CALIFORNIA BRIDGE TO REFORM SECTION 1115 DEMONSTRATION
FACT SHEET

Updated August 2015

Name of Section 1115 Demonstration:	California Bridge to Reform Demonstration
Waiver Number:	11-W-00193/9
Date Proposal Submitted:	July 5, 2005
Date Proposal Approved:	August 24, 2005
Date Implemented:	September 1, 2005
Date Renewal Submitted:	June 3, 2010
Date Extension Approved:	November 1, 2010
Extension Expiration:	October 31, 2015
Number of Amendments:	13

Summary

In September 2005, CMS first provided California section 1115(a) authority through the "Medi-Cal Hospital/ Uninsured Care Demonstration" to create a Safety Net Care Pool (SNCP) that provided federal matching funding for uncompensated care, for certain State funded health care programs, and for the expansion of health care coverage to the uninsured in certain counties.

This demonstration was renewed on November 1, 2010 and renamed the "California Bridge to Reform." The renewed demonstration created the Low Income Health Program (LIHP) to provide coverage in certain counties until December 31, 2013 for low-income adults who would become eligible for new coverage options under the Affordable Care Act. The demonstration also expands the state's Safety Net Care Pool (SNCP) to continue support for uncompensated care and to incentivize delivery transformation through new Delivery System Reform Incentive Payments (DSRIP). Most of the state's existing Medi-Cal managed care programs are included in the Bridge to Reform demonstration and have been expanded to include seniors and persons with disabilities, to expand managed care to additional counties, and to include additional benefits (through the Community Based Adult Services program, the Coordinated Care Initiative, and other initiatives).

Amendments

Amendment #14 – This amendment authorizes the state to test a new paradigm for the organized delivery of health care services for Medicaid eligible individuals with a substance use disorder (SUD) through the Drug Medi-Cal Organized Delivery System (DMC-ODS).

Date Amendment #13 Submitted:	November 21, 2014
Date Amendment #13 Approved:	August 13, 2015

Amendment #13 – This amendment enables the state to provide full-scope Medi-Cal benefits to low-income pregnant women with incomes above 109 percent through 138 percent of the Federal Poverty Level (FPL).

Date Amendment #13 Submitted: September 3, 2014
Date Amendment #13 Approved: July 31, 2015

Amendment #12 – This amendment enables the state to continue providing the Community-Based Adult Service (CBAS) adult day health benefits through a managed care plan to Medi-Cal beneficiaries until October 31, 2015, the termination date of the Demonstration. CBAS is an outpatient, facility-based program that delivers skilled nursing care, social services, therapies, personal care, family/caregiver training and support, nutrition services, and transportation to qualifying aged, blind, or disabled Medicaid state plan beneficiaries. This amendment also expands managed care for Seniors and Persons with Disabilities (SPD) to 19 rural counties, or the non-County Organized Health System (COHS) counties, effective on December 1, 2014. Prior to today's approval, the SPD population could enroll voluntarily in managed care plans in these counties.

Date Amendment #12 Submitted: June 13, 2014 (Community-Based Adult Services) and August 4, 2014 (rural managed care expansion for SPD population)
Date Amendment #12 Approved: November 28, 2014

Amendment #11 – This amendment permits the state to implement its Coordinated Care Initiative (CCI) in eight counties no sooner than April 1, 2014. In the eight CCI counties (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara), this amendment makes the following changes:

- ***Cal MediConnect:*** The demonstration has been updated to align with the state's 1115A demonstration program for Medicare and Medi-Cal dual eligible beneficiaries (Cal MediConnect), a voluntary, three-year program that will coordinate medical, behavioral health, long-term institutional, and home- and community-based services through a single health plan.
- ***Mandatory Enrollment of Dual Eligibles into Medi-Cal Managed Care*:** All dual eligible beneficiaries in CCI counties, subject to certain exceptions, will be mandatorily enrolled in a Medi-Cal managed care organization to receive their Medi-Cal benefits. This includes beneficiaries who opt out or are excluded from enrollment in a Cal MediConnect plan.
- ***Inclusion of Long Term Services and Supports (LTSS):*** Beneficiaries enrolled in a Medi-Cal managed care organization in CCI counties, subject to certain exemptions, will receive their long-term services and supports (LTSS) through the plans. The following long-term services and supports are included: In-Home Supportive Services (IHSS), Community-Based Adult Services (CBAS), the Multipurpose Senior Services Program (MSSP), and nursing facility care services.

Date Amendment #11 Submitted: June 18, 2013
Date Amendment #11 Approved: March 19, 2014

Amendment #10 – This amendment added the new adult group to the demonstration's delivery system, carved in additional behavioral health benefits into managed care, and extended uncompensated care payments for tribal providers for certain optional services until December 31, 2014.

