



Olmstead Advisory Committee Medicaid Waiver Renewal

Jennifer Kent, Director

March 11, 2015



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



“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 Achievements

The Bridge to Reform Demonstration has been successful.

Key Achievements

- Cut the uninsured rate in California by **50%** (*29% increase in Medi-Cal enrollment due to expansion – More than 12 million Californians enrolled in Medi-Cal today, about 1/3 of the entire state*).
- Led the nation in implementation of DSRIP; 21 public safety net systems participating
- Completed full implementation of managed care delivery system
- Promoted long-term, efficient, and effective use of state, local and federal funds
- Advanced utilization of home and community-based care
- Sustained the critical role of the safety net

Medi-Cal 2020: Vision and Goals



Vision for 2020

- Continue to build capacity in ways that better coordinate care and align incentives around Medi-Cal beneficiaries to improve health outcomes and increase health equity, while also containing health care costs.
- Bring together state and federal partners, plans and providers, and safety net programs to share accountability for beneficiaries' health outcomes.

Committed to demonstration of specific achievable metrics:

- Statewide
- Regional
- Plans
- Provider Systems



Core Strategies

Core Strategy 1: \$15 - \$20 billion Federal investment in the Waiver's comprehensive approach to delivery system alignment and innovation

Core Strategy 2: Advance quality improvement and improved outcomes through expanded Delivery System Transformation & Alignment Incentive Programs

Core Strategy 3: Transform California's public safety net for the remaining uninsured by unifying DSH and Safety Net Care Pool funding streams into a county-specific global payment system



Core Strategy 1: Federal-State Shared Savings

Under the Waiver, a per-beneficiary-per-month cost amount would be established based on predicted costs for those beneficiaries absent the waiver (total funds)

The state would retain a portion of federal funds for the difference between actual expenditures and pre-established per beneficiary amounts

The savings serve as key reinvestment funding that will allow CA to implement many of the other waiver initiatives that will drive this savings as well as quality improvement

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 and reduce Waiver expenditures



Core Strategy 2: Delivery System Transformation & Alignment Incentive Programs

Building upon successes under Bridge to Reform and broad innovation in healthcare, reinvent approaches to care delivery and purchasing that will improve health of Medi-Cal beneficiaries

Ability to target populations in need of specific focus or services

Establish statewide, regional, or provider level metrics working towards improvements in health equity, integration, and reducing total cost of care



Core Strategy 2: Delivery System Transformation & Alignment Incentive Programs

1. Managed Care Systems Transformation & Improvement Program

2. Fee-For-Service System Transformation & Improvement Program

3. Public Safety Net Transformation & Improvement Program

4. Workforce Development Program

5. Increased Access to Housing and Supportive Services Program

6. Whole-Person Care Pilots



Core Strategy 3: Public Safety Net Systems Global Payment for Remaining Uninsured

Transform the traditional Disproportionate Share Hospital (DSH) and Safety Net Care Pool (SNCP) reimbursement structures away from cost-based systems

Establish county-specific global payments that integrate DSH and SNCP funding and serve as lever for whole-person coordinated care

Public safety net systems would be paid a global budget amount for services provided to the uninsured; systems would be required to meet established service thresholds in order to receive full payment



Core Strategy 3: Public Safety Net Systems Global Payment for Remaining Uninsured

Thresholds would ensure that at least the same level of service is provided that would have been provided to the uninsured absent this proposal

Thresholds and service point values would be structured to incentivize the delivery of more coordinated care and move away from hospital-focused service delivery

Point values for services would recognize high-value services, including nontraditional and previously unreimbursed services, to encourage flexibility and provision of primary care and supportive services



Webpage

[http://www.dhcs.ca.gov/provgovpart/
Pages/WaiverRenewal.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/WaiverRenewal.aspx)