January 31, 2020

RE: Comments on Medi-Cal Healthier California for All Proposal

Dear Acting Director Figueroa,

The Public Health Alliance of Southern California (Alliance) is a coalition of executive leadership of local health departments in Southern California. Collectively, our members have statutory responsibility for the health of nearly 50% of California’s residents. Our health departments are committed to realizing a vision in which all Southern California communities are vibrant and activated communities achieving health, justice and opportunities for all. One of our key priorities in our recently adopted 5-Year Strategic Plan is to Champion Prevention Funding, including finding ways to align and optimize resources that support local health department infrastructure and that encourage new prevention financing models. While we are pleased to see that the Medi-Cal Healthier California for All proposal would advance these priorities in several ways, we feel the proposal lacks a more global, system-level approach to improving the health of all Californians. The purpose of this proposal should be broadened to include a greater focus on prevention and health equity, as well as to lift up innovative and transformative investment strategies to improve population health that are being deployed in other states. We suggest it should also include a larger stakeholder process beyond the working groups, which have limited public health participation, and an extended timeline given the significant changes its implementation would entail. To strengthen the proposal and address these concerns, we offer the following recommendations. More specifics are provided on the following pages:

- Clarify the Role of Public Health Departments in Implementation
- Incentivize and Prioritize Contracts Between Public Health Departments and Medi-Cal Managed Care Plans
- Retain Targeted Case Management for Local Health Departments, or Alternatively, Provide Mandates or Incentives to Contract with Local Health Departments Who Wish to Continue Providing These Services Under the New Enhanced Care Management Model
- Focus on Innovative and Transformative Incentives for Medi-Cal Managed Care Plans to Invest in Population Health and the Social Determinants of Health for the Population as a Whole, Not Just Those Enrolled in Individual Plans
- Expand Medi-Cal Coverage to Additional Items That Improve Population Health
- Eliminate Time Study Requirements for Drawing Down Federal Match
- Promote Use of the California Healthy Places Index as a Resource for Developing Population Health Management Plans
Clarity the Role of Public Health Departments in Implementation: The proposal should clarify and specify the role of local public health departments in implementation, as they will be essential as both a provider and partner in the delivery of care. Where they are identified as a “provider,” they are classified and grouped in within their larger “Local Government Agencies” and “Counties” instead of listed as a separate entity. We recommend they be identified separately and given specific roles and responsibilities throughout the proposal. Public Health Departments have a unique role in ensuring the health of all residents; a role that should be highlighted and incorporated into the proposal to ensure that existing infrastructure is leveraged appropriately.

Incentivize and Prioritize Contracts Between Public Health Departments and Medi-Cal Managed Care Plans: The State should explicitly allow, encourage and prioritize contracts between Medi-Cal managed care plans and local health departments. Local health departments are essential to providing many of the services and in lieu of services mentioned in this proposal, but the proposal could be more explicit on their role and how they can work with Medi-Cal managed care plans to ensure effective delivery of care within their jurisdictions. As the incentives for Medi-Cal managed care plans to invest in population health are developed, we recommend incentives that would encourage Medi-Cal managed care plans to partner with local health departments to provide these services where appropriate, as well as to share incentive payments with local health departments.

Retain Targeted Case Management for Local Health Departments, or Alternatively, Provide Mandates or Incentives to Contract with Local Health Departments Who Wish to Continue Providing These Services Under the New Enhanced Care Management Model: We are very concerned about the proposed elimination of Targeted Case Management (TCM), as 5 of our 8 members are currently providing TCM, and the current proposal does not provide any incentives for Medi-Cal managed care plans to contract with local health departments to continue providing these services. Our LHDs currently expend approximately $7 million, 20 percent of the $35 million expended across the State on TCM in 2018-19, and more would do so if the State would update its cumbersome auditing of this program to make that more practical. Even if TCM is eliminated and managed care plans select other entities to continue providing these services to the target populations, other high need populations would remain the responsibility of our LHDs, who would bear a significant time and financial burden of case managing these patients without reimbursement. Our LHDs would become a safety net for the most vulnerable and most complex managed care patients without any additional compensation. We recognize concerns over duplication of services and target populations, as well as CMS concerns over duplication of federal funding, but the Alliance’s LHDs stand to be significantly financially impacted by this proposed change, and urge DHCS to reconsider. Duplication of services does not occur as we have MOU’s with managed care plans addressing this concern. Alternatively, we recommend including a mandate or incentives for managed care plans to contract with local health departments currently providing these services to continue doing so under the new Enhanced Care Management Model. We recognize that costs may be less if managed care plans are able to contract with non-governmental entities, but local health departments already have the infrastructure, capacity, expertise, and licensed professionals to provide these services, and can continue doing so the most efficiently and cost-effectively in the long run as part of their everyday mission to serve the health needs of their local populations. Historically, patients and the community are more likely to rely on the local health department as an established reputable trusted source of care as our case management services predates the managed care establishment.

Focus on Innovative and Transformative Incentives for Medi-Cal Managed Care Plans to Invest in Population Health and the Social Determinants of Health for the Population as a Whole, Not Just Those Enrolled in Individual Plans: We also recommend that the incentives for Medi-Cal managed care plans to invest in population health be both innovative and transformative, and benefit the population as a whole, beyond just those enrolled in each health plan. Individuals are typically not as healthy if their household and community conditions do not promote health and make
the healthy choice an easy choice. They should address a range of the social determinants of health, promote multi-sector partnerships, explore innovative financing strategies, and consider the health equity implications of these incentives in the communities that Medi-Cal managed care plans serve. We recommend exploring ideas from four states in particular:

- **The State of Washington** is using a Medicaid demonstration waiver for regional Accountable Communities for Health to pursue transformation projects that build health systems capacity by addressing regional workforce needs, enhancing technology and tools, assisting providers to adopt value-based strategies, and also redesign care delivery to:
  - Provide integrated physical & behavioral health services
  - Strategically focus care for specific populations, regardless of their health plan
  - Coordinate care and case management to serve the whole person
  - Support outreach, engagement, and recovery
  - Promote prevention by targeting specific activities to specific populations and regions.

