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March 23, 2015

Jennifer Kent
Director, Department of Health Care Services
1501 Capitol Avenue
Sacramento, CA 95814

re: Medi-Cal 2020 Waiver Renewal

Dear Director Kent:

The California State Association of Counties (CSAC) is writing to provide formal comments on the March 16, 2015 Medi-Cal 2020 Waiver Renewal draft document. First, CSAC offers our congratulations on the Department's vision for Medi-Cal 2020. The waiver renewal document reflects the thorough and energetic work of the department, stakeholders and others in the Medicaid Section 1115 waiver renewal workgroups. DHCS offers a strong blueprint for building on the success of the Bridge to Reform Waiver and continuing the transformation of the Medi-Cal program.

Counties note that the waiver document is very cross-cutting and impacts a number of county services – including county health and hospital systems, public health, mental health, substance use disorder treatment, social services, housing, homeless services, veterans' services, probation and public safety. DHCS's vision for Medi-Cal 2020 includes breaking down silos across public systems, providers and health plans to improve care for Medi-Cal members. It is clear that to achieve the Triple Aim, health plans, providers and public systems – health, hospitals, behavioral health, social services, and public safety – will need to forge new and lasting relationships focused on outcomes.

There are a number of important elements that CSAC agrees should be included in a waiver renewal proposal, including:

- **Funding.** The waiver renewal should include the same level of funding for public hospitals and counties. DHCS's proposal provides for approximately \$17 billion over the next five years, which is approximately \$7 billion more than the current waiver.
- **Delivery System Reform Incentive Program (DSRIP) Successor.** Counties support the inclusion of a Delivery System Reform Incentive Program (DSRIP) successor that will allow public hospitals and health systems to continue the important transformation work, continue to improve outcomes, and increase efficiencies. The Public Safety Net System Transformation and Improvement Program will allow public systems, including district hospitals, to continue the hard work of system redesign; care coordination for high risk, high utilizing populations; prevention; resource efficiency; and patient safety.
- **Whole Person Care.** The waiver also provides opportunities for improving care coordination through a county-based Whole Person Care pilot, with the goal of improving health outcomes for high utilizers of multiple systems. The Whole Person Care pilots are a county priority and offer innovation in the delivery and financing of strategies for frequent users of multiple systems. Additionally, the pilot offers the opportunity to institutionalize relationships across a variety of public and private settings that will be necessary for the long-term success of the Medi-Cal program.
- **Behavioral Health.** The Medi-Cal 2020 paper places a strong emphasis on behavioral health issues, which are woven through every proposal in the document. Counties are

especially pleased with the managed care system transformation proposals that will increase coordination between Medi-Cal managed care plans and county mental health plans and with the provider integration models that encourage physical health and behavioral health integration. Additionally, the workforce proposals include a number of important proposals to increase access for Medi-Cal members and to increase Medi-Cal provider training. The proposal to incentivize the use of community health workers and peer support specialists will be particularly helpful in further improving care coordination between the primary health and behavioral health needs of patients.

Furthermore, Medi-Cal 2020 includes an innovative concept for transforming California's public safety net for the remaining uninsured by creating Global Payments. Individual payments would allow each hospital system more certainty about its budget and how much federal funds would be available. The global payments offer a unique opportunity for California to serve as an incubator to test new payment methods for delivering care to the uninsured and in transforming care away from high cost settings – like emergency rooms – toward primary care. Counties are supportive of transforming the delivery of care for the remaining uninsured and believe global payments will accomplish this goal.

Finally, counties are pleased that DHCS included a proposal to address homelessness in the waiver. Many counties are focusing on ending chronic homelessness in their communities and are embarking on innovative strategies and planning. CSAC anticipates that many counties will examine the housing proposal in light of local priorities and circumstances.

Thank you again for the time and attention that DHCS has put into the Medicaid Section 1115 waiver renewal. Medi-Cal 2020 will transform care delivery and health outcomes in this state. California continues to be a leader in pioneering exciting health care and Medicaid innovation. CSAC looks forward to continuing to work collaboratively with DHCS, the Legislature and stakeholders on the Medi-Cal 2020 waiver.

Sincerely,



Matthew L. Cate
Executive Director

cc: Diana Dooley, Secretary, California Health & Human Services Agency
Mari Cantwell, Deputy Director, DHCS
Donna Campbell, Governor's Office
Michael Cohen, Director, Department of Finance
Senate President pro Tempore Kevin de León
Senate Minority Leader Bob Huff
Senator Ed Hernandez, OD, Chair, Senate Health Committee
Senator Janet Nguyen, Vice Chair, Senate Health Committee
Assembly Speaker Toni Atkins
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