

California's Coordinated Care Initiative: An Update

Background

On April 1, 2014, health plans in selected counties began enrolling beneficiaries as part of the Coordinated Care Initiative. This fact sheet provides an update on key components of the Initiative at the start of operation.

Enacted as part of the [2012-2013 California Budget](#), the Coordinated Care Initiative (CCI) began operation on April 1, 2014. The CCI establishes changes in the way the medical care and long-term services and supports (LTSS) systems work together to serve low-income older adults and people with disabilities. The main [components of the CCI](#) include:

1. provisions for California's Dual Eligible Integration Demonstration (renamed "Cal MediConnect");^{1,2}
2. mandatory enrollment of dual eligibles (individuals eligible for both Medicare and Medi-Cal, California's Medicaid program) into Medi-Cal managed care; and
3. integration of Medi-Cal-funded LTSS into managed care.³

The CCI will be implemented in eight counties (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara). In total, CCI impacts up to 456,000 dual eligibles through Cal MediConnect, and approximately 600,000 individuals enrolled in mandatory Medi-Cal managed care with managed long-term services and supports (MLTSS).⁴

Enrollment

Enrollment in the CCI is complex due to staggered start times by county, population, and program. Cal MediConnect enrollment began on April 1 in San Mateo. LTSS was added to the benefit package for people already in Medi-Cal managed care plans on April 1 in Los Angeles, Riverside, San Bernardino, San Diego, and San Mateo. Tables 1 and 2 describe the enrollment timelines by county for Cal MediConnect and MLTSS.⁵

Cal MediConnect:

Table 1 outlines the status of Cal MediConnect enrollment in each of the eight CCI counties. In general, dual eligibles currently enrolled in fee-for-service (FFS) Medi-Cal will be enrolled in Cal MediConnect by birth month starting with those born in the first month Cal MediConnect takes effect in their county. Dual eligibles already enrolled in Medi-Cal managed care will be enrolled in Cal MediConnect the month it

takes effect in their county. In counties where there are multiple health plans, individuals will have the opportunity to choose. Individuals that do not choose a plan or do not opt out will be passively enrolled (automatically assigned) into a plan by the California Department of Health Care Services (DHCS).⁵

TABLE 1 Cal MediConnect Enrollment Timeline (April 2014 – January 2015)⁵⁻⁷

County	Health Plans	Enrollment
Alameda	Alameda Alliance for Health Anthem Blue Cross	<u>January 2015</u> • Passive enrollment of all dual eligibles begins.
Los Angeles	Care 1st CareMore L.A. Care Health Net Molina Health Care	<u>April 2014</u> • Voluntary enrollment. <u>July 2014</u> • Passive enrollment of dual eligibles with Medicare FFS. <u>August 2014</u> • Multipurpose Senior Services Program (MSSP) participants. <u>December 2014</u> • Passive enrollment of dual eligibles into L.A. Care (anticipated). <u>January 2015</u> • Dual eligibles in Medicare Advantage plans or people reassigned to Medicare Part D Low-Income Subsidy plans.
Orange	CalOptima	<u>January 2015</u> • Passive enrollment of all dual eligibles begins (anticipated).
Riverside & San Bernardino	Inland Empire Health Plan Molina Health Care	<u>April 2014</u> • Voluntary enrollment. <u>May 2014</u> • Passive enrollment of dual eligibles with Medicare FFS begins. <u>August 2014</u> • MSSP participants. <u>January 2015</u> • Dual eligibles in Medicare Advantage plans or people reassigned to Medicare Part D Low-Income Subsidy plans.
San Diego	Care 1st Community Health Group Health Net Molina Health Care	<u>April 2014</u> • Voluntary enrollment. <u>May 2014</u> • Passive enrollment of dual eligibles with Medicare FFS begins. <u>August 2014</u> • MSSP participants. <u>January 2015</u> • Dual eligibles in Medicare Advantage plans or people reassigned to Medicare Part D Low-Income Subsidy plans.
San Mateo	Health Plan of San Mateo	<u>April 2014</u> • Passive enrollment of dual eligibles with Medicare FFS begins and MSSP participants. <u>January 2015</u> • Dual eligibles in Medicare Advantage plans or people reassigned to Medicare Part D Low-Income Subsidy plans.
Santa Clara	Anthem Blue Cross Santa Clara Family Health Plan	<u>January 2015</u> • Passive enrollment of all dual eligibles begins.

