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Department of Health Care Services



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May 19, 2017

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**CALIFORNIA MEDI-CAL 2020 DEMONSTRATION (NO. 11-W-00193/9)  
AMENDMENT REQUEST TO PROVIDE MEDICAID COVERAGE OF FORMER  
FOSTER YOUTH**

Dear Ms. Garner, Ms. Ross, and Ms. Sam-Louie:

The State of California proposes to amend the Special Terms and Conditions (STCs) of Waiver 11-W-00193/9, California Section 1115 "Medi-Cal 2020" Demonstration Waiver (Demonstration Waiver) pursuant to STCs paragraph 7.

This proposed amendment would allow the California Department of Health Care Services (DHCS) to continue providing coverage to Former Foster Youth (FFY) who were in foster care under the responsibility of a different state at the time they turned 18 or when they "aged out" of foster care, were enrolled in Medicaid, and are now under

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age 26. The State anticipates the amendment will increase and strengthen overall coverage of FFY and improve health outcomes for these youth.

California is requesting this Demonstration Waiver amendment be effective November 1, 2017. DHCS is prepared to collaborate with the Centers for Medicare and Medicaid Services (CMS) in order to secure prompt approval of this amendment.

### **Background**

Title IV-E foster care youth have been a mandatory eligibility category since the Adoption Assistance and Child Welfare Act of 1980 (Pub. L. 96-272). On March 23, 2010, the Affordable Care Act (ACA) was signed into law, making a number of changes to Medicaid eligibility, effective January 1, 2014. To further the overall goal of the ACA and to expand health coverage, it included a new provision to allow youth to maintain coverage under their parent's or guardian's health insurance plan until age 26 (to the extent that such plan extends coverage to dependents). In addition, section 2004 of the ACA added a new mandatory Medicaid eligibility group at section 1902(a)(10)(A)(i)(IX) of the Act to provide a parallel opportunity for FFY to obtain Medicaid coverage until age 26 from the state responsible for the individual's foster care.

On January 22, 2013, CMS issued a notice of proposed rulemaking, entitled "Medicaid, Children's Health Insurance Programs, and Exchanges: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearing and Appeal Processes for Medicaid and Exchange Eligibility Appeals and Other Provisions Related to Eligibility and Enrollment for Exchanges, Medicaid and CHIP, and Medicaid Premiums and Cost Sharing," which proposed to implement the under age 26 former foster care eligibility group in regulations at 42 Code of Federal Regulations section 435.150 (78 Fed.Reg. 4594 (Jan. 22, 2013)). As part of that rulemaking, CMS proposed to provide states the option to cover FFY who were in foster care under the responsibility of another state and enrolled in Medicaid, upon turning 18 or when they "aged out" of foster care in the other state, under their Medicaid State Plan.

Pursuant to the January 22, 2013 CMS guidance, California currently has approved Medicaid State Plan Amendment (SPA) 13-021 in place to provide Medi-Cal eligibility to FFY up to age 26 who were in foster care in any state at age 18 or older when they "aged out" and "on Medicaid" on that date.

On November 30, 2016, CMS published a final rule, entitled "Medicaid and Children's Health Insurance Programs: Eligibility Notices, Fair Hearing and Appeal Processes for Medicaid and Other Provisions Related to Eligibility and Enrollment for Medicaid and CHIP". The final rule clarified that, after further review, the Department of Health and Human Services had determined that a state option to cover youth who were in foster

care under the responsibility of another state was not available under section 1902(a)(10)(A)(i)(IX) of the Social Security Act (81 Fed.Reg. 86382 (Nov. 30, 2016)). That subparagraph provides that, to be eligible under this group, an individual must have been “in foster care under the responsibility of the state” and to have been “enrolled in the state plan under this title or under a waiver of the plan while in such foster care[.]” However, CMS further clarified that states can cover such youth pursuant to other statutory provisions, specifically through section 1115 demonstration waiver authority.

