

CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)
SPECIAL TERMS AND CONDITIONS
Amended Effective September 1, 2013

NUMBER: 11-W-00193/9

TITLE: California Bridge to Reform Demonstration

AWARDEE: California Health and Human Services Agency

I. PREFACE

II. PROGRAM DESCRIPTION AND HISTORICAL CONTEXT

Pursuant to Assembly Bill 1467 (Chapter 23, Statutes 2012), the 2012-13 State budget authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 rural California counties. Currently beneficiaries in these counties are receiving their Medi-Cal on a Fee-For-Service (FFS) basis. On September 1, 2013, approximately 470,000 Medi-Cal beneficiaries will make the transition from FFS to Medi-Cal managed care in these rural counties.

The 28 Medi-Cal managed care rural expansion counties are Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Nevada, Mono, Placer, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba.

Previously, the Budget Act of 2005 authorized the expansion of Medi-Cal managed care into 13 new counties. The counties of San Benito and Lake were part of this 13 county expansion effort; however, these counties to date still remain FFS counties. As a result, these counties are part of this rural county expansion effort. As previously decided during the 13 county expansion, Lake County will become a County Organized Health System (COHS) Model county.

In March 2012, the State issued a Request for Information to solicit health plan interest in providing health care services to Medi-Cal beneficiaries in the remaining rural FFS counties. In November 2012, a Request for Application (RFA) was issued inviting interested health plans to submit formal applications to the State. Health plans that submitted applications were required, among other things, to have previous experience serving Medicaid beneficiaries, including diverse populations, experience partnering with public and traditional safety net health care providers, and experience working with local stakeholders, including consumers, providers, advocates, and county officials on health plan oversight and in the delivery of care. Health plans were required to show recent successful experience with the expansion of managed care into a rural area.

On February 27, 2013, the State issued an RFA bulletin announcing the exclusion of the seven counties of Del Norte, Humboldt, Lassen, Modoc, Shasta, Siskiyou, and Trinity from the RFA. These counties will now become COHS Model counties.

Also on February 27, 2013, the State issued a notice of Intent to Award, announcing that the counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, and Yuba were awarded to Anthem Blue Cross of California and California Health and Wellness Plan. These counties will operate as a Regional Model following the enrollment process and mandatory population rules of the Geographic Managed Care (GMC) Model.

Additionally, DHCS will contract with Kaiser Foundation Health Plan in three (3) of these counties (Amador, El Dorado, and Placer) to assure continued access to care.

The State, in collaboration with the Imperial County Public Health Department participated in a community meeting that was publically noticed for stakeholders in Imperial County on December 6, 2012. Local providers and Medi-Cal managed care plans attended and participated in the meeting. The purpose of this meeting was to discuss the managed care model options with stakeholders and to answer questions and obtain information about the geography of Imperial County and its effect on access to services. Imperial County selected a plan model and DHCS approved their operation as a single plan model, using GMC enrollment rules.

San Benito County, originally planned as a COHS Model, will instead operate as a single plan model, similar to Imperial.

III. GENERAL PROGRAM REQUIREMENTS

No changes necessary for this amendment.

IV. GENERAL REPORTING REQUIREMENTS

21. **Monthly Calls.** CMS shall schedule monthly conference calls with the State. The purpose of these calls is to discuss any significant actual or anticipated developments affecting the Demonstration. Areas to be addressed include, but are not limited to:

- a. The health care delivery system;
- b. The Medicaid Coverage Expansion (MCE) program;
- c. The Health Care Coverage Initiative (HCCI) program;
- d. The Seniors and Persons with Disabilities (SPD) Program;
- e. The Community Based Adult Services (CBAS) Program, including Enhanced Case Management (ECM) Services;
- f. California Children's Services (CCS) Program;
- g. Healthy Families Children Transition to the Demonstration;
- h. Designated State Health Programs (DSHP) receiving federal financial participation. – as defined within these STCs;
- i. Enrollment , quality of care, access to care;
- j. The benefit package, cost-sharing;
- k. Audits, lawsuits;
- l. Financial reporting and budget neutrality issues;
- m. Progress on evaluations;
- n. State legislative developments;
- o. Any Demonstration amendments, concept papers or state plan amendments the State is considering submitting. CMS shall update the State on any amendments or concept papers under review as well as federal policies and issues that may affect any aspect of the demonstration. The State and CMS (both the Project Officer and the Regional Office) shall jointly develop the agenda for the calls; and,
- p. Medi-Cal managed care rural county expansion.

24. **Demonstration Annual Report.** The State will submit a draft annual report documenting accomplishments, project status, quantitative and case study findings, utilization data, and policy and administrative difficulties in the operation of the demonstration. The State will submit the draft annual

report no later than 120 days after the end of each demonstration year. Within 60 days of receipt of comments from CMS, a final annual report will be submitted for the demonstration year to CMS. The annual report will also contain:

- a. The previous State fiscal year appropriation detail for those State programs referenced in paragraph 38.b.ii, which are permissible expenditures under the Safety Net Care Pool.
- b. The progress and outcome of program activities related to the:
 - a.MCE;
 - b.HCCI;
 - c.SPD program;
 - d.CBAS program;
 - e.CCS Program;
 - f. Healthy Families Children Transitioning to the Demonstration; and,
 - g. Medi-Cal Managed Care Rural County Expansion

V. GENERAL FINANCIAL REQUIREMENTS

No changes necessary for this amendment.

VI. STATE PLAN AND DEMONSTRATION POPULATIONS AFFECTED BY THE DEMONSTRATION

g. Medi-Cal Managed Care Rural County Expansion Populations: This population consists of persons residing in 28 rural California counties transitioning from Medi-Cal FFS to Medi-Cal managed care who are eligible for Medicaid through Medicaid Eligibility Groups (MEGs) covered by the managed care plans. The COHS and non-COHS expansion populations will be identical to those currently covered by COHS/non-COHS. Attachment U specifies those MEGs that are included and excluded for the COHS/non-COHS.

VII. DEMONSTRATION DELIVERY SYSTEMS

No changes necessary for this amendment.

VIII. OPERATION OF DEMONSTRATION PROGRAMS

The objective of this amendment is to provide California with Section 1115 Demonstration Waiver (Demonstration Waiver) authority to enroll beneficiaries in 28 California rural counties into Medi-Cal managed care. Currently beneficiaries in these counties are receiving Medi-Cal on a FFS basis. On September 1, 2013, the State, upon CMS approval, will transition approximately 470,000 Medi-Cal beneficiaries from FFS into Medi-Cal managed care in these rural counties.

Notices

- a. CMS Review of Enrollee Communication - The State will submit to CMS for review and comment, any written communication from the State to enrollees to be used to explain the transition.
- b. Readability and Accessibility - All informing and educational materials should be clear and easy to read, provide information beneficiaries need to help them navigate the transition, and be made available in the 12 Medi-Cal threshold languages, in formats, and at reading levels that ensure materials provide clear information.
- c. Timing – The State must provide written notice to transitioning beneficiaries at least 60 days

prior to the transition.

Eligibility and Enrollment Process

- a. Eligibility criteria – Persons residing in 28 rural California counties as defined in VI (g) above.
- b. Enrollment Process
 - i. COHS expansion counties
 1. Eligible Medi-Cal beneficiaries residing in COHS expansion counties will be required to enroll in the COHS health plan.
 - ii. Non-COHS expansion counties
 1. Beneficiaries residing in non-COHS expansion counties that are mandatory MEGs will be required to choose a Medi-Cal managed care health plan. If the beneficiary fails to choose, they will receive default assignments. Nothing in these STCs exempts the State from managed care requirements at 42 CFR 438.
 2. Beneficiaries residing in non-COHS expansion counties that are voluntary MEGs will be given the choice of enrolling in FFS or managed care. If the beneficiary fails to choose, they will remain in FFS.
- c. Application of Medicaid rules – All Medicaid rules (including eligibility, benefits, cost sharing, grievances and appeals, and managed care) will apply to this expansion population.

