



OFFICE OF THE AGENCY DIRECTOR

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April 6, 2021

The Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

SUBJECT: AUTHORIZE THE BOARD PRESIDENT TO SIGN AND AUTHORIZE THE HEALTH CARE SERVICES AGENCY DIRECTOR TO SUBMIT A NON-BINDING LETTER OF INTENT TO THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES THAT EXPRESSES INTEREST IN POTENTIALLY CHANGING THE MEDI-CAL MANAGED CARE SERVICE DELIVERY MODEL TO A COUNTY ORGANIZED HEALTH SYSTEM

Dear Board Members:

RECOMMENDATIONS

Authorize the Board President to sign and for the Health Care Services Agency Director to submit a non-binding Letter of Intent to the California Department of Health Care Services that expresses interest in potentially changing the Medi-Cal delivery model in Alameda County from a Two-Plan model to a County Organized Health Delivery System.

DISCUSSION

The Health Care Services Agency seeks your Board's authorization to submit a non-binding Letter of Intent, no later than April 30, 2021, to the California Department of Health Care Services (DHCS) that expresses interest in potentially changing the Medi-Cal managed care delivery model in Alameda County to a County Organized Health Delivery System (COHS). Alameda County currently has a Two Plan model for Medi-Cal managed care, meaning it is served by a public plan (Alameda Alliance for Health) and a commercial plan (Anthem). In the COHS model, we would have one plan: Alameda Alliance for Health. This recommendation was brought to the Board of Supervisors Health Committee on February 22, 2021 and the Health Committee members approved the recommendation and referred the item to the full Board of Supervisors.

Medi-Cal managed care plans in California are regulated by two State agencies: the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC). Part of that oversight is the periodic procurement and selection of the plans to operate in counties. In November 2021, DHCS is beginning a statewide procurement process for the commercial Medi-Cal managed care plans that will end by January 1, 2024. On October 15, 2020, DHCS announced to all counties in California the opportunity to change their Medi-Cal service delivery model, and some counties have indicated interest in transitioning to a new delivery model that includes only a single public plan. If a Two Plan county transitions to a single plan, DHCS may remove that county from the commercial plan procurement or reduce the number of commercial plans procured. Thus the timing of any changes in service delivery models must align with the State's commercial plan procurement.

In Alameda County, there are currently 395,000 County residents served by Medi-Cal managed care insurance coverage: 229,000 adults, 117,000 children, and 48,000 seniors aged 65+. Beneficiaries may choose between two Medi-Cal insurance plans, and 82% have selected and are covered by the Alameda Alliance for Health, the public plan, and 18% are enrolled in Anthem, the commercial plan. Each plan delegates health service responsibilities to networks of hospitals, community clinics, medical groups, independent physicians, community-based organizations, and other health systems who provide care to the enrolled members.

Moving to a COHS model provides opportunities to further align the shared mission across Alameda County safety net partners. It may provide opportunities for continuity of care and consistent navigation for beneficiaries, to increase the quality of care, and to better target health disparities for Medi-Cal members. The change would facilitate administrative simplicity for health providers and reduced duplication of processes. Finally, the change could foster better coordination of resources and improved ability to prepare for the Medi-Cal transformation under the State's multiyear and multipronged CalAIM initiative.

The submission of the attached Letter of Intent gives the County and Alameda Alliance for Health the opportunity to demonstrate understanding of the managed care plan's obligations as a health plan, to describe County engagement underway, and to outline the necessary steps to meet preliminary requirements prior to the start of the commercial plan procurement in November 2021. The Alameda Alliance for Health and HCSA are initiating a formal assessment to identify the benefits, governance, regulatory implications, and legislative actions required to change the Medi-Cal delivery model in Alameda County. The results of the assessment would be presented to the Board of Supervisors Health Committee in July, ahead of the October 1, 2021, the formal confirmation deadline imposed by DHCS.


FINANCING

Approval of the recommendation will have no impact on Net County Costs.

VISION 2026 GOAL

Exploring opportunities to improve the Medi-Cal managed care service delivery model to provide health care access and services to Alameda County Medi-Cal beneficiaries meets the 10X goal pathway of **Healthcare for All** in support of our shared vision of a **Thriving & Resilient Population**.

