California Department of Health Care Services
Proposed Trailer Bill Language

California Children’s Services (CCS) Redesign: Whole Child Model
Fact Sheet

Issue Title: California Children’s Services (CCS) Redesign; Whole Child Model

This trailer bill proposal would implement the budget related components of the CCS Whole Child Model. Specifically, it would clarify State, county, and Medi-Cal managed care health plan roles and responsibilities in counties where the Department of Health Care Services (DHCS) implements the CCS Whole Child Model, with CCS services carved into managed care contracts. The Whole Child Model is proposed to be implemented beginning in January 1, 2017, in some counties with County Organized Health Systems (COHS). The Department intends to seek additional statute through a policy bill to implement the consumer protection and programmatic policy changes envisioned with the Whole Child Model. These policy changes are currently underway through a stakeholder advisory committee process.

Background:

The CCS program serves children and youth with special health care needs (CYSHCN), primarily through a fee-for-service delivery system for CCS services, and Medi-Cal managed care system for primary care. In counties with populations of 200,000 or more, county CCS programs determine financial, residential, and medical eligibility, authorize CCS services, and provide care coordination. In smaller counties, DHCS performs some of the CCS eligibility and authorization services. Under longstanding realignment provisions, counties have a shared fiscal responsibility for some components of the CCS program. This complex system of care among fee-for-service providers, health plans, counties, and the State can be challenging for families to navigate and lacks incentives for coordinated, organized care.

DHCS proposes to incrementally implement an integrated coordinated system of care for the CCS program to eliminate the fragmentation that exists in the current CCS health care delivery system, and consolidate all care for the CCS-eligible child under one system. A CCS Whole Child model will be pursued within the existing COHS managed care model. This balanced approach will continue to use CCS provider standards and provider network of pediatric specialty and subspecialty care providers. The implementation process will be gradual, with readiness and monitoring components that will enable continuity of care and continued access to specialty care.

The first phase of implementation of the Whole Child model is anticipated to begin no sooner than January 2017, into certain COHS counties contingent upon meeting readiness review requirements.

The Whole Child model may also be implemented in up to four counties in the Two-Plan Medi-Cal managed care model. The extension of the Whole Child model to these
counties will begin no earlier than July 2017, and will also be subject to a readiness review by DHCS.

In presenting the proposed Whole-Child Model and soliciting stakeholder feedback, DHCS provided a detailed description of the model in June 2015, and presented corresponding statutory changes in July 2015. Based on stakeholder feedback, DHCS published revised statutory changes in August 2015. Those August 2015 statutory changes included language to address the CCS managed care carve-out, as well as detailed beneficiary protections. The department will continue to work with stakeholders to pursue the adoption of these protections.

Current state statute prevents CCS services from being delivered through managed care except in a small number of counties. Under current law, this carve-out from managed care will expire January 1, 2017. AB 187 (Bonta, Chapter 738, Statutes of 2015), extended the sunset date by one year for the carve-out of CCS from managed care, to January 1, 2017. This trailer bill proposal will implement the budget related components of the model. DHCS will continue to pursue the policy related components of the Whole Child Model through legislation that will provide for comprehensive beneficiary protections, e.g., monitoring and oversight standards for participating managed care plans; establishment of standards for composition of an appropriate provider network; oversight of care by a clinical advisory committee; access to out-of-network providers; standard for liaison and communication with Regional Centers and in home supportive services providers serving the managed care plans enrollees; and a requirement for an individual assessment of risk level and needs for each managed care plan enrollee.

**Justification for Change:**

The CCS Whole Child model will be implemented in accordance with the provisions of the existing CCS program enabling statutes and Medi-Cal managed care statutes regarding incorporation of CCS services into capitated Medi-Cal managed care health plans:

- Division 106, Part 2, Chapter 3, Article 4 (commencing with section 123800) of Health and Safety Code.
- Division 9, Part 3, Chapter 7, Article 2.97, (commencing with section 14093) and Article 2.98 (commenting with section 14094) of Welfare and Institutions Code.

In addition to the comprehensive beneficiary protections noted in the Background section, technical amendments to these statutes are required to implement the budget related components of the CCS Whole Child Model and enable DHCS to proceed with phased implementation of the Whole Child model when the “sunset” provision of the CCS managed care service carve-out provided for in section 14094.1 Welfare and Institutions Code as amended by AB 187 takes effect on January 1, 2017.

These proposed amendments are described below:
- Provide a statutory link between the Whole Child model of CCS Medi-Cal in Welfare and Institutions Code, and CCS-only services provided for separately in Health and Safety Code;
- Provide authority for the transition of CCS case management and care coordination along with the responsibility for fulfillment of the requirements of sections 123855, 123925, and 123960 of Health and Safety Code from a designated county department to a Medi-Cal managed care plan;
- Explicitly confirm that CCS eligibility determination remains the responsibility of the designated county department;
- Explicitly confirm that the CCS Medical Therapy Program (MTP) remains the responsibility of the designated county department;
- Provide authority to implement the Whole Child model by all county letters, health plan letters, CCS numbered letters, plan or provider bulletins, or similar instructions;
- Change the language on treatment plans to be followed by the managed care plan from “treatment plans approved by the CCS Program” to “treatment plans developed in accordance with the requirements of DHCS;”
- Where practical, specify the reference to the CCS Program in the amended sections to either the State or county, so that no new responsibilities accrue to local CCS programs; and,
- Provide flexibility to the State to implement a single combined managed care rate for all health service needs of a CCS-eligible child.

DHCS notes that there are beneficiary protections being proposed in the more comprehensive policy proposal that will amend the sections proposed to be amended in this trailer bill proposal. The amendments in this trailer bill proposal are budget neutral.

Summary of Arguments in Support:
- Provides clarification to support implementation of a CCS model that provides a more coordinated, organized delivery system; and,
- Provides clarification for a single accountable entity for all medical services for children and youth with special health care needs.

BCP or Estimate Issue # and Title:
- November 2015 Medi-Cal Estimate Assumptions, INFORMATION ONLY MANAGED CARE #1. CCS Redesign
- November 2015 Family Health Estimate Assumptions, INFORMATION ONLY CALIFORNIA CHILDREN’S SERVICES #1. CCS Redesign