



TOBY DOUGLAS  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

**DATE:** JUNE 26, 2014 ALL PLAN LETTER 14-007  
**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS  
**SUBJECT:** DUAL-ELIGIBLE SPECIAL NEEDS PLANS

**PURPOSE:**

The purpose of this All Plan Letter (APL) is to provide guidance relating to requirements that Dual-Eligible Special Needs Plans (D-SNPs) have with the State under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), as amended by the Affordable Care Act of 2010. This guidance covers MIPPA-compliant contracts to D-SNPs and Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) for 2015 and for the duration of the Duals Demonstration project, herein referred to as Cal MediConnect (CMC).

**BACKGROUND:**

Governor Brown enacted the Coordinated Care Initiative (CCI) by signing Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012), SB 1036 (Chapter 45, Statutes of 2012) and SB 94 (Chapter 37, Statutes of 2013) to enhance health outcomes and beneficiary satisfaction for low-income Seniors and Persons with Disabilities by shifting service delivery away from institutional care to home and community-based settings.

CMC is one component of the CCI, and serves beneficiaries eligible for both Medi-Cal and Medicare (Duals), and combines the full continuum of Medicare and Medi-Cal services into a single benefit package delivered through an organized service delivery system.

Enrollment into CMC is being implemented in the counties of Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara and according to the implementation schedule contained in the document titled, "CCI Enrollment Timeline by Population and County" that can be found at the following link: <http://www.calduals.org/implementation/cci-documents/enrollment-charts-timelines/> under the heading Enrollment Chart.

### Calendar Year 2014 D-SNP Policy

Previously in Calendar Year (CY) 2014, D-SNPs were authorized to meet MIPPA contracting requirements by entering into MIPPA-compliant contracts with either a Medi-Cal managed care health plan (MCP) or with the Department of Health Care Services (DHCS). In addition, D-SNP and Medicare Advantage (MA) plan enrollees were exempt from passive enrollment into CMC. Guidance regarding this 2014 policy can be found in APL 13-008, which is available at the following link:

<http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2013/APL13-008.v2.pdf>.

### **D-SNP CONTRACTING AND ENROLLMENT REQUIREMENTS FOR CY 2015 AND THE DURATION OF CMC:**

#### Non-CCI Counties

D-SNPs operating in non-CCI counties will be permitted to enter into MIPPA-compliant contracts with either an MCP operating in the county or DHCS. D-SNPs operating in non-CCI counties may continue to enroll all beneficiaries eligible for enrollment in their D-SNP plan type for CY 2015 and the duration of CMC.

#### CCI Counties

- If a D-SNP is not also a CMC plan (non-CMC D-SNP):
  - DHCS will annually offer MIPPA-compliant contracts to those D-SNPs that were approved for the D-SNP's service area(s) as of January 1, 2013, for CY 2015 and the duration of CMC. Non-CMC D-SNPs may enter into MIPPA-compliant contracts with either DHCS or an MCP operating in the county. The following will apply:
    - Duals who are eligible for CMC and are enrolled in a non-CMC D-SNP as of December 31, 2014, will be exempt from passive enrollment into CMC for CY 2015 and for the duration of CMC. These beneficiaries may voluntarily choose to disenroll from a non-CMC D-SNP and enroll in a CMC plan at any time;
    - Non-CMC D-SNPs may continue to serve Duals eligible for CMC as long as these Duals are enrolled in the non-CMC D-SNP as of December 31, 2014. This includes Duals who were enrolled in the

non-CMC D-SNP as of December 31, 2014, who choose to enroll in CMC, and subsequently opt-out of CMC; and

- Non-CMC D-SNPs may continue to serve any existing and new beneficiaries who are not eligible for CMC (Excluded Beneficiaries).
  - Excluded Beneficiaries include the following:
    - Individuals under the age of 21;
    - Individuals with other private or public health insurance;
    - Individuals receiving services through the State's regional centers or developmental centers or intermediate care facilities for the developmentally disabled;
    - Individuals with a share of cost that do not meet the requirements outlined above;
    - Individuals residing in one of the Veterans' Homes of California; and
    - Individuals residing in an excluded zip code per the Memorandum of Understanding between the State and the Centers for Medicare and Medicaid Services (CMS);
  - If a D-SNP is also a CMC plan:
    - DHCS will crosswalk all Duals who are eligible for CMC into the corresponding CMC plan. These Duals will not be permitted to re-enroll in the CMC D-SNP; and
    - DHCS will offer MIPAA-compliant contracts to CMC D-SNPs for CY 2015 and the duration of CMC to serve any existing or new beneficiaries who are not eligible for CMC (Excluded Beneficiaries) only.
  - If a D-SNP is operated by an Alternative Health Care Service Plan (AHCSPP) that meets the definition of a prepaid health plan that is a non-profit health care service plan with at least 3.5 million enrollees statewide, that owns or operates its own pharmacies and that provides medical services to enrollees in specific geographic regions through an exclusive contract with a single medical group in each specific

geographic region in which it operates to provide services to enrollees, then the following will apply:

- In Non-CCI counties, the same policy as described above will apply; and
- In CCI counties, the following will apply:
  - Individuals enrolled in the AHCSP who become Medicare eligible while enrolled in the AHCSP will be eligible to choose the AHCSP's D-SNP;
  - AHCSP D-SNPs, same as non-CMC D-SNPs, may continue to serve Duals who are eligible for CMC and who are enrolled in the AHCSP's D-SNP as of December 31, 2014. These Duals will be exempt from passive enrollment into CMC. This includes Duals who were enrolled in the AHCSP's D-SNP as of December 31, 2014, who choose to enroll in CMC, and subsequently opt-out of CMC;
  - Upon mutual agreement between the CMC plan operated by a health authority or commission contracting with DHCS and the AHCSP, the AHCSP shall take full financial and programmatic responsibility for Long-Term Supports and Services of the D-SNP enrollee, including but not limited to:
    - In-Home Supportive Services;
    - Long-Term Skilled Nursing Care;
    - Community-Based Adult Services;
    - Multipurpose Senior Services Program; and
    - Other Medi-Cal benefits offered in CMC.
  - DHCS shall prior to assigning a beneficiary to an MCP pursuant to Welfare and Institutions Code Section 14182.16, determine whether the beneficiary is already a member of the AHCSP. If so, DHCS shall assign the beneficiary to the MCP operated by the health authority or commission contracting with DHCS and subcontracting with the AHCSP.
- For Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) operating in CCI counties, the following will apply:

- Beneficiaries enrolled in a FIDE-SNP shall be exempt from passive enrollment into CMC. These beneficiaries may voluntarily choose to disenroll from the FIDE-SNP and enroll in the CMC plan at any time; and
- After December 31, 2014, enrollment in:
  - Los Angeles County shall not exceed 6,000 additional beneficiaries at any point during the term of CMC; and
  - The combined enrollments in Riverside and San Bernardino Counties shall not exceed 1,500 additional beneficiaries at any point during the term of CMC.

#### Additional Information

- Duals who opt-out of CMC may not select a CMC or non-CMC D-SNP but may select either another MA plan that is not a D-SNP or Medicare fee-for-service (FFS).
- DHCS will not passively enroll Duals who are enrolled in MA plans that are not D-SNPs into CMC.
- Some D-SNPs operate in both CCI and non-CCI counties. These D-SNPs may enter into a MIPPA-compliant contract with DHCS or an MCP. The contract will satisfy both the non-CCI county and CCI county requirements listed above. The contract will also contain additional provisions stating:
  - If a Dual is enrolled in a D-SNP in a non-CCI county, regardless of enrollment date, and then moves at any time during the duration of CMC to a CCI county where that D-SNP operates as a non-CMC D-SNP, he/she may remain enrolled in that D-SNP.
  - If a Dual is enrolled in a non-CMC D-SNP in a CCI county and moves to another CCI county where the D-SNP is a CMC plan, the Dual will be passively enrolled into CMC.
  - If a Dual is enrolled in a D-SNP in a non-CCI county and moves to a CCI county where that D-SNP is a CMC plan, the Dual will be passively enrolled into CMC.
  - If a Dual is enrolled in CMC and moves to another CCI county where that CMC plan only operates a non-CMC D-SNP, the Dual will be passively enrolled into a CMC plan operating in that CCI county.

## REPORTING REQUIREMENTS:

The MIPPA-compliant contract shall be bound by the requirements set forth in this APL. In addition, DHCS will require D-SNPs to submit a copy of the bid submitted by the D-SNP to CMS and all utilization and quality management reports submitted to CMS as follows:

### 1. D-SNP Bid

A D-SNP shall submit a complete copy of its D-SNP bid to DHCS within 30 days after submission to CMS. An electronic copy of the final D-SNP bid should be sent to Karen Thalhammer, Chief, Policy and Contracts Management Branch, Medi-Cal Managed Care Division (MMCD) at the following email address: [Karen.Thalhammer@dhcs.ca.gov](mailto:Karen.Thalhammer@dhcs.ca.gov).

### 2. Utilization and Quality Management Report

A D-SNP shall submit a complete copy of its utilization and quality management reports to DHCS within 30 days after submission to CMS. An electronic copy of this original report should be sent to DHCS Plan Monitoring Section at the following email address: [pmmp.monitoring@dhcs.ca.gov](mailto:pmmp.monitoring@dhcs.ca.gov).

Additional information may be required to be submitted as specified by DHCS.

If you have questions regarding this APL, please contact Karen Thalhammer, Chief, Policy and Contracts Management Branch, MMCD at [Karen.Thalhammer@dhcs.ca.gov](mailto:Karen.Thalhammer@dhcs.ca.gov) or by phone at (916) 449-5043.

Sincerely,

*Original Signed by Mari Cantwell,  
Chief Deputy Director, Health Care Programs,  
On Behalf of Margaret Tatar*

Margaret Tatar  
Acting Deputy Director  
Health Care Delivery Systems