



**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
WHOLE-CHILD MODEL FAMILY ADVISORY COMMITTEE**

**TUESDAY, AUGUST 25, 2020
9:30 A.M.**

**CALOPTIMA
505 CITY PARKWAY WEST, SUITE 107-N
ORANGE, CALIFORNIA 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8806 or by visiting our website at www.caloptima.org. In compliance with the Americans with Disabilities Act, those requiring special accommodations for this meeting should notify the Clerk of the Board's office at 714.246.8806. Notification at least 72 hours prior to the meeting will allow time to make reasonable arrangements for accessibility to this meeting.

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged not to attend the meeting in person. As an alternative, members of the public may:

- 1) Listen to the live audio at +1 (562) 247-8422- Access Code: 975-762-045 or**
- 2) Participate via Webinar at:**
<https://attendee.gotowebinar.com/register/7628763926237753613> rather than attending in person. Webinar instructions are provided below.

I. CALL TO ORDER
Pledge of Allegiance

II. ESTABLISH QUORUM

III. PUBLIC COMMENT
At this time, members of the public may address the Whole-Child Model Family Advisory committee on matters not appearing on the agenda, but within the subject matter jurisdiction of the Committee. Speakers will be limited to three (3) minutes.

IV. APPROVE MINUTES

- A. [Approve Minutes of the June 23, 2020 Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee](#)

V. REPORTS

- A. Consider Recommendation of Chair and Vice Chair

VI. MANAGEMENT REPORTS

- A. [Chief Executive Officer \(CEO\) Update](#)
- B. Chief Operating Officer (COO) Update
- C. Chief Medical Officer (CMO) Update

VII. INFORMATIONAL ITEMS

- A. Whole-Child Model Family Advisory Committee Member Updates
- B. Whole Child Model Update
- C. [Pharmacy Carve-Out Update](#)
- D. [Federal and State Legislative Update](#)

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

WEBINAR INFORMATION

1. **Please register for the Whole-Child Model Family Advisory Committee Meeting on August 25, 2020 8:00 AM PDT at:**

<https://attendee.gotowebinar.com/register/7628763926237753613>

2. **After registering, you will receive a confirmation email containing a link to join the webinar at the specified time and date.**

Note: This link should not be shared with others; it is unique to you.

Before joining, be sure to [check system requirements](#) to avoid any connection issues.

3. **Choose one of the following audio options:**

TO USE YOUR COMPUTER'S AUDIO:

When the webinar begins, you will be connected to audio using your computer's microphone and speakers (VoIP). A headset is recommended.

--OR--

TO USE YOUR TELEPHONE:

If you prefer to use your phone, you must select "Use Telephone" after joining the webinar and call in using the numbers below.

United States: **+1 (562) 247-8422**

Access Code: **975-762-045**

Audio PIN: Shown after joining the webinar

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' WHOLE CHILD MODEL FAMILY ADVISORY COMMITTEE

June 23, 2020

A Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee (WCM FAC) was held on June 23, 2020, via Goto Webinar at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Byron called the meeting to order at 9:37 a.m. and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Maura Byron, Chair; Cathleen Collins; Sandra Cortez-Schultz; Brenda Deeley; Jacqui Knudsen; Kathleen Lear; Monica Maier; Kristen Rogers; Malissa Watson

Others Present: Richard Sanchez, Interim Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, M.D., Chief Medical Officer; Gary Crockett, Chief Counsel; TC Roady, Director, Regulatory Affairs; Emily Fonda, M.D., Deputy Chief Medical Officer; Tracy Hitzeman, Executive Director, Clinical Operations; Belinda Abeyta, Executive Director, Operations; Betsy Ha, Executive Director, Population Management; Candice Gomez, Executive Director, Program Implementation; Thanh-Tam Nguyen, M.D., Medical Director; TC Roady, Director, Regulatory Affairs; Albert Cardenas, Director, Customer Service; Cheryl Simmons, Staff to the Advisory Committees; Samantha Fontenot, Program Assistant, Customer Service

MINUTES

Approve the Minutes of the April 28, 2020 Special Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee

Action: On motion of Member Cortez, seconded and carried, the WCM FAC Committee approved the minutes of the April 28, 2020 meeting. (Motion carried 9-0-0)

PUBLIC COMMENT

No Public Comments

REPORTS

Consider Approval of the FY 2020-2021 Whole-Child Model Family Advisory Committee Meeting Schedule

WCM FAC members reviewed the proposed FY 2020-2021 meeting schedule. It was noted that the committee would continue to meet on a bi-monthly basis on the fourth Tuesday of the month.

Action: On motion of Member Cortez, seconded and carried, the WCM FAC Committee approved the FY 2020-2021 WCM FAC Meeting schedule (Motion carried 9-0-0)

Consider Recommendation of Whole-Child Model Family Advisory Committee Slate of Candidates

Members of the WCM FAC 2020 Nominations Subcommittee were Member Sandra Cortez-Schultz, Brenda Deeley, and Monica Maier. The committee reviewed the applications via conference call for the Authorized Family Member seats and one Community Based Organization seat. Member Schultz provided the bios for the WCM FAC recommended slate of candidates for the following seats: Authorized Family Member Representative and a Community Based Organization Representative.

