

Medi-Cal Managed Care: The Basics

**Presentation to:
CA Alliance of Child and Family Services**

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November 16, 2020

California's Medicaid Program – Fast Facts

- California's Medi-Cal program is the largest Medicaid program in U.S.
- Medi-Cal covers roughly 1/3 of all Californians
- Total enrollment of 12.8 million Californians, including 5.2 million children
- Medi-Cal financing comes from combination of federal and state/county governments
- Pays for more than 50% of all births & covers more than 40% of all children

Most Medi-Cal Beneficiaries Enrolled in Managed Care

- California was **first** state to implement Medicaid managed care starting in 1970s
- Medi-Cal managed care expanded slowly until mid-1990s
- Approximately 80% (10+ million) of Medi-Cal beneficiaries enrolled in health plans
- Managed care available statewide in **all** 58 counties

Major Milestones for Medi-Cal Managed Care

1973: First Medi-Cal managed care plans established

1983: First COHS implemented in Santa Barbara County (CenCal Health)

1993: Most children/parents required to enroll in a health plan

2010: Most seniors/persons with disabilities required to enroll

2012: Medi-Cal managed care expanded statewide

2014: ACA Medi-Cal expansion to low-income adults; health plans required to cover mild-to-moderate MH services

Medi-Cal Managed Care's Unique Program Design

- County-based program with six models:
 - ✓ County Organized Health System (COHS)
 - ✓ Two-Plan
 - ✓ Geographic Managed Care (GMC)
 - ✓ Regional
 - ✓ Imperial
 - ✓ San Benito

Overview of Medi-Cal Managed Care Models

Managed Care Model	Key Characteristics
COHS	<ul style="list-style-type: none">• Operates in 22 counties; six COHS offer coverage• Single public health plan enrolls all Medi-Cal beneficiaries in the county
Two-Plan	<ul style="list-style-type: none">• Operates in 14 counties; two health plans – one Local Initiative (LI) and one commercial plan – offer coverage• Lone exception is Tulare County where two commercial health plans offer coverage
GMC	<ul style="list-style-type: none">• Operates in two counties; multiple commercial health plans offer coverage
Regional	<ul style="list-style-type: none">• Operates in 18 largely rural counties; two commercial health plans offer coverage
Imperial	<ul style="list-style-type: none">• Operates in Imperial County; two commercial health plans offer coverage
San Benito	<ul style="list-style-type: none">• Operates in San Benito County; beneficiaries can choose to remain in FFS or enroll with the single commercial health plan offering coverage

Medi-Cal Managed Care Models by County

Medi-Cal Managed Care Models



- **COHS:** 6 plans, 22 counties
- **Two-Plan:** 9 Local Initiatives and 3 commercial plans, 14 counties
- **GMC:** 8 commercial plans, 2 counties
- **Regional:** 2 commercial plans, 18 counties
- **Imperial:** 2 commercial plans, 1 county
- **San Benito:** 1 commercial plan, 1 county

Source: California Department of Health Care Services.

Medi-Cal Health Plan Directory

To find out which health plans operate in a specific county, see the Medi-Cal health plan directory on DHCS's website:

<https://www.dhcs.ca.gov/individuals/Pages/MMCDHealthPlanDir.aspx>

Medi-Cal Relies Heavily on Public Health Plans

- Unlike most states which contract with a limited number of commercial health plans, Medi-Cal contracts with 24 different health plans
- Medi-Cal health plans include 15 local, county-based (“public”) health plans
 - ✓ 9 Local Initiatives
 - ✓ 6 COHS
- Local health plans operate in 36 counties
- Local health plans provide coverage for more than 2/3 of Medi-Cal managed care population

Medi-Cal Health Plans Cover Most Eligible Populations

- Enrollment into a health plan is mandatory for most Medi-Cal beneficiaries
- Except for the COHS counties, populations not required to enroll include:
 - ✓ Beneficiaries dually-eligible for Medi-Cal and Medicare
 - ✓ Foster youth
 - ✓ Adults without satisfactory immigration status
 - ✓ Individuals with approved “medical exemption requests” (MERs)
- Enrollment voluntary for Medi-Cal beneficiaries in San Benito County

Key Components of Medi-Cal Managed Care

- Medi-Cal beneficiaries can choose their health plan or be “auto-assigned” to available health plan (non-COHS counties)
- Medi-Cal health plan members choose their PCP or are “auto-assigned” by health plan
- Health plans paid monthly on a prospective, capitated basis (“per member, per month”)
- Health plans provide physical and some mental health benefits (lower-acuity MH services)

Some Services “Carved-Out” from Health Plans

- Most health plans are not required to cover:
 - ✓ Specialty mental health and SUD services
 - ✓ Long-term care supports and services
 - ✓ Organ transplants
- Health plans have been responsible for most prescription drug coverage but will be “carved out” effective January 1, 2021

