MEDI-CAL 2020 WAIVER: OVERVIEW WITH A SAN DIEGO PERSPECTIVE

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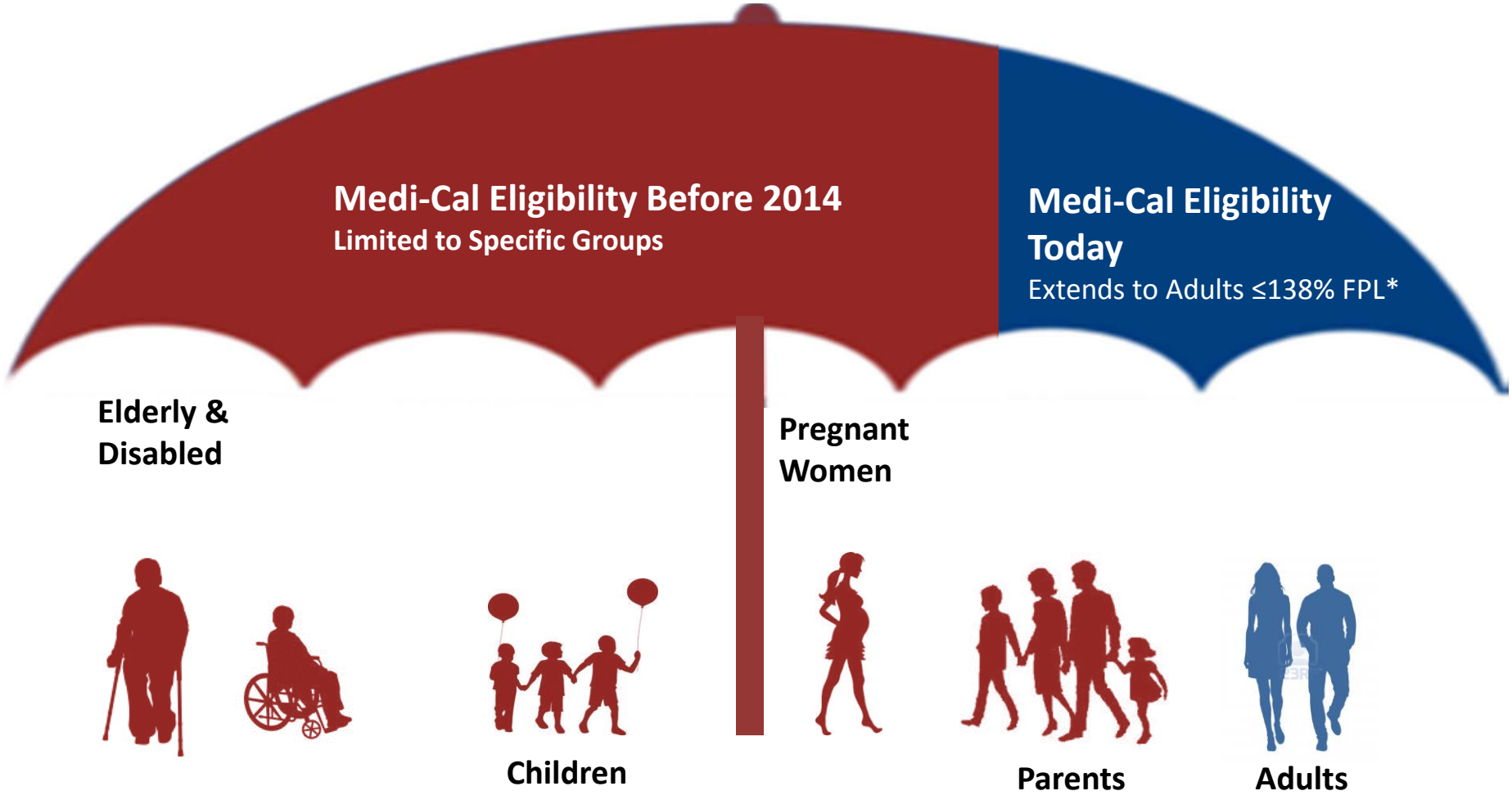
LIVE WELL SAN DIEGO