Action: On motion of Member Knudsen, seconded and carried, the WCM FAC Committee approved the recommendation of the WCM FAC Slate of Candidates (Motion carried 9-0-0)

Consider Recommendation to Revise the Whole-Child Family Advisory Committee Chair & Vice Chair Term Lengths

The Joint Advisory Recruitment Ad Hoc Committee composed of the Member Advisory Committee, OCC MAC and the Provider Advisory Committee members recommended that the Chair and Vice Chair term lengths be changed from a one-year term to a two-year term for all board advisory committees.

Action: On motion of Member Rogers, seconded and carried, the WCM FAC Committee approved the recommendation to Revise the WCM FAC Chair and Vice Chair Term Lengths (Motion carried 9-0-0)

CEO AND MANAGEMENT REPORTS

Chief Executive Officer Update

Richard Sanchez, Interim Chief Executive Officer, provided an update on CalOptima's FY 2020-21 budget noting that it was approved at the June 4, 2020 Board of Directors' Meeting. Mr. Sanchez also noted that Governor Newsom had announced the approval of the state budget that contained no significant cuts to the Department of Health Care Services (DHCS) health plan funding. He also notified the WCM FAC that the recruitment for the new CalOptima Board of Directors' had been

finalized and the new Board of Directors' terms would begin on August 4, 2020. The new Board will be seated at the August 6, 2020 Board meeting.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, noted that the Whole-Child Model Family Advisory Committee was coming up on its one-year anniversary of the transition of the program to CalOptima. Ms. Khamseh noted that CalOptima is still following up with the DHCS to clarify the updating process for eligibility of newborns in the Whole-Child Model program.

Chief Medical Officer Update

David Ramirez, M.D., Chief Medical Officer, provided an update on the Pharmacy Carve-Out which will take effect on January 1, 2021. Dr. Ramirez noted that the pharmacy benefits vendor will change over to Magellan Health Care a DHCS vendor. He also noted that CalOptima extended the CalOptima Community Network's (CCN) approved authorization requests through December 31, 2020.

INFORMATION ITEMS

Whole-Child Model Member Updates

Chair Byron reminded the members that there are two Authorized Family Member seats available. Chair Byron also mentioned that at the August 2020 meeting the committee will be making a recommendation for a new Chair and Vice Chair. Chair Byron also announced that there will be a Joint Committee Meeting on October 8, 2020 for all the Board Advisory Committees and that more information will be sent out closer to the date.

Coronavirus (COVID-19) Update

Emily Fonda, M.D., Deputy Chief Medical Officer provided an updated presentation on COVID-19. Dr. Fonda discussed Orange County's testing capabilities, CalOptima's COVID-19 response in educating members to ensure their access to care. She also updated the members on CalOptima's temporary telework status.

Continuity of Care Update

Thanh-Tam Nguyen, M.D., Medical Director, provided a verbal update on CalOptima's Continuity of Care as it pertains to the Whole-Child Model. Dr. Nguyen reminded the committee that the original continuity of care extension began at the transition of the Whole Child Model to CalOptima on July 1, 2019 with an expiration date of June 30, 2020. She noted that the current continuity of care would be extended until December 31, 2020 due to the current pandemic.

Federal and State Legislative Update

TC Roady, Director, Regulatory Affairs, provided a verbal update on the State and Federal Government's COVID-19 response using the DHCS and Centers for Medicare and Medicaid Services (CMS) recommended guidance.

ADJOURNMENT

Chair Byron announced that the next regular meeting would be held on August 25, 2020 at 9:30 a.m. Hearing no further business, Chair Byron adjourned the meeting at 10:51 a.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the Advisory Committees

Approved: August 25, 2020

MEMORANDUM

DATE: July 29, 2020
TO: CalOptima Board of Directors
FROM: Richard Sanchez, Interim CEO
SUBJECT: CEO Report — August 6, 2020, Board of Directors Meeting
COPY: Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee; and Whole-Child Model Family Advisory Committee

California Budget Enacted With Medi-Cal Rate Reduction But No Program Eliminations

On June 29, Gov. Gavin Newsom signed California’s FY 2020–21 budget after the Legislature and Administration agreed on a plan to balance an estimated \$54 billion deficit brought on by the COVID-19 pandemic. While the budget still contains Medi-Cal rate cuts, the elimination of optional benefits and programs for seniors was not approved. Therefore, the budget provisions are consistent with CalOptima’s Board-approved FY 2020–21 operating budget. Effective July 1, the state budget impacts Medi-Cal as summarized below:

- *Benefits:* Rejects the elimination of Community-Based Adult Services (CBAS) and the Multipurpose Senior Services Program (MSSP) and preserves funding for 12 optional Medi-Cal benefits.
- *Managed Care Capitation Rates:* Approves a 1.5% rate reduction, implements a risk corridor calculation for the period July 1, 2019–December 31, 2020 (18-month bridge period) and implements efficiencies in the development of managed care plan rates.
- *Proposition 56:* Rejects the Administration’s proposal to eliminate Proposition 56 supplemental payments but suspends payments on July 1, 2021, unless certain state fiscal conditions are met.
- *Managed Care Organization (MCO) Tax:* Approves the Administration’s estimate of net revenue from the MCO tax of \$1.7 billion.
- *Medi-Cal Expansion:* Expands full-scope Medi-Cal to undocumented older adults only if specific revenue projections for the next three years exceed the cost of providing benefits.
- *California Advancing and Innovating Medi-Cal (CalAIM):* Approves the Administration’s withdrawal of funding to support CalAIM.
- *Pharmacy Carve-Out:* Approves the Department of Health Care Services (DHCS) budget request for resources to implement Medi-Cal Rx.