Mandatory Medi-Cal Managed Care with LTSS:

Mandatory Medi-Cal managed long-term services and supports (MLTSS) has a separate enrollment timeline from Cal MediConnect as described in Table 2. Dual eligibles not already enrolled in Medi-Cal managed care will be required to select either a Cal MediConnect plan or a Medi-Cal managed care plan. MLTSS will be implemented and beneficiaries will need to select a plan according to birth month, starting with those born in the first month MLTSS takes effect in their county. This applies to all Medi-Cal recipients including dual eligible beneficiaries who opt-out of or are not eligible for Cal MediConnect (see the Cal Duals website for information on [eligibility](#)).⁸ Dual eligibles previously enrolled in Medi-Cal managed care will begin receiving MLTSS through their managed care plan the month MLTSS takes effect in their county. MSSP beneficiaries will also begin receiving MLTSS the month it takes effect for FFS beneficiaries in their county.⁵

TABLE 2 Mandatory MLTSS Enrollment Timeline (August 2014 – January 2015) ⁵		
County	Health Plans	Enrollment
Alameda	Alameda Alliance for Health Anthem Blue Cross	<u>January 2014</u> • Full enrollment begins.
Los Angeles	L.A. Care Health Net	<u>April 2014</u> • Dual eligibles already enrolled in a Medi-Cal managed care plan. <u>July 2014</u> • Dual eligibles in Medi-Cal FFS who opt-out of Cal MediConnect. • Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in a Medi-Cal only managed care plan. <u>August 2014</u> • Dual eligibles in Medi-Cal FFS and not eligible for Cal MediConnect. • MSSP participants. • Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in Medi-Cal only FFS.
Orange	CalOptima	<u>January 2015</u> • Full enrollment begins (anticipated).
Riverside & San Bernardino	Inland Empire Health Plan Molina Health Care	<u>April 2014</u> • Dual eligibles already enrolled in a Medi-Cal managed care plan. <u>May 2014</u> • Dual eligibles in Medi-Cal FFS who opt-out of Cal MediConnect. <u>July 2014</u> • Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in a Medi-Cal only managed care plan. <u>August 2014</u> • Dual eligibles in Medi-Cal FFS and not eligible for Cal MediConnect. • MSSP participants. • Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in Medi-Cal only FFS.

TABLE 2 Mandatory MLTSS Enrollment Timeline (August 2014 – January 2015)⁵

County	Health Plans	Enrollment
San Diego	Care 1st Community Health Group Health Net Molina Health Care Kaiser Permanente	<u>April 2014</u> <ul style="list-style-type: none"> Dual eligibles already enrolled in a Medi-Cal managed care plan. <u>May 2014</u> <ul style="list-style-type: none"> Dual eligibles in Medi-Cal FFS who opt-out of Cal MediConnect. <u>July 2014</u> <ul style="list-style-type: none"> Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in a Medi-Cal only managed care plan. <u>August 2014</u> <ul style="list-style-type: none"> Dual eligibles in Medi-Cal FFS and who are not eligible for Cal MediConnect. MSSP participants. Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in Medi-Cal only FFS.
San Mateo	Health Plan of San Mateo	<u>April 2014</u> <ul style="list-style-type: none"> Dual eligibles already enrolled in a Medi-Cal managed care plan. MSSP participants who are dual eligible and in a Medicare Advantage plan or excluded from Cal MediConnect. <u>July 2014</u> <ul style="list-style-type: none"> Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in a Medi-Cal only managed care plan. <u>August 2014</u> <ul style="list-style-type: none"> MSSP participants who are partial dual eligibles or seniors and people with disabilities.
Santa Clara	Anthem Blue Cross Santa Clara Family Health Plan	<u>July 2014</u> <ul style="list-style-type: none"> Dual eligibles already enrolled in a Medi-Cal managed care plan. Medicare beneficiaries not eligible for full Medi-Cal benefits or people in a Medi-Cal only managed care plan. <u>August 2014</u> <ul style="list-style-type: none"> Dual eligibles in Medi-Cal FFS and who are not eligible for Cal MediConnect. MSSP participants. Low-income Medicare beneficiaries not eligible for full Medi-Cal benefits or people in Medi-Cal only FFS. <u>January 2015</u> <ul style="list-style-type: none"> Dual eligibles in Medi-Cal FFS who opt-out of Cal MediConnect.

