



**California Children's Services (CCS) Waiver
Centers for Medicare & Medicaid Services (CMS)
Special Terms and Conditions
2016 CCS Pilot Update**

Pilot Programs

The overarching goal of the CCS pilot project is for the State to test two integrated delivery models for the CCS population that results in achieving the desired outcomes related to timely access to care, improved coordination of care, promotion of community-based services, improved satisfaction with care, improved health outcomes and greater cost-effectiveness. The CCS pilot projects will be evaluated to measure the effectiveness of focusing on the whole child, not just their CCS condition. The pilots will also help inform best practices, through a comprehensive evaluation component, so that at the end of the demonstration period decisions can be made on permanent restructuring of the CCS Program design and delivery systems.

The two (2) health care delivery models include:

- Existing Medi-Cal Managed Care Plan (MCP)
- Provider-based Accountable Care Organization (ACO)

MCP – Health Plan San Mateo (HPSM)

HPSM uses the existing managed care system to enhance and improve the county's CCS Program. The Demonstration Pilot (DP) provides an integrated, family-centered care delivery and coordination system that eliminates fragmentation of primary, specialty and ancillary services. Care coordination is driven by the needs of the whole-child, including primary care, specialty care, social and psychological needs and any other services necessary to address child and family well-being.

All infants, children and youth with CCS eligible medical conditions residing in the designated geographic service area, regardless of source of funding for their services and how long the conditions are expected to last, will be enrolled into the MCP. This population includes all infants eligible for neonatal intensive care unit (NICU) care through the CCS Program. Children and youth with a CCS eligible medical condition that is anticipated to last less than twelve (12) months and who are either optional targeted low income children, or are designated CCS-only will remain enrolled in the DP.

Health Plan San Mateo Demonstration Project Status Update

On April 1, 2013, HPSM was the first CCS Demonstration to become operational under the California's Bridge to Reform 1115 Medicaid Demonstration Waiver.

Under the Demonstration, HPSM has provided CCS eligible children with comprehensive health care, which includes services related to the child's CCS health condition as well as providing primary and preventive health services. Children and their families continue to see their existing health care providers and receive all of their health care under the umbrella of a single health care delivery system which serves as the child's medical home.

- DHCS Communications with HPSM

Reoccurring conference calls between DHCS and HPSM are conducted on a regular basis to discuss various contract issues were inclusive to those related to financials, information technology, and deliverable reporting.

- **Contract Amendments**

Contract amendment A01 was executed on March 19, 2015. The amendment addressed the following: Retroactive capitated rate adjustments, carve-out of a specific coagulation factor product; redefined definition of other health coverage; and correction of contract term to a period of three (3) years with two (2) one-year (1-year) options to extend the term. The rates adjustment covered the time periods from April 1, 2013 through June 30, 2015 and reflects the following: Elimination of the inpatient provider payment reduction, AB 1422, AB 78, ACA 1202, mental health benefits, increased case management costs and Hepatitis C payments. HPSM contract amendment A02 is in process. This amendment is to extend the contract term and revise rates.

ACO - Rady Children's Hospital of San Diego (RCHSD)

RCHSD and its affiliated physicians, in collaboration with the county CCS Program, will establish an ACO jointly designed, implemented, managed and continually improved by its founding partners.

The target population for the ACO model will include a subset of the CCS population with a chronic eligible medical condition, anticipated to last twelve (12) months or more, and whose needs are best met by hospital-based outpatient Special Care Centers.

Children and youth residing in the designated geographic service area, who have been receiving care through the health care organization that will be contracting with the State, who have a CCS medical condition eligible for the ACO and who meet all of the CCS Program eligibility requirements will be enrolled into the ACO. Additionally, children and youth who develop a CCS medical condition eligible for the ACO and who meet all of the CCS Program eligibility requirements and are referred to the health care organization for care will also be enrolled into the ACO.

The medical conditions for RCHSD include:

1. Cystic Fibrosis
2. Hemophilia
3. Sickle Cell
4. Acute Lymphoblastic Leukemia; or
5. Diabetes Types I and II (ages 1 – 10 years of age).

