



# MEDI-CAL STATISTICAL BRIEF

NOVEMBER 2012

## MEDI-CAL'S COORDINATED CARE INITIATIVE POPULATION: *DEFINITIONS AND ESTIMATED COUNTS*

### Introduction

The Department of Health Care Services (DHCS) intends to transition dual eligible Medi-Cal beneficiaries – those who are eligible for Medicare and Medi-Cal – into a *Coordinated Care Initiative* (CCI) over the next three years.<sup>1,2</sup> Medi-Cal proposes to combine a full continuum of acute, primary, institutional, and home- and community-based services for dual eligible beneficiaries into a single benefit package that is delivered through an organized service delivery system.

While Medi-Cal's dual eligible population totals roughly 1.2 million beneficiaries, not all of these beneficiaries will be eligible for CCI participation. Throughout the CCI development stages, DHCS has considered a number of population exclusions.<sup>3</sup> Specific population exclusions applicable to the CCI reduce the eligible population (called the *CCI population in 58 counties* in this report) from 1.2 million to 814,659 beneficiaries; 526,902 of these dual eligibles reside in the eight initial pilot counties.<sup>4</sup> The Research and Analytic Studies Branch (RASB) of the DHCS has composed the

following brief to explain and define the dual eligible population targeted for participation in the CCI and to illustrate how Medi-Cal's dual eligible population was narrowed to arrive at the *CCI population in 58 counties* as currently considered. To do so, this brief will begin by defining the broadest population (Medi-Cal's entire dual eligible population) and remove specific excluded populations to arrive at Medi-Cal's *CCI population in the eight pilot counties*.

### **CCI Populations**

**CCI Potential Population:** A subset of Medi-Cal's dual eligible beneficiaries that are enrolled in Medicare Parts A and B and D and entitled to full scope Medi-Cal benefits, including beneficiaries who have met or not met their SOC obligation.

**CCI Population Before Exclusions:** A subset of Medi-Cal's dual eligible beneficiaries that are enrolled in Medicare Parts A and B and D and entitled to full scope Medi-Cal benefits who have met their SOC obligation, before considering CCI exclusions.

**CCI Population in 58 counties:** A subset of Medi-Cal's dual eligible beneficiaries that are enrolled in Medicare Parts A and B and D and entitled to full scope Medi-Cal benefits who have met their SOC obligation at the beginning of the month, after considering applicable CCI exclusions.

**CCI Population in the Eight Pilot Counties:** A subset of Medi-Cal's dual eligible beneficiaries that are enrolled in Medicare Parts A and B and D and entitled to full scope Medi-Cal benefits who have met their SOC obligation at the beginning of the month, after considering applicable CCI exclusions, limited to the eight pilot counties.

## Background

The demonstration's goals, which were approved by the State Legislature in calendar year (CY) 2010 and further developed through stakeholder engagement,<sup>5</sup> include the following:

- Coordinate State and Federal benefits and access to care across care settings, improve continuity of care, and use a person-centered approach.
- Maximize the ability of dual eligible beneficiaries to remain in their homes and communities with appropriate services and supports in lieu of institutional care.
- Increase the availability and access to home- and community-based alternatives.
- Preserve and enhance the ability of consumers to self-direct their care and receive high quality care.
- Optimize the use of Medicare, Medi-Cal, and other State/County resources.

The eight pilot counties selected for this initiative are the following: Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara.

The duals demonstration is part of California's larger Coordinated Care Initiative (CCI) that was enacted in July 2012 through [SB 1036](#)<sup>6</sup> and [SB 1008](#).<sup>7</sup> The

