Health Services
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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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December 30, 2015

TO: Chair Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

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

SUBJECT: **CALIFORNIA'S SECTION 1115 MEDICAID RENEWAL**

Today the Centers for Medicare & Medicaid Services (CMS) approved California's 1115 waiver renewal, which includes $6.2 billion of initial federal funding to support critical programs for Medi-Cal beneficiaries and uninsured patients in California. The renewed waiver, titled "Medi-Cal 2020", enables the public health care system to better serve more than 2.85 million patients per year. This approval extends the waiver from January 1, 2016 through December 31, 2020.

Key programmatic elements of the waiver renewal include:

- Public Hospital Redesign and Incentives in Medi-Cal (PRIME) — This program which builds on the accomplishments of the state's Delivery System Reform Incentive Payment (DSRIP) program will require Designated Public Hospital (DPH) systems and District Municipal Public Hospitals (DMPHs) to achieve greater outcomes in areas such as physical and behavioral health integration and outpatient primary and specialty care delivery. Over the course of the five-years, federal funding for PRIME for DPHs is $3.27 billion and for DMPHs is $466.5 million.

- Global Payment Program (GPP) — This new program is directed at improving the way care is delivered to California's remaining uninsured by transforming hospital-based services and cost-based reimbursement into a value-based payment structure. Under this program, public health systems will be incentivized to provide cost-effective primary care services through a value-based payment structure.

- Dental Transformation Initiative (DTI) — To improve the oral health of children incentive payments will be offered to dental providers meeting specific requirements and benchmarks for delivering essential preventive services and treatment.

- Whole Person Care (WPC) Pilots — Another component of Medi-Cal 2020 allows county-based pilots to provide coordinated care to high-risk populations. The goal of this pilot is to coordinate physical health, behavioral health, and social services to improve members' overall health and well-being, through the integration and more effective use of resources

Medi-Cal 2020 also authorizes the continuance of the Medi-Cal managed care program, Community-Based Adult Services, the Coordinated Care Initiative (including CalMediConnect), and the Drug Medi-Cal Organized Delivery System. .

Approval of this California Medi-Cal 2020 demonstration extension is conditioned on continued compliance with the specific terms and conditions defining the nature, character and extent of anticipated federal involvement in the project.

MHK:lf

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