To continue coverage of these FFY, DHCS requests an amendment to the California Medi-Cal 2020 Demonstration (Waiver Number 11-W-00193/9) to cover FFY up to age 26 who were in foster care and on Medicaid in any state at the time they turned 18 or aged out of the foster care system. DHCS will also concurrently submit SPA 17-016 to withdraw the authority provided by SPA 13-021, to provide that coverage. The proposed effective date of the SPA will have the same effective date as the approved waiver amendment.

Furthermore, DHCS and CMS have come to an agreement on the eligibility determination process that will be used going forward for FFY who come to California from another state. Currently, DHCS provides eligibility for FFY based upon self-attestation with no regard for income or Modified Adjusted Gross Income (MAGI) rules. County eligibility workers (CEWs) then verify the individual’s FFY status. If CEWs cannot verify the individual’s FFY status, the individual undergoes a full eligibility determination based upon MAGI rules. CMS verbally agreed on January 11, 2017, to allow California to maintain this eligibility determination process for FFY who come from out-of-state.

### **Eligibility**

Under the Medi-Cal 2020 waiver, DHCS proposes to cover FFY who were in foster care under the responsibility of another state at the time they turned 18 or when they “aged out” of foster care, were enrolled in Medicaid on that date and are under the age of 26.

### **Delivery System**

The delivery system for FFY (fee-for-service (FFS) or managed care) depends on the county of residence and/or the FFY’s choice. DHCS estimates 220 FFY who were in foster care under the responsibility of a different state at the time they turned 18 or when they “aged out” of foster care, were enrolled in Medicaid at the time they “aged out” and are under age 26 will receive benefits via FFS.

### **Financial Data**

DHCS estimates approximately 220 FFY will enroll annually in California from other states. The annual aggregate expenditure for this demonstration population will be approximately \$539,440.

### **Waiver Authority**

DHCS believes the existing waivers of freedom of choice, statewideness, and comparability encompass this proposed Demonstration Waiver amendment. To the extent necessary, DHCS requests that its authority to operate under these waivers extend to the amendments contained in this request.

### **Expenditure Authority**

This proposed Demonstration amendment will not impact the existing Demonstration Waiver expenditure authority.

### **Public Notice and Tribal Notice**

As required by STCs paragraphs 8 and 14, DHCS has provided, and continues to conduct, public notice through the following means:

#### Public Notice and Processing

Public notices include notification of the of the foster care waiver and amendment process and its effect to the public through channels such as:

- Former Foster Youth Stakeholder meetings on December 8, 2016; January 12, 2017; February 9, 2017; March 9, 2017; and May 11, 2017
- a stakeholder call on April 26, 2017
- posting the notice to the DHCS website on May 1, 2017
- distributions through listservs and Medi-Cal 2020 Newsletter on May 1, 2017

No stakeholder questions or comments were received prior to submission of this waiver amendment request to CMS.

#### Tribal Notice

On April 14, 2017, CMS accepted the State's written rationale for no tribal consultation or publication. A copy of the "No Tribal Notice Summary Request" is attached.

### **Impact to Services**

FFY will receive the standard full scope Medicaid benefit package offered under the Medicaid state plan. The State is not proposing any changes to benefits or cost sharing.

### **Budget Neutrality**

This proposed amendment will not impact the Demonstration Waiver budget neutrality.

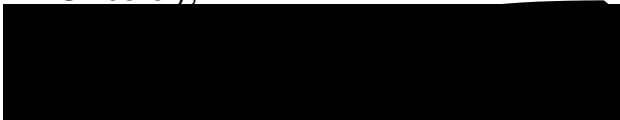
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### **Evaluation Design**

DHCS will conduct an evaluation of the demonstration using the Suggested Modified Evaluation Design as provided by CMS. Enclosed is the FFY Draft Evaluation. DHCS will develop and submit a Final Evaluation Design to CMS in response to CMS' comments and feedback.

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 Angeli Lee by email at [Angeli.Lee@dhcs.ca.gov](mailto:Angeli.Lee@dhcs.ca.gov) or by phone at (916) 324-0184.

