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DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

February 28, 2020

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**CALIFORNIA MEDI-CAL 2020 DEMONSTRATION AMENDMENT REQUEST FOR
THE GLOBAL PAYMENT PROGRAM AND PACE ENROLLMENT IN ORANGE
COUNTY**

Dear Ms. Garner, Ms. Ross, and Mr. Scott:

The State of California proposes to amend the Special Terms and Conditions (STCs) for the "Medi-Cal 2020 Demonstration," project number 11-W-00193/9 to authorize the changes described below. Please see the proposed changes enclosed to Section VII. Demonstration Delivery Systems and STCs 165, 167, 170, 172, 180, and Attachments P, EE, FF, and NN.

This proposed amendment would allow the Department of Health Care Services (DHCS) to operate an additional six-month Global Payment Program (GPP) program year (PY) for the service period of July 1, 2020 to December 31, 2020 (PY 6A). This amendment would also allow Medicaid beneficiaries in Orange County at their election to be disenrolled from

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CalOptima, a county-organized health system (COHS) including CalOptima PACE, to be enrolled in a Program of All Inclusive Care for the Elderly (PACE) organization not affiliated with CalOptima, if eligible.

DHCS is requesting an effective date of July 1, 2020, for this amendment. DHCS is prepared to collaborate with the Centers for Medicare and Medicaid Services (CMS) in order to secure prompt approval of this amendment.

Background

GPP establishes a statewide pool of funding for California's remaining uninsured by allocating over \$2 billion of combined federal Disproportionate Share Hospital (DSH) allotment and uncompensated care funding to Public Health Care Systems (PHCS). These funds support PHCS efforts to provide health care for California's uninsured population and promotes the delivery of more cost-effective and higher-value care to the uninsured. This amendment is necessary to continue GPP payments, using only the applicable federal DSH allotment funds for the relevant time period, to eligible PHCSs through the final six months of the Medi-Cal 2020 Demonstration period.

PACE is a fully integrated Medicare and Medicaid delivery model that coordinates and provides all needed preventive, primary, acute and long-term care services for eligible participants to continue living in the community. Currently all Medicaid beneficiaries in Orange County are enrolled in CalOptima, the COHS in that county, and may not be enrolled in any other alternative delivery system without prior approval from CMS. New PACE programs are currently being established in Orange County, pending approval from CMS. This amendment is necessary to allow for the enrollment of Medi-Cal beneficiaries in PACE not operated or subcontracted by CalOptima. The amendment will increase beneficiary access to PACE services in Orange County, and is supported by CalOptima.

Impact to Services

The proposed amendment will extend GPP services through the final six months of the Medi-Cal 2020 Demonstration period and allow Orange County beneficiaries to opt into PACE as a delivery system alternative to COHS enrollment.

Waiver Authority

DHCS believes the existing waiver authorities in the Medi-Cal 2020 Demonstration are sufficient to authorize this proposed amendment. To the extent necessary, DHCS requests that these authorities are extended to the amendments contained in this request.

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Expenditure Authority

With respect to GPP, the Department is proposing to extend the relevant Expenditure Authority to allow for GPP payments for the final six months of the approved Demonstration term July 1, 2020, through December 31, 2020. Note these proposed GPP payments would only consist of the applicable federal DSH allotment for the period.

Public Notice and Tribal Notice

Pursuant to STCs 8 and 17, DHCS has provided public notice, and continues to solicit stakeholder input through the following means:

DHCS has provided public notice of the amendment concept and its effect to the public through collaborative stakeholder meetings, stakeholder calls, and public notice posted to the DHCS website.

CMS approved DHCS' request for No Tribal Notice on February 21, 2020.

Budget Neutrality

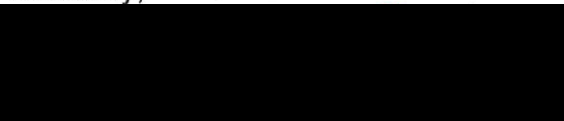
This proposed amendment will not impact the Demonstration budget neutrality.

Evaluation Design

This proposed amendment will not impact the GPP evaluation design. There is no applicable evaluation design specific to PACE/COHS.

Thank you for your support and consideration. DHCS is happy to assist you and your staff in any way as you review the proposed Demonstration amendment. If you have any questions, please contact Lindy Harrington, Deputy Director of Health Care Financing at Lindy.Harrington@dhcs.ca.gov or (916) 345-7528.

Sincerely,



Jacey Cooper
Chief Deputy Director
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State Medicaid Director

Enclosures
cc: See Next Page

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**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST**

**PROPOSED AMENDMENT FOR GLOBAL PAYMENT PROGRAM AND PACE
SPECIAL TERMS AND CONDITIONS**

This notice is to provide information of public interest with respect to the proposed amendment to the Special Terms and Conditions (STCs) of the Medi-Cal 2020 demonstration waiver to implement an extension to the Global Payment Program (GPP).

GPP is currently approved for five Program Years (PY), which began on July 1, 2015, and ends on June 30, 2020. The proposal will extend the program for six months, which covers July 1, 2020 through December 31, 2020. This amendment will allow the GPP to continue operations for the entirety of the Medi-Cal 2020 waiver period while finalizing GPP Special Terms and Conditions for the next waiver period.

Welfare and Institutions Code section 14184.40 authorizes DHCS to implement the GPP. The GPP establishes a statewide pool of funding for California's remaining uninsured by allocating over \$2 billion of combined federal DSH and uncompensated care funding to Public Health Care Systems (PHCS). These funds support PHCS efforts to provide health care for California's uninsured population and promotes the delivery of more cost-effective and higher-value care to the uninsured.

This amendment will have no additional impact to services provided by hospitals, nor will it have any impact to the Demonstration Waiver budget neutrality or expenditure authority.

There are no proposed changes to health care delivery systems for the program or the related eligibility requirements.

There is no expected increase or decrease in annual enrollment or in annual expenditures.

DHCS is also proposing to amend the STCs of the Medi-Cal 2020 waiver to allow for the operation of the Program of All-Inclusive Care for the Elderly (PACE) in Orange County, independent of CalOptima, the County Operated Health System (COHS). This amendment is necessary to allow for the enrollment of Medi-Cal beneficiaries in a PACE health plan not operated or subcontracted by CalOptima. The amendment will increase beneficiary access to PACE services in Orange County, and is supported by CalOptima.

Welfare and Institutions Code section 14592 authorizes DHCS to implement the PACE program. PACE is a fully integrated Medicare and Medi-Cal health plan model that coordinates and provides all needed preventive, primary, acute and long-term care services so that their participants can continue living in the community.

This amendment will have no impact to services provided by hospitals, nor will it have any impact to the Demonstration Waiver budget neutrality or expenditure authority.

Additional information about the GPP is available on the [DHCS GPP website](#). If you have questions or comments, please email us at globalpaymentprogram@dhcs.ca.gov.

Additional information about PACE is available on the [DHCS PACE website](#). If you have questions or comments, please email us at pace@dhcs.ca.gov.