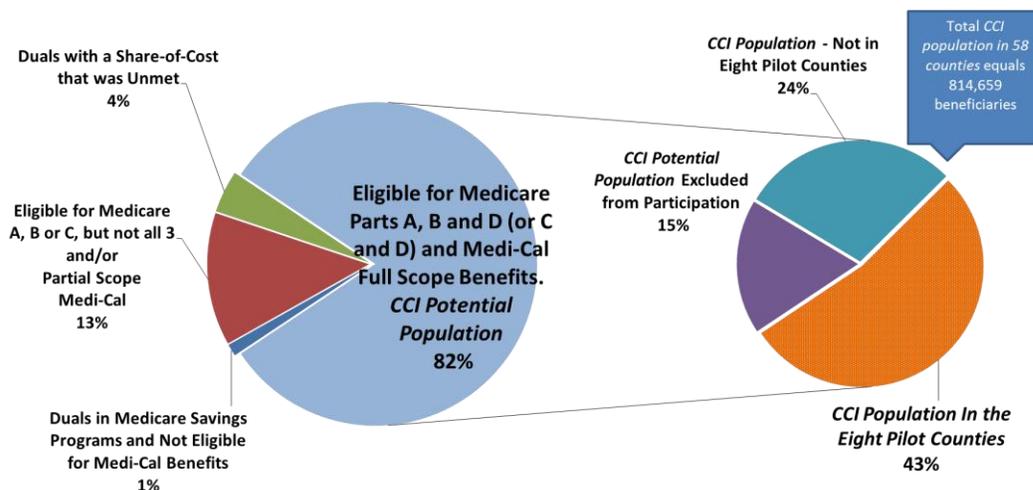
terms CCI and CMS' State Demonstration to Integrate Care for Dual Eligible Individuals<sup>8</sup> are synonymous and may be used interchangeably. The CCI naming convention is used to discuss the demonstration in the context of Medi-Cal's initiative to integrate care for dual eligibles that are eligible for Medicare Parts A and B and D and entitled to full scope Medi-Cal benefits.

## Dual Eligibles

Medi-Cal's 1.2 million dual eligible beneficiaries compose the widest population potentially eligible for the CCI. As noted previously, dual eligibles include beneficiaries that are eligible to receive Medi-Cal benefits as well as those that only receive assistance with Medicare cost sharing. Figure 1, below, displays the proportionate breakdown of Medi-Cal's dual eligible population.

For purposes of explaining the different dual eligible populations and how the *CCI population* was determined, RASB compiled dual eligible enrollment for the month of July 2010. Using one month's enrollment allows for an easy construction of distinct groups and creates a data set that is easier to manipulate and interpret than an entire year of eligibility data.

**Figure 1 - Medi-Cal's Dual Eligibles, CCI Populations; Total Dual Eligibles Equal 1,221,423 At July 2010**



Source: Created by RASB using Medi-Cal eligibility data

In July 2010, 1,221,423 Medi-Cal beneficiaries were classified as dual eligible. Medi-Cal’s dual eligible population can be separated into unique Medicare coverage groups, as well as unique subgroups that identify which Medi-Cal program(s) a beneficiary may be eligible for and the scope of services they are entitled to. Utilizing this broad definition as a starting point, RASB categorized dual eligibles into three distinct subgroups.

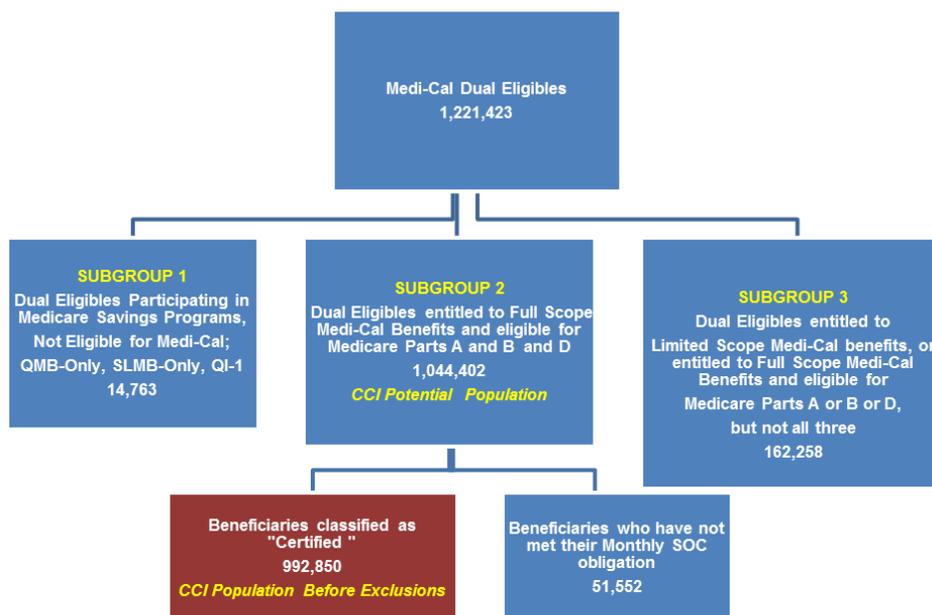
Figure 2, below, presents the *subgroups*, or combination of Medicare coverage groups and Medi-Cal scope of benefit coverage that constitute Medi-Cal’s dual eligible population.