Sincerely,

DocuSigned by:

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Colleen Chawla, Director
Health Care Services Agency



Date: April 6, 2021

To: Brian Hansen
Department of Health Care Services
P.O. Box 997413
MS 0000
Sacramento, CA 95899-4713

Re: Letter of Intent for Medi-Cal Managed Care Model in Alameda County

The Letter of Intent (LOI) pertains to changing the Medi-Cal managed care model in Alameda County to a new County Organized Health Delivery System (COHS) & Health Insuring Organization (HIO), and identifies Alameda Alliance for Health as the managed care health plan. The California Department of Health Care Services (DHCS) approved an extension on February 17, 2021, allowing the Alameda County to extend the delivery date for this LOI to April 30, 2021. This document has been structured to meet the submission criteria as set forth by DHCS, and the required responses are contained in the following six sections and is within the five-page limit.

Section 1. Plan Type

Alameda County is proposing to change to a County Organized Health System (COHS) / Health Insuring Organization (HIO), or single plan model, requiring new federal legislation

Section 2. Description

In Alameda County, there are currently 395,000 County residents served by Medi-Cal managed care insurance coverage: 229,000 adults, 117,000 children, and 48,000 seniors aged 65+. The current Medi-Cal delivery model in Alameda County is a Two-Plan Model. Beneficiaries may choose between two Medi-Cal insurance plans, and 82% have selected and are covered by the Alameda Alliance for Health, the public plan, and 18% are enrolled in Anthem Blue Cross, the commercial plan. Each plan delegates health service responsibilities to networks of hospitals, community clinics, medical groups, independent physicians, community-based organizations, and other health systems who provide care to the enrolled members.

Moving to a COHS model provides opportunities to further align the shared mission across Alameda County safety net partners, improve the quality and timely access to services, and to establish a consistent navigation for members and providers. The change would facilitate administrative simplicity for health providers and reduced duplication of processes. Finally, the change will allow better coordination of resources and improved ability to prepare for the Medi-Cal transformation under the State's Medi-Cal CalAIM plan. Alameda Alliance for Health supports enrollment of 280,000 members through a network of 7,000 providers, and has long-standing delegation arrangements with Kaiser Permanente, Community Health Center Network, Children's First Medical Group, Alameda Health System, and other safety-net providers. The Alliance also has delegated service agreements, for purposes of coordinating health services, with Beacon Health Options, PerformRx, Quest, and March Vision.

Section 3. Attestations

Alameda County and Alameda Alliance for Health attest that there is a reasonable expectation to meet the financial, network adequacy, contracting, regulatory and general readiness requirements based on our knowledge, as of March 16, 2021. Alameda Alliance for Health is identified as the risk-bearing entity, and is including their present financial statements and financial forecasts with the LOI submission. This attestation recognizes the requirements as outlined by the DHCS in the LOI Instruction Guide issued in February 2021.

The Alameda County and Alameda Alliance for Health are conducting an assessment following approval from the Board of Supervisors, purposed to further evaluate the milestones (e.g. county ordinance, state and federal statute) related to changing the Medi-Cal delivery model and to identify the potential impacts to the safety-net. Based on the findings of the assessment, Alameda County and Alameda Alliance for Health may reconsider the options.

Section 4. Readiness Planning

Alameda Alliance for Health (Alliance) is contracted with the DHCS, certified by the National Committee for Quality Assurance (NCQA) in Medi-Cal and Commercial insurance, and is Knox-Keene licensed through the California Department of Managed Health Care (DMHC). As outlined in the Welfare & Institution Code 14087.48, the Alameda Alliance for Health intends to meet the readiness requirements in the following areas:

Service Utilization

The Alliance has developed financial and analytical capabilities for purpose of reporting, trending, and monitoring service utilization by members enrolled in the health plan. Investments in the infrastructure have been completed during the last five years to better support the regulatory filings, financial reporting, and other forms of service utilization reporting. Data warehousing technology, coupled with analytics and reporting standards, have improved the way information is exchanged for purposes of meeting regulatory compliance.

Encounter reporting infrastructure has been upgraded in the last two years to meet the DHCS' requirements for accuracy and completeness and has developed proprietary solutions to identify discrepancies in the reported for delegated entities. Alliance currently submits service utilization and financial reports in a timely manner to the state regulatory agencies (e.g. DHCS, DMHC), and in similar manner for accreditation reporting to the NCQA.