Enrollment Variation

Several factors have contributed to the variations in CCI enrollment timelines across counties, as follows:

- **Alameda County:** Passive enrollment in Cal MediConnect is delayed until January 2015 due to financial issues with the Alameda Alliance Health Plan.⁹
- **Los Angeles County:** LA Care, one of five Cal MediConnect plans in Los Angeles County, received a low performing icon from the Centers for Medicare and Medicaid (CMS) for its Medicare plan.*

*Medicare uses a five star rating system to compare Medicare plans based on quality and performance. A five-star rating is considered excellent. The low performing icon is given to plans with below average or poor quality services.¹⁰

LA Care can accept beneficiaries who voluntarily enroll beginning in April 2014, as well as passively enroll beneficiaries in July who already receive Medi-Cal managed care through LA Care. Passive enrollment of other beneficiaries into LA Care cannot begin until CMS re-evaluates their performance, expected as early as December 2014.¹¹ In February 2014, DHCS added Care More, Care 1st, and Molina to the plan enrollment options in response to restrictions placed on LA Care. These three plans will be able to accept passive enrollment of beneficiaries after passing readiness review, anticipated for July 2014.

- **Orange County:** Enrollment is on hold due to results of a CMS audit of CalOptima's Dual Eligible Special Needs Plan (D-SNP) in January 2014.⁷ CalOptima cannot proceed with Cal MediConnect without approval from CMS. Additionally, DHCS and the Department of Managed Health Care (DMHC) are conducting an audit of CalOptima's Medi-Cal operations to determine the status of MLTSS in Orange County.
- **Santa Clara County:** Payment system difficulties related to readiness resulted in delayed Cal MediConnect enrollment until January 1, 2015.^{9,12}

CCI Authority

- **Memorandum of Understanding:** State and federal approval and oversight were required to implement the three components of the CCI. Finalized on March 27, 2013, the [Memorandum of Understanding](#) (MOU) signified federal approval for the demonstration, outlining the principles and operational plan for California and CMS's implementation of Cal MediConnect.^{13,14} One key element was the readiness review process, which DHCS released on March 29, 2013. Every Cal MediConnect plan must pass CMS/DHCS readiness review to ensure they are ready to accept enrollment, provide continuity of care for those with current services, and ensure access to the variety of providers and services to meet diverse beneficiary needs.¹⁵
- **Three-Way Contracts:** Three-way contracts between CMS, DHCS, and each of the Cal MediConnect plans establish a legal agreement on the requirements and terms and conditions for participation.^{16,17} While each contract shapes plan-specific requirements, it also describes the health plan's responsibilities around passive enrollment, dis-enrollment, provision of covered and optional services, care coordination, LTSS access, health risk assessments for people with complex health needs, individual care plans, and adequate provider networks.^{16,17}
- **1115 Waiver Amendment and Medi-Cal Provisions of the CCI:** Section 1115 of the Social Security Act (SSA) grants CMS authority to waive requirements of Title XIX of the SSA for experimental and demonstration purposes. This allows states the flexibility to develop innovative service delivery and payment systems. Federal Medicaid waiver authority is required to implement mandatory Medi-Cal managed care and inclusion of LTSS as a Medi-Cal managed care benefit included in CCI.¹⁸

On June 18, 2013, DHCS submitted an [amendment](#) to the "Bridge to Reform Demonstration" waiver to request the federal authority necessary for the related Medi-Cal provisions of the CCI. On March 19, 2014, California received approval from CMS.¹⁹ The state now has the authority to enroll dual eligibles into

mandatory Medi-Cal managed care as well as allow the state to shift LTSS responsibilities for delivery and payment to managed care. It also provides the authority for passive enrollment of beneficiaries into a plan if they do not actively select one. Dual eligibles enrolled in a Medicare Advantage plan are not required to have the same health plan for their Medicare and Medi-Cal benefits. The Medi-Cal managed care plans will be required to assess beneficiaries for LTSS needs and coordinate services even if these services are not part of the core benefit package.¹⁹

Consumer/Provider Outreach and Education

The state, providers, and advocacy organizations have developed materials and presentations for a variety of targeted audiences.