Date Amendment #10 Submitted: October 30, 2013 (new adult group and behavioral health) and November 7, 2013 (tribal uncompensated care)
Date Amendment #10 Approved: December 24, 2013

Amendment #9 – This amendment authorized the expansion of Medi-Cal managed care to Medi-Cal beneficiaries residing in 28 California counties that were not previously part of the demonstration's general managed care delivery system. Beginning September 1, 2013, approximately 102,000 Medi-Cal beneficiaries were transitioned from FFS to the County Organized Health System (COHS) model of Medi-Cal managed care in 8 counties, and beginning November 1, 2013, approximately 176,000 Medi-Cal beneficiaries were transitioned from FFS to a non-COHS model of Medi-Cal managed care in the remaining 20 counties. Seniors and persons with disabilities in non-COHS counties that are part of this expansion are not be required to enroll in managed care, but have the option to enroll in managed care on an "opt-in" basis.

Date Amendment #9 Submitted: May 3, 2013
Date Amendment #9 Approved: August 29, 2013

Amendment #8 – This amendment increased authorized funding for the Safety Net Care Uncompensated Care Pool for DY 8 and DY 9 by the amount of authorized but unspent funding for the Health Care Coverage Initiative (HCCI) in DY 8 and DY 9 respectively.

Date Amendment #8 Submitted: April 29, 2013
Date Amendment #8 Approved: June 28, 2013

Amendment #7 – This amendment permitted the state to make uncompensated care payments to Indian Health Service (IHS) and tribal facilities. Qualifying uncompensated encounters include primary care encounters furnished to uninsured individuals with incomes up to 133 percent of the Federal Poverty Level (FPL) who are not enrolled in a California County Low Income Health Program (LIHP) and uncompensated costs of furnishing services that had been covered under Medi-Cal as of January 1, 2009 to such uninsured individuals and to Medi-Cal beneficiaries.

Date Amendment #7 Submitted: March 1, 2013
Date Amendment #7 Approved: April 5, 2013

Amendment #6 – This amendment permitted the state to transition beneficiaries from the Healthy Families Program (HFP, the state's separate Children's Health Insurance Program) to

the Medi-Cal program through a phased-in process beginning on January 1, 2013. Children enrolled in the HFP were transitioned into Medi-Cal's Optional Targeted Low-Income Children's (OTLIC) Program, where they continued to receive health, dental, and vision benefits. The OTLIC Program covers children with family incomes up to and including 250 percent of the federal poverty level.

Date Amendment #6 Submitted: October 30, 2012
Date Amendment #6 Approved: December 31, 2012

Amendment #5 – California submitted several requests to amend its 1115 demonstration to the Centers for Medicare & Medicaid Services (CMS) in July 2011, January 2012, May 2012, and June 2012. The following requests were approved collectively on June 28, 2012:

1. An increase to funding for the Safety Net Care Uncompensated Care Pool for DY 7 by the amount of authorized but unspent funding for the Health Care Coverage Initiative (HCCI) and Designated State Health Programs from DY 6;
2. A reallocation of funding from the HCCI to the Safety Net Care Uncompensated Care Pool for DY 7;
3. The creation of an HIV Transition Incentive Program within the Delivery System Reform Incentive Pool (DSRIP);
4. Revisions to the budget neutrality worksheets to correct errors; and
5. Assorted technical corrections.

Date Amendment #5 Submitted: July 2011, January 2012, May 2012, and June 2012
Date Amendment #5 Approved: June 28, 2012

Amendment #4 – This amendment created the Community Based Adult Services (CBAS) program, which provides an outpatient, facility-based program that delivers skilled nursing care, social services, therapies, personal care, family/caregiver training and support, meals, and transportation to Medi-Cal beneficiaries enrolled in a managed care organization. The demonstration will research and test whether individuals enrolled in CBAS who have an organic, acquired, or traumatic brain injury and/or chronic mental illness, maintain or improve the status of their health. Some beneficiaries who previously received adult day health care (ADHC) services (which is no longer be offered as an optional benefit under the State Plan) and will not qualify for CBAS services (because of a difference in the level of care criteria) instead receive a more limited "Enhanced Case Management" (ECM) benefit. ECM is a service that provides person centered planning including coordination of medical, social, and education supports.

Date Amendment #4 Submitted: January 10, 2012
Date Amendment #4 Approved: March 30, 2012

Amendment #3 – On June 6, 2011, the State of California requested approval of an amendment to impose mandatory copayments on Medi-Cal beneficiaries regardless of eligibility category, age, or whether they are participating in the fee-for-service or managed care delivery system. This amendment was not approved by CMS.