State Files 1115 Waiver Extension Request to Approve Programs Until 2021

On July 22, DHCS requested a 12-month [extension](#) of the federal waiver under which the majority of Medi-Cal operates. California’s Section 1115 Medicaid waiver, known as Medi-Cal 2020, was approved by the Centers for Medicare & Medicaid Services (CMS) on December 30, 2015, and is effective through December 31, 2020. Following the end of the waiver period, DHCS had intended to launch CalAIM to continue important programs authorized through Medi-Cal 2020. However, COVID-19 necessitated a delay in CalAIM so the health care delivery system can focus on the pandemic. The extension request’s stakeholder process includes a 30-

day public comment period and two public hearings on August 7 and 10. CalOptima will keep your Board informed about the progress of the extension request.

New Long-Term Care at Home Medi-Cal Benefit Proposed, Driven by Pandemic

On May 22, DHCS and the California Department of Aging announced the development of a new Long-Term Care at Home benefit for Medi-Cal, aimed at reducing the nursing home population amid the pandemic by offering a coordinated and bundled set of medical and home- and community-based services. According to the proposal, services will be tailored to individual needs based on a person-centered assessment and provide choices for individuals about where to live and how to receive care. Stakeholder feedback in June resulted in modifications to the original proposal, and a updated benefit design document was released July 17 [here](#). The document provides a more detailed overview of the proposed benefit, including its key goals, target populations, model of care, financing structure, federal authority, and public stakeholder process. DHCS will seek approval from CMS for this benefit, with a plan to launch it in 2021. To help shape the benefit, CalOptima has provided feedback through our state associations; however, we remain concerned regarding the aggressive timeframe for implementation and other operational and clinical issues.

COVID-19 Response Encompasses a Wide Range of Efforts From Clinical to Operational

CalOptima continues to respond to the intense needs of our members as we enter the sixth month since Orange County declared a local health emergency. From our first case until July 27, CalOptima has reported 2,201 positive cases, 1,138 hospitalizations and 165 deaths. Below are updates in several key areas of pandemic response.

- *Redetermination Extension:* On July 23, the federal government extended the public health emergency order another 90 days, until October 24, 2020, and DHCS announced that it will extend the freeze on Medi-Cal redeterminations accordingly. During a call about COVID-19, state officials shared that DHCS is not experiencing the enrollment spike up to 2 million new enrollees as previously expected. April enrollment data show a decrease in female applicants compared with male applicants, and children ages 0–17 make up the bulk of applications.
- *Member Communications:* CalOptima enhances the COVID-19 member [section](#) on the website on an ongoing basis. For example, we recently added the expanded [list](#) of COVID-19 symptoms released by the CDC. Member content is available in seven threshold languages.
- *Provider Communications:* The breadth of the COVID-19 provider [section](#) [here](#) reflects the challenging nature of delivering health care during the pandemic, given numerous regulatory changes and financial demands. Toward the latter, CalOptima communicated the opportunity in June for providers to obtain financial support from the \$25 billion Medicaid Relief Fund: \$15 billion for Medicaid providers and \$10 billion for safety net hospitals. To be eligible, providers must have directly billed for recent Medi-Cal services and must not have received prior provider relief payments. The payment will be at least 2 percent of reported gross Medi-Cal revenue for a specified period.
- *Suicide Prevention:* In early July, DHCS, the California Department of Public Health and the Office of the California Surgeon General reached out with a letter for all California medical and behavioral health providers, to communicate concerns about COVID-19's immediate and long-term impact on mental health. The letter urges providers to ask four suicide screening questions developed by the National Institute on Mental Health and offers instructions and resources about what to do if someone is identified as at-risk.

- *Nursing Home Support:* CMS recently announced funding and testing initiatives to further protect nursing home residents. Up to \$5 billion of the Provider Relief Fund will be authorized for Medicare-certified long-term care facilities to boost facilities' response to COVID-19. They must participate in a training program to qualify to receive the funding. Further, CMS will begin requiring — rather than recommending — that all nursing homes in states with a 5% or higher positivity rate test all staff each week. This new staff testing requirement will enhance efforts to keep the virus from entering and spreading through nursing homes by identifying asymptomatic carriers. Meanwhile, our local efforts continue in partnership with UC Irvine and the Orange County Health Care Agency (HCA) to support infection control in nursing homes, including hosting a July 9 webinar offering resources in a new toolkit [here](#).
- *Anaheim Testing Super Site:* On July 14, the HCA and City of Anaheim jointly announced a new drive-through testing super site at the Anaheim Convention Center. CalOptima has promoted this site on social media and in our weekly COVID-19 electronic newsletter to hundreds of community-based organizations.
- *Multilingual Ad Campaign:* CalOptima partnered with the HCA to help amplify its “Could it be COVID?” multilingual ad campaign about testing. We participated in an HCA press release [here](#) that announced the new campaign, and we posted HCA-created messages on our four social media channels. Further, CalOptima offered HCA bonus radio spots on La Ranchera 96.7 FM for additional Spanish-language announcements and included the HCA ad and message twice in our weekly COVID-19 electronic newsletter.
- *Teleworking:* CalOptima continues to consider how to protect our employees and plan for an eventual return to the office. As a first step over the next few months, CalOptima will fill nearly 70 permanent teleworking slots that are within the current Board-approved limit, thereby reducing the future census in the building. However, the executive team recognizes that significant short- and long-term modifications to our workspace will be necessary, including perhaps seeking approval for more permanent telework staff.