MEDICAID BASICS

- Enacted in 1965 as Title XIX of the Social Security Act
  - Entitlement program administered by each state within broad federal guidelines, subject to oversight by the Centers for Medicare and Medicaid Services (CMS).
  - As an entitlement, provides assistance to all individuals who meet eligibility criteria; enrollment freezes and waiting lists are not allowed.
- Affordable Care Act changed criteria to income basis, expanded to include "childless adults" effective 1-1-2014
- Financed through a federal-state partnership.
  - Federal government matches state spending based on a formula specified by the Social Security Act – the FMAP
  - By statute FMAP at least 50%. The lower a state's per capita income, the higher its FMAP. California's FMAP is 50%.
  - Enrollees newly eligible through the ACA are 100% covered by federal government through 2016, declining to 90% by 2020 and beyond.
- Each state has a State Plan describing its program in detail; changes require CMS approval of a State Plan Amendment (SPA).
- To test new approaches outside of regular federal rules, with federal matching funds, state must request a waiver:
  - A waiver must be "budget neutral" – i.e. it cannot exceed the amount of federal funding absent the waiver.

Medi-Cal Eligibility Expanded to Fill Coverage Gaps for Adults



*138% FPL =$16,243 for an individual and $27,725 for a family of three in 2016

Eligibility is based on:

Number of people in your household	If your 2016 household income is less than...	If your 2016 household income is between...
1	$16,243	$16,243 – $47,080
2	$21,984	$21,984 – $63,720
3	$27,725	$27,725 – $80,360
4	$33,466	$33,466 – $97,000
5	$39,206	$39,206 – $113,640
	You may be eligible for Medi-Cal	You may be eligible for financial help to purchase insurance through Covered California

MEDI-CAL STATISTICS

LIVE WELL SAN DIEGO

California

- Administered by the Department of Health Care Services (DHCS)
- As of October 2015, 12.5 M recipients, ~5M more than in 2013 (64% increase), 3x the increase forecast
  - ~1/2 of all children and 1/3 of whole CA population
  - 80% enrolled in managed care plans, cf. 50% in 2008
  - Total cost 2014: $95B, with $58B coming from feds

San Diego

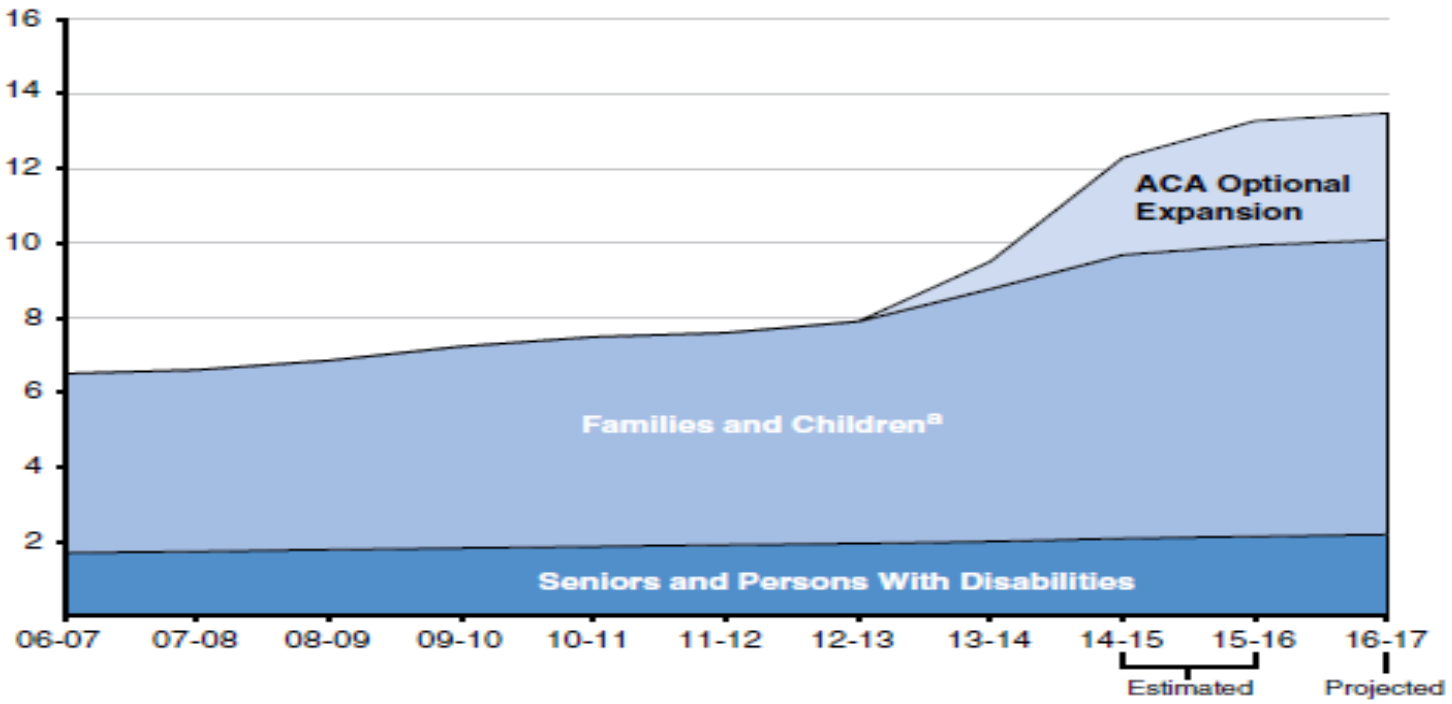
- As of October 2015, 733K recipients, 76% increase since 2013