These include: Subgroup 1 - dual eligibles participating in Medicare Savings Programs

that are not eligible for Medi-Cal benefits (QMB-Only, SLMB-Only, QI-1, QWDI); Subgroup 2 - dual eligibles who are entitled to Medicare Parts A and B and D and are also eligible for full scope Medi-Cal benefits; and Subgroup - 3 dual eligibles entitled to limited scope Medi-Cal benefits or entitled to full scope Medi-Cal benefits and eligible for Medicare Parts A or B or D, but not all three.<sup>9</sup>

Summarized below are specific exclusions that were applied to Medi-Cal’s overall dual eligible population to arrive at the *CCI population in 58 counties*. Again, the total number of dual eligibles at July 2010 was 1.2 million, before considering specific *CCI population* definitions.

**Figure 2 - Medi-Cal's Dual Eligible Population, July 2010**



Source: Created by RASB utilizing Medi-Cal Eligibility Data

### CCI Potential Population

The first filters applied to narrow Medi-Cal's dual eligible population relate to benefit coverage. The broadest definition of the *CCI population* is called the *CCI potential population* and is defined as:

- Beneficiaries eligible for Medicare Parts A and B and D and also eligible for full scope Medi-Cal benefits.

Referring back to Figure 2, the above criterion excludes beneficiaries who are participating in Medicare Savings Programs (i.e., QMB-Only, SLMB-Only, QI-1, QWDI) or Subgroup - 1. These beneficiaries receive aid in paying for cost sharing, co-payments,

and Medicare premiums, but are not entitled to Medi-Cal benefits under the State Plan.<sup>10</sup> This subpopulation, as displayed in Figure 2, totals 14,763. In addition, dual eligibles entitled to limited scope Medi-Cal benefits, or entitled to full scope Medi-Cal benefits and eligible for Medicare Parts A or B or D, but not all three, are excluded as well (162,258 beneficiaries, Subgroup - 3).

After excluding Subgroup – 1 and Subgroup - 3, the number of beneficiaries representing Medi-Cal's dual eligible population is reduced from 1,221,423 to 1,044,402 based on the initial filtering discussed above.

This 1,044,402 count includes beneficiaries who have a monthly Share of Cost (SOC) obligation, some who met their obligation and some who have not. Beneficiaries enrolled in Medi-Cal's SOC program are individuals and families whose incomes are too high to qualify for cash assistance, but insufficient to cover their medical expenses. Beneficiaries with a SOC obligation must contribute to their medical expenses up to a predetermined monthly threshold; it is only after beneficiaries meet their monthly obligation that they qualify for Medi-Cal benefits. Beneficiaries who have met their monthly SOC obligation are considered "certified"<sup>11</sup> and included in the *CCI population before exclusions*. By selecting "certified" eligibles only, the *CCI potential population* is reduced to 992,850 beneficiaries (Figure 2), representing the *CCI population before exclusions*.

Among the 992,850, 58,248 of these beneficiaries were enrolled in a SOC aid code and had met their SOC obligation for the month of July. Some of these beneficiaries were deemed to have met their

SOC obligation at the beginning of the month, while some met it throughout the month. For purposes of the CCI and the calculations that follow, beneficiaries deemed to have met their SOC obligation by the first of the month are considered eligible for the CCI, while those who met their SOC obligation throughout the month are excluded. This sub-population and others excluded from the *CCI population in 58 counties* will be discussed in greater detail below.

### **CCI Population in 58 Counties**

The series of exclusions applied to the *CCI population before exclusions* in the following discussion removes 178,191 unduplicated beneficiaries (Table 1) and defines the *CCI population in 58 counties*. When these exclusions are applied, the *CCI population before exclusions* of 992,850 is reduced to the *CCI population in 58 counties* of 814,659 (Table 1).

The specific criteria used to exclude the 178,191 unduplicated beneficiaries are detailed in Table 2.

**Table 1 - CCI Eligibles after Considering Excluded Populations and Exemptions, At July 2010**

<b>CCI Population Before Exclusions</b>			<b>992,850</b>
<b>Exclusions (unduplicated count of beneficiaries)</b>	<a href="#">(see list)</a>	<a href="#">(178,191)</a>	
<b>CCI Population in 58 Counties</b>			<b>814,659</b>

Source: Created by RASB utilizing Medi-Cal Eligibility Data

The reductions applied to the *CCI population before exclusions* and depicted in Tables 1 and 2 are as follows:

- Certified beneficiaries with a monthly SOC obligation not deemed met at the first of the month – Only those beneficiaries who meet their SOC obligation at the beginning of the month are eligible for the CCI. Beneficiaries most likely to meet their SOC obligation at the beginning of the month include those residing in LTC facilities or those receiving in-home supportive services. Beneficiaries who do not meet their SOC obligation at the beginning of the month are excluded from CCI participation.
- Beneficiaries with other health coverage.
- Beneficiaries associated with Retroactive Months of Eligibility.
- Beneficiaries participating in the Developmentally Disabled (DD) Waiver.
- Beneficiaries participating in the Nursing Facility – Acute (NF-A), In-

Home Operations (IHO), Acquired Immune Deficiency Syndrome (AIDS), and Assisted Living Waiver Pilot Project (ALWPP) waivers.

- NF-A, IHO, AIDS, and ALWPP waivers.
- Beneficiaries with one or more claims indicating a diagnosis for End Stage Renal Disease (ESRD) in the prior year.
- Beneficiaries residing in a rural zip code.
- Beneficiaries who are under age 21.
- Beneficiaries residing in a Veteran's Home.

The numbers of beneficiaries subject to specific exclusions are separately identified for each unique exclusion category in Table 2. Table 2 presents the *CCI population before exclusions* and then removes the unduplicated count of beneficiaries subject to exclusions to arrive at the *CCI population in 58 counties*.

When reviewing Table 2, the reader should be aware that a single beneficiary may be subject to more than one distinct exclusion. Therefore, the total beneficiary count for each distinct exclusion category cannot be summed to arrive at the total number of unduplicated beneficiaries subject to all exclusions. For example, there are 17,108 beneficiaries subject to exclusion due to a diagnosis of ESRD. Over 8%, or 1,411, of these beneficiaries are also subject to one or more additional exclusions. If each exclusion was summed independently, the total number of persons affected would be overstated by 1,523.

Other applicable exclusion categories associated with the ESRD subpopulation include:

- Enrollment was certified on a retroactive basis (648 beneficiaries);

- Other Health Coverage (533 beneficiaries);
- Under age 21 (147 beneficiaries);
- Developmentally Disabled Waiver (160 beneficiaries);
- HCBS Waiver (NF-A, IHO, AIDS Waiver, or ALWPP) (83 beneficiaries);
- Beneficiary resides in a rural zip code (32 beneficiaries); and
- Beneficiary resides in a Veteran's Home (72).

Figure 3 presents the *CCI population in 58 counties* and displays the different segments of the population by health system enrollment. Within this count are beneficiaries enrolled in Medi-Cal managed care plans, Medicare Advantage Plans, Medi-Cal plans where passive enrollment will not be required, and traditional FFS Medicare and Medi-Cal.

