

## MEDICAID SECTION 1115 WAIVER RENEWAL



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**REQUESTED ACTION:** Support California's request to the Federal Centers for Medicare and Medicaid Services (CMS) to renew the "Bridge to Reform" Medicaid Section 1115 Waiver. The waiver provides the State and California counties with administrative flexibility and financial resources to continue to improve the Medi-Cal program, better coordinate patient care, and improve the overall health of the population through more efficient and effective service delivery.

**BACKGROUND:** California's current waiver is slated to expire on October 31, 2015. Under the waiver, approximately \$10 billion has been provided to the State over the past five years to support the following actions: phasing in coverage of low-income adults prior to the implementation of the *Affordable Care Act* (ACA); improving care coordination of seniors and persons with disabilities by placing them into Medi-Cal managed care; strengthening care delivery in county public hospital systems by making high-quality care more accessible and efficient; and, providing for population-focused improvements through a payment incentive program known as the Delivery System Reform Incentive Program (DSRIP).

The current 1115 Waiver has been essential to California's efforts to expand health care coverage, including preparing and transforming delivery systems in anticipation of the ACA, as well as helping communities prepare for health-care reform. The Low-Income Health Program, spearheaded by counties, was the lynchpin to California's successful implementation of federal health reform, enrolling more than 700,000 by the end of 2013. Looking to the future, counties remain supportive of a strong national Medicaid program in light of the fact that Medi-Cal is an important underpinning of local health systems and communities, providing care to roughly one-third of the state's population.

California's Department of Health Care Services (DHCS) is working closely with CSAC and other stakeholders to craft a waiver renewal. DHCS is preparing the proposal and expects to submit the plan to CMS in the near future. Once submitted, negotiations between California and CMS will commence, with an expectation that the renewed waiver will begin implementation in November 2015.

The waiver request is expected to include a number of county priorities, including:

- At least the same level of federal funding for public hospitals and counties.
- A renewed DSRIP, which will allow public hospitals and health systems to continue important transformation work, improve outcomes, and increase efficiencies. DSRIP will include opportunities for improving care coordination through a county-based whole person care pilot and will encourage better integration of primary care and behavioral health services via a shared-savings program.

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