MEDI-CAL ENROLLEES

Figure 1

Budget Forecasts Medi-Cal Caseload to Exceed 13 Million

Average Monthly Enrollees (In Millions)



[a] Includes certain refugees, undocumented immigrants, and hospital presumptive eligibility enrollees.

ACA = Patient Protection and Affordable Care Act.

Source: LAO : "Analysis of the 2016-17 Medi-Cal Budget "February 2016 p. 7

4 TYPES OF MEDICAID WAIVERS

Section 1115 Research & Demonstration Waivers: program flexibility to test new or existing approaches to financing and delivering Medicaid and CHIP.

Section 1915(b) Managed Care Waivers: provide services through managed care delivery systems or otherwise limit beneficiaries' choice of providers.

Section 1915(c) Home and Community-Based Services Waivers: provide long-term care services in home and community settings rather than institutional settings.

Concurrent Section 1915(b) and 1915(c) Waivers: simultaneously implement two types of waivers to provide a continuum of services to the elderly and people with disabilities, as long as all Federal requirements for both programs are met.

SECTION 1115 WAIVER: "CALIFORNIA BRIDGE TO REFORM"

- Approved by CMS in 2010 for 5 years through October 31,2015; extended to December 31, 2015
- Included creation of the Low Income Health Plan (LIHP) to prepare for Medi-Cal expansion
  - Enrolled uninsured adult county residents with incomes <133% FPL to provide medical care and limited mental health services
  - Used a network of local service providers
    - 22 hospital sites (13 hospital organizations)
    - 58 community health clinic sites (16 parent organizations)
    - 20 mental health clinics
    - 122 specialty groups, including more than 345 individual providers
  - Enrollment grew from 14,000 in July 2011 to more than 45,000 in December 2013
  - All LIHP enrollees transitioned to Medi-Cal January 1, 2014
- Introduced Delivery System Reform Incentive Program (DSRIP) to encourage transformation of the public provider delivery system ("safety net") to models with better service integration, improved access and outcomes, and more sustainable payment methods.

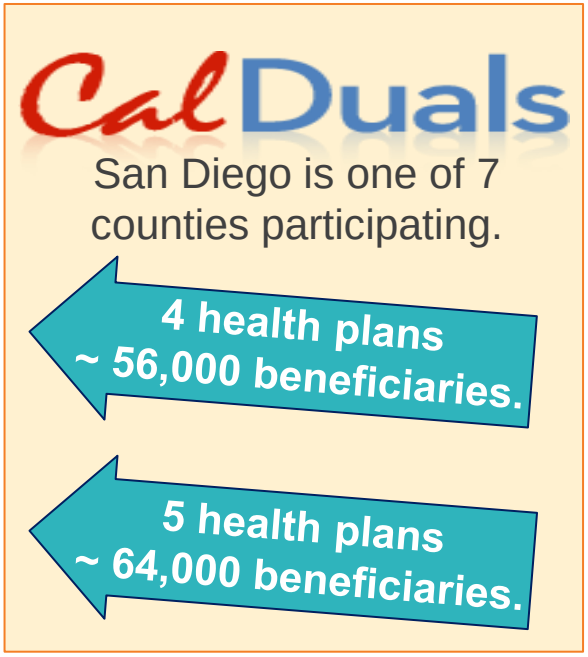
RELATED CARE COORDINATION INITIATIVE

DUAL ELIGIBLES

- **Beneficiaries "dually eligible" for Medicare and Medicaid are a high priority for CMS.**
  - Most expensive and complex.
  - Medicare-Medicaid Coordination Office established by ACA to create patient-centered coordinated care for dual eligibles.

