



State of California

Department of Health Care Services



## Coordinated Care Initiative

### Executive Summary

Passage of the Coordinated Care Initiative (CCI) in July 2012 marks an important step toward transforming California's Medi-Cal (Medicaid) care delivery system to better serve the state's low-income seniors and persons with disabilities. Building upon many years of stakeholder discussions, the CCI begins the process of integrating delivery of medical, behavioral, and long-term care services and also provides a road map to integrate Medicare and Medi-Cal for people in both programs, called "dual eligible" beneficiaries.

The CCI will be implemented in 8 counties in 2013



Created through a public process involving stakeholders and health care consumers, the CCI was enacted through [SB 1008](#) (Chapter 33, Statutes of 2012) and [SB 1036](#) (Chapter 45, Statutes of 2012).

## Major Components of the Initiative

1. *Duals Demonstration*: A voluntary three-year demonstration program for Medicare and Medi-Cal dual eligible beneficiaries will coordinate medical, behavioral health, long-term institutional, and home- and community-based services through a single health plan. The CCI provides state authority for the demonstration, which is pending federal approval.

2. *Managed Medi-Cal Long-Term Supports and Services (LTSS)*: All Medi-Cal beneficiaries, including dual eligible beneficiaries, will be required to join a Medi-Cal managed care health plan to receive their Medi-Cal benefits, including LTSS and Medicare wrap-around benefits.

## Location and Timing

The CCI will be implemented in eight counties beginning in 2013. The eight counties are Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara.

The participating health plans are part of the state's existing network of Medi-Cal health plans and have experience providing Medicare managed care. Each underwent a rigorous selection process.

## ***Implementation Status***

The California Department of Health Care Services (DHCS) is finalizing a Memorandum of Understanding (MOU) with the Centers for Medicare & Medicaid Services (CMS). In fall 2012, the state and federal governments will conduct a comprehensive readiness review of the health plans before signing three-way contracts between the health plans, CMS, and DHCS.

Enrollment will begin no sooner than March 2013. Before any beneficiary is enrolled, the health plans must pass a readiness review process during which the state and federal governments will evaluate each health plan's major systems to ensure they are prepared to provide required continuity of care, seamless access to medically necessary services, care coordination across LTSS, behavioral health and medical care, and beneficiary protections.

## **Participating Population**

The state estimates that about 560,000 dual eligible beneficiaries will be eligible for passive enrollment in the eight counties. An estimated one-third of those beneficiaries already are enrolled in managed care for Medi-Cal, Medicare, or both.

Dual eligible beneficiaries and Medi-Cal seniors and persons with disabilities are among California's highest-need residents. They tend to have many chronic health conditions and need a complex range of medical and social services from many providers. This fragmentation leads to beneficiary confusion, poor care coordination, inappropriate utilization, and unnecessary costs.

Under the CCI, enrolled beneficiaries will have one point of contact for all their covered benefits. They will have one health plan membership card and access to a nurse or social worker whose job is to act as a care coordinator or navigator and help beneficiaries receive the services needed to achieve their personal health goals and continue living in the setting of their choice. The state is developing care coordination standards that will guide how services are linked.

Counties and Health Plans Implementing the CCI	
County	Health Plans
<a href="#"><u>Alameda</u></a>	Alameda Alliance for Health
	Anthem Blue Cross
<a href="#"><u>Los Angeles</u></a>	L.A. Care
	Health Net
<a href="#"><u>Orange</u></a>	CalOptima
<a href="#"><u>San Diego</u></a>	Care 1st
	Community Health Group
	Health Net
	Molina Health
<a href="#"><u>San Mateo</u></a>	Health Plan of San Mateo
<a href="#"><u>Riverside</u></a>	Inland Empire Health Plan
	Molina Health Care
<a href="#"><u>San Bernardino</u></a>	Inland Empire Health Plan
	Molina Health Care
<a href="#"><u>Santa Clara</u></a>	Anthem Blue Cross
	Santa Clara Family Health Plan

## **Coordinated Care Initiative Goals**

By consolidating the responsibility for all of these covered services into a single health plan, the CCI expects to achieve the following goals.

- 1) Improve the quality of care for beneficiaries.
- 2) Maximize the ability of beneficiaries to remain safely in their homes and communities, with appropriate services and supports, in lieu of institutional care.
- 3) Coordinate Medi-Cal and Medicare benefits across health care settings and improve continuity of care across acute care, long-term care, behavioral health, and home- and community-based services settings using a person-centered approach.
- 4) Promote a system that is both sustainable and person- and family-centered and enables beneficiaries to attain or maintain personal health goals by providing timely access to appropriate, coordinated health care services and community resources, including home- and community-based services and mental health and substance use disorder services.

## **Financial Alignment Model**

Under the CCI, the participating health plans will receive a monthly payment to provide beneficiaries access to all covered, medically necessary services. This is called “capitation.” These bundled payments create strong financial incentives for the health plans to ensure beneficiaries receive

necessary preventative care and home- and community-based options to avoid unnecessary admissions to the hospital or nursing home.

## **LTSS Integration**

Participating health plans will be responsible for administering all Medi-Cal LTSS that historically have been excluded from managed care. LTSS includes skilled nursing facility care, along with the following home- and community-based services: In-Home Supportive Services (IHSS), Community-Based Adult Services (CBAS), Multipurpose Senior Services Program (MSSP), and other services that help beneficiaries stay in their homes and communities, as determined by the health plans.

IHSS will remain an entitlement program. IHSS consumers' will continue being able to self- direct their care by hiring, firing, and managing their IHSS workers. County social workers will continue determining IHSS hours. The current fair hearing process for IHSS will remain in the initial years of the demonstration.

## **Behavioral Health Coordination**

Health plans participating in the duals demonstration will provide beneficiaries all mental health and substance use services currently covered by Medicare and Medi-Cal. County-administered specialty mental health services and Drug Medi-Cal substance use treatment services will not be included in the demonstration health plans' capitation payments. County agencies will continue financing and administering these services, but health plans and county agencies will have written agreements outlining how they will coordinate services.

## **Better Care Improves Health and Drives Lower Costs**

The CCI is expected to produce greater value for the Medicare and Medi-Cal programs by improving health outcomes and containing costs, primarily through rebalancing service delivery into the home and community and away from expensive institutional settings. Better prevention will keep people healthy. Better care coordination will reduce unnecessary tests and medications. Better chronic disease management will help people avoid unnecessary hospital care.

Significant stakeholder feedback informed the beneficiary protections needed to drive success and quality in the CCI's design and implementation. The CCI includes comprehensive protections to ensure beneficiary health and safety and high quality care delivery, which includes medical care, LTSS and behavioral health.