



Expanding Access to Integrated Care for Dual Eligible Californians

February 24, 2020

Under the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the California Department of Health Care Services (DHCS) is proposing to transition Cal MediConnect (CMC) and the Coordinated Care Initiative (CCI) to a statewide Managed Long-Term Services and Supports (MLTSS) and Dual Eligible Special Needs Plan (D-SNP) structure. DHCS will work with health plans, stakeholders, and CMS to transition and expand integrated care statewide. This policy is intended to help meet the statewide goals of improved care integration and person-centered care, under both the CalAIM initiative and the California Master Plan for Aging.

Table 1: Timeline of Proposed Policy Changes

Year	Policy Change
2020	<ul style="list-style-type: none"> All existing D-SNPs must meet new regulatory integration standards effective 2021
2021	<ul style="list-style-type: none"> January 1: Statewide integration of long-term care (LTC) into Medi-Cal managed care, in conjunction with the shift of non-dual eligible Medi-Cal populations into Medi-Cal managed care Voluntary in lieu of services (ILOS) in all Medi-Cal Managed Care Plans (MCPs) and CMC plans January 1: Multipurpose Senior Services Program (MSSP) carved out of managed care in CCI counties Plan for transition of CMC members to D-SNPs
2022	<ul style="list-style-type: none"> December 31: Discontinue CMC and CCI
2023	<ul style="list-style-type: none"> January 1: Statewide mandatory enrollment of full dual eligible beneficiaries into MCPs for Medi-Cal benefits, including dual eligible LTC residents January 1: Aligned enrollment begins in CCI counties and MCPs in those counties must stand up D-SNPs; All CMC members cross walked to matching D-SNP and MCPs, subject to CMS and state requirements
2025	<ul style="list-style-type: none"> Aligned enrollment begins in non-CCI counties; All MCPs required to begin operating D-SNPs (voluntary enrollment for dual eligibles' Medicare benefit)
2026	<ul style="list-style-type: none"> Implement MLTSS statewide in Medi-Cal managed care



Promoting Integrated Care through D-SNP and MLTSS

Individuals dually eligible for Medicare and Medi-Cal are among the highest need populations in either program. However, a lack of coordination between Medicare and Medi-Cal can make it difficult for individuals enrolled in both programs to navigate these separate systems of care. California has made significant progress in building integrated systems through the implementation of CCI and CMC in seven counties¹. As part of the CalAIM initiative, DHCS is leveraging the lessons and success of CCI to develop policies to promote integrated care through D-SNPs and MLTSS across California. This includes mandatory enrollment for dual eligibles into MCPs for their Medi-Cal benefit and increasing the availability of aligned D-SNPs. This will allow duals to voluntarily enroll for their Medicare benefits into the D-SNP that is aligned with their MCP plan.

In addition, to promote integrated, person-centered care, the D-SNP and MLTSS policies in this document will rely on California's robust and diverse array of home and community-based services (HCBS) across the state who serve older Californians and people with disabilities. DHCS' intent is that the policies outlined in this paper, and the related ILOS policy² in the Medi-Cal CalAIM initiative, will expand and better link those HCBS to Medi-Cal managed care and D-SNP plans.

Note: D-SNPs are Medicare Advantage (MA) health care plans that provide specialized care to duals and offer wrap-around services but must also maintain a State Medicaid Agency Contract (SMAC) with DHCS. The Bipartisan Budget Act (BBA) of 2018 permanently authorized D-SNPs, modified integration requirements, and established unified grievances and appeals procedures.³

Selective Contracting with D-SNPs

DHCS maintains the authority to contract or not to contract with D-SNPs. DHCS will use selective contracting to move toward aligned enrollment in D-SNPs: having beneficiaries enroll in an MCP and D-SNP operated by the same parent company to allow for greater integration and coordination of care.

¹ Los Angeles, Orange, San Diego, San Mateo, Riverside, San Bernardino and Santa Clara counties.

² Find information on the [Department of Health Care Services' In Lieu of Care Services \(ILOS\) policy](https://www.dhcs.ca.gov/provgovpart/Pages/ecm_ilos.aspx) on their website, https://www.dhcs.ca.gov/provgovpart/Pages/ecm_ilos.aspx.

³ [Bipartisan Budget Act of 2018 \(P.L. 115-123\)](https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.pdf) (<https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.pdf>)



- In CCI counties, aligned enrollment will begin in 2023. Cal MediConnect members will transition to aligned D-SNPs and MCPs operated by the same organization as their Cal MediConnect product. New D-SNPs in these counties will be restricted to those operated by the MCPs in the county. Beneficiaries not already enrolled in a D-SNP will only be able to enroll in a D-SNP operated by the same organization of their MCP (although they retain the choice of any other Medicare options, including Medicare fee-for-service, non-DSNP MA plans, or a Program of All-Inclusive Care for the Elderly (PACE) plan).
- Aligned enrollment will phase-in in non-CCI counties as plans are ready. DHCS will require MCPs to apply for aligned D-SNPs to be effective no later than contract year 2025. Until 1 year before aligned enrollment is effective in a county, DHCS will continue to contract with new D-SNPs in these counties (including non-aligned D-SNPs not operated by the county MCPs). After that point, DHCS will only newly contract with D-SNPs operated by an MCP in that county. Existing enrollees in non-aligned D-SNPs will be able to keep their plan, but non-aligned D-SNPs will not be allowed to accept new enrollment.
- Dual eligible beneficiaries already enrolled in a non-aligned D-SNP (a D-SNP that is not affiliated with their MCP) when aligned enrollment takes effect in their county will be grandfathered in to that D-SNP (allowing the beneficiary to stay in the non-aligned D-SNP). New enrollment in those non-aligned D-SNPs will be closed.

DHCS will launch an aligned enrollment technical workgroup with managed care plans in 2020 to begin working through additional policy details around implementation. DHCS will share the workgroup recommendations for stakeholder feedback.

DHCS will also pursue several avenues with CMS to limit enrollment into MA plans that are D-SNP “look-alikes.”⁴ These are MeA plans that offer the same cost-sharing to duals as D-SNPs, but which do not offer integration and coordination with Medi-Cal or other benefits targeted to the dual eligible population such as risk assessments or care plans. DHCS will request that CMS monitor the share of enrollees in MA plans who are dually eligible and designate plans with a high percentage of dual eligible enrollees in MA plans (threshold is yet to be determined) look-

⁴ CMS released a Notice of Proposed Rulemaking for Medicare Advantage ([Medicare and Medicaid Programs; Contract Year 2021 and 2022 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicaid Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly Comments](https://www.federalregister.gov/documents/2020/02/18/2020-02085/medicare-and-medicaid-programs-contract-year-2021-and-2022-policy-and-technical-changes-to-the) available at <https://www.federalregister.gov/documents/2020/02/18/2020-02085/medicare-and-medicaid-programs-contract-year-2021-and-2022-policy-and-technical-changes-to-the>), on February 18, 2020 that includes proposals to limit look-alike D-SNPs. DHCS will consider potential effects of the rule once finalized.



alike plans. DHCS will also request that CMS reject applications to offer MA plans targeted at dual-eligibles.

D-SNP Integration Requirements

DHCS will require that all D-SNPs must use a model of care addressing both Medicare and Medi-Cal services in order to support coordinated care, high-quality care transitions, and information sharing. DHCS will work with CMS to incorporate new CalAIM model of care requirements into the D-SNP model of care, as appropriate.

DHCS will not contract with new D-SNPs to operate as fully-integrated (FIDE) or highly-integrated (HIDE) D-SNP, based on our interpretation of CMS guidelines⁵ that the current LTSS and behavioral health carve-outs in Medi-Cal would not permit plans to meet HIDE and FIDE requirements.

D-SNP Integration Standards for 2021

D-SNPs that will be operating in plan year 2021 and beyond are required to submit an updated SMAC by July 6, 2020 to meet the higher standards of coordinated care by January 1, 2021.

DHCS began working on SMAC updates in 2019. A recent [memo further detailing the new D-SNP requirements](#)

(https://www.integratedcareresourcecenter.com/sites/default/files/CY%202021%20Medicare-Medicaid%20Integration%20and%20Unified%20Appeals%20and%20Grievances.._.pdf) and a

[Center for Medicaid and CHIP Services \(CMCS\) Informational Bulletin](#)

(<https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/Downloads/cib111419-2.pdf>) can be found online. These new integrated care requirements include hospital and SNF admission notification requirements. DHCS' contracts with D-SNPs will require all non-FIDE and HIDE D-SNPs to notify, or arrange for another entity/entities to notify, the state or its designee(s) of hospital and Skilled Nursing Facility (SNF) admissions for at least one state-

identified population of high-risk enrollees to improve coordination of care during transitions of care.

In 2020, DHCS will develop this admissions notification policy, including identifying the high-risk target population, which entity will be notified by D-SNPs, the timeframe for the notification,

⁵ [Additional Guidance on CY 2021 Medicare-Medicaid Integration Requirements for Dual Eligible Special Needs Plans \(D-SNPs\)](#)

(<https://www.cms.gov/files/document/cy2021dsnpsmedicaremedicaidintegrationrequirements.pdf>)



and the notification method. This new policy will apply to all existing non-FIDE D-SNPs starting in 2021, and all new non-FIDE D-SNPs as they stand up operations.