Whole-Child Model (WCM) Marks First Year of Successful Integration

July 1, 2020, marked the one-year anniversary of CalOptima's WCM program, which delivers better care coordination and access to care for California Children's Services (CCS) children and their families. Thanks to our effective partnership with the provider community, WCM experienced strong clinical results and positive feedback from participants. The program began with 12,317 members and grew almost 20% during the past 12 months to 14,652 members. Approximately 42% of all WCM members reside in either Santa Ana or Anaheim, and nearly all WCM members (93%) speak either English (51%) or Spanish (42%). There is some work to do to address CCS eligibility discrepancies and funding issues, and our finance team is focused on correcting the gaps with support from state associations. Thanks for your Board's support during the launch and first year of operation.

CalOptima Engages Orange County Congressional Delegation in Virtual Meetings

In June, the Association for Community Affiliated Plans conducted its annual legislative advocacy efforts virtually this year, and CalOptima connected over the phone with five Congressional offices. I spoke with Reps. Lou Correa, Alan Lowenthal, Harley Rouda and Gil Cisneros as well as a staffer from the office of Rep. Katie Porter. The discussions ranged from the pandemic's impact on provider funding and Medi-Cal policies to the availability of COVID-19 testing and mental health resources in our community. More recently, I was able to meet

virtually with the remaining members of our Congressional delegation, Reps. Linda Sanchez and Mike Levin, and the conversations covered similar issues.

Health Homes Program (HHP) Phase 2 Focuses on Needs of Members With Mental Illness

On July 1, CalOptima launched Phase 2 of HHP, which provides a new set of care management and coordination services to Medi-Cal members with serious mental illnesses. The goal of HHP Phase 2 continues to be the same as Phase 1, which is to promote access to the full range of physical, behavioral and social services for members with complex needs, and to empower them to play an active role in their health. Nearly 4,700 members are eligible to participate in Phase 2, and we estimate that 20% will enroll. Through July, 480 members enrolled in HHP during Phase 1, which includes members with certain chronic conditions and substance use disorders.

Medi-Cal Rx All-Plan Webinar Begins the Preparation for January 2021 Transition

In June, DHCS held an all-plan webinar about the upcoming transition to Medi-Cal Rx on January 1, 2021. The state reiterated its commitment to that start date and shared that system testing with pharmacy vendor Magellan Healthcare has begun. To gather input from health plans and associations, the state will soon release a draft All-Plan Letter that outlines managed care plan requirements after Medi-Cal Rx implementation and addresses a variety of issues at the plan level, such as policies and procedures, pharmacy provider networks, formularies, utilization management, and grievances and appeals. Regarding member communication, DHCS will provide managed care plans with call scripts that give members information about how to contact Magellan. Also, 90-, 60- and 30-day notices will be sent to members. While CalOptima has many reservations about this transition, we are particularly concerned about its impact on CCS members. Working through the CCS Advisory Group, we have asked the state to make several changes to the formulary specific to that population.

DHCS Medi-Cal Audit Wraps Up With Draft Findings in Access to Care, Grievances

The DHCS on-site audit of CalOptima's Medi-Cal program as well as Medicaid-based services for OneCare Connect took place from January 27–February 7, 2020. DHCS reviewed an array of documents and data and conducted interviews with CalOptima staff as well as with a DHCS-selected delegate, Monarch HealthCare. On July 1, DHCS issued a draft report with preliminary findings in the areas of access and availability of care and the grievance system, and on July 7, DHCS and CalOptima met for an exit conference. After receipt of the final report, CalOptima will respond with a Corrective Action Plan. We will keep your Board informed about remediation efforts.



A Public Agency

CalOptima

Better. Together.

Medi-Cal Pharmacy Carve Out (Medi-Cal Rx)

August 25, 2020

Whole Child Model Family Advisory Committee

Kris Gericke, Pharm.D.

Director, Pharmacy Management

Background

- Executive Order (EO) N-01-19 : Effective January 1, 2021, DHCS is “carving out” part of the pharmacy benefit for more than 11 million Medi-Cal beneficiaries from managed-care plans and moving it to the fee-for-service (FFS) program
- Only applies to Medi-Cal program (OC/OCC/PACE are not affected)
- “Medi-Cal Rx” is the name DHCS has given to this new system of how Medi-Cal pharmacy benefits will be administered through the FFS delivery system
- DHCS has stated there will be no change to the January 1, 2021 Medi-Cal Rx implementation date

Medi-Cal Rx

- The State of California selected a Pharmacy Benefit Manager (PBM) vendor to administer the new pharmacy program: Magellan Rx
- Effective January 1, 2021, CalOptima Medi-Cal outpatient pharmacy claims will be processed through Magellan Rx instead of MedImpact (current PBM), and providers will have to follow the state “formulary” or Contract Drug List (CDL)
- MedImpact will be retained for OC/OCC/PACE

Medi-Cal Rx (cont.)