Alameda County, through the Whole-Person Care initiative, has partnered with Alliance to formulate solutions that address eligibility determination, enrollment, and care management. Data exchange systems have been established between Alliance and Alameda County for purposes of sharing utilization data, and Alameda County launched a Social Health Information Exchange to further enable care management.

Network Adequacy

The Alliance currently participates in the DHCS Annual Network Certifications, and monitors the ratios of physicians to members, and applies time and distance and timely access criteria to adjust the provider network. During the past year, the Alliance has increased Medi-Cal enrollment by twelve percent and monitored access points in the provider network to improve performance on regulatory access measures. Alternative access standards have been limited to specific geographies in the county and has been kept to a minimum. Internal policies and procedures are operationalized to monitor the member's grievances related to access constraints, and a provider services team is staffed to monitor network access, identify new providers to contract, and to support and build our current network of more than 7,000 providers.

In 2021 the Alliance is deploying new technology to improve the management of provider networks, and to increase the accuracy of provider profiles. Internet-based services have been deployed to Alliance members and contracted providers through the www.alamedaAlliance.org website, and more online services are being launched in 2022.

Quality and Monitoring including Utilization Management Protocols

Internal controls are operationalized by Alliance staff that guide the monitoring of health care services and the quality of care. The Health Care Services Division is comprised of clinical and administrative staff, and supported by enterprise services with population health reporting, availability and access reporting, and an assortment of utilization and compliance reporting. Significant progress has been made to identify and address potential quality issues in a timely manner and represents an essential resource to better serve the adults and children enrolled in the current programs.

Utilization and case management services are available to all members, and the staff are equipped with population health reports that inform staff about utilization patterns (e.g. under-, over-utilization). Alliance administers the care management services for the Alameda County's Whole Person Care program, through a comprehensive network of care management entities. Pharmacy services are administered by the health plan through a contracted arrangement with a national pharmacy benefit management organization, and Alliance maintains a team of Pharmacists and Technicians to support members and providers.

The increased usage of data analytics to identify health utilization & health disparities has improved the way performance improvement projects are executed and serves as a resource for targeted case management services. As evidenced by the HEDIS scores over the last six years, Alliance has reported a 38% improvement in quality scores (source: DHCS Aggregate Quality Factor Score, 2014-2019).

Accessibility Standards

The Alliance has implemented a combination of workflows and technology solutions to address the DHCS accessibility standards, and outreaches to providers that do not serve Medi-Cal beneficiaries in effort to create more access points (e.g. urgent care centers, pain management specialists). A dedicated team of 30 on-site customer service representatives manage 170,000 calls per year from members, and for the calls that relate to timely access, our support team attempt to find a provider that is closer to their residence, and available to help them. Internal systems have been developed to monitor timely access, assignment ratios, and to identify access constraints. The use of telehealth services has created new access points and Alliance has contracted with a national vendor to deliver these services to members across the county. The Alliance offers with more than 7,000 access points in Alameda County and surrounding counties to Medi-Cal beneficiaries and manages continuity of care, cultural & linguistic and timely access requirements, as part of the routine operational procedures.

Additional efforts undertaken by the Managed Care Plan

The Alliance is preparing for several major Medi-Cal initiatives in calendar year 2021. Alameda County has been operating the Whole Person Care program, under the 1115 Waiver, for the past three years, and planning is underway to implement the Enhanced Care Management and In Lieu Of Services on January 1, 2022.

The Alliance is preparing to transition the Health Homes program in parallel with the Whole Person Care program. In addition, the major organ transplant benefit is transitioning into managed care in January. The Alameda County and Alameda Alliance staff are coordinating through active partnerships, along with other safety-net partners, to prepare for the program transitions in 2022. In addition to CalAIM, the Alliance is preparing for the pharmacy carve-out, and separately exploring ways to expand access to mental health and autism-spectrum services, and to reach more adults and children.

Section 5. Contact Information

Alameda County Contacts:

Primary Contact:

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Alameda Alliance for Health Contacts:

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Section 6. Authorized Signatures

I attest that, to the best of my knowledge and belief, the information in this Letter of Intent is accurate and complete.

Keith Carson
President
Alameda County Board of Supervisors

Scott Coffin
Chief Executive Officer
Alameda Alliance for Health