Consumer Assistance

Consumer assistance will be available to beneficiaries during the transition through the following:

- a. The State will use the Medi-Cal Managed Care Office of the Ombudsman and Health Care Options call centers to provide information and assistance, including enrollment assistance, to beneficiaries during the transition.

Delivery System

The managed care delivery system models and their geographic distribution are identified in Attachment T.

Benefits

Transitioned beneficiaries will receive benefits as identified in Attachment N.

Managed Care Network Adequacy

Consistent with Medicaid requirements related to availability of services at §438.206, assurances of adequate capacity and services at §438.207, and coordination and continuity of care at §438.208, the State must ensure, through oversight of its contracts, at a minimum, that each managed care plan provides the State with supporting documentation to demonstrate that it:

- a. Has the capacity to serve the expected enrollment in its service area in accordance with the State's standards for access to care. This must include the percentage of primary and specialist providers accepting new patients.
- b. Offers an appropriate range of primary care and specialty services that are adequate for the anticipated number of enrollees for the service area.
- c. Maintains and monitors a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of enrollees.
- d. Ensures that if the plan network is unable to provide necessary services covered under the

contract to a particular enrollee, the plan will adequately and timely cover these services out-of-network for the enrollee, for as long as the plan is unable to provide them.

Monitoring and Reporting

The State will collect data and information on the Medi-Cal managed care rural expansion in order to monitor, measure and report on this expansion. The State will utilize existing monitoring tools to ensure efficiency and consistence across the Medi-Cal managed care program.

IX. OTHER ADMINISTRATIVE REQUIREMENTS

No changes necessary for this amendment.

X. GENERAL FINANCIAL REQUIREMENTS UNDER TITLE XIX

No changes necessary for this amendment.

XI. GENERAL FINANCIAL REQUIREMENTS UNDER TITLE XXI

No changes necessary for this amendment.

XII. MONITORING BUDGET NEUTRALITY FOR THE DEMONSTRATION

To be provided.

Attachment O – County Listing for SPD Enrollment

County Name	Plan Model						STC Section IX is applicable
	Two-Plan	GMC	COHS	Regional	Imperial	San Benito	
Alameda	X						
Alpine				X			
Amador				X			
Butte				X			
Calaveras				X			
Colusa				X			
Contra Costa	X						X
Del Norte			X				
El Dorado				X			
Fresno	X						X
Glenn				X			
Humboldt			X				
Imperial					X		
Inyo				X			
Kern	X						X
Kings	X						X
Lake			X				
Lassen			X				
Los Angeles	X						X
Madera	X						X
Marin			X				
Mariposa				X			
Mendocino			X				
Merced			X				
Modoc			X				
Mono				X			
Monterey			X				
Napa			X				
Nevada				X			
Placer				X			
Plumas				X			
Orange			X				
Riverside	X						X
Sacramento		X					X
San Benito						X	
San Bernardino	X						X
San Diego		X					X
San Francisco	X						X

San Joaquin	X						X
San Luis Obispo			X				
San Mateo			X				
Santa Clara	X						X
Santa Barbara			X				
Santa Cruz			X				
Shasta			X				
Sierra				X			
Siskiyou			X				
Solano			X				
Sonoma			X				
Stanislaus	X						X
Sutter				X			
Tehama				X			
Trinity			X				
Tulare	X						X
Tuolumne				X			
Ventura			X				
Yolo			X				
Yuba				X			

Attachment T - Geographic Distribution and Delivery System Models for Medi-Cal Managed Care Rural County Expansion

