



August 10th, 2015



The Honorable Ricardo Lara
Chairman, Committee on Appropriations
California State Senate
State Capitol, Room 2206
Sacramento, CA 95814

CHILDREN NOW



Subject: Support AB 187 and Oppose Department of Health Care Services Proposal to Move All CCS Children to Medi-Cal Managed Care by 2019

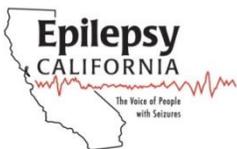
Dear Senator Lara,



We are writing to express our opposition to the proposal by the Department of Health Care Services (DHCS) to eliminate core components of the California Children's Services (CCS) program, including care management and service authorizations for health care for CCS-eligible children, and transfer them to Medi-Cal managed care plans, starting in 2017. We urge your support for AB 187 (Bonta) to extend the existing CCS carve-out from Medi-Cal managed care and to allow more time for advocates, the legislature, and the Department to create a whole-child health system alternative that will protect access to care for these vulnerable children. **We oppose the Department's proposal and are advocating for more time to come to a resolution with the Department on the future of CCS.**



The CCS Program provides health care services for children with special health care needs whose families are unable to pay for these services, as well as supporting a network of providers that strengthens the quality of care available to all children, regardless of insurance status or family income, in case of a critical accident or illness. Currently, the program is carved out completely from Medi-Cal managed care in all but six counties and administered by counties and the State on a fee-for-service basis. In the six currently carved-in counties, the CCS program continues to operate independently, protecting children's access to appropriate services through its specialized case management and expertise in the care and needs of children and families in CCS. **DHCS proposes to radically change the current delivery system by taking the core responsibilities of the CCS program (service authorizations, case management) from the counties and giving them entirely to health plans.**





DHCS' proposal is driven by an artificial urgency and is built on a fundamental misunderstanding of the needs of CCS children. Furthermore, it is not based on data and transparency.

- There is no compelling reason to urgently change state CCS law at this late date in the legislative calendar.** – DHCS only released the details of its proposal, including draft legislative language to require a transition to Medi-Cal managed care, on July 16th, 2015. Heretofore, DHCS had told stakeholders that it was not predisposed to simply carving CCS services into Medi-Cal managed care. Any change to the CCS program raises the prospect that families will need to overcome additional administrative hurdles in order to maintain access to clinically necessary specialty care. Ample research data clearly indicates that access to age- and condition-appropriate care improves health outcomes for children with special health care needs. Without a compelling justification for making changes to the program, it is inappropriate and irresponsible to impose such a burden on families – a burden that will impose hardships on CCS families and will likely negatively affect health outcomes of children. Given the extreme medical vulnerability of these children, any changes to the program should be approached slowly, carefully and with great deliberation.
- Lack of data supporting proposal** – DHCS has not presented advocates or the legislature with any data to suggest that children would receive better care through Medi-Cal managed care than in the current fee for service system. Surveys conducted by DHCS demonstrate that CCS families are overwhelmingly satisfied with the services they receive, with satisfaction higher than what is typically found for enrollees in managed care plans. Anecdotally, CCS physicians, administrators, and medical consultants report that working with managed care plans often creates considerable barriers to care for CCS children.
- Misunderstanding of CCS children's needs** – DHCS's proposed list of readiness criteria and network adequacy requirements for plans do not adequately reflect the complexity of the conditions treated through the CCS program. For example, the 12 month continuity of care provision is clearly insufficient for a population with life-long health conditions. Similarly, DHCS's proposal directs health plans to develop "adequate" provider networks when a comprehensive state-wide network designed specifically for these children already exists in the current program. This is clearly duplicative and unnecessary, as well as extraordinarily difficult for individual plans, given the breadth of complex and rare conditions found in CCS children and the wide range of pediatric expertise they may require.



- Misunderstanding the fundamental purpose of the program** – During the July 17th Regional Stakeholder Advisory Board meeting, DHCS made continual references to allowing “market forces” to guide where these fragile children receive their healthcare. CCS was formed precisely because the children covered by the program have complex, rare and potentially life-threatening conditions that require treatment from a limited pool of highly trained specialists. CCS is in place to ensure children receive treatment that is appropriate for their health care needs, without any financial conflicts of interest. For example, without sufficient protections, which are lacking in DHCS’s proposal, market forces might drive a managed care plan to refer a CCS enrollee with a rare condition to an in-network provider that does not have the expertise or experience that an out-of-network provider may have.
- Lack of transparency** – The redesign process run by DHCS has been misleading and opaque. For instance, during the formal stakeholder process, DHCS released very limited data on the CCS program, the alternative models presented by advocates were never seriously discussed or considered, and its workgroups were insufficient and have lacked appropriate subject matter experts. DHCS’s proposal does not reflect the comments of the stakeholders over the course of the redesign process. Similarly, the problems with the process have been exacerbated by this last-minute legislative proposal advanced by DHCS, which limits opportunities for thoughtful dialogue and stakeholder input.

The CCS program needs improvement and opportunities to work through problems and find solutions that do not necessarily include a transition to Medi-Cal managed care as the sole proposal under consideration. Stakeholders have worked diligently through the redesign process to identify thoughtful improvements to the program. For these reasons, we ask you to support AB 187 and oppose DHCS’s proposal to move these vulnerable children to managed care at this time.

Sincerely,

Alameda County Department of Public Health
 Alta California Regional Center
 American Academy of Pediatrics, California
 Asian Americans Advancing Justice - Los Angeles
 CA Women, Infants and Children (WIC) Assoc
 California Children’s Hospital Association
 California Chronic Care Coalition
 California Down syndrome Advocacy Coalition (Logo not pictured)
 California Hepatitis C Task Force



California Medical Association
California Pharmacists Association
Children Now
Children's Defense Fund-CA
Down Syndrome Association of Orange County
Down Syndrome Information Alliance
Epilepsy California
Exceptional Parents Unlimited
Family Soup
Hemophilia Council of CA
International Foundation for Autoimmune Arthritis
John Sullivan MD, Pediatrician, Arcata CA 95521
Lucile Packard Children's Hospital at Stanford
March of Dimes
Maternal and Child Health Access
Miller Children's and Women's Hospital Long Beach
National Association of Hepatitis Task Forces
National Down Syndrome Congress
National Down Syndrome Society
National Health Law Program
Sickle Cell Disease Foundation of California
The Children's Partnership
The FAIR Foundation
The Los Angeles Trust for Children's Health
UCSF Benioff Children's Hospital at Oakland
United Ways of California
Valley Children's Healthcare

Cc: The Honorable Rob Bonta, Assemblyman
Honorable Members of the Committee
Brendan McCarthy, Consultant to the Committee
Kirk Feely, Fiscal Consultant, Republican Caucus