- **Beneficiary notices:** Cal MediConnect beneficiaries will receive 90-, 60-, and 30-day notices for passive enrollment. Notices for Cal MediConnect voluntary enrollment in Los Angeles County will be staggered. People with an October effective date received notices in April 2014, while those with November and December effective dates will receive notices in May. FFS Medi-Cal beneficiaries will receive notices regarding Medi-Cal managed LTSS 90-, 60-, and 30-days before their passive enrollment date, which will generally occur in their birth month. Current Medi-Cal managed care beneficiaries will receive one 30-day notice prior to their change in benefits around MLTSS.²⁰
- **Beneficiary outreach and trainings:** Community organizations offer CCI outreach and trainings to beneficiaries and other stakeholders in their networks, and the [National Senior Citizens Law Center](#) offers a webinar series and in-person trainings on the CCI. DHCS will also be supporting outreach coordinators in each of the eight CCI counties to provide beneficiary trainings, and “train the trainer” presentations to expand the number of community organizations able to educate beneficiaries.²¹ Additionally beneficiaries can access fact sheets, the community outreach calendar, CCI updates, and information on how to find help in making their CCI decisions at [CalDuals.org](#).
- **Provider outreach:** The state conducts outreach to providers focused on the upcoming changes through CCI. Providers can request training, and find more information about CCI at [CalDuals.org](#). State provider associations are also working to educate their members.
- **Health Insurance Counseling and Advocacy Program (HICAP):** CMS awarded the California Department of Aging (CDA) a \$1,000,000 grant for HICAPs serving the eight CCI counties to support outreach, education, and one-on-one counseling for Cal MediConnect beneficiaries.²²

Cal MediConnect Ombudsman Program

California received a Federal grant from CMS in 2013 to establish a [Cal MediConnect Ombudsman](#) program. On April 1, 2014, the Cal MediConnect Ombudsman began assisting Cal MediConnect enrollees and their families in investigating and resolving enrollee issues/complaints with Cal MediConnect plans, monitoring ombuds efforts, tracking data, and sharing best practices with CMS and other states. DMHC selected the Legal Aid Society of San Diego to be the primary contractor, subcontracting with local entities in each of the eight CCI counties. Together, DHCS and DMHC will oversee the Ombudsman program.²³

Budget Implications

In 2013, the legislature passed a bill that included language to terminate the CCI if the Department of Finance (DOF) determined at least 30 days prior to CCI enrollment that the initiative would not generate savings.²⁴ On February 28, 2014, DOF reported that the CCI will result in a net General Fund (GF) savings of \$84.1 million in 2013-2014 and \$65.4 million in 2014-2015. These savings were calculated using net local assistance savings, payment deferrals, revenues from the managed care organization tax, impact on county maintenance-of-effort requirements, and departmental administrative costs.²⁵ DOF will be required to make an annual determination of GF savings associated with CCI by January 10th for each subsequent year of the demonstration.²⁴

Looking Forward

Continued oversight of the CCI at the state and local levels is essential to ensure the program meets its intent to “alleviate fragmentation and improve coordination of services for Medicare-Medicaid enrollees, enhance quality of care for this population, and reduce costs for the state and federal government.”²⁶ Issues relating to beneficiary outreach/education, plan readiness, and systems development will need to be monitored and addressed in the coming months.

There will be two processes for tracking issues at both the local and state level within Cal MediConnect. CMS will track complaints submitted primarily through the Ombudsman and Medicare. Health plans are required to track and report to the state complaints submitted directly to the plan.¹⁴ Additionally, CMS will conduct its own monitoring of implementation and evaluate the impact of Cal MediConnect over time in relation to beneficiary experience, impact on the population served (quality, utilization, and costs), and unintended consequences.²⁷ While monitoring processes have been articulated for Cal MediConnect, these types of processes have not been specified for California’s MLTSS implementation.

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For more information contact:

The SCAN Foundation

Megan R. Burke, MSW, Policy Analyst

Sarah S. Steenhausen, M.S., Senior Policy Advisor

3800 Kilroy Airport Way, Suite 400, Long Beach, CA 90806

www.TheSCANFoundation.org

(888) 569-7226 | info@TheSCANFoundation.org

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