- The California Accountable Communities for Health Initiative (CACHI) has 13 pilots working to produce health improvements in a similar way, including health and social needs at the community level, and exploring investment strategies such as blending and braiding funding, anchor institutions and wellness trusts. Medi-Cal Healthier California for All has the potential to integrate and institutionalize the innovative community investment strategies of the CACHI initiative into this proposal, as well as emulate what the State of Washington has done.

- **The State of Oregon** has a Coordinate Care Organization (CCO) model with a focus on the social determinants of health. They allow their CCOs to count Health Related Services (HRS) towards their capitation rates. California could allow MCPs to use these funds to address a broader array of issues such as access to transportation, environmental home remediation, and traditional health care workers like doulas.

- **The State of New York** has a waiver for managed care organizations to contract with community-based organizations to address certain social determinants of health using a Value-Based Payment model.

- **The State of North Carolina** is using a waiver to set up Healthy Opportunity Pilots “to cover evidence-based non-medical services that address specific social needs linked to health outcomes. The pilots will address housing instability, transportation insecurity, food insecurity, interpersonal violence, and toxic stress for a limited number of high-need enrollees.” They also received approval to use Medicaid funds to pay for some housing costs, and some new types of food and domestic violence related services.

A good overview of what other states are doing with their Medicaid waivers to address the social determinants of health is provided by this [Health Affairs article](#), while the [National Association of State Health Policy](#) has a matrix of how states address specific social determinants of health with their Medicaid demonstration waivers.

**Expand Medi-Cal Coverage to Additional Items That Improve Population Health:** Our public health departments express a strong desire for Medi-Cal to fund broader efforts to address the social determinants of health such as transportation, environmental assessment and home remediation, and use of non-licensed traditional health care workers such as community health workers, behavioral health practitioners and doulas. We specifically recommend coverage for:

- Community prevention efforts
- Reimbursement for services provided by health educators, community health workers and promotores. While community health workers are mentioned in the proposal as a key part of implementation of Enhanced Care Management, it is unclear if they are eligible for reimbursement and we recommend that they are.
- Asthma management, including bed covers, pillow covers, and HEPA filters
- Doulas and sister circles - there are already four states using waivers to expand Medicaid coverage to doulas: [Minnesota](#), [New Jersey](#), [New York](#), and [Oregon](#). A [Governing](#)
article from December 2018 provides an overview and the National Health Law Program tracks legislation around the U.S. meant to expand Medicaid coverage of doulas.

Eliminate Time Study Requirements for Drawing Down Federal Match: As a provider to Medi-Cal managed care plans, the State should promote the ability for local public health departments to draw down federal match by capturing the types of activities proposed in Medi-Cal Healthier California for All, without requiring time studies. This would allow more time for local health departments to actually deliver care instead of lengthy time studies and reporting requirements.

Promote Use of the California Healthy Places Index as a Resource for Developing Population Health Management Plans: Finally, as the Population Health Management Plan requirements are developed, they should encourage, or even require, use of certain data and tools to address the social determinants of health, identify health disparities and explore community conditions. We highly recommend use of the California Healthy Places Index (HPI), available at www.healthyplacesindex.org. HPI is a data and mapping tool developed by the Public Health Alliance of Southern California and Virginia Commonwealth University’s Center on Society and Health, that allows users to explore underlying local factors associated with life expectancy and to compare community conditions statewide, at multiple geographies down to the Census tract level. The HPI provides overall scores for communities and more detailed data on specific policy action areas that shape health based on socioeconomic conditions, such as housing, economic opportunity, education, transportation, neighborhood characteristics, and more. The HPI is currently used by many State agencies as an option to identify disadvantaged communities and provide health data for a particular community in grant programs, including the California Transportation Commission’s Active Transportation Program, Caltrans’ Sustainable Transportation Planning Grants and Adaptation Planning Grants, the Strategic Growth Council’s Transformative Climate Communities Program, California Air Resources Board’s Community Air Protection Program, and the Southern California Association of Governments’ Sustainable Communities Grants. Since its launch in June 2018, more than $450 million in funding has been made available for regional and State grant programs using HPI as one of the selection criteria for disadvantaged communities and/or addressing health concerns. HPI is also being used by several health plans as part of analysis of community conditions and prioritizing investments in the communities they work in, including HealthNet, Kaiser Permanente, and Blue Shield of California. As of December 2019, there are nearly 90 agencies, businesses and community groups using HPI to integrate public health into their work. A sampling is available here. Given its widespread and growing use by the State and health care sector, and wealth of data on population health, the tool could be incredibly helpful for Medi-Cal managed care plans developing Population Health Management Plans, and ensure consistency in data collection across these plans.

Thank you for taking the time to consider our comments. Should you have any questions or clarifications on the recommendations offered above, please contact Tracy Delaney, Executive Director of the Alliance at tdelaney@phi.org or (619) 722-3403.

We look forward to working with you to refine and ultimately implement the Medi-Cal Healthier California for All proposal in ways that strengthens and transforms California’s health care system’s ability to improve public health, champion prevention funding, and address the underlying conditions that cause health inequities.
Sincerely,

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