**Table 2 - Beneficiaries Excluded from CCI Population, July 2010**

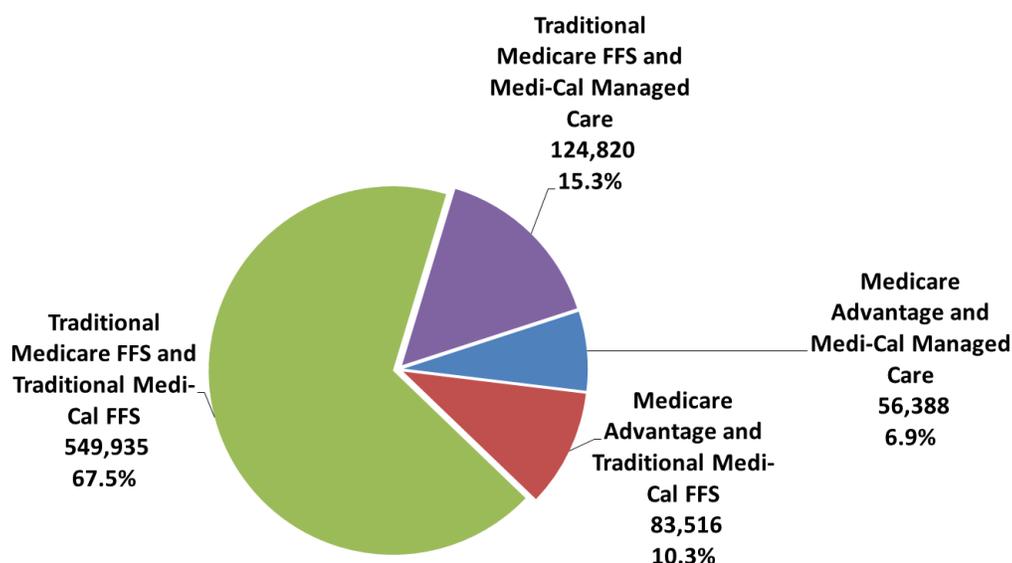
<b>GROUPS EXCLUDED FROM DUAL ELIGIBLE DEMONSTRATION UNIVERSE (Not mutually exclusive - beneficiaries may be counted in more than one row)</b>	
Certified Beneficiaries enrolled under an aid code with a monthly share-of-cost obligation not deemed met at the first of the month	15,048
Beneficiaries with Other Health Coverage	37,760
Beneficiaries during Retroactive Months of Eligibility	34,530
Beneficiaries participating in the Developmentally Disabled (DD) Waiver	45,064
Beneficiaries participating in the NF-A, IHO, AIDS, and ALWPP waivers	2,947
Beneficiaries with one or more claims indicating a diagnosis for ESRD in the prior year	17,108
Beneficiaries residing in a rural zip code	1,413
Beneficiaries who are under age 21.	1,168
Beneficiaries residing in a Veteran's Home	72
Beneficiaries enrolled in certain large, non-profit health plans operating their own pharmacies <sup>1</sup>	39,778
<b>CCI POPULATION BEFORE EXCLUSIONS</b>	<b>992,850</b>
<b>LESS: UNDUPLICATED TOTAL OF EXCLUSIONS</b>	<b>178,191</b>
<b>CCI POPULATION IN 58 COUNTIES</b>	<b>814,659</b>

**Note:** The reader should be aware that a single beneficiary may be subject to more than one distinct exclusion. Therefore, the total beneficiary count cannot be summed to arrive at the total number of unduplicated beneficiaries subject to all exclusions. Enrollment numbers reflect certified totals for the month of July 2010.

Source: Created by RASB utilizing Medi-Cal Eligibility Data

<sup>1</sup> A prepaid health plan that is a non-profit health care service plan with at least 3.5 million enrollees statewide, that owns or operates its own pharmacies and that provides medical services to enrollees in specific geographic regions through an exclusive contract with a single medical group in each specific geographic region in which it operates to provide services to beneficiaries.

**Figure 3 - CCI Population in 58 Counties Counts by Plan Enrollment; CCI Population in 58 Counties Total Count Equals 814,659, At July 2010**



Source: Created by RASB utilizing Medi-Cal Eligibility Data

**NOTE:** Medi-Cal Health Plan figures include Program of All-Inclusive Care for the Elderly (PACE) and AIDS Healthcare Foundation (AHF) health plans whose members are exempt from passive enrollment.