CA DHCS Monitoring & Oversight Functions

- CA Department of Health Care Services (DHCS) contracts with Medi-Cal health plans and monitors performance and contract compliance
- Health plan monitoring and oversight includes:
 - ✓ Analysis of health plan reporting
 - ✓ Monitoring quality of care, beneficiary satisfaction
 - ✓ Conducting health plan audits, enforcement

Medi-Cal & Behavioral Health

- Medi-Cal benefits include mental health and SUD services
- Behavioral health services for children also covered under EPSDT benefit
 - ✓ EPSDT covers all medically necessary **Medicaid** services allowed under federal statute, including behavioral health, even if not covered by Medi-Cal
 - ✓ Applies to children from birth to age 21
 - ✓ Beneficiaries entitled to medically necessary services to “correct or ameliorate defects and physical and mental illnesses and conditions that are discovered by screening services”

Medi-Cal Behavioral Health Benefit Split Between Health Plans, Counties

- Delivery of Medi-Cal BH services bi-furcated between counties and Medi-Cal health plans
 - ✓ Counties responsible for specialty mental health and SUD services
 - ✓ Health plans responsible for lower-acuity mental health services (i.e., “mild-to-moderate” services)
- Fragmented delivery system leads to frustration for patients, providers, health plans & counties

Medi-Cal Managed Care & Mental Health Care

- Health plans required to provide the same mild-to-moderate benefits as FFS Medi-Cal program:
 - ✓ Individual and group mental health evaluation and treatment (psychotherapy)
 - ✓ Psychological testing
 - ✓ Outpatient services to monitor drug therapy
 - ✓ Outpatient lab, drugs, supplies and supplements
 - ✓ Psychiatric consultation
- Health plans contract with providers to deliver services to enrollees and must meet network adequacy requirements defined by DHCS
- Some Medi-Cal health plans manage mental health benefit directly; others contract with managed behavioral health organization

Medi-Cal Managed Care & Mental Health Care (cont.)

- To address bi-furcated delivery system:
 - ✓ Health plans required to develop MOUs with counties to delineate responsibilities for member care ([see Medi-Cal Boilerplate Contract, Attachment 12](#))
 - ✓ Health plans required to maintain internal “policy & procedure” for referral of members needing specialty mental health care to appropriate FFS provider or county MHP ([see Medi-Cal Boilerplate Contract, Attachment 10](#))
- Health plans also are:
 - ✓ required to provide comprehensive medical case management services ([see Medi-Cal Boilerplate Contract, Attachment 11](#))
 - ✓ required to coordinate carved-out services and referrals to community-based resources and organizations regardless of whether health plan required to pay for service ([see Medi-Cal Managed Care All Plan Letter #17-018](#))
 - ✓ responsible for care coordination and case management under EPSDT ([see Medi-Cal Managed Care All Plan Letter #19-010](#))

2021 Medi-Cal Health Plan Procurement

- DHCS issuing RFP to re-procure Medi-Cal commercial health plans in 2021
- DHCS will also update LI, COHS contracts to match new commercial contract
- First procurement in 15+ years – rare opportunity to influence contract language
- DHCS issued RFI in September 2020 to solicit input from stakeholders on RFP/new contract content
 - ✓ Alliance/CCT submitted response to DHCS
- DHCS expected to release draft RFP in early 2021 for public comment
- Implementation of new contracts expected January 2024
- For more information:
https://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/CSBhomepage.aspx

Other Opportunities to Make an Impact

- Medi-Cal Managed Care All-Plan Letters (APLs)
 - ✓ DHCS uses APLs to provide sub-contractual/sub-regulatory guidance to health plans
 - ✓ APL topics include: EPSDT requirements, Non-Emergency Medical Transportation, Network Certification/Adequacy, MOU requirements
 - ✓ Draft APLs are circulated for public comment & input
 - ✓ For more information:
<https://www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx>
- DHCS Medi-Cal Managed Care Advisory Group
 - ✓ Purpose: To facilitate communication between DHCS and all Medi-Cal managed care stakeholders
 - ✓ Meets quarterly; meetings are open to the public
 - ✓ For more information:
<https://www.dhcs.ca.gov/services/Pages/ManagedCareAdvisoryGroup.aspx>

Other Opportunities to Make an Impact (cont.)

- DHCS Medi-Cal Stakeholder Advisory Committee
 - ✓ Purpose: To provide DHCS with input on implementation of Medi-Cal 1115 waiver (Medi-Cal 2020) and on-going work related to expanding coverage and access
 - ✓ Meets quarterly; meetings are open to the public
 - ✓ For more information:
<https://www.dhcs.ca.gov/Pages/DHCSStakeholderAdvisoryCommittee.aspx>
- DHCS Behavioral Health Advisory Committee
 - ✓ Purpose: To advise DHCS on Medi-Cal's behavioral health program and behavioral health issues more broadly
 - ✓ Meets quarterly; meetings are open to the public
 - ✓ For more information:
<https://www.dhcs.ca.gov/Pages/BHStakeholderAdvisoryCommittee.aspx>

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