Delivery System Model	Counties
County Organized Health System (COHS)/Health Insuring Organization (HIO)	Del Norte
	Humboldt
	Lake
	Lassen
	Modoc
	Shasta
	Siskiyou
	Trinity
Regional	Alpine
	Amador
	Butte
	Calaveras
	Colusa
	El Dorado
	Glenn
	Inyo
	Mariposa
	Mono
	Nevada
	Placer
	Plumas
	Sierra
	Sutter
Tehama	
Tuolumne	
Yuba	
Imperial	Imperial
San Benito	San Benito

Attachment U cont. - Excluded Populations - Medi-Cal Managed Care Rural County Expansion

Excluded Populations											
Delivery System Model	County	Dual-Eligibles	Pregnant Women	Other Insurance	Nursing Facility or ICF/MR Resident	Enrolled in Another Managed Care Program	Less than 3 Months Eligibility	HCBS Waiver Enrolled	Special Needs Children-State Defined	CHIP Title XXI	Retro Eligibility
County Organized Health System (COHS)	Del Norte					X				X ⁶	X
	Humboldt					X				X ⁶	X
	Lake					X				X ⁶	X
	Lassen					X				X ⁶	X
	Modoc					X				X ⁶	X
	Shasta					X				X ⁶	X
	Siskiyou					X				X ⁶	X
	Trinity					X				X ⁶	X
Regional	Alpine	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Amador	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Butte	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Calaveras	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Colusa	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	El Dorado	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Glenn	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Inyo	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Mariposa	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Mono	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Nevada	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Placer	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Plumas	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Sierra	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Sutter	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
	Tehama	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
Tuolumne	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷		
Yuba	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷		
Imperial	Imperial	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	
San Benito	San Benito	X ¹	X ²	X ^{3,4}	X	X ⁵	X			X ⁷	

Notes

- ¹ State excludes enrollment of dual-eligibles who are simultaneously enrolled in a Medicare Advantage Plan, unless the MA Plan also has a Medi-Cal managed care contract
- ² These beneficiaries receive pregnancy related services only
- ³ State excludes individuals that have a share of cost or are ineligible for full-scope Medi-Cal
- ⁴ State excludes individuals approved for any major organ transplant (except Kidney)
- ⁵ Individuals enrolled in mental health or dental health managed care programs are not considered in another managed care program
- ⁶ State only Healthy Families
- ⁷ Except for non-Healthy Families children in the Percent of Poverty Program

Attachment U - Included Populations Medi-Cal Managed Care Rural County Expansion

Included Populations											
Delivery System Model	County	Section 1931 Children	Section 1931 Adults	Blind/Disabled Adults	Blind/Disabled Children	Aged and Related Populations	Foster Care Children	BCCTP Program	Children with Accelerated Eligibility	Title XXI CHIP	
County Organized Health System (COHS) Health Insuring Organization (HIO)	Del Norte	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Humboldt	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Lake	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Lassen	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Modoc	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Shasta	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Siskiyou	All Populations Required to enroll in managed care						Req	Req	Req	Req
	Trinity	All Populations Required to enroll in managed care						Req	Req	Req	Req
Regional	Alpine	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Amador	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Butte	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Calaveras	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Colusa	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	El Dorado	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Glenn	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Inyo	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Mariposa	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Mono	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Nevada	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹

Attachment U - Included Populations Medi-Cal Managed Care Rural County Expansion

Delivery System Model	County	Section 1931 Children	Section 1931 Adults	Blind/Disabled Adults	Blind/Disabled Children	Aged and Related Populations	Foster Care Children	BCCTP Program	Children with Accelerated Eligibility	Title XXI CHIP	
Regional	Placer	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Plumas	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Sierra	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Sutter	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Tehama	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Tuolumne	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
	Yuba	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
Imperial	Imperial	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹
San Benito	San Benito	All Populations Required to enroll in managed care						Vol	Vol	Req	Req ¹

Notes:

Vol=Voluntary

Req=Required

(1) CHIP Expansion includes non-Healthy Families in the Percent of Poverty Program