childhood prevention, prenatal and postpartum care, and chronic disease management. To address and consider health disparities, DHCS proposes to pay an increased incentive amount for events tied to beneficiaries diagnosed as having a substance use disorder or serious mental illness, or who are homeless. Total program funding is estimated to be $544 million over three years in the managed care delivery system. Comments have been received on the draft proposal, and DHCS is finalizing the policy, which will be released by July 1, 2019. For questions or comments, please email DHCS_PMMB@dhcs.ca.gov.

Whole Child Model (WCM) Implementation

The final phase of the WCM program will be implemented with CalOptima in Orange County on July 1, 2019. CalOptima has met the necessary California Children's Services (CCS)-paneled provider network requirements and is prepared to meet the needs of the CCS-eligible population in Orange County. CalOptima will assume full financial responsibility, which includes service authorization activities, claims processing and payment, case management, and quality oversight. In conjunction with CalOptima, Orange County will assume responsibility for various administrative functions to support the CCS program. For more information, please visit the DHCS website.

Stakeholder Meetings and Webinars

Behavioral Health Stakeholder Advisory Committee (BH-SAC) Meeting

The first meeting of the BH-SAC will be on July 10, 2019. DHCS formed the BH-SAC to continue efforts to improve stakeholder engagement, and to focus on DHCS' goal to better integrate mental health and substance use disorder services with the rest of the health care system and programs DHCS oversees. This new committee will be chaired by Director Jennifer Kent; Mari Cantwell, Chief Deputy Director of Health Care Programs; and Brenda Grealish, Acting Behavioral Health Deputy Director.

The purpose of the BH-SAC is to advise the Director and DHCS on the behavioral health delivery system. This includes behavioral health, prevention, treatment, and recovery services, and related waivers for mental health and substance use disorder services. The BH-SAC will incorporate the following stakeholder groups: Driving Under the Influence Advisory Group, Narcotic Treatment Program Advisory Committee, Performance Outcomes System Stakeholder Advisory Committee, Interagency Prevention Advisory Council, and Youth Advisory Group. Other BH advisory groups may be incorporated into the BH-SAC at a later date. For the initial meeting and all meetings going forward, the BH-SAC will meet on the same day and at the same location as DHCS' existing Stakeholder Advisory Committee. DHCS solicited applications, due on May 17, 2019, from individuals with BH prevention, treatment, and recovery experience to serve as members on the BH-SAC. DHCS expects to appoint members in June. Further information is available on the DHCS website.

DHCS Office of Family Planning Stakeholder Meeting

DHCS will convene the family planning stakeholder meeting on July 18, 2019. The meeting announcement and details are posted on the DHCS

Electronic Visit Verification (EVV) Phase II Meeting

DHCS will host the second EVV Phase II stakeholder meeting on June 17, 2019, in partnership with the California Departments of Social Services (CDSS), Developmental Services (DDS), Public Health (CDPH), and Aging (CDA). The meeting agenda and materials for the June 17 meeting will be posted on the DHCS EVV Phase II [website](#) in advance of the meeting. EVV is a telephone- and computer-based system that electronically verifies that in-home service visits occurred. The federal government requires that all states implement EVV for Medicaid-funded personal care services (PCS) by January 2020 and home health care services (HHCS) by January 2023. DHCS will request an extension of those deadlines to January 2021 for PCS, and January 2024 for HHCS.

The first EVV Phase II meeting with stakeholders was held on October 2, 2018. The EVV Phase II stakeholder process builds upon discussions led by CDSS for EVV Phase I for In-Home Supportive Services and Waiver Personal Care Services. Further information about Phase I is available on the CDSS [website](#). EVV Phase II is focused on identifying either an existing system(s) or a new system to implement EVV for DHCS, DDS, CDA, CDPH, and CDSS programs subject to EVV, but not included in Phase I. For inquiries regarding the Phase II EVV stakeholder meeting, or to be added to the stakeholder interested parties e-mail list, please contact EVV@dhcs.ca.gov. For more information about EVV Phase II, please visit the DHCS [website](#).

Managed Care Advisory Group (MCAG) Meeting

DHCS will host the next quarterly meeting of the MCAG on June 6, 2019. The meeting will focus on survey results regarding timely access to appointments, managed care quality updates, and encounter data quality efforts. The purpose of the MCAG is to facilitate active communication between the managed care program and all interested parties and stakeholders. DHCS provides program updates, and stakeholders are able to request agenda items and/or raise questions about issues that affect managed care beneficiaries. Membership consists of stakeholders and advocates, legislative staff, health plan representatives, health plan associations, and providers. To view meeting information, materials, and historical documents, please visit the DHCS [website](#).

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

The next MCHAP meeting is scheduled for July 11, 2019. Expected topics include updates from Director Kent, and an update on the state audit report regarding DHCS' oversight of the delivery of preventive services to children in Medi-Cal. The meeting agenda and materials for the July 11 meeting will be posted on the DHCS [website](#) in

advance of the meeting. 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 above website.

Medi-Cal Dental Stakeholder Meetings

DHCS is not on the agenda for the next quarterly Sacramento Medi-Cal Dental Advisory Committee meeting in June; therefore, DHCS will participate in the following meeting scheduled for August 1, 2019. Additionally, the next Medi-Cal Dental Los Angeles Stakeholder meeting is scheduled for June 20, 2019. Additional stakeholder information is available on the DHCS [website.](website)

Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Meeting

On May 31, 2019, DHCS hosted the 2019 semi-annual PRIMEd meeting, a PRIME Learning Collaborative. The event was designed to encourage peer-to-peer learning among designated public hospitals and district and municipal hospitals that participate in PRIME. The day included presentations from quality improvement (QI) experts and discussions on learning collaborative topics that align with PRIME projects. Registrants for the event included PRIME hospital leaders and staff and representatives from the California Association of Public Hospitals and Health Systems' Safety Net Institute and District Hospital Leadership Forum.

The day began with a welcome message from DHCS Director Kent, followed by an overview of Governor Newsom's priorities for health care by Richard Figueroa, Deputy Cabinet Secretary for the Office of the Governor. Three morning QI breakout sessions were held on acute care transitions, tobacco cessation, and integrated health homes for foster children. A lunchtime session by Anne Marie Trester of the FrameWorks Institute focused on effectuating change through the power of story-telling. Three additional afternoon QI breakout sessions were held on behavioral health, health disparities, and maternal and infant health. In addition to the array of breakout sessions, attendees were also able to sign up for one-on-one QI coaching opportunities.

Stakeholder Advisory Committee (SAC) Meeting

DHCS will host the next SAC meeting on July 10, 2019. DHCS held the regularly scheduled SAC meeting on May 23, 2019. The meeting provided updates on the latest federal and state developments, the Care Coordination Initiative, Access Assessment, Proposition 56 payments, managed care plan oversight, and the Comprehensive Quality Strategy. The purpose of the SAC is to provide DHCS with feedback on health care policy issues affecting the Department, including Section 1115 waiver implementation

efforts. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, member advocacy organizations and representatives of various Medi-Cal provider groups. To view meeting information, materials, or historical documents, please visit the DHCS [website](#).