Date Amendment #3 Submitted: June 6, 2011
Date Amendment #3 Disapproved: February 6, 2012

Amendment #2 – This amendment adjusted the demonstration to reflect the American Reinvestment and Recovery Act (ARRA) Federal Medical Assistance Percentage (FMAP) rates for SNCP expenditures, expanded the HCCI, and permitted the state to receive FMAP for four additional state-only funded health care programs.

Date Amendment #2 Submitted: August 27, 2009
Date Amendment #2 Approved: January 27, 2010

Amendment #1 – This amendment authorized the state to develop and implement a Healthcare Coverage Initiative (HCCI) that expanded coverage options for uninsured individuals in the state with income less than 200 percent of the Federal poverty level.

Date Amendment #1 Submitted: August 28, 2006
Date Amendment #1 Approved: October 5, 2007

Eligibility and Benefits

The following state plan eligibles and demonstration populations are affected by the demonstration:

- *Medicaid state plan.* Most Medicaid state plan populations participate in demonstration-authorized capitated managed care delivery systems that vary by county (see delivery system overview below)
- *Low Income Health Program (LIHP):* Counties may phase in coverage for adults aged 19-64 with incomes at or below 200 percent of the federal poverty level (FPL). This program expired on December 31, 2013. Benefits varied by county, and are more limited than state plan benefits.
- *Community Based Adult Services (CBAS).* Aged, blind, or disabled Medicaid state plan beneficiaries who meet certain medical necessity criteria are eligible for managed CBAS services through the demonstration.
- *Children's Health Insurance Program (CHIP) Transitioning Children.* Children previously enrolled in the state's separate CHIP who meet the conditions for phased-in enrollment are enrolled in Medicaid managed care through the demonstration. This phase-in was completed by December 31, 2013.
- *California Children's Services (CCS).* Children with special health needs who are covered in the Medicaid state plan or the CHIP state plan are enrolled in in the CCS program.
- *Coordinated Care Initiative (CCI).* No sooner than April 1, 2014, Medicare and Medicaid dual eligible beneficiaries and other beneficiaries residing in the state's eight CCI counties will be mandatorily enrolled in managed care and will receive additional long-term services and supports through their managed care plans. Additional benefits will also be provided to dual eligible beneficiaries who opt to participate in the state's Cal MediConnect program (which is governed by the state's 1115A demonstration, not the 1115(a) Bridge to Reform demonstration)

Cost Sharing

The Demonstration applies Medicaid cost-sharing standards, which are designed to ensure the affordability of coverage for low-income people and maintains Medicaid due process requirements.

Delivery System

The Bridge to Reform Demonstration allows counties to implement one of the following delivery system models.

- *County Organized Health System (COHS).* All Medicaid beneficiaries in COHS counties (including dual eligibles) are required to be enrolled in a single health insuring organization (HIO). 14 counties are currently implementing the COHS model.
- *General managed care (GMC) model.* Most Medicaid beneficiaries (not including dual eligibles or foster care children) are required to choose between two or more managed care organizations. 16 counties are currently implementing the GMC model.
- *Two plan managed care model.* Most Medicaid beneficiaries (not including dual eligibles or foster care children) are required to choose between two or more managed care organizations. 16 counties are currently implementing the GMC model.
- *Regional managed care model.* Most Medicaid beneficiaries (not including dual eligibles or foster care children) are required to choose between two or more managed care organizations. 16 counties are currently implementing the GMC model.

Safety Net Care Pool

The demonstration redirects managed care savings and previous supplemental payments to create a $15.6 billion (total computable) safety net care pool over 5 years that supports the following initiatives:

- *Uncompensated Care (UC) pool.* Approximately $8 billion over 5 years is provided to reimburse uncompensated care costs at certain designated public hospitals and (in 2013 and 2014) uncompensated care costs incurred by certain Indian Health Service providers. This funding can also be used for approved designated state health programs (DSHP).
- *Delivery System Reform Incentive Payment (DSRIP) Pool.* Approximately $6.7 billion over 5 years is provided to incentivize hospital projects to improve the quality of care. DSRIP funding is also provided to incentivize the provision of coordinated HIV care.
- *Health Care Coverage Initiative.* Approximately $815 million is provided to pay for LIHP expenditures for individuals above 133 percent of the FPL, until the LIHP program expired December 31, 2013.

Quality and Evaluation Plan

The impact of each Demonstration-related program during the period of approval, particularly among the target populations, will be evaluated. The evaluation will also include the specific hypotheses being tested including an evaluation of the effectiveness of using SNCP funding for Demonstration related programs. State shall include an assessment, using pre-mandatory enrollment as a baseline, of the impact on mandatory managed care on seniors and persons with

disabilities, including all significant and notable findings based on all of the data accumulated through the quarterly progress report.

State Funding Source

The demonstration is funded by a combination of direct appropriations, certified public expenditures (CPEs) and intergovernmental transfers (IGTs).

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