

LEGISLATIVE UPDATE



Week of April 29, 2024

State Issues

<p>Upcoming Budget Hearing: Medi-Cal Provider Rates</p>	<p>On Monday (May 6), the Assembly Budget Subcommittee on Health, chaired by Dr. Akilah Weber (D-San Diego), will have a hearing on Medi-Cal Provider Rates, focused on physician services. The hearing will have a panel of experts testifying on a few topics. The Legislative Analyst’s Office will lead the health analyst. The LAO is going to provide a very detailed presentation on how Medi-Cal physician rates are set and substantial background materials are expected to be released shortly. This testimony will be followed by Michael Heifetz, with Infinite Policy Solutions, a health care consulting firm. He is the former Medicaid Director in Wisconsin, a former state Budget Director and health care policy advocate. The full scope of his testimony is not yet clear, but per Assembly Leadership, his presentation will discuss how Medi-Cal could provide coverage for emerging genetic screenings and treatments. As Dr. Weber is an OB-GYN focused on pediatrics, this issue has continued to be a priority for her.</p> <p>The hearing will conclude with testimony from the Director of the Department of Health Care Services, Michelle Baass. The hearing is set for Monday, May 6 at 2:30pm but may be delayed due to the legislative session.</p>
<p>State Releases Report on Implementation of Key Medi-Cal Reform Program</p>	<p>Back in the summer of 2021, the State announced its plan to reform the State’s Medicaid program over a five-year period between 2022-2027. Now, halfway through the reform effort, the State’s Department of Health Care Services is releasing a report on their progress rolling out some of the key elements.</p> <p>California Advancing and Innovating Medi-Cal — known as CalAIM — is a far-reaching, multiyear plan to transform California’s Medi-Cal program and to integrate health care with social services. The plan is aimed at allowing Medi-Cal Managed Care Plans to partner with and use State funding to reimburse social service organizations to coordinate health care services with a range of nonmedical services that are newly reimbursable by Medi-Cal. The main element of the reform program is to use state Medicaid funding to provide housing and other nontraditional and nonmedical services through the state’s health care program.</p> <p>The roll out of CalAIM has been rough. Concerns early in the discussion of CalAIM focused on how to hold the health plans accountable for providing these services for which they are receiving hundreds of millions of dollars of additional funding from the state to provide. The recently-released report focuses on two key elements of the wide-ranging proposal: Enhanced Care Management (ECM) and Community Supports. Enhanced Care Management allows for coordination of the clinical and non-clinical needs of the highest-need Medi-Cal members with dedicated care managers providing services where members are – on the street, in a shelter, in their doctor’s office, or at home. Community Supports are substitute services provided by Medi-Cal managed care plans to help members address their social needs, such as access to safe housing or healthy meals to aid in their recovery from illness, and avoid higher, costlier levels of care.</p> <p style="text-align: right;"><i>(more)</i></p>

<p>State Releases Report on Implementation of Key Medi-Cal Reform Program <i>(continued)</i></p>	<p>The number of beneficiaries receiving these services is improving but remains exceptionally low. Overall, approximately 103,000 had access to Community Supports in the first 21 months of the program. While the number of counties providing the services is increasing and the quarter-over-quarter utilization is increasing, this reflects less than 1 percent of the Medi-Cal population who have benefitted.</p> <p>In addition, the number of beneficiaries served by ECM has increased each quarter, but the overall impact has been limited. Altogether, approximately 160,000 Medi-Cal members across the state received ECM in the first 21 months of the benefit, including 6,300 children and youth, equaling 1.1 percent of the Medi-Cal beneficiaries. How to ensure health plans actually provide these services they are getting paid to provide is still an ongoing policy debate, as they head into the last half of the implementation timeline. The report can be found here.</p>
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