D-SNP Integration Standards for Aligned Enrollment

As DHCS implements aligned enrollment, other integration requirements for D-SNPs will include:

- DHCS will require D-SNPs to develop and use integrated member materials.
- DHCS will require D-SNPs to include consumers in their existing advisory boards.
- DHCS will work with CMS to establish quarterly joint contract management team meetings for aligned D-SNP and MCPs.
- DHCS will require D-SNPs to include dementia specialists in their care coordination efforts.
- DHCS will work with CMS to coordinate audit timing, to avoid a D-SNP/MCP being audited by both agencies at the same time.
- DHCS will require D-SNPs to coordinate carved-out LTSS benefits including IHSS, MSSP, and other HCBS waiver programs.

Medi-Cal Managed Long-Term Services and Supports

In conjunction with mandatory Medi-Cal managed care enrollment, DHCS will begin requiring statewide integration of long-term care (LTC) into managed care for Medi-Cal populations, starting with non-duals and partial duals in 2021, and expanding to full-benefit duals in 2023. This means that full-benefit duals in LTC facilities in counties or plans that do not already include LTC will be enrolled in Medi-Cal managed care by 2023. Based on lessons learned from CCI, DHCS will work to ensure continuity of care through a smooth transition of existing treatment authorization requests to the managed care format and facilitate communication between the MCP provider relations team and nursing facilities. DHCS will develop a best practices tip sheet for the plans in the transition and alignment with delegated plans. DHCS will also consider new requirements for MCPs working with the long-term care facilities, align quality metrics, and potentially require SNFs to coordinate with D-SNPs to align with D-SNP requirements to coordinate around hospital and other facility discharge planning. The integration of LTC into Medi-Cal managed care, along with the existing HCBS programs and new ILOS available to MCPs, will promote more integrated care for beneficiaries, and greater opportunities and incentives for MCPs to promote home and community-based choices.



Reporting Requirements, Oversight, and Quality

DHCS will be examining existing CMS D-SNP contract requirements and federal quality-based standards. DHCS may potentially require D-SNPs to provide the state annual Medicare Part C and D reporting and any compliance actions taken including areas of quality or access by CMS. DHCS will require separate contract numbers for new D-SNPs, subject to CMS approval, to allow DHCS to receive quality reporting for only California duals. DHCS will work with stakeholders, plans, and CMS to identify the range of quality and reporting results that DSNPs will report to DHCS on an annual basis. To the extent DHCS requests D-SNPs to provide Medicare reporting materials, DHCS will align those requirements with new CalAIM and MCP requirements, to the extent possible.

Additionally, DHCS will provide education and training to the Long-Term Care Ombudsman to support this population following the transition out of Cal MediConnect.

Transitions and Enrollment Policies

D-SNP Transitions and Enrollment Policies

DHCS will encourage aligned enrollment of dual eligibles into matching MCPs and D-SNPs to promote more integrated care. During all transitions, DHCS will work with CMS to ensure beneficiaries receive continuity of care protections.

- **Aligned Enrollment:** As aligned enrollment implements in a county, DHCS will only allow D-SNPs to enroll beneficiaries who are already in their matching MCP product to promote coordination and integrated care. If a beneficiary wanted to change their D-SNP plan, they would have to first change their MCP plan. Aligned enrollment will take effect in CCI counties in January 2023 and will phase-in in all other counties as plans are ready, no later than 2025. DHCS is considering other flexibilities for MCPs operating in rural areas should they be unable to meet Medicare network adequacy or other requirements.
- **Voluntary Enrollment:**
 - *Medicare Fee-For-Service:* DHCS will not passively enroll dual eligible beneficiaries from Medicare fee-for-service into a managed care product for their Medicare benefits. Dual eligibles have the option to voluntarily enroll in a Medicare managed care product.



- *D-SNPs*: Dual eligible beneficiaries already enrolled in a D-SNP product that is continuing operations will remain in those Medicare products. They will not be passively enrolled into a D-SNP that aligns with their MCP. They would have the option to voluntarily enroll into an aligned D-SNP or PACE plan and receive their care from an integrated product.
- **Default Enrollment:** DHCS will allow D-SNPs to pursue approval from CMS and DHCS to enroll, unless the member chooses otherwise, existing MCP members into the D-SNP when they become newly eligible for Medicare due to age or disability.
- **Crosswalk Enrollment:**
 - DHCS will request that CMS use existing authority to allow a crosswalk transition for full-benefit, dually eligible individuals from an integrated D-SNP that is no longer available to the individual into another comparable D-SNP in instances where integrated care coverage would otherwise be disrupted. For example, if during Medi-Cal reprocurement (see below), a parent organization will no longer offer an MCP and/or D-SNP in a county, CMS could enroll the member in a comparable, integrated plan.
 - DHCS will request that CMS allow a crosswalk transition for beneficiaries from a CMC plan to a D-SNP and MCP operated by the same parent organization to minimize disruptions in care coordination and benefits for Cal MediConnect enrollees. The D-SNPs must offer a substantially similar provider network, cover the same or more benefits as the CMC product, and may not impose additional cost-sharing requirements, and may be subject to additional CMS requirements such as financial criteria and CMC performance metrics. DHCS will request CMS provide these criteria in sufficient time for CMC plans to plan their transition.
 - These crosswalk transitions will be managed by the CMC and D-SNP plans in accordance with CMS rules and guidelines. DHCS will convene an aligned enrollment technical workgroup composed of managed care plans to develop recommendations on how plans should support beneficiaries in the transition. DHCS will share the proposed recommendations for stakeholder feedback. In addition to CMS required notices, DHCS will require D-SNP plans educate beneficiaries about all their enrollment options, including PACE plans.
- **“Look-Alike” Plans:** DHCS will request that CMS crosswalk dual eligibles enrolled into MA “look-alike” plans into D-SNP products offered by the same organization. DHCS will



