

## Waiver Legislation

The state legislation that provides a statutory framework for California's Medicaid Section 1115 Waiver is contained in three separate measures – AB 342 (Pérez), AB 1628 (Blumenfield), and SB 208 (Steinberg). The Medicaid Waiver is still being negotiated between the state and federal governments. Once the waiver is finalized, additional clean-up legislation may be necessary. Of course, that will have to wait until 2011. Additionally, the state Department of Health Care Services (DHCS) will be issuing further clarification through all county letters and provider bulletins.

**AB 342** contains the framework for the coverage initiatives, now renamed the Coverage Expansion and Enrollment Demonstration (CEED) projects. Key provisions include:

- **Timelines.** Authorizes CEED projects to begin providing services on March 1, 2011 or 180 days after federal approval of the waiver, whichever occurs later. Counties or a consortium of counties can submit applications for a CEED project. The Department of Health Care Services must notify counties of the project requirements by January 1, 2011 or 60 days after federal approval, whichever is later. DHCS will have 60 days after it receives a project application to deny or approve the application. The legislation sets up an appeals process for applications that are denied.
- **Existing Coverage Initiatives.** Allows existing coverage initiatives to remain in effect until the CEED project is in effect, but for no more than 180 days after DHCS provides notice to applicants of CEED projects.
- **Eligibility.** Sets eligibility at 0-133 percent of the federal poverty level, and allows the option to expand coverage to 134 to 200 percent of the federal poverty level if federal funds are available. The CEED project is not an entitlement. CEED projects will have the option to set eligibility levels.
- **Changes to Eligibility Levels.** CEED projects may limit enrollment, to the extent the federal government allows it. If a project opts to change eligibility levels after projects begins, the county board of supervisors and the state must approve the change.
- **County Option.** The CEED projects remain a county option.
- **Required Elements:**
  1. Standardized eligibility and enrollment procedures that interface with Medi-Cal processes according to milestones to be developed in consultation with county representatives.
  2. Assignment of individuals to a medical home.
  3. A scheduled package of services required under the terms and conditions.
  4. A provider network and service delivery system that seeks to promote the “viability of the existing safety net health care system that serves the population to be covered by the CEED project.”
  5. Development of an outreach and enrollment plan.
  6. A quality measurement and quality monitoring system.

7. Data tracking systems.
  8. Demonstration of how the CEED project will provide consumer assistance.
- **Financing.** CEED projects can be funded through an actuarially-based rate or through Certified Public Expenditures (CPEs), as done in the current Coverage Initiatives. CEED project funding will be based on funding voluntarily provided by the participating entity, subject to any limitations imposed by the terms and conditions. Federal financial participation will be available for administrative activities.

**AB 1628**, the corrections trailer bill, contains additional requirements on CEED projects. Please note that these new requirements were only disclosed this week. The language in AB 1628 requires counties that submit an application for a CEED project to agree to include prison inmates in their CEED project for inpatient hospital services. Essentially, prison inmates who leave the grounds of the prison for an inpatient stay at a community hospital would become eligible for Medi-Cal or a CEED project. The CEED project would be compensated by the Department of Corrections and Rehabilitation (CDCR) for these costs. The intent is that there will be no net increase in county expenditures; CDCR and federal funds would cover the county cost, including administrative costs. Eligibility would be based on county of last legal residence prior to arrest.

In addition, counties will be able to seek federal reimbursement for the care of adult inmates incarcerated in county correctional facilities for expenditures incurred for inpatient services in community hospitals if the county determines the inmates to be eligible for Medi-Cal or the local CEED projects. Counties that choose this option will remain responsible for the non-federal share of the costs to serve county inmates eligible for Medi-Cal or CEED projects. In order to get the jail inmate benefit, the county must agree to include the prison population in its CEED project.

**SB 208** contains the bulk of the remaining waiver provisions, including mandatory enrollment of seniors and persons with disabilities into Medi-Cal Managed Care and additional hospital financing pieces. Please note that the Administration's originally proposed to allow counties the option to establish an alternative organized care delivery model to existing local initiatives or commercial plans. This county alternative model language is no longer an element of SB 208; counties will not have an alternative to existing managed care plans. In addition, the measure includes language that guarantees the state \$500 million out of the Safety Net Care Pool. The state will have priority in getting these funds; hospitals and counties will have access to any remaining funds in the Pool.