Sincerely,



Mari Cantwell  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

#### Enclosures:

- Medi-Cal 2020 Newsletter for FFY Amendment – May 1, 2017
- CMS No Tribal Notice Summary Request
- FFY Amendment Draft Evaluation Design
- Attachment A for 2015 Enrollment, Utilization, and Access Measures

cc: Rene Mollow  
Sandra Williams  
Robert Sugawara

**Former Foster Youth Who Were In Foster Care and Medicaid in a Different State:  
Section 1115 Demonstration  
Draft Evaluation Design**

The purpose of this demonstration is to provide Medicaid coverage for Former Foster Youth (FFY) who aged out of foster care under the responsibility of another state, were enrolled in Medicaid while in foster care, and are now applying for Medicaid in the state in which they live. The demonstration is a means of increasing and strengthening overall coverage of FFY and improve health outcomes for these youth.

**1) Demonstration Goal 1: Access to Care**

- a) Question: Does the demonstration provide continuous health insurance coverage?
  - i) Hypotheses: Beneficiaries will be continuously enrolled for 12-month periods until they reach 26 years of age. Beneficiaries will be continuously enrolled during the measurement year if enrolled in January and not age 26 by December 31<sup>st</sup> of measurement year.
  - ii) Measure: Number of beneficiaries continuously enrolled/total number of enrollments.
- b) Question: How did beneficiaries utilize health services?
  - i) Hypotheses: Beneficiaries will access covered health services under the Medi-Cal program.
  - ii) Measure:
    - (1) Health Care Utilization for those enrolled at least 11/12 months: count of number of beneficiaries with an ambulatory visit/Total number of beneficiaries.
    - (2) Health Care Utilization for those enrolled at least 11/12 months: count of number of beneficiaries with a behavioral health visit/Total number of beneficiaries.
    - (3) Health Care Utilization for those enrolled at least 11/12 months: count of number of beneficiaries with an emergency department visit/Total number of beneficiaries.
    - (4) Health Care Utilization for those enrolled at least 11/12 months: count of number of beneficiaries with an inpatient visit/Total number of beneficiaries.

**2) Demonstration Goal 2: Health Outcomes**

- a) Question: What are the health outcomes for beneficiaries?
- b) Hypotheses: Beneficiaries will have positive health outcomes
- c) Measure:
  - i) Chlamydia screening in women (CHL)/Total number of beneficiaries with chlamydia screening
  - ii) Initiation and engagement of alcohol and other drug treatment (IET)/Total number of beneficiaries with alcohol and other drug treatment
  - iii) Cervical cancer screening (CCS)/Total number of beneficiaries with cervical cancer screening

- iv) Antidepressant medication management (AMM) – Continuous Phase/Total number of beneficiaries with antidepressant medication management
- v) Follow-up after hospitalizations for mental illness (FUH) – 30 day/Total number of beneficiaries with hospitalization.
- vi) Use of opioids at high dosage (OHD)/Total number of beneficiaries with use of opioids at high dosage
- vii) Medication management for people with asthma (MMA) - 50%/Total number of beneficiaries on medication for asthma.
- viii) Annual monitoring for patients on persistent medication (MPM) - ACE or ARB/Total number of beneficiaries on annual monitoring for persistent medication

### **3) Methodology:**

- a) Evaluation design: The evaluation design will utilize a post-only assessment. The timeframe for the post-only period will begin when the demonstration begins, and ends when the demonstration ends.
- b) Data Collection and Sources: Data will be collected through the California Healthcare Enrollment, Eligibility and Retention System (CalHEERS) and Medi-Cal Management Information System/Decision Support System (MIS/DSS).

CalHEERS serves as the consolidated system for eligibility, enrollment, and retention for the California Health Benefit Exchange (also known as Covered California) and Medi-Cal. The administrative data is collected in real time on the Covered California website. All data will be collected retrospectively through this administrative data.

MIS/DSS is DHCS' primary data warehouse, contains Medi-Cal data beginning from October 1, 2004, and integrates data from approximately 30 different sources into a relational database. Data is collected on a daily basis and uploaded to the MIS/DSS on a weekly/monthly basis. Data for the demonstration will be evaluated at yearly intervals, approximately one year after the measurement year, to allow for data completeness. Comparison groups for the 200 out-of-state FFY are expected to be 10,000 for in-state FFY and 1,300,000 for Medi-Cal enrollees ages 18-25. Baseline data is not available for the target population, since they are coming from out-of-state.