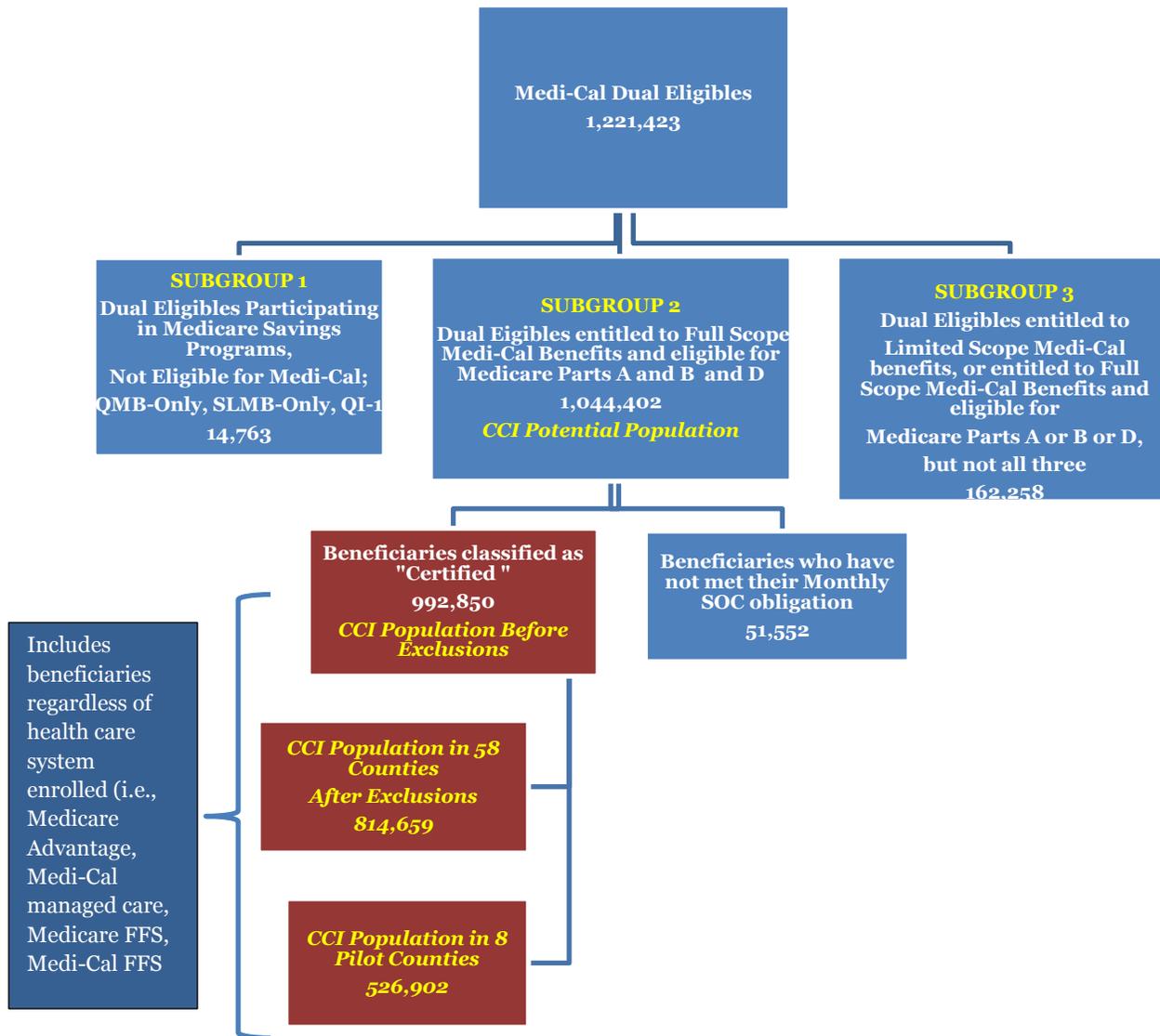
### CCI Population in the Eight Pilot Counties

