



Section 1115 Waiver Renewal
Housing/Shelter Expert Work
Group
Framing Our Discussion

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1115 Waivers

Allow states flexibility to design demonstration projects that promote the objectives of the Medicaid program

Demonstrations are typically approved for five years; states may submit request for renewal for 3 - 5 years

Must be budget neutral



2010-2015 Bridge to Reform



“Bridge to Reform” Waiver 2010-2015

Current Waiver demonstration sunsets October 31, 2015

Waiver renewal request must be submitted to the Centers for Medicare and Medicaid Services (CMS) at least 6 months before the end of the current Demonstration

“Bridge to Reform” Waiver 2010 - 2015



Six Primary Goals

Strengthen California’s health care safety net

Maximize opportunities to reduce the number of uninsured individuals

Optimize opportunities to increase federal financial participation and maximize financial resources to address uncompensated care

Promote long-term, efficient, and effective use of state and local funds

Improve health care quality and outcomes

Promote home-and community-based care



Successes of “Bridge to Reform”

Low Income Health Program (LIHP)

Delivery System Reform Incentive Pool (DSRIP) + Category 5 HIV Transition Projects

Transition of Seniors and Persons with Disabilities (SPDs) into Mandatory Managed Care

California Children’s Services (CCS) Pilots

Health Families Program (HFP) Transition

Rural Managed Care Expansion

Indian Health Services Uncompensated Care claiming

ACA Optional Medi-Cal Expansion

Community-Based Adult Services (CBAS)

Integration of Outpatient Mental Health Services

Safety Net Care Pool / Designated State Health Programs

Coordinated Care Initiative (CCI)

Organized Delivery System Waiver for the Drug Medi-Cal (DMC) Program (pending)

Full Scope Medi-Cal for Pregnant Women 109-138% FPL (pending)



2015 Waiver Renewal Initial Concepts



Purpose of 1115 Waiver Renewal

Shared Goals with CMS

To further delivery of high quality and cost efficient care for our beneficiaries

To ensure long-term viability of the delivery system post-ACA expansion

To continue California's momentum and successes in innovation achieved under the "Bridge to Reform" Waiver