- c) Data Analysis Strategy: California will utilize quantitative methods to answer the evaluation questions. The descriptive statistics include frequency count and a percentage comparison of between out-of-state FFY to in-state FFY to the general Medi-Cal population ages 18-25. All data will come from MIS/DSS. All measures conform to the Centers for Medicare and Medicaid Services Adult Health Care Quality Measures.

### **4) Baseline Data:**

Baseline data is not available for the target population, since they are coming from out-of-state. There is no data to which to compare the youth before or after the demonstration project is completed.

**5) Comparison Group:**

California is expecting to enroll 220 individuals and will not be able to meet the criteria for having at least 500 potential enrollees to provide statistically useful data in the health outcome criteria selected. Due to the small size of the out-of-state FFY, a denominator of 40 is not available for 2016. Therefore, the State has modified the evaluation design to remove the comparison group. The State will still capture all proposed metrics on the complete FFY population. Attached is a draft of the proposed report, entitled “Attachment A for 2015 Enrollment, Utilization, and Access Measures”.



**ATTACHMENT A**  
**2015 Enrollment, Utilization, and Access Measures**  
**Former Foster Youth**

	FFY in CA		Medi-Cal 18 to 25 years old		2016 Estimated FFY Out of State <sup>4</sup>
	n=	%	n=	%	n=
<b>ENROLLMENT <sup>1</sup></b>					
Any Enrolled in 2015	16,143		1,811,772		219
12 Months Enrolled	7,392	46	1,166,605	64	80
<b>UTILIZATION <sup>2</sup></b>					
Ambulatory Care Visit	3,482	47	600,997	52	38
Behavioral Health Visit	1,266	17	128,545	11	13
ED Visit	3,039	41	289,939	25	33
Inpatient Stay	599	8	60,962	5	6
<b>QUALITY MEASURES <sup>3</sup></b>					
CHL	3,961	64	152,335	54	42
IET initiation	847	49	25,037	46	9
CCS	389	56	45,183	50	4
AMM continuous	386	14	10,560	17	4
FUH 30 day	356	68	7,852	67	4
OHD	101	2	8,360	3	1
MMA 50%	65	29	6,576	48	<1
MPM (ACE/ARB)	14	79	2,226	67	<1

<sup>1</sup> Continuously enrolled (12 months), full scope with no share of cost; data source: MIS/DSS on 17MAR2017; Information Management Division

<sup>2</sup> Ambulatory Care as defined in 2016 HEDIS value set 'Ambulatory Care'; Behavioral Health Visit if outpatient CA Short Doyle (src\_cd 21 or 37) or encounter with CPT code in 907xx or 908xx; ED visit if ED place of service; Inpatient Stay as defined in 2016 HEDIS value set 'Inpatient Stay'; data source: MIS/DSS 11APR2017; Information Management Division

<sup>3</sup> Core Set Quality Measures reported to CMS Jan 2017 by Information Management Division are: Chlamydia Screening in Women (CHL), Initiation and Engagement of Alcohol and Other Drug Treatment (IET) - Initiation Phase, Cervical Cancer Screening (CCS), Antidepressant Medication Management (AMM) - Continuous Phase, Follow-Up After Hospitalization for Mental Illness (FUH) - 30 day, Use of Opioids at High Dosage (OHD), Medication Management for People with Asthma (MMA) - 50%, and Annual Monitoring for Patients on Persistent Medication (MPM) - ACE or ARB.

<sup>4</sup> Data for 2015 was collected for only 3 months and is not being used.

**From:** DHCS Director (DIR)@DHCS  
**To:** [DHCSSTAKEHOLDERS@MAILLIST.DHS.CA.GOV](mailto:DHCSSTAKEHOLDERS@MAILLIST.DHS.CA.GOV)  
**Subject:** Medi-Cal 2020 News  
**Date:** Monday, May 01, 2017 2:59:00 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)

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# Medi-Cal 2020 News



News and notes about California's Medicaid demonstration programs

May 1, 2017

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## DHCS Proposes Waiver Change to Continue Coverage for Former Foster Youth

The Department of Health Care Services (DHCS) is seeking to amend the terms of the Medi-Cal 2020 waiver regarding former foster youth (FFY) to comply with new federal guidance. The amendment would allow continued coverage up to age 26 for California's FFY who were in foster care under the responsibility of a different state's Medicaid program at the time they turned 18 or when they "aged out" of foster care.