- Many Medi-Cal Rx operational details are currently not yet finalized:
 - Grievance process
 - Scope of coverage
 - Member ID card changes
 - Plan-retained responsibilities

Medi-Cal Rx (cont.)

- Medi-Cal activities covered by the new program include:
 - Claims processing for all pharmacy services billed by pharmacies through Magellan Rx:
 - Medications
 - Enteral nutrition products
 - Some medical supplies
 - Pharmacy cross-over claims
 - Pharmacy network administration
 - Pharmacy drug rebate administration
 - Prior authorizations
 - Customer Service (beneficiaries and providers)
 - Health plan coordination activities (Magellan Rx liaison)

Medi-Cal Rx (cont.)

- CalOptima retained Medi-Cal pharmacy responsibilities:
 - Member care coordination as defined by DHCS (includes interaction with Magellan Rx liaison)
 - Oversee clinical aspects of pharmacy adherence
 - Provide disease and medication management
 - Processing and payment of all medications and supplies billed on medical and institutional claims (Physician Administered Drugs, such as chemotherapy)
 - Participation on the Medi-Cal Global Drug Utilization Review (DUR) Board and other DHCS pharmacy committees
 - All PACE and OneCare Connect Medi-Cal pharmacy benefits
 - Others to be determined (DHCS All Plan Letter pending)

Medi-Cal Rx Benefits

- Potential financial savings to the State of California
 - Lower administrative costs
 - Consolidate drug purchasing power
 - Strengthen California's ability to negotiate state supplemental drug rebates with drug manufacturers
- Standard pharmacy benefit across the state
- Modernize many existing DHCS pharmacy support systems
- Pharmacy network that includes the majority of the state's pharmacies

Medi-Cal Rx Risks

- 180-day transition period benefit may suddenly create high TAR (PA)* volume when it ends with medication delays
- Lack of timely and complete pharmacy data for plans (2-day lag time for Medication Review Tool)
- Negative impact on care coordination
- Confusion for members and providers
- Magellan Rx training website is not yet fully operational
- Plan-retained responsibilities have not been defined (pending All Plan Letter)

* Treatment Authorization Request/Prior Authorization

Medi-Cal Rx Risks (cont.)

- Unknown quality of customer service
- Decrease in plan quality scores
- Net financial savings are not guaranteed to materialize
 - Higher administrative costs
 - Ability to drive market share for preferred drug use?
 - Supplemental rebates may not offset program costs

Medi-Cal Rx Outstanding Issues

- Pharmacy-related Customer Service call process
 - If members have medication access issues after contacting Magellan Rx, Customer Service staff will triage cases to CalOptima Pharmacy Management to assist
 - CalOptima Pharmacy Management staff will contact providers, pharmacies and/or the Magellan Rx liaison to resolve issues
- CalOptima Pharmacy Management staff will have limited access to the Magellan Rx claims system and will not be able to perform overrides (e.g., hospital discharge)
- Member grievance process related to pharmacy access issues has not been finalized

Medi-Cal Rx Risks (cont.)

- Limited state Contract Drug List (formulary) requires a TAR (PA) for a number of common medications for which CalOptima did not require authorization
- TAR (PA) required for many common pediatric medications that do not currently require prior authorization from CalOptima

Medi-Cal Rx Outstanding Issues

- Whole-Child Model
 - Potential disruption to medication access for these medically fragile children due to this transition
 - Standard PBM prior authorization criteria and processes do not adequately address the unique needs of these children with serious medical conditions (CalOptima has a special process with MedImpact to accommodate these children)
 - Many suspension/liquid formulations and other common CCS medications are not on the CDL
 - CalOptima Pharmacy Management staff are working with CHOC management to propose changes to medication coverage post-carve out to DHCS — ongoing process

Communication and Training: Members

- Members will receive three mailings
 - 90- and 60-day from DHCS
 - 30-day from CalOptima
- Members will receive 30-day phone calls from CalOptima
- Magellan Rx will not open their call center until January 1, 2021
- CalOptima Customer Service will be responsible for answering all calls regarding the carve out before January 1, 2021
- After the final APL draft with CS instructions, a script will be created for members who may call CalOptima first and get referred to Magellan Rx

Communication and Training: Providers

- Pharmacies will receive three mailings from DHCS (90-, 60- and 30-day)
- Providers can register for the DHCS Medi-Cal Rx Subscription Service (MCRxSS) for email updates:
 - <https://mcrxsspages.dhcs.ca.gov/Medi-CalRxDHCSgov-Subscription-Sign-Up>
- DHCS will provide training materials for Medi-Cal providers starting in September via the Magellan Medi-Cal Rx website:
 - <https://medi-calrx.dhcs.ca.gov/home/>

