

REVISED MOTION BY SUPERVISORS HILDA L. SOLIS

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AND LINDSEY P. HORVATH

Cultivating a Care First, Inclusive, and Diverse Network of Providers Offering Enhanced Care Management Services to Justice-Impacted Individuals

In 2021, the California Department of Health Care Services (DHCS) obtained approval from the federal Centers for Medicare and Medicaid Services (CMS) to add a critical new Medi-Cal benefit, Enhanced Care Management (ECM), as part of its overarching California Advancing and Innovating Medi-Cal (CalAIM) proposal. ECM is person-centered, whole person-focused, and utilizes an interdisciplinary approach aimed at promoting holistic care coordination across the broader system of care to address the clinical and non-clinical needs of Medi-Cal beneficiaries. Recipients of ECM services receive intensive care management to ensure that both their traditional health needs (e.g. needs for physical, behavioral, and dental health care) as well as their social determinants of health needs (e.g. housing instability, lack of continuous and dependable access to food, unemployment, and fractured social support relationships) are addressed. The ECM benefit is administered by the Medi-Cal Managed Care Plans

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(MCPs) in each county, who are responsible for contracting with a diverse network of ECM providers to meet the needs of their most vulnerable Medi-Cal beneficiaries.

The LA County Justice, Care and Opportunities Department (JCOD) has an existing program, [Reentry Intensive Case Management Services \(RICMS\)](#), that, via 24 contracted community-based organization (CBO) providers across the County, employs community health workers (CHWs) with lived experience of the justice system to provide empathic wraparound care coordination and support to vulnerable justice-impacted individuals. These providers are trusted organizations who have been providing services like RICMS in their communities for many years and have demonstrated a commitment to and expertise for working with the justice-impacted population. The vast majority of these providers are smaller organizations that do not provide Medi-Cal services today and would find it burdensome to meet the administrative requirements to become an MCP-contracted Medi-Cal provider without further assistance.

The RICMS program is currently funded by ongoing and one-time net County Cost (NCC), one-time Proposition 47 state grant funds, and other smaller funding streams. Since Proposition 47 funding is tied to the reduction of incarcerated individuals sent by counties to State prison, the implementation of Proposition 36 is likely to reduce available funds for sustaining RICMS, though the extent of the impact remains unclear. Proposition 36, adopted by California voters in the November 2024 election, rolls back certain criminal justice reform measures and increases the penalties for certain crimes. By becoming an ECM provider, JCOD aims to take on the associated administrative overhead, such as compiling and submitting ECM claims, submitting required monthly

reports, and responding to oversight and monitoring activities by the MCPs, while subcontracting the delivery of the actual core service components of ECM to JCOD's contracted RICMS providers. This "hub and spoke" model will enable these smaller providers to continue providing care coordination to justice-impacted individuals in the community, using currently available Medi-Cal funding. Pursuing ECM will also help ensure that LA County and its MCPs have a Care First network of ECM providers serving justice-impacted individuals that is as large, diverse, and inclusive as the communities they serve.

JCOD anticipates a three-year phased approach to ECM, including (a) negotiating agreements with Los Angeles County's MCPs, (b) building the necessary data, quality assurance, claiming, and reporting infrastructure, (c) configuring the department's new Care Management System to prepare data for claims, tracking and reporting, (d) entering into a contract with a claims/billing provider, and (e) working with JCOD's 24 RICMS providers and 100 CHWs to ensure that they are appropriately documenting services provided to clients. JCOD anticipates expanding the RICMS program by 40% to meet the increased program demand, either through expanding the number of CHWs funded and/or the number of contracted CBOs, and adding two new half-time positions to support a new billing office. This expansion, expected to cost approximately \$7 million, is anticipated to be exclusively funded with newly generated Medi-Cal ECM revenue.

Due to the shifting political landscape, Proposition 47 revenue, and JCOD's assumptions on client eligibility, units of services to be delivered, negotiated rates with the MCPs, and cost and revenue projections, the County should support JCOD in

pursuing ECM, but proceed with a more careful and deliberative implementation. JCOD should proceed in implementing the Medi-Cal CalAIM ECM program, within specific parameters. Allowing JCOD to move forward using existing funding can mitigate the potential for a future funding shortfall and a resulting need for service reductions or a detrimental financial impact to JCOD whereby they may need to use existing departmental NCC to fund shortfalls. As JCOD gains experience in implementing this new Medi-Cal benefit, administering the program, and demonstrates reliable claiming ability, the CEO can validate JCOD's assumptions and projections and recommend gradual program expansion to the Board as warranted.

IWE, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Justice, Care and Opportunities Department (JCOD), in coordination with the Chief Executive Office (CEO), the Chief Information Officer, the County Office of Privacy, Auditor-Controller, and County Counsel, to develop the infrastructure to provide Medi-Cal Post-Release ECM Services, using existing funding and staffing, including:
 - a. Taking all necessary steps to be designated as a covered component of the County hybrid entity to comply with the Health Insurance Portability and Accountability Act (HIPAA) and comply with the HIPAA regulatory requirements;
 - b. Obtaining a Type 2 Organizational National Provider Identifier (NPI) from the Centers for Medicare and Medicaid Services, if necessary;
 - c. Enrolling as a Medi-Cal provider if a State pathway exists; and
 - d. Direct County Counsel to determine if any County ordinance changes are

required for JCOD's expanded ECM responsibilities and, if so, draft the necessary amendments for the Board's consideration.

2. Direct the Directors of JCOD, Department of Health Services (DHS), Department of Mental Health (DMH), and Department of Public Health (DPH) to establish an inter-departmental workgroup to coordinate their respective Post-Release ECM Services programs. The workgroup should work to establish generally agreed-upon guidelines for identifying which department's ECM program would be the ideal fit for each individual based on both their holistic care needs and their preferences and subject to the final determination of their MCP. The workgroup should also work to develop and/or enhance inter-departmental workflows to facilitate care coordination activities for Medi-Cal Beneficiaries who are assigned by the MCPs to these County Departments' respective ECM Programs. Building on the working group efforts, JCOD should also work to identify opportunities for countywide capacity-building efforts, and to coordinate, integrate, and potentially, share costs and infrastructure with other departments as JCOD proceeds to implement ECM.
3. Authorize the Director of JCOD or designee, in consultation with the Chief Information Officer, if appropriate, and in consultation with County Counsel, to take any necessary contract actions needed to the extent legally permitted, with ten days advance notice to the Board and CEO before executing any new or amended contracts or agreements, to:
 - a. ~~Waive the County's standard open competitive solicitation or bidding requirements, the need to comply with the County's Sole Source Policy,~~

~~and the need to comply with any other County Contracting Policies; and waive any other County standard terms and conditions.~~

- b. a. Negotiate and execute new agreements, and any additional contracts, amendments, or extensions, starting with Health Net and provider groups, and expand to other health plans as necessary to provide Post-Release ECM Services. The authority includes, without limitation, the power to: (1) establish new rates of payment whether capitated, Fee-For-Service (FFS) or otherwise; (2) adjust rates; and (3) secure incentives and incentive payments from the foregoing parties or the State related to ECM Services.
- e. b. Negotiate, prepare, and accept CalAIM-related incentives, awards, and other payments related to ECM whether deriving from federal or State governments or health plans.
- d. c. Negotiate, execute, and amend contracts or subcontracts with third parties, including service providers, for the purpose of providing ECM. Any contracts or agreements executed using the authority above shall be subject to review and approval as to form by County Counsel.

IWE, FURTHER, MOVE that the Board of Supervisors instruct the Director of JCOD to submit a report to the Board in writing each year, for the first three years of program implementation, that evaluates the program model and operational effectiveness based on initial assumptions, including staffing levels, workflows, system performance, and "hub and spoke" contracting, and provides an update on ECM program progress by comparing actual outcomes to initial expectations for client mix, enrollment, services, and revenue, and on the agreed upon guidelines and inter-

departmental workflows developed by the working group in Directive #2 above.

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