



Specialty SUD Systems and Medi-Cal Healthier CA for All: A Window into the Future

Los Angeles County Department of Public Health
Substance Abuse Prevention and Control (SAPC)



Outline

- **The “Big Picture” Opportunity**
- **Medi-Cal Healthier California for All (MC-HCA)**
- **Key Implications for Specialty SUD Systems**



“Big Picture” Opportunities

1. Affordable Care Act

- Medicaid Expansion → **EXPANDED ACCESS TO HEALTH SERVICES** (physical health, mental health, and substance use disorders [SUD]) (aka: Medi-Cal in California)

2. Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver

- **EXPANDED SCOPE & QUALITY OF SUD SERVICES** under Medi-Cal

3. Medi-Cal Healthier California for All (MC-HCA) *[formerly called CalAIM]*

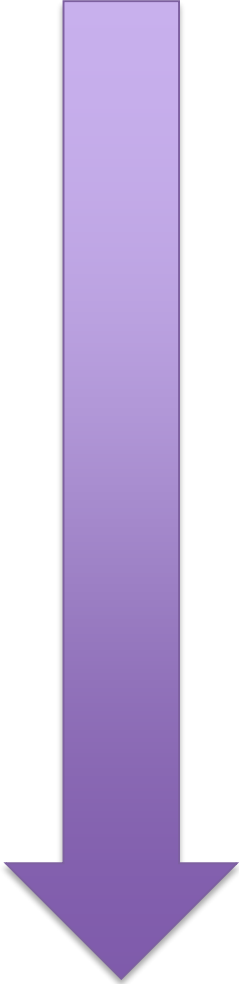
- Focus is on **FACILITATING ACCESS, QUALITY, AND CARE INTEGRATION** under Medi-Cal
- Similar to DMC-ODS, MC-HCA is **ambitious** and leaders from across the State are saying it is a **“once-in-a-career” opportunity**

Medi-Cal Healthier California for All (MC-HCA)

- A multi-year initiative by the California Department of Health Care Services (DHCS) to improve the quality of life and health outcomes for those eligible for Medi-Cal by implementing broad delivery system, program and payment reform.
- Represents a doubling down on a managed care model of health service delivery meaning greater involvement with LA Care and Health Net's Medi-Cal benefits plans.
- Importantly, while MC-HCA positions Medi-Cal to better integrate care across its carve-outs (fee-for-service [FFS] physical health, specialty mental health, Drug Medi-Cal), it still maintains Medi-Cal's carved-out structure
 - A contract with SAPC to deliver specialty SUD services under DMC-ODS is still required!

3 Primary Goals of MC-HCA


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

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3 Primary Goals of MC-HCA (cont'd)



- Require plans to submit local **population health management** plans
- Implement new statewide **Enhanced Care Management (ECM)** benefit
- Implement **In Lieu of Services (ILOS)**, such as housing navigation/supporting services, recuperative care, respite, sobering center, etc.
- **Implement incentive payments** to drive plans and providers to invest in the necessary infrastructure, build appropriate ECM and ILOS capacity statewide
- Evaluate participation in **Institutions for Mental Disease Serious Mental Illness/Serious Emotional Disturbance Section 1115 Expenditure Waiver**
- Require **screening and enrollment for Medi-Cal prior to release from county jail**
- **Pilot full integration** of physical health, behavioral health, and oral health under one contracted entity in a county or region
- Develop a long-term plan for improving health outcomes and delivery of health care for **foster care children and youth**

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a) Managed Care

- Implement **annual Medi-Cal health plan open enrollment** and standardized statewide benefits
- Require Medi-Cal managed care plans be **National Committee for Quality Assurance (NCQA) accredited**
- Implement **regional rates for Medi-Cal managed care plans**

b) Behavioral Health

c) Dental

d) County-Based Services

3 Primary Goals of MC-HCA (cont'd)



a) Managed Care

b) Behavioral Health

- Behavioral health payment reform → Moving from Certified Public Expenditures (CPE) to Intergovernmental Transfers (IGT) – **move from cost-based payments to setting up financial framework for value-based reimbursements** (will require technical changes in billing codes: HCPCS Level II to Level I codes)
- **Revisions to behavioral health medical necessity criteria** for children and adults → More directly impacts specialty MH systems
- **Administrative behavioral health integration statewide** → More directly impacts relationship between SAPC and DMH
- Substance use disorder managed care program renewal and policy improvements → **Continuation of DMC-ODS**, DHCS is currently negotiating with CMS on residential lengths of stay

c) Dental

d) County-Based Services

a) Managed Care

b) Behavioral Health

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- Risk stratification for cavities with **more covered preventative services** with higher risk; dental home with pay-for-performance

d) County-Based Services

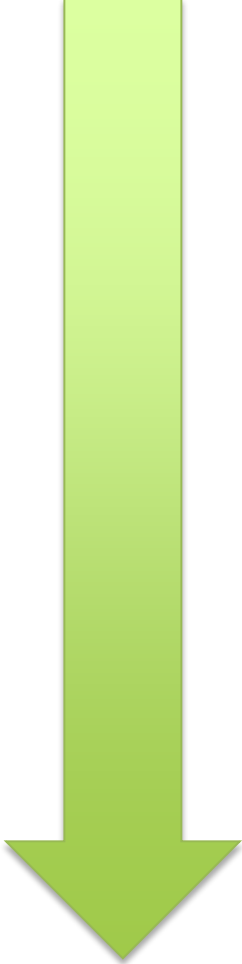
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- Enhance oversight and monitoring of Medi-Cal eligibility → **County Performance Standards to improve timeliness and accuracy of Medi-Cal eligibility**, including a MEDS alert system and tracking application and renewal processing

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3 Primary Goals of MC-HCA (cont'd)



- **DHCS' MC-HCA proposal recognizes:**
 - Desire to “*change the expectations for our managed care and behavioral health systems. Holding our delivery system partners accountable for a set of programmatic and administrative expectations is no longer enough. We must provide a wider array of services and supports for complex, high need patients whose health outcomes are in part driven by unmet social needs and make system changes necessary to close the gap in transitions between delivery systems, opportunities for appropriate step-down care and mitigate social determinants of health...*”
- **The reforms proposed through MC-HCA “*are interdependent and build off one another; without one, the others are not either possible or powerful*”**
 - Medi-Cal eligibility
 - Payment Reform
 - Risk stratification to tailor interventions
 - Managed Care Plans
 - Addressing “whole person care” through various forms of case management

MC-HCA: Key Implications for Specialty SUD Systems

What it means for LA County Providers

- **Financial Implications**

- Move away from cost-reconciliation based reimbursement and toward value-based reimbursement is a matter of time
- SUD systems will have less time/data to work with to determine staffing needed to achieve “quality”

MC-HCA: Key Implications for Specialty SUD Systems

What it means for LA County Providers

- **Clinical Implications**

- Broaden comfort level with treating “whole person” including physical health, mental health, and SUD, alongside social, dental, and other health needs
- Interactions with various types of providers
- Information sharing will be increasingly important

MC-HCA: Key Implications for Specialty SUD Systems

What it means for LA County Providers

- **Workforce**

- MC-HCA adds responsibilities to already strained workforces across the health system, requiring them to know more, do more, and do better
 - Training
 - Supervision

“The secret of change is to focus all of your energy,
not on fighting the old, but on building the new.”

SOCRATES