Rady Children's Hospital of San Diego County Demonstration Project Status Update

DHCS has been collaborating with RCHSD and the local CCS Program regarding implementing the RCHSD CCS DP. Discussions have taken place around contract documents (Scope of Work, reporting requirements, etc.), covered services, covered pharmaceuticals, readiness review documents, capitated rates, risk corridors, future county roles including eligibility determination, and transition of the CCS population from a fee-for-service based system to a capitated model.

DHCS participates in regular conference calls with RCHSD to discuss and resolve various issues. Below is an update on progress to date:

- **Knox-Keene License Waiver/ Requirements**
In DY8, DHCS submitted a request to the Department of Managed Health Care (DMHC) for a Knox-Keene licensure exemption to allow RCHSD to participate in the CCS DP. Exemption to the Knox-Keene licensure does not waive conformance with Knox-Keene performance requirements. This request explained that there was a large financial burden associated with pursuing licensure as well as acknowledging the nature of this project as a Demonstration with specific time frames. DHCS received confirmation from DMHC approving the Knox-Keene License Waiver request on March 4, 2013. Through further discussions with RCHSD, DHCS is working on an amendment to the Knox-Keene licensure exemption.
- **Capitated Rates**
DHCS's Capitated Rates Development Division (CRDD) continued to work with actuaries on rate development and risk corridor contract language. Concerns that affect rate derivation regarding drug pricing and pharmacy access have been resolved and data discrepancies have been validated.
- **Pharmaceuticals/PBM**
On September 21, 2015, RCHSD provided to DHCS a Letter of Intent between MedImpact Healthcare Systems, Inc. (MedImpact) and RCHSD, demonstrating the mutual intention to negotiate an agreement for Pharmaceuticals Benefit Manger (PBM) services. Once the contract has been approved by CMS, RCHSD will contract with MedImpact.
- **Member Handbook**
As of December 2015, DHCS Office of Legal Services and RCHSD have come to an agreement on the grievance and appeals component of the member handbook. The pharmacy/pharmaceutical component has been resolved and will incorporate RCHSD's proposed split for blood factor 340B drug pricing. RCHSD is finalizing the member handbook as of June 30, 2016.
- **Provider Manual**
DHCS reviewed and provided feedback to RCHSD's provider manual to satisfy a Readiness Review component. RCHSD is finalizing the provider manual per DHCS' guidance.
- **Readiness Review and Deliverables**
DHCS developed a Readiness Review Matrix to operationalize the RCHSD Demonstration. The readiness review lists deliverables RCHSD will need to submit to DHCS prior to enrolling members into the plan. These policies and procedures (P&Ps) ensure RCHSD has safeguards in place for access to care and family centered care practices. As of January 2016, DHCS had reviewed all 67 P&P drafts. The 67 P&Ps need to be submitted to DHCS in a finalized format.
- **Contract Items**
As of March 31, 2016, the contract is pending discussions for the following: Risk corridor language and rate finalization.

Number of Children Enrolled and Cost of Care

The table below represents the most current enrollment numbers and the capitation rates for HPSM for the period January 1, 2015 through June 30, 2016.

Month	HPSM Enrollment	Capitation Rate	Capitation Payment
Jan-15	1,527	\$1,593.01	\$2,432,526
Feb-15	1,502	\$1,593.01	\$2,392,701
Mar-15	1,546	\$1,593.01	\$2,462,793
Apr-15	1,552	\$1,593.01	\$2,472,352
May-14	1,569	\$1,593.01	\$2,499,433
Jun-15	1,589	\$1,593.01	\$2,531,293
Jul-15	1,592	\$1,475.28	\$2,348,646
Aug-15	1,591	\$1,475.28	\$2,347,170
Sep-15	1,600	\$1,475.28	\$2,360,448
Oct-15	1,583	\$1,475.28	\$2,335,368
Nov-15	1,591	\$1,475.28	\$2,347,170
Dec-15	1,588	\$1,475.28	\$2,342,745
Jan-16	1,581	\$1,475.28	\$2,332,418
Feb-16	1,591	\$1,475.28	\$2,347,170
Mar-16	1,609	\$1,475.28	\$2,373,726
Apr-16	1,626	\$1,475.28	\$2,398,805
May-16	1,621	\$1,475.28	\$2,391,429
Jun-16	1,622	\$1,475.28	\$2,392,904
		TOTAL	\$43,109,097

Evaluation Findings

None to date.