- **California Coordinated Care Initiative (CCI) Two Parts:**
  - **Cal MediConnect:** combine Medicare, Medi-Cal, and Medi-Cal Managed Long-Term Services and Supports (MLTSS) into one managed care health plan. *Optional*
  - **Medi-Cal MLTSS:** manage Medi-Cal medical benefits and long-term social services through a managed care health plan. *Mandatory*

- **Enrollment began April 1, 2014.**
- **171 K total October 2015, 17K in San Diego**



SECTION 1115 WAIVER RENEWAL: "MEDI-CAL 2020"

- DHCS submitted Concept Paper to CMS March 27, 2015 - $17B
- CMS provided "conceptual agreement" on October 31 and final approval December 31- $6.2B
  - Global Payment Program (GPP): for services to the uninsured in designated public hospital systems, converts funding from the hospital-focused and cost-based DSH and Safety Net Care Pool to a system focused on value and improved care delivery; $1B over 5 years;
  - New DSRIP, called PRIME (Public Hospital Redesign and Incentives in Medi-Cal): support public hospitals and district/municipal hospitals in adoption of alternative payment mechanisms and better service integration; $3.7B
    - UCSD Medical Center, Palomar, and Tri-City Hospital participating
  - Dental transformation Incentive Program - $750M
  - **Whole Person Care Pilot (WCP) Program**: voluntary county-based program to target providing more integrated care for high-risk vulnerable populations; $1.5B to state; counties must contribute own funds.

OTHER WAIVERS APPROVED AS OF OCTOBER 2015

- 1915(b) Mental Health Services Waiver: continues for 5 years the “carve out” of the Seriously Mentally Ill (SMI) as a County responsibility
- Drug Medi-Cal State Plan Amendment to the 1115 Waiver:
  - Allows Counties (on a voluntary basis) to implement an Organized Service Delivery System for substance abuse services based on the American Society of Addiction Medicine’s established treatment levels.
  - Expands Medi-Cal coverage to include case management, recovery services, and residential treatment in facilities with 16 or more beds, eliminating the current exclusion on facilities of more than 16 beds
  - Level of care will be determined by an assessment and standardized patient placement tool
  - San Diego will make decision about participation in late summer 2016

WPC Overview

- 5-year program authorized under the Medi-Cal 2020 waiver.
- **Goal:** To test locally-based initiatives that will coordinate physical health, behavioral health, and social services for beneficiaries who are high users of multiple health care systems and have poor outcomes.
  - WPC pilots will identify target populations, share data between systems, coordinate care in real time, and evaluate individual and population health progress.
- Up to $1.5 billion in federal funds available to match local public funds

PARTICIPANTS

Lead Entity

- Coordinates WPC pilot, collaborates with participating entities, submits Letter of Intent and application, and is the contact point for DHCS.

Possible Lead Entities:

- County
- City and county
- Health or hospital authority
- Designated public hospital or district/municipal public hospital
- Consortium of any of the above entities

Participating Entity

- Collaborates with the lead entity to design and implement the WPC pilot, **provides** letters of participation, and contributes to data sharing/reporting.

Must include at least:

- 1 Medi-Cal managed care health plan
- 1 Health services agency/department
- 1 Specialty mental health agency/department
- 1 Public agency/department
- 2 Community partners

TARGET POPULATION

- WPC pilots identify high-risk, high-utilizing Medi-Cal beneficiaries in their geographic area.
  - Work with participating entities to determine the best target population(s) and areas of need.

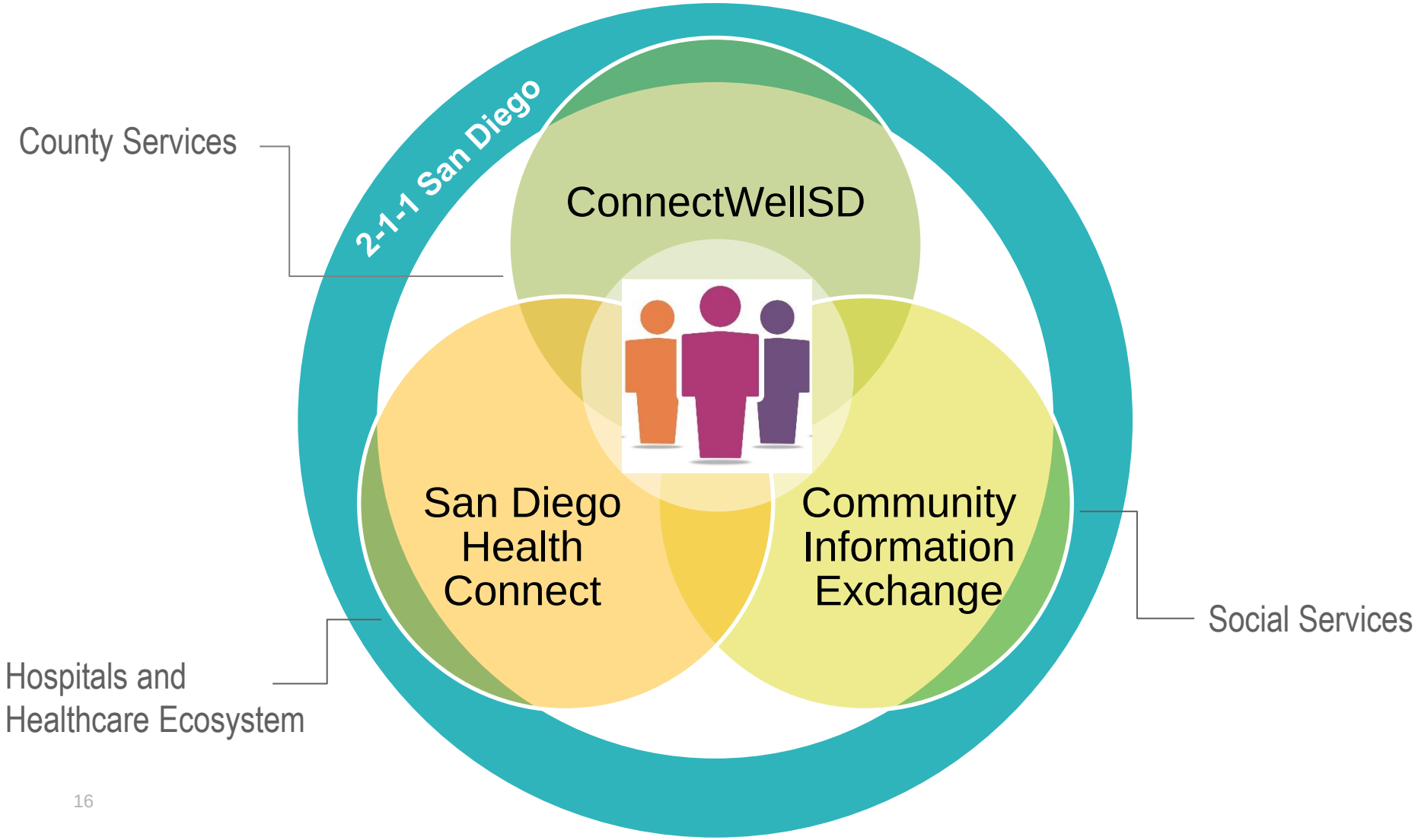
- Target population(s) may include, but are not limited to, individuals:
  - with repeated incidents of avoidable emergency use, hospital admissions, or nursing facility placement;
  - with two or more chronic conditions;
  - with mental health and/or substance use disorders;
  - who are currently experiencing homelessness; and/or
  - who are at risk of homelessness, including individuals who will experience homelessness upon release from institutions (e.g., hospital, skilled nursing facility, rehabilitation facility, jail/prison, etc.).

ACTIVITIES/SERVICES

- Generally, WPC pilot payments may support activities that:
  1) Build infrastructure to integrate services among local entities that serve the target population.
  2) Provide services not otherwise covered or directly reimbursed by Medi-Cal to improve care for the target population, such as housing components.*
  3) Implement strategies to improve integration, reduce unnecessary utilization of health care services, and improve health outcomes.

*Federal WPC payments are not available for services provided to non-Medi-Cal beneficiaries.

INFORMATION INFRASTRUCTURE

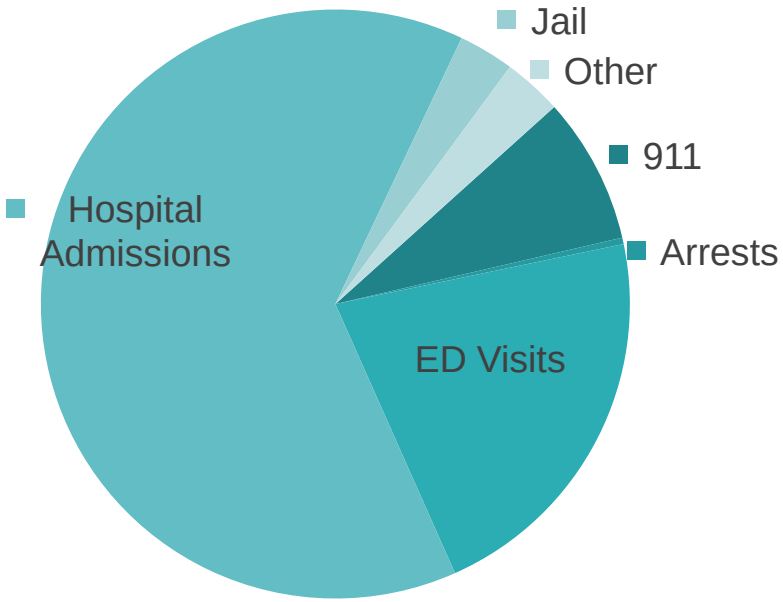


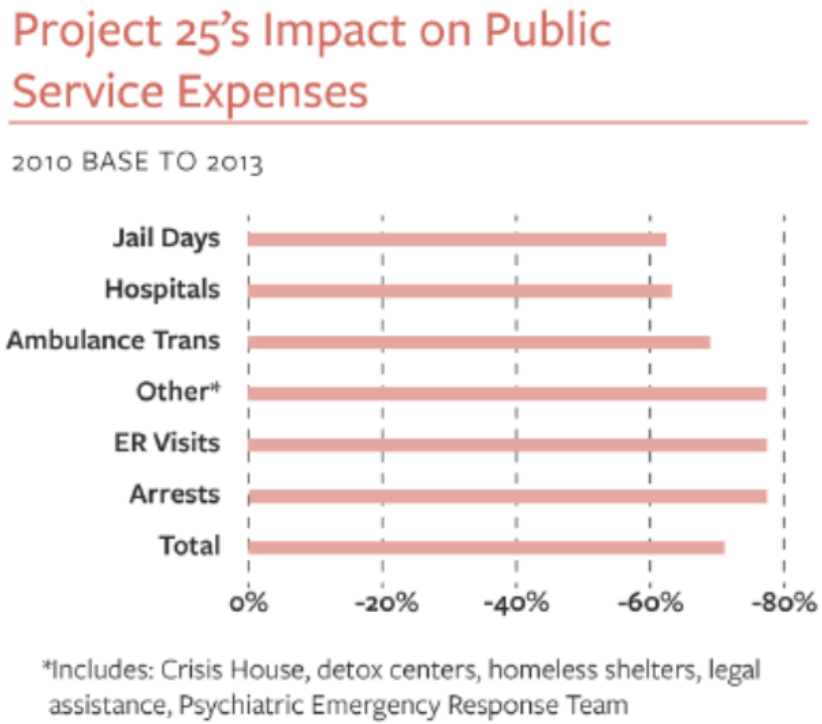
HOUSING SUPPORTS & SERVICES

- WPC pilots may target individuals who are experiencing, or are at risk of, homelessness who have a demonstrated medical need for housing or supportive services.
- Participating entities include local housing authorities, local Continuum of Care program, and community-based organizations serving homeless individuals.
- Eligible services include:
  - Individual Housing Transition Services: housing transition services to assist beneficiaries with obtaining housing, such as individual outreach and assessments.
  - Individual Housing & Tenancy Sustaining Services: services to support individuals in maintaining tenancy once housing is secured, such as tenant and landlord education and tenant coaching.
  - Additional transition services, such as searching for housing, communicating with landlords, and coordinating moves.

PROJECT 25 – OUR PILOT

In 2010, 28 people cost the community **$3.5 million**





- Total Cost Savings = **$3.7 million** over 2 years (net ROI of 207% in 2012 and 262% in 2013)
- All Project 25 individuals **housed** in their own apartments, have acquired **health care** insurance, and are receiving necessary **supportive services and care** on an ongoing basis.

TIMELINE

July 1, 2016:	Proposals Due
October 2016:	Funding Notification
January 1, 2017:	Project Implementation
December 31, 2020:	Funding Ends

FRAMEWORK

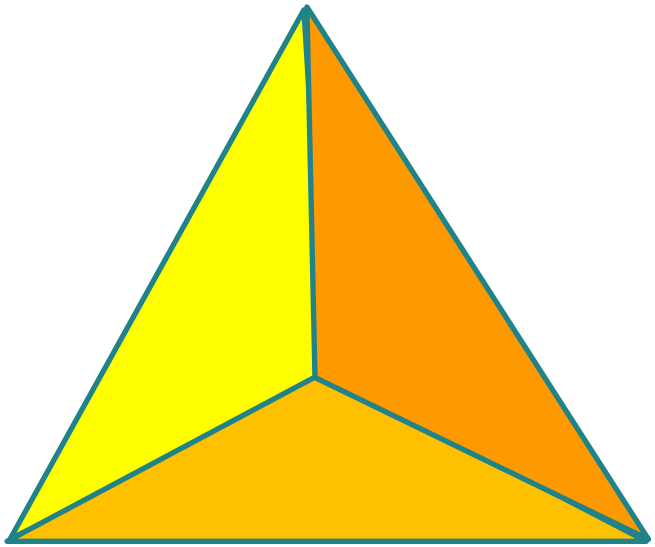
Building Better Health

Living Safely

Thriving

“TRIPLE AIM 2.0”

Improved Health and Social Well Being for the Entire Population

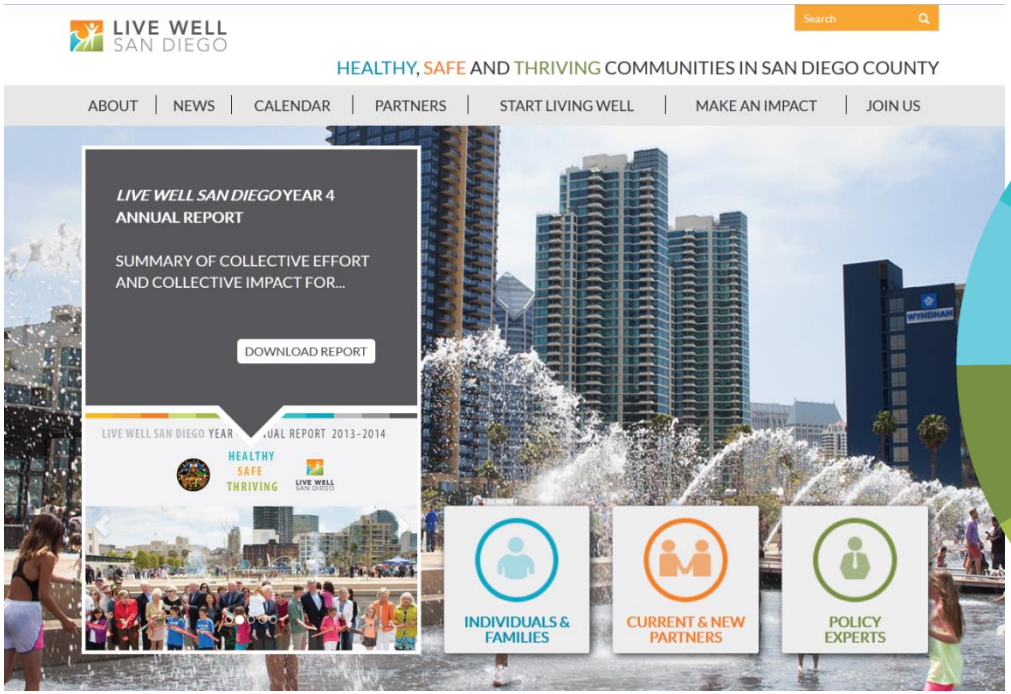


Better Service Systems for Individuals

Lower Cost per Capita

LIVE WELL SAN DIEGO "UMBRELLA"

Visit **LiveWellSD.org**



Thank you!