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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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January 10, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **RECOMMENDATION FOR DELEGATED AUTHORITY TO EXECUTE AMENDMENTS TO THE HEALTHY WAY LA AGREEMENTS TO IMPROVE OPERATIONAL PROCESSES AND EFFICIENCIES (Board Agenda Item A-4, January 10, 2012)**

On November 2, 2010, The California Department of Health Services (CDHS) and Centers for Medicare and Medicaid (CMS) entered into a new 1115 Waiver, commonly known as the California Bridge to Reform, for a five year period, commencing November 1, 2010. This Waiver provides the framework to federal Health Care Reform in 2014 for Medicaid Coverage Expansion (MCE) enrollees who are adults, aged 19-64, with incomes at or below 133% of the Federal Poverty Level (FPL) and who meet citizenship or legal residence requirements. The Waiver will provide health care coverage expansion, continued partial funding of public hospitals' uncompensated costs, new funding for delivery system improvements at public hospitals, Medi-Cal Managed Care coverage for Seniors and Persons with Disabilities (SPDs), and federal matching funds for various State-only funded programs.

On December 14, 2010, your Board authorized the Department of Health Services (DHS) to submit action items related to the 1115 Waiver to your Board on a standing agenda item designated as A-4. This memo requests your Board's approval of a recommendation of delegated authority to execute an amendment to existing Healthy Way Los Angeles (HWLA) agreements with the Community Partners (CPs) to permit the Department of Health Services (DHS) to implement programmatic and administrative changes as a result of its experience in the first six months of program implementation. This authority is requested to enable DHS to accommodate issues such as use of the Certification of Indigency (COI) on an extended basis in lieu of the Ability-to-Pay form, coordination of financial screening tools between DHS, Department of Mental Health (DMH) and the CPs, and a change in the "slot" requirements to permit the

CPs to close to DHS referrals on a quarterly basis, as determined by DHS according to program needs.

BACKGROUND

HWLA Agreements: On June 14, 2011, your Board approved the new HWLA agreements with CPs covering HWLA-Matched and Unmatched Services. This new agreement replaced the previous Public Private Partnership agreements, HWLA and SB 474 contracts. On September 20, 2011, your Board delegated authority to DHS to execute amendments to existing HWLA-Matched agreements and to offer new HWLA-Matched agreements, to accommodate the transition of current Ryan White Care Act program clients to HWLA.

Under the terms of the new HWLA Agreement, both parties have committed to work collaboratively to build a more effective health care delivery system for those patients and communities that need these services. As a result; DHS has held regular communications with the CPs to troubleshoot issues and improve processes and efficiencies related to program implementation, including but not limited to, claims preparation/submission and enrollment procedures.

To enable DHS to respond to programmatic and administrative needs that have arisen and will continue to arise as HWLA is implemented, DHS is seeking delegated authority to amend its existing CP agreements to respond to these changing needs. Currently, DHS anticipates the following changes:

1. Extension of the use of the COI in lieu of the ATP form, for the Unmatched Program. The agreements currently call for the cessation of the COI as of December 31, 2011. However, the Community Clinic Association of Los Angeles County requested that DHS extend the period through March 31, 2012, to accommodate those providers for whom the transition from the COI to ATP proved burdensome. Accordingly, DHS has waived the COI deadline in the agreement and, through this Board action, is requesting delegated authority to amend the agreement so that the extension date is reflected in the contract itself;

2. Modify the agreement to permit the CPs to close to DHS referrals on a quarterly basis, as determined by DHS. This will permit DHS to enhance its referral process by providing clinical information to the CPs prior to the referrals and will give CPs time to send the patient disposition logs back to DHS. This will create a more successful referral system between DHS and CPs.

3. Modify the agreement to permit the CPs to accept a DHS and/or a DMH financial screening application i.e., Outpatient Reduced-Cost Simplified Application (ORSA) Plan

or Uniform Method of Determining Ability to Pay (UMDAP). This will ensure that the CPs may utilize a current DHS and/or DMH financial screening in lieu of completing its own Ability to Pay (ATP) application for the same period of time. This will alleviate the need to obtain duplicate financial information from the patient unnecessarily and will assist with a less burdensome HWLA enrollment process for the CPs as well as the patient.

4. Modify the agreement to allow DHS to make payment of Matched Program claims to those CPs who render services to prospective Matched Program participants prior to the official eligibility verification and medical home assignment. Those claims for services provided prior to and inclusive of the month of eligibility verification will be honored and paid. Those claims submitted for service dates in the months following the month of eligibility verification will only be honored for the CP who is the official assigned medical home. This will ensure that CPs are reimbursed for services provided prior to eligibility verification and medical home assignment. DHS is enhancing the HWLA application system to alert CPs and DHS when an HWLA application has been initiated to avoid duplicate HWLA applications and will assist with the appropriate medical home assignments.

RECOMMENDATION

It is recommended that your Board delegate authority to the Director of Health Services, or his designee, to:

Amend existing Community Partner agreements to implement administrative and programmatic changes in order to respond to the evolving needs of the HWLA Matched and Unmatched Program, including but not limited to, those changes set forth above, subject to review and approval by County Counsel and the Chief Executive Office.

If you have any questions or need additional information, please contact me or John Schunhoff, Ph.D., Chief Deputy Director of Health Services, at (213) 240-8370.

MHK:JFS:jp

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors