Frequently Asked Questions
DHCS Long-Term Care Carve In
January 23, 2020

Benefits Questions

1. **Will the LTC pharmacy benefit be carved out under Medi-Cal Rx?**
   Since LTC facilities are institutions and institutional pharmacy services are not impacted by Medi-Cal Rx, there will be no change.

   This information can be found in the Medi-Cal Rx FAQs where there are two items that address the Long-Term Care (LTC) pharmacy benefit (#7 and #9). Question 7 simply states that there will be no change under Medi-Cal Rx to pharmacy services provided in an LTC facility. As for Question 9, LTC facilities are by definition, institutions; therefore, if they bill separately for pharmacy, it would be on institutional claim types.

2. **Will DHCS revise APL 18-020 to allow dual eligibles in this population to be eligible for the SB 1004/APL 18-020 benefit?**
   DHCS is reviewing and updating the Palliative Care policy. Additional information pertaining to this question will be forthcoming.

3. **The stated goal of other Medi-Cal managed care initiatives has been to encourage community-based care – is that still the case?**
   Yes, the Department's goal is to keep as many beneficiaries out of institutional settings, and to transition as many beneficiaries from institutional settings to the community, as is possible, as long as they can safely live in the community with any necessary long-term services and supports and determined to be medically appropriate.

4. **Will MCPs be given the flexibility to consider SNF alternatives for beneficiaries who qualify for LTC SNF? Examples would include daily rates at assisted living facilities, board and care facilities, and senior independent living facilities, which are currently not covered under Medi-Cal.**
   The LTC carve-in transitions the existing Medi-Cal LTC benefit into the managed care delivery system but does not expand the scope of Medi-Cal covered services. However, subject to finalization of the Medi-Cal Healthier California for All initiative and necessary federal approvals, MCPs may offer In-Lieu-Of Services (ILOS), if all of the following are met:

- The ILOS is authorized by DHCS and identified in the MCP's contract as a medically appropriate and cost-effective substitute for a State Plan service (a list of ILOS can be found on page 120 of the full Medi-Cal Healthier California for All proposal);
- Beneficiaries are not required to use the ILOS, and instead voluntarily agree to receive the ILOS in place of a corresponding State Plan service;
- Beneficiaries meet applicable eligibility (target population) standards identified in, and the service is provided in accordance with, the Medi-Cal Healthier California for All initiative for ILOS; and
- Beneficiaries are directly responsible for paying their own living expenses.

Additionally, the Medi-Cal Healthier California for All initiative is including nursing facility residents who want to transition to the community as a target population for a new Enhanced Care Management benefit.

5. **Will Coordinated Care Initiative (CCI) counties remain Managed Medi-Cal Long-Term Supports and Services (MLTSS), others will be Managed Long Term Care (MLTC)?**
When this benefit change is complete, the Medi-Cal managed care long-term services and supports carve-in (including Community Based Adult Services [CBAS] and LTC facilities) and carve-out (including In-Home Supportive Services [IHSS], Multipurpose Senior Services Program [MSSP], and other Home and Community Based Services [HCBS] waivers) will be consistent across all counties.

6. **Long-Term Care (LTC) means care provided in a skilled nursing facility and sub-acute care services (contract definition). In this context, is DHCS limiting LTC to institutional care?**
The LTC carve-in includes:
    - Skilled nursing facilities
    - Subacute facilities
    - Pediatric subacute facilities
    - Intermediate care facilities (ICFs)
        - ICF/DD (Developmentally Disabled)
        - ICF/DDH (Habilitative)
        - ICF/DDN (Nursing)
    - Specialized rehabilitative services in skilled nursing facility and ICFs

Transition Questions

7. **Please clearly define the scope and timing of the LTC transition.** ***(Will LTC beneficiaries be transitioned into mandatory managed care by birth month or on a different transition schedule? Will only beneficiaries newly qualified for Medi-Cal LTC be transitioned into managed care?)***

Today, MCPs in non-County Organized Health System (COHS), non-CCI counties are responsible for the month of admission plus one month when covering beneficiaries in LTC. Beneficiaries exceeding this timeframe are disenrolled from managed care. Effective January 1, 2021, MCPs will become fully responsible for the full LTC benefit. This means that beneficiaries who enter LTC and would otherwise have been dis-enrolled from the MCP will remain enrolled in managed care ongoing.

In addition, all non-dual eligible fee-for-service (FFS) beneficiaries residing in an LTC facility on January 1, 2021 will be enrolled in an MCP effective January 1, 2021. All dual eligible FFS beneficiaries residing in an LTC facility on January 1, 2023 will be enrolled in an MCP effective January 1, 2023. Beneficiaries will be defaulted into an MCP if they do not make a choice of plans.

8. **Does LTC benefit change mean that all dual eligible beneficiaries will be mandatorily enrolled into managed care? (similar to COHS)**
   The LTC benefit change does not mean all dual eligibles beneficiaries will be mandatorily enrolled into Medi-Cal managed care in 2021. Under the Medi-Cal Healthier California for All initiative, non-dual eligible beneficiaries would be mandatorily transitioned into managed care on January 1, 2021. Dual eligible beneficiaries would be mandatorily transitioned into managed care on January 1, 2023. Please refer to Appendix G of the Medi-Cal Healthier California for All proposal for additional details.

9. **How will the LTC facilities be informed about the change in the beneficiaries' MCP enrollment change?**
   At a minimum, DHCS will issue a Provider Bulletin and News Flash on the Medi-Cal website informing providers of the overall change in MCP responsibility for beneficiaries in a LTC facility. DHCS will also requires MCPs to outreach to the providers where the beneficiaries are residing in order to ensure that the facility is aware. Further details will be provided as DHCS determines all necessary steps and outreach needed.

10. **Please confirm that MSSP will be not included in the transition.**
    MSSP is being carved out of managed care effective January 1, 2021 and will not be included in this benefit change.

Rates Questions

11. **Will DHCS implement managed care plan minimum reimbursement requirements for LTC services?**
    In order to facilitate a smooth transition from fee-for-service to managed care, promote access and maintain affordability, DHCS proposes to require that Medi-Cal managed care plans pay and LTC providers accept the applicable Medi-Cal fee-for-service rates for

LTC services, unless the provider and plan mutually agree upon an alternative reimbursement methodology.

12. **How will managed care plan rates be established? Will there be any protection for plans?**
    DHCS is working through the methodology for the calendar year (CY) 2021 rates, which will be developed to appropriately account for carve-in of the LTC benefit and beneficiaries. As part of the Medi-Cal Healthier California for All initiative, DHCS is reviewing a multi-pronged risk strategy related to this carve-in that includes various model types and populations.

    Managed care capitation rates will include funding at the LTC FFS rate levels with any applicable annual FFS rate increases. While we understand plans and LTC providers may agree on alternative reimbursement methodologies in place of reliance of the FFS rate schedule, rates will be developed based on the FFS rate levels with consideration to FFS annual rate increases if applicable. Cost levels associated with any alternative reimbursement methodologies would be reflected in future years' rates as they roll into the base data period used for rate development.

Quality Improvement Questions

13. **Will DHCS have new/additional quality or performance expectations (e.g. improved access, shorter lengths of stay, improved transitions)? If so, how will DHCS measure and monitor this?**
    MCPs will continue to be expected to meet all contractual responsibilities for all member beneficiaries, including but not limited to ensuring the provision of preventive and wellness services, the provision of medically necessary services, and providing care coordination and case management to address beneficiary needs and improve health outcomes. DHCS expects MCPs will consider the needs of beneficiaries in LTC facilities as they design their Population Health Management (PHM) program, deploy appropriate resources for beneficiaries based on continual assessments of risk and need, and continually reassesses the effectiveness of their PHM strategy. DHCS anticipates monitoring the MCP PHM efforts on an ongoing basis.

14. **Will there be new reporting requirements?**
    DHCS is evaluating needed data reporting related to the LTC benefit carve-in. In addition, DHCS will conduct readiness activities and monitoring prior to the go-live date.

15. **Does DHCS have a summary of "lessons learned" or other evaluation of counties where LTC is already carved in? What are the best approaches for managing the**

benefit within Medi-Cal managed care? What are some improvements that are needed?
A significant number of Medi-Cal beneficiaries residing in LTC facilities are already in counties with mandatory Medi-Cal managed care, including all COHS and CCI counties. DHCS will be working with Cal MediConnect plans, MCPs, and LTC facilities in CCI counties to provide lessons learned and best practices for plans in the LTC transition.

Oversight Questions

16. **What is the MCP's responsibility for oversight of LTC facilities?**
    MCPs will be responsible for ensuring that LTC facilities serving their member beneficiaries are licensed and certified, not excluded from participation in Medi-Cal, and for ongoing monitoring. DHCS will certify MCPs' provider networks to ensure that they have an adequate number of LTC facilities within their contracted service area. MCPs will also be required to submit new LTC specific policies and procedures and/or updates to existing policies and procedures incorporating the LTC benefit for review and approval. DHCS will validate MCP's submissions to ensure they are accurate prior to the MCP having a certified network of LTC facilities.

17. **Will the DHCS Audits and Investigations (A&I) annual medical review of MCPs be revised to include LTC audits?**
    Yes. A&I will continue to audit MCPs based on their contract, which in many counties already includes LTC. The contracts will be updated to include LTC in counties where the LTC carve-in will be new in 2021.