

**Medi-Cal Healthier California for All Summary
Los Angeles County Department of Public Health (DPH)
Substance Abuse Prevention and Control (SAPC)
Strategic and Policy Development (SPD) Unit**

Background

The California Department of Health Care Services (DHCS) released its [Medi-Cal Healthier California for All](#), formerly known as California Advancing and Innovating Medi-Cal (CalAIM), proposal in October 2019. The proposed changes represent an important shift in the way that Medi-Cal plans and providers must provide care and services to the state's Medi-Cal population.

Fundamentally, it is a framework for the upcoming Medicaid waiver renewals, (including the Drug Medi-Cal Organized Delivery System [DMC-ODS]), that will encompass “broader delivery system, program and payment reform across Medi-Cal.” DHCS will leverage population health and person-centered approaches to address the complex needs of the Medi-Cal beneficiary and aims to simply the current delivery systems, particularly as they impact beneficiaries at highest need.

The key goals of the proposal:

- Identify and manage member risk and need through Whole Person Care Approaches and addressing Social Determinants of Health;
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

System Transformation

Under this new framework, DHCS plans to renew and consolidate several current Medicaid waivers, including Whole Person Care, Health Homes Program, and DMC-ODS. Major elements of this transformation include:

Member Risk Management

DHCS is “proposing reforms that would better identify and manage member risk and need for beneficiaries who may be challenged with medical and behavioral conditions, access to care issues, as well as chronic illnesses and disabilities, and require multidisciplinary care to regain health and function.” As such, managed care plans will be required to develop “a patient-centered population health strategy, which is a cohesive plan of action for addressing member needs across the continuum of care based on data driven risk stratification, predictive analytics, and standardized assessment processes.”

New Benefits and Services

- Enhanced Care Management – New statewide benefit.
 - DHCS will establish a new benefit that addresses both the clinical and non-clinical needs of high-need Medi-Cal beneficiaries.
 - DHCS will transition the Whole Person Care pilot and Health Homes Program into this benefit.

- Target populations include, among others, high utilizers with frequent hospital or emergency room visits/admissions and individuals at risk for institutionalization with Serious Mental Illness, children with Serious Emotional Disturbance or Substance Use Disorder with co-occurring chronic health conditions.
- In Lieu of Services –
 - “Examples of in lieu of services include but are not limited to:
 - Housing transition and sustaining services;
 - Recuperative care;
 - Respite, home and community-based wrap around services for beneficiaries to transition or reside safely in their home or community; and
 - Sobering centers.

Behavioral Health Integration

DHCS will transition counties from a cost-based reimbursement methodology to a structure more consistent with incentivizing outcomes and quality over volume and cost. Per DHCS, this change “will enable counties to participate in broader delivery system transformation and engage in value-based payment arrangements with their health plan partners in order to support better coordination and integration between physical and behavioral health”

Conclusion

Overall, the Medi-Cal Healthier California for All proposal is an exciting opportunity to build on the successes of the DMC-ODS waiver. The Los Angeles County Department of Public Health is working with DHCS on this implementation.

Additional information and detail can be found on the [DHCS website](https://www.dhcs.ca.gov/provgovpart/pages/medi-calhealthiercaforall.aspx), <https://www.dhcs.ca.gov/provgovpart/pages/medi-calhealthiercaforall.aspx>.