On January 22, 2013, the Centers for Medicare & Medicaid Services (CMS) proposed a [rule](#) that would extend the FFY eligibility group up to age 26.

On November 30, 2016, CMS published a [final rule](#) related to eligibility and enrollment for Medicaid and the Children's Health Insurance Program (CHIP). This rule clarified that states did not have the option to cover youth who were in foster care under the responsibility of another state's Medicaid plan. However, CMS further clarified that states can cover such youth through other statutory provisions, specifically the Section 1115 demonstration waiver authority.

California's approved [Medicaid State Plan Amendment \(SPA\) 13-021](#) provides Medi-Cal eligibility to FFY who were in foster care in any state at age 18 or older when they "aged out" of the foster care

system if they were covered by Medicaid on that date. To continue to cover these FFY, DHCS will submit an amendment to the Medicaid Section 1115 Demonstration Waiver (Medi-Cal 2020 waiver) and will concurrently submit SPA 17-016 to withdraw the authority provided under SPA 13-021. Both documents will be submitted to CMS prior to the May 21, 2017 deadline.

Also, DHCS and CMS have agreed to the eligibility determination process that will be used for FFY who come to California from another state. Currently, DHCS provides eligibility for FFY based upon self-attestation, without regard to income or Modified Adjusted Gross Income (MAGI) rules. County eligibility workers (CEW) then verify the individual's FFY status. If the CEW cannot verify the individual's FFY status, the individual undergoes a full eligibility determination based upon MAGI rules. CMS has verbally agreed to allow California to maintain this eligibility determination process for FFY who come from another state.

The requested effective date for the amendment to the Medi-Cal 2020 waiver is November 1, 2017. DHCS will request that SPA 17-016 take effect on the same date as the waiver amendment does.

Additional information is available on the FFY [website](#). If you have any questions or comments, please email [FFY@dhcs.ca.gov](mailto:FFY@dhcs.ca.gov) by May 12, 2017.

**No Notice Request for Submission of Section 1115 Waiver Amendment to Provide Medicaid Coverage of Former Foster Youth and State Plan Amendment**

The Department of Health Care Services (DHCS) is formally requesting Centers for Medicare and Medicaid Services (CMS) approval to not complete the tribal/designee notification process for the following Section 1115 Waiver Request and State Plan Amendment (SPA) 17-016:

Waiver Request and Title	Background of Proposal	Justification
<p>Request for Section 1115 Waiver Amendment and SPA 17-016:</p> <p>To Provide Medicaid Eligibility for FFY from Out of State</p>	<p>On November 30, 2016, CMS published a final rule on Medicaid coverage for Former Foster Youth (FFY) from out of state. FFY from out of state are youths who were in foster care and enrolled in Medicaid under the responsibility of a different state at the time they turned 18 or when they “aged out” of the foster care system. The rule clarified that the state option to cover FFY from out of state was not available through a SPA. However, states can cover such out of state FFY specifically through a Section 1115 Waiver.</p> <p>Under the guidance of the CMS, DHCS is requesting to amend the State Plan with SPA 17-016 to remove coverage for the FFY from out of state through the State Plan, and will offer coverage through an amendment to California’s Section 1115 Medi-Cal 2020 Demonstration Waiver (#11-W-00193/9). There will be no changes in the benefits or eligibility available to the FFY.</p>	<p>DHCS does not believe that a tribal/designee notice is required because FFY from out of state will continue receiving the same coverage under the proposed amendment to its Section 1115 Waiver as they received under the prior SPA.</p> <p>As such, this proposal has no impact on the individual beneficiary as required by the state plan nor does it change the coverage offered to FFY. It does not restrict eligibility, reduce or restrict access to covered services.</p>