The *CCI population in the eight pilot counties* is defined using the same parameters as the *CCI population in 58 counties* but includes only those beneficiaries residing in the eight pilot counties. As noted previously, the eight counties included in the CCI are the following: Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. The eight pilot counties constitute 65%, or 526,902, of the total *CCI population in 58 counties*. Over two-thirds of the *CCI population residing in*

*the eight pilot counties* participated in both Medicare and Medi-Cal’s traditional FFS programs, while 12.3% participated in Medicare’s traditional FFS program and Medi-Cal’s managed care program. Roughly 8.7% participated in both Medicare Advantage and Medi-Cal managed care plans.

Figure 4 presents a flowchart of the complete *CCI population* reduction. Table 3, below, presents the *CCI population* for the eight pilot counties based on the July 2010 month of eligibility.

**Figure 4 – Flowchart of the CCI Population Reduction Process, Enrolled at July 2010**



**Table 3 - CCI Population in the Eight Pilot Counties**

County	Plan Model Type	<i>CCI Population in the Eight Pilot Counties</i>	In a Medicare Advantage Plan Only	In Both a Medicare Advantage Plan and a Medi-Cal Health Plan	In a Medi-Cal Health Plan Only	Not in a Medicare or a Medi-Cal Health Plan
<b>Alameda</b>	Two-Plan	31,076	2,951	2,623	2,096	23,406
<b>Los Angeles</b>	Two-Plan	271,072	36,983	11,005	11,638	211,446
<b>Orange</b>	COHS	57,060	92	16,999	39,367	602
<b>Riverside</b>	Two-Plan	34,477	6,769	3,313	925	23,470
<b>San Bernardino</b>	Two-Plan	36,368	6,450	2,941	1,000	25,977
<b>San Diego</b>	GMC	50,952	7,767	1,475	1,827	39,883
<b>San Mateo</b>	COHS	10,652	23	6,928	3,565	136
<b>Santa Clara</b>	Two-Plan	35,245	1,811	448	4,492	28,494
<b>Grand Total</b>		<b>526,902</b>	<b>62,846</b>	<b>45,732</b>	<b>64,910</b>	<b>353,414</b>

Source: Created by RASB utilizing Medi-Cal Eligibility Data

## Where Can I Find More Information on the Medi-Cal Population?

Analysis for this report was done by the Research and Analytic Studies Branch (RASB) of the DHCS. The RASB compiles official statistics and performs analytical studies to assist DHCS in achieving its mission and goals. More information regarding Medi-Cal enrollment, program expenditures, and other relevant topics is available at the RASB website.

To find more reports like this one or to learn more about the Medi-Cal population, please use the many resources available at the following websites:

The DHCS Research and Analytic Studies Branch web address is:

[http://www.dhcs.ca.gov/dataandstats/statistics/Pages/RASS\\_Default.aspx](http://www.dhcs.ca.gov/dataandstats/statistics/Pages/RASS_Default.aspx)

The DHCS Medi-Cal Budget Estimates can be found at the following web address:

<http://www.dhcs.ca.gov/dataandstats/reports/mcestimates/Pages/default.aspx>

**IF YOU PLAN TO CITE THIS PAPER IN A SUBSEQUENT WORK, WE SUGGEST THE FOLLOWING CITATION:**

California Department of Health Care Services, Research and Analytic Studies Branch. *Medi-Cal's Estimated Coordinated Care Initiative Population - DEFINITIONS AND ESTIMATED COUNTS*. Sacramento, CA: California Department of Health Care Services. November 2012.

**PLEASE NOTE:**

This document provides a brief summary of complex subjects and should be used only as an overview and general guide to the Medi-Cal program. The views expressed herein do not necessarily reflect the policies or legal positions of the California Health and Human Services Agency (CHHS) or the California Department of Health Care Services (DHCS). These summaries do not render any legal, accounting, or other professional advice, nor are they intended to explain fully all of the provisions or exclusions of the relevant laws, regulations, and rulings of the Medicare and Medicaid programs. Original sources of authority should be researched and utilized.