request that CMS time these crosswalk transitions to the implementation of aligned enrollment in a county.

- **Medicare Fee-For-Service (FFS) Dual Eligibles:** Dual eligible beneficiaries who are in Medicare FFS will remain in Medicare FFS, unless they voluntarily choose to enroll in a Medicare product.
- **D-SNPs without Medi-Cal Contracts in Service Area:** DHCS will grandfather existing dual eligible members of D-SNPs that do not have a matching MCP product in the service area. This will protect beneficiary choice, even though these beneficiaries will not receive the same level of integrated care as beneficiaries in aligned plans. After aligned enrollment is effective in a county, beneficiaries would not be able to join a D-SNP if they are not also in the plan's MCP product.
- **Delegated MCPs:** Current D-SNP regulations may not allow crosswalk or default enrollment for plans that do not have a direct contract with the state Medicaid agency. DHCS will request CMS determine how to allow CMC plans that do not have a direct Medi-Cal contract to participate in aligned enrollment, with the intent of allowing beneficiaries to remain with the plan of their choice.

Cal MediConnect Transition

DHCS will work with CMS to ensure that Cal MediConnect plans continue to provide high quality care to members during the transition.

Mandatory Enrollment into Medi-Cal Managed Care Plans

DHCS is committed to providing beneficiary and provider education, as well as technical assistance around MCP requirements, for mandatory enrollment of dual eligibles into Medi-Cal managed care. As part of this work, DHCS will:

- Review and make any needed updates to education and enrollment materials used to assist dual eligibles in enrolling into an MCP or PACE for their Medi-Cal benefits.
- Help educate providers about necessary billing practices as well as the processes that will not change, building on materials and best practices previously developed under CCI.
- Provide technical assistance around new MCP requirements for duals. MCPs will have new responsibilities and tools to better serve beneficiaries, including the ILOS benefit.



DHCS will determine what requirements apply to MCPs serving dual eligible beneficiaries and how those requirements will align with D-SNP requirements.

Enrollment Considerations

- **D-SNP Crosswalk Transition:** Given the large volume of beneficiaries that would crosswalk from CMC plans to D-SNPs, DHCS will request continued demonstration authority from CMS during the transition to allow CMC member health risk assessments (HRAs) and care plans to qualify under the D-SNP, rather than requiring plans to conduct new assessments for all members. Existing care plans would remain in force during the transition. Plans would be required to outreach and attempt to conduct HRAs and develop care plans for members who do not have them, including members that declined an HRA or were unable to be reached.
- **Prescription Drug Benefits:** California is carving out prescription drug benefits in Medi-Cal. Medi-Cal prescription drugs will be fee-for-service (FFS) by 2021 (except for CMC plans, which keep their pharmacy benefit until the transition to aligned enrollment). Plans without Medicare products could consider maintaining their existing pharmacy division infrastructure by launching D-SNP plans in 2022.

Enrollment Consumer Protections

- **Limiting Churn:** DHCS will encourage D-SNPs to allow members to remain enrolled in the plan for a six-month deeming period to resolve any Medi-Cal eligibility issues.
- **Marketing and Brokers:** DHCS will ensure consumer protections are standardized across the state. DHCS will explore how to require D-SNPs only target marketing materials to enrollees in their affiliated MCPs. Insurance brokers will be required to explain the value of enrolling in an integrated product, as well as how to navigate a health plan network (including the delegated model) and receive training on how to work with limited English proficiency beneficiaries, and the importance of using beneficiary-facing materials that are culturally appropriate and in Medi-Cal threshold languages.
- **Notices to MLTSS Duals:** Notices will be sent to MLTSS dual eligible members informing them of their new option to enroll in a matching D-SNP, as well as their other options for their Medicare and Medi-Cal benefits, such as PACE. DMHC and DHCS will review marketing rules to ensure D-SNPs are able to educate members in their matching MCP plan about their integrated care options.