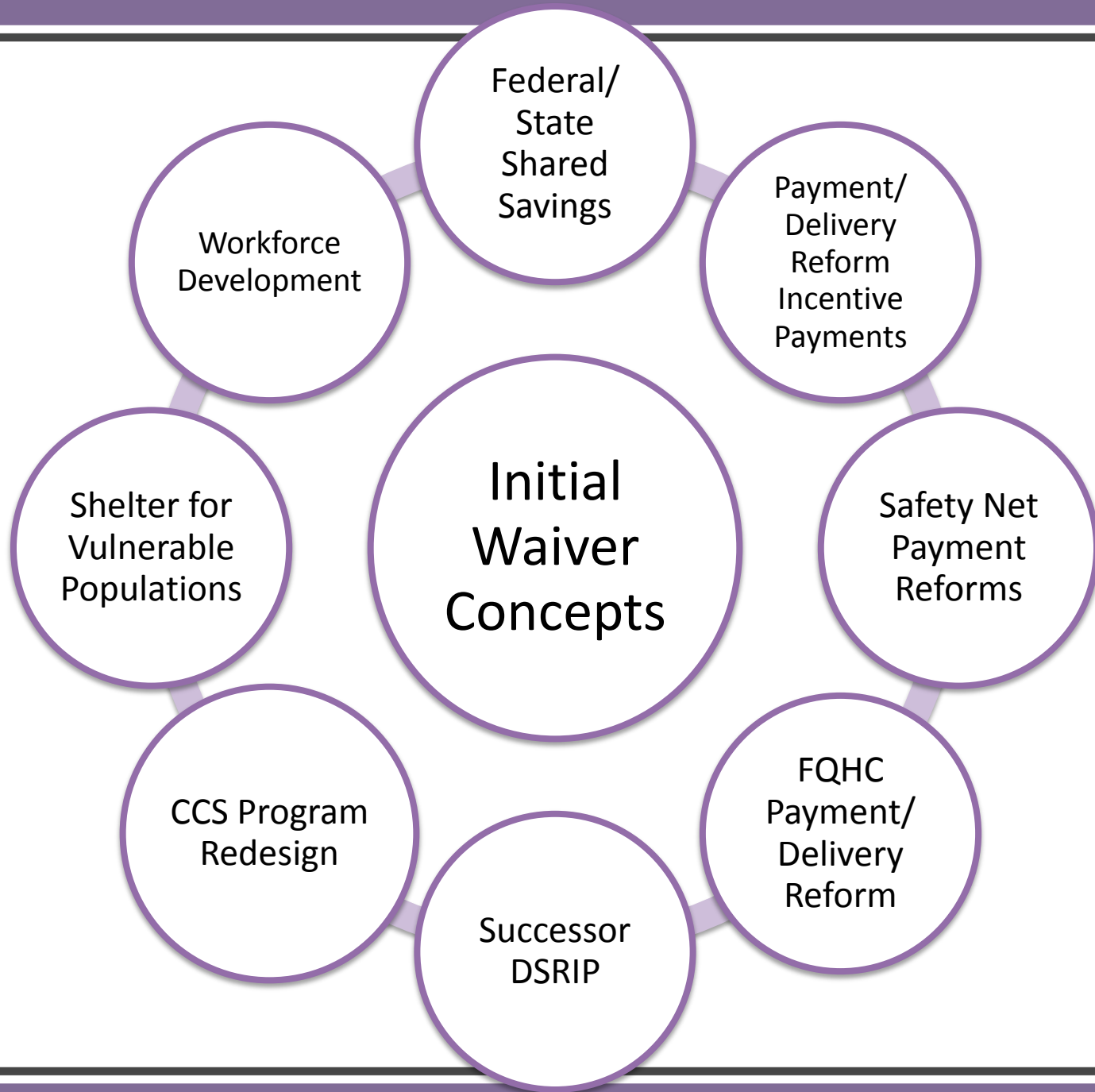
Objectives

Strengthen primary care delivery and access

Avoid unnecessary institutionalization and services by building the foundation for an integrated health care delivery system that incentivizes quality and efficiency

Address social determinants of health

Use California's sophisticated Medicaid program as an incubator to test innovative approaches to whole-person care





Federal/State Shared Savings

- Under the Waiver, a per-beneficiary-per-year cost amount would be established based on predicted costs for those beneficiaries absent the waiver
- The state would retain federal funding for the difference between actual expenditures and pre-established per beneficiary amounts
- The savings serve as key component that will allow CA to implement many of the other waiver initiatives
- Concept is not a per-capita cap that limits entitlement spending; any excess spending over the anticipated per-beneficiary cost would count against budget neutrality margin

Related Objective: Use California's sophisticated Medicaid Program as an incubator to test innovative approaches to whole-person care



Medicaid-Funded Shelter

- Potential to test ways in which Medicaid-funded shelter can contribute to better health outcomes and reduced total cost of care for beneficiaries
- Ideas, such as subsidized housing, can support the goal of a whole-person approach to care for vulnerable populations

Related Objective: Address social determinants of health

Related Objective: Use California's sophisticated Medicaid Program as an incubator to test innovative approaches to whole-person care



Who would be the potential target populations?

- Two populations are of particular interest to DHCS
 - Homeless individuals who utilize local ER and hospitals
 - Nursing Facility residents who can be cared for in community settings. They may include those who were homeless prior to placement or lost their home upon extended stay.
- Both populations share some common characteristics
 - They rely on SSI as primary source of income;
 - They have some combination of chronic conditions, disabilities, mental illness and/or substance abuse;
 - They need substantial amount of care management, habilitation, primary care intervention, and ongoing intervention from various service providers.
- Within these two populations, there are distinct needs as defined by their age, gender, clinical profiles, and service needs.



What is Medicaid funded Shelter?

- “Shelter”:
 - Rationale that Medicaid needs to be involved in addition to existing housing financing infrastructure
- Funding of “Shelter”
 - Capital for new buildings;
 - Funding in the form of rental subsidies or operational funding; and/or
 - “Shelter” based services
- DHCS is interested in how funding of the subsidies and services would stimulate developer interests and access to capital for buildings

What would be the funding levels and arrangements?



- Funding level for “shelter” units
 - Guidelines for developing level of funding for rental subsidies or housing operational subsidies
 - Guidelines on “transitional” versus “permanent”; “congregate” versus “community integrated” or other types of “shelter”
 - Roles of DSRIP and managed care plan
- Funding for “shelter” based services
 - Guidelines on defining intensive care management and habilitative services;
 - Inclusion of other Medicaid covered or uncovered services
 - Guideline on Provider-Housing partnership



Options, scale, feasibility, cost benefits?

- Identification of options
- Scale and selection of geographical locations for pilots
- Feasibility
 - Medicaid laws and regulations and CMS financial participation;
 - Housing developer/operator interest;
 - Provider and managed care plan interest and readiness;
 - federal, state and local laws and regulations related to funding and operation of affordable housing.
- Anticipated outcomes and cost benefits
- Evaluation



Stakeholder Process



Stakeholder Engagement

Federal-State Shared Savings

- One all-day stakeholder meeting for the Department to present the savings model and solicit input from a broad, impacted stakeholder group



Stakeholder Engagement

Medicaid-Funded Shelter

- Four targeted workgroup sessions
- Meeting 1: Kick-off to establish evidence, best practices, other states' experiences
- Meetings 2-4: identify demonstration options potentially focusing on different target populations



Foundation Support

DHCS is seeking funding support for stakeholder process and technical assistance from The Blue Shield of California Foundation, the California Endowment, and the California Health Care Foundation

Stakeholder workgroup efforts

Technical assistance on concept development including linkage to subject matter experts

Development of Special Terms and Conditions (STCs)



Stakeholder Process: Timing

**Summer
2014**

- July 25, 2014: Webinar on initial DHCS concept paper
- Solicit input on Waiver concepts and stakeholder process

**Fall/
Winter
2014**

- Stakeholder discussions and concept development

**Winter /
Spring
2015**

- Submission of Waiver renewal to CMS anticipated for February 2015

**Spring/
Fall 2015**

- Development of Special Terms and Conditions (CMS)



Questions / Comments:

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