## End Notes

<sup>1</sup> SB 208 (10/19/2010)

[http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb\\_0201-0250/sb\\_208\\_bill\\_20101019\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0201-0250/sb_208_bill_20101019_chaptered.pdf)

Added §14132.275 to the W&I Code to establish pilot projects for dual eligibles to receive a continuum of services and maximize coordination of benefits between the Medi-Cal and Medicare programs. The Pilot projects were to be established in **up to four counties**, and would include at least one county that provides Medi-Cal services via a two-plan model.

<sup>2</sup> SB 1008 (6/27/2012)

[http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb\\_1001-1050/sb\\_1008\\_bill\\_20120627\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_1001-1050/sb_1008_bill_20120627_chaptered.pdf) Amended §14132.275. No sooner than March 1, 2013, demonstration sites are to be established in **up to eight counties**, and include at least one county that provides Medi-Cal services via a two-plan model.

<sup>3</sup> For example, some populations, such as dual eligibles already enrolled in a PACE plan, or AIDS Healthcare Foundation plan, D-SNP, or MA plan not administered or contracted with the CCI health plans will not be passively enrolled into the CCI.

<sup>4</sup> See Table 1 for a ledger that shows how DHCS arrived at this estimate.

<sup>5</sup> DHCS, *Proposal to the Center for Medicare and Medicaid Innovation, Coordinated Care Initiative: State Demonstration to Integrate Care for Dual Eligible Individuals*, April 4, 2012, Draft for Public Comment.

[http://www.dhcs.ca.gov/provgovpart/Documents/Duals/Proposal\\_Documents/Draft%20Demonstration%20Proposal%20040412.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/Duals/Proposal_Documents/Draft%20Demonstration%20Proposal%20040412.pdf)

<sup>6</sup> SB 208 (10/19/2010) [http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb\\_0201-0250/sb\\_208\\_bill\\_20101019\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0201-0250/sb_208_bill_20101019_chaptered.pdf).

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<sup>7</sup> SB 1008 (6/27/2012) [http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb\\_1001-1050/sb\\_1008\\_bill\\_20120627\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_1001-1050/sb_1008_bill_20120627_chaptered.pdf).

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[http://www.dhcs.ca.gov/provgovpart/Documents/Duals/Proposal\\_Documents/Draft%20Demonstration%20Proposal%20040412.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/Duals/Proposal_Documents/Draft%20Demonstration%20Proposal%20040412.pdf)

<sup>9</sup> For a more detailed definition of these Medicare and Medi-Cal benefit combinations, please see RASB's paper entitled, "Medi-Cal's Coordinated Care Initiative Population Combining Medicare and Medi-Cal Cost, Utilization and Disease Burden."

<sup>10</sup> "Benefits" as used in this case refers to health services defined as medical assistance pursuant to Title XIX Section 1902 of the Social Security Act (SSA) [42 USC 1396a]. This section sets forth the requirements for making payments to States for medical assistance through an approved Medicaid State plan that describes the nature and scope of the State's Medicaid program and contains the necessary information in order for a State to receive federal financial participation. "Benefits" for purposes of the current discussion does not

include Medicare premiums, co-payments, cost sharing paid on behalf of beneficiaries participating in Medicare Savings Programs such as QMB-Only, SLMB-Only, QI-1, and QWDI. When these services and Medi-Cals assistance is discussed throughout this brief are discussed, they will be separately noted.

<sup>11</sup> A complete definition of Medi-Cal certified eligibles can be found in RASB's statistical brief entitled, "Finding California's Medi-Cal Population: Challenges and Methods in Calculating Medi-Cal Enrollment Numbers," available online at [http://www.dhcs.ca.gov/dataandstats/statistics/Documents/RASB\\_Issue\\_Brief\\_Finding\\_Medi-Cal\\_Population-Challenges\\_and\\_Methods\\_in\\_Calculating\\_Enrollment\\_Numbers.pdf](http://www.dhcs.ca.gov/dataandstats/statistics/Documents/RASB_Issue_Brief_Finding_Medi-Cal_Population-Challenges_and_Methods_in_Calculating_Enrollment_Numbers.pdf)