Communication and Training: CalOptima

- A CalOptima Multi-Departmental Workgroup has been regularly meeting since December 2019 to coordinate activities related to the carve out
- CalOptima began sending out communications to health networks and providers in July 2020
- CalOptima included presentations about the carve out in Health Network Forums and other meetings (WCM-CAC, WCM-FAC, PAC, MAC, QIC)
- CalOptima staff continue to participate in Medi-Cal Rx stakeholder meetings
 - LHPC
 - CAHP
 - DHCS meetings and forums

Our Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner

2019–20 Legislative Tracking Matrix

COVID-19 (CORONAVIRUS)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 266 McCollum	<p>Paycheck Protection Program and Health Care Enhancement Act: Authorizes \$483 billion to replenish segments of the CARES Act, expand coronavirus testing, and provide more support to hospitals and providers during this pandemic. Of the \$483 billion, this bill includes:</p> <ul style="list-style-type: none"> ■ \$310 billion in funding for the Small Business Administration's PPP; ■ \$10 billion for Economic Injury Disaster Loans; ■ \$75 billion for the provider relief fund, managed by the Department of Health and Human Services, to cover treatment for COVID-19 patients and lost revenue from canceled elective procedures; and ■ \$25 billion to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests. 	<p>04/24/2020 Signed into law</p> <p>04/23/2020 Passed the House</p> <p>04/21/2020 Passed the Senate</p> <p>01/08/2019 Introduced</p>	CalOptima: Watch
H.R. 748 Courtney	<p>CARES Act: Authorizes \$2.2 trillion in spending for health care and employment-related interventions. This includes:</p> <ul style="list-style-type: none"> ■ \$1.5 billion to support the purchase of personal protective equipment, lab testing, and other activities; ■ \$127 billion to provide grants to hospitals, public entities, and nonprofits, and Medicare and Medicaid suppliers and providers to cover unreimbursed health care related expenses or lost revenues due to COVID-19; ■ \$1.32 billion in supplemental funding for community health centers; ■ \$955 million to support nutrition programs, home and community-based services, support for family caregivers, and expanded oversight for seniors and individuals with disabilities; ■ \$945 million to support research on COVID-19; and ■ \$425 million to increase mental health services. 	<p>03/27/2020 Signed into law</p> <p>03/27/2020 Passed the House</p> <p>03/25/2020 Passed the Senate</p> <p>01/24/2019 Introduced</p>	CalOptima: Watch
H.R. 6201 Lowey	<p>Families First Coronavirus Response Act: Allocates billions of federal funding support related to COVID-19. Funds are to be utilized for an emergency increase in the Federal Medical Assistance Percentages (FMAP) for Medicaid of 6.2%, emergency paid sick leave and unemployment insurance, COVID-19 testing at no cost, food aid and other provisions. Of note, on March 6, 2020, President Trump signed into law an emergency supplemental funding package of \$8.3 billion for treating and preventing the spread of COVID-19.</p>	<p>03/18/2020 Signed into law</p> <p>03/17/2020 Passed the Senate</p> <p>03/14/2020 Passed the House</p> <p>03/11/2020 Introduced</p>	CalOptima: Watch
H.R. 6462 Cisneros, Gallegos	<p>Emergency Medicaid for Coronavirus Treatment Act: Would expand Medicaid eligibility to any American diagnosed with COVID-19 or any other illness that rises to the level of a presidential national emergency declaration. Additionally, would require Medicaid coverage for all COVID-19 treatment and testing to continue even after the national emergency is over.</p>	<p>04/07/2020 Introduced</p>	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 6666 Rush	COVID-19 Testing, Reaching, and Contacting Everyone (TRACE) Act: Would authorize the Centers for Disease Control and Prevention (CDC) to award grants for testing, contact tracing, monitoring, and other activities to address COVID-19. Those eligible to receive grant funding would include federally qualified health centers, nonprofit organizations, and certain hospitals and schools. Additionally, would allocate \$100 billion for fiscal year 2020 for the disbursement of CDC grant funds.	05/01/2020 Introduced	CalOptima: Watch
AB 89 Ting	Emergency Budget Response to COVID-19: Similar to SB 89, would appropriate \$500 million General Fund by amending the Budget Act of 2019. Funds are to be allocated to any use related to Governor Newsom’s March 4, 2020 State of Emergency regarding COVID-19. Additionally, would authorize additional appropriations related to COVID-19 in increments of \$50 million, effective 72 hours following notification of the Director of Finance. Of note, the total amount appropriated to COVID-19 is not to exceed \$1 billion.	03/16/2020 Amended and referred to the Senate Committee on Budget and Fiscal Review 12/03/2018 Introduced	CalOptima: Watch
AB 117 Ting	Emergency Budget Response to COVID-19 at Schools: Similar to SB 117, appropriate \$100 million Proposition 98 General Fund to ensure schools are able to purchase protective equipment or supplies for cleaning school sites. Funds would be distributed by the Superintendent of Public Instruction.	03/16/2020 Amended and referred to the Senate Committee on Budget and Fiscal Review 12/03/2018 Introduced	CalOptima: Watch
SB 89 Committee on Budget and Fiscal Review	Emergency Budget Response to COVID-19: Similar to AB 89, appropriates \$500 million General Fund by amending the Budget Act of 2019. Funds will be allocated to any use related to Governor Newsom’s March 4, 2020 State of Emergency regarding COVID-19. Additionally, authorizes additional appropriations related to COVID-19 in increments of \$50 million, effective 72 hours following notification of the Director of Finance. Of note, the total amount appropriated to COVID-19 is not to exceed \$1 billion.	03/17/2020 Signed into law 03/16/2020 Enrolled with the Governor 01/10/2019 Introduced	CalOptima: Watch
SB 117 Committee on Budget and Fiscal Review	Emergency Budget Response to COVID-19 at Schools: Similar to AB 117, appropriates \$100 million Proposition 98 General Fund to ensure schools are able to purchase protective equipment or supplies for cleaning school sites. Funds will be distributed by the Superintendent of Public Instruction.	03/17/2020 Signed into law 03/16/2020 Enrolled with the Governor 01/10/2019 Introduced	CalOptima: Watch
SB 275 Pan, Leyva	Personal Protective Equipment: Would require the State Department of Public Health to establish a personal protective equipment (PPE) stockpile to ensure an adequate supply of PPE for health care workers and essential workers. Would require the stockpile to have enough supplies for no less than a 90-day pandemic or other health emergency. Additionally, would require providers, clinics, health facilities, and home health agencies to maintain a stockpile of PPE.	06/17/2020 Referred to Committee on Business and Professions 05/02/2019 Passed Senate floor; Referred to Assembly floor 02/13/2019 Introduced	CalOptima: Watch

STATE BUDGET BILLS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 79	<p>Human Services: Enacts human services trailer bills in the California 2020-2021 budget.</p> <ul style="list-style-type: none"> ■ Department of Developmental Services supplemental rate increases for specified providers including, independent living programs, infant development programs, and early start specialized therapeutic services ■ In-Home Supportive Services reassessment extensions due to delays related to COVID-19 and Governor Newsom’s executive state of emergency order 	<p>06/29/2020 Signed into law</p> <p>06/26/2020 Passed Assembly floor</p> <p>06/25/2020 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch
AB 80	<p>Public Health: Enacts health care trailer bills in the California 2020-2021 budget.</p> <ul style="list-style-type: none"> ■ Medi-Cal managed care capitated payment rate reduction of 1.5 percent for the 18-month bridge period ■ Implementation of a Medi-Cal risk corridor for the 18-month bridge period ■ Prop 56 value-based payments and supplemental payments ■ Extension of the Medi-Cal 2020 Demonstration ■ 340B Supplemental Payment Pool for non-hospital clinics ■ Expansion of full-scope Medi-Cal to seniors, regardless of immigration status ■ Extension of coverage for COVID-19 to uninsured individuals ■ Health Care Payment Data Program ■ Reimbursement for medication-assisted treatment services 	<p>06/29/2020 Signed into law</p> <p>6/26/2020 Passed Assembly floor</p> <p>06/25/2020 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch
AB 81	<p>Public Health: Enacts health care trailer bills in the California 2020-2021 budget.</p> <ul style="list-style-type: none"> ■ Medi-Cal rate reimbursement methodology adjustments for skilled nursing facilities during the COVID-19 pandemic ■ Implementation of the skilled nursing facility quality assurance fee ■ County access to Mental Health Services Act funds for additional support related to COVID-19 	<p>06/29/2020 Signed into law</p> <p>6/26/2020 Passed Assembly floor</p> <p>06/25/2020 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch
AB 83	<p>Housing: Enacts housing trailer bills in the California 2020-2021 budget.</p> <ul style="list-style-type: none"> ■ Funding to continue Project Roomkey ■ Bypassing certain California Environmental Quality Act (CEQA) regulations related to Project Roomkey 	<p>6/26/2020 Passed Assembly floor</p> <p>06/25/2020 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch
AB 89	<p>Fiscal Year 2020-2021 California State Budget: Enacts a \$202.1 billion spending plan for Fiscal Year 2020-2021, with General Fund spending at \$133.9 billion. The following included within the state budget will have a direct impact to Medi-Cal:</p> <ul style="list-style-type: none"> ■ Funding to address Medi-Cal caseloads ■ Provisions to maintain Community Based Adult Services, the Multipurpose Senior Services Program, and other optional benefits ■ Funding to address the COVID-19 pandemic 	<p>06/29/2020 Signed into law</p> <p>6/26/2020 Passed Assembly floor</p> <p>06/25/2020 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch

AFFORDABLE CARE ACT

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 1425 Craig	Patient Protection and Affordable Care Enhancement Act (PPACEA): Would, among other things, lower health care costs through fair drug price negotiations, provide additional protections for those with preexisting health conditions, and offer 100 percent federal matching funds for states that choose to expand Medicaid under the Affordable Care Act. The bill also would reduce the Federal Medical Assistance Percentages for the fourteen remaining non-expansion states and permanently authorize the Children’s Health Insurance Program.	06/30/2020 Passed the House; Referred to the Senate 02/22/2020 Introduced	CalOptima: Watch

BEHAVIORAL HEALTH

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 910 Wood	Mental Health Services Dispute Resolution: Would provide the Department of Health Care Services (DHCS) more authority to resolve coverage disputes between the specialty mental health plan (MHP) and the Medi-Cal managed care plan (MCP) if the MHP and the MCP are unable to do so within 15 days. Would require the MHP and the MCP to continue to provide mental health services during the DHCS review period. DHCS would have no more than 30 days to resolve the dispute to determine which agency is responsible for that Medi-Cal beneficiary.	01/30/2020 Passed Assembly floor; Referred to Senate floor 02/20/2020 Introduced	CalOptima: Watch
AB 2265 Quirk-Silva	Mental Health Services Act (MHSA) Funds for Cooccurring Conditions: Similar to AB 2266, would authorize MHSA funds to provide care for an individual experiencing a behavioral health-related issue that cooccurs with a substance use disorder. The authorization would apply across the state. Additionally, would require the county that elects to utilize MHSA funding for this purpose to report the number of people assessed for cooccurring mental health and substance use disorders and the number of those assessed who only have a substance use disorder to the Department of Health Care Services.	06/02/2020 Passed Assembly floor; Referred to Senate floor 02/14/2020 Introduced	CalOptima: Watch
AB 2266 Quirk-Silva	Mental Health Services Act (MHSA) Funds for Cooccurring Conditions: Similar to AB 2265, would authorize MHSA funds to be used for a pilot program to provide care for an individual experiencing a behavioral health-related issue that cooccurs with a substance use disorder. The pilot program would take place in 10 counties, including the County of Orange, beginning January 1, 2022 and ending on December 31, 2026.	02/24/2020 Referred to Committee on Health 02/14/2020 Introduced	CalOptima: Watch
AB 2576 Gloria	Mental Health Services Act (MHSA) Use of Funds for Homelessness: Would require a county to seek stakeholder input when establishing a plan to reallocate the use of MHSA funds. Additionally, would require counties utilizing MHSA funds for the provision of mental health services for those experiencing homelessness to report to the Legislature, each year, the number of individuals receiving services.	07/01/2020 Referred to Senate Committee on Health 06/15/2020 Passed Assembly floor; Referred to Senate floor 02/20/2020 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 803 Beall	Mental Health Services Act (MHSA) Funds for Cooccurring Conditions: Would create the Certified Support Specialist (CSS) certificate program. Would allow parents, peers, and family, 18 years of age or older and who have experienced a mental illness and/or a substance use disorder, to become a CSS. A CSS would be able to provide non-medical mental health and substance abuse support services. Additionally, would require the Department of Health Care Services to include CSS as a provider type, covered by Medi-Cal, no sooner than January 1, 2022. If federally approved, the peer-support program would be funded through Medi-Cal reimbursement.	06/18/2020 Passed Committee on Appropriations 05/13/2020 Passed Committee on Health 01/08/2020 Introduced	CalOptima: Watch LHPC: Support
SB 1254 Moorlach	Capacity Determinations and Appointments of Guardians Ad Litem for Mentally Ill Adults Without a Conservator: Would establish an additional procedure for the appointment of a guardian ad litem for a person who lacks the capacity to make rational informed decisions regarding medical care, mental health care, safety, hygiene, shelter, food, or clothing with a rational thought process due to a mental illness, defect, or deficiency. The bill would authorize certain persons to petition the court for the appointment of a guardian ad litem under these provisions.	05/22/2020 Hearing canceled at the request of the author. 05/11/2020 Referred to Committee on Judiciary 02/21/2020 Introduced	CalOptima: Watch

BLOOD LEAD SCREENINGS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2276 Reyes	Blood Lead Screening Tests Age Guidelines: Would require the Medi-Cal managed care plan (MCP) to conduct blood lead screening tests for a Medi-Cal beneficiary at 12 and 24 months of age. This would require the MCP to contract with providers qualified to conduct any blood level screening tests and for the MCP to notify the beneficiary's parent or guardian that the beneficiary is eligible for blood lead screening tests. Additionally, if a child two to six years of age does not have medical records stating the completion of a blood lead screening test, the MCP would be required to provide at least one blood lead screening test. The MCP would also be required to report to the Department of Health Care Services (DHCS) the number of beneficiaries aged one and two who have received a blood lead screening test and of any associated case management services provided.	07/01/2020 Referred to Senate Committee on Health 06/10/2020 Passed Assembly floor; Referred to Senate floor 02/14/2020 Introduced	CalOptima: Watch
AB 2277 Salas	Blood Lead Screening Tests Contracted Providers: Would require the Medi-Cal managed care plan (MCP) to identify beneficiaries who have missed a blood screening test at both 12 and 24 months of age and impose requirements of the contracted provider to conduct blood lead screenings tests for those eligible to receive such tests. Would require the MCP to remind the contracted provider to conduct blood lead screening tests on a quarterly basis and to notify the beneficiary's parent, parents, guardian, or other person responsible for their care that the beneficiary is eligible to receive a blood screening test.	07/01/2020 Referred to Senate Committee on Health 06/10/2020 Passed Assembly floor; Referred to Senate floor 02/14/2020 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2278 Quirk	Childhood Lead Poisoning Prevention Health Plan Identification: Would require the name of the health plan financially liable for conducting blood lead screenings tests to be reported by the laboratory to the Department of Health Care Services once the screening test has been completed. The name of the health plan is to be reported for each Medi-Cal beneficiary who receives the blood lead screen tests.	02/24/2020 Referred to Committee on Health 02/14/2020 Introduced	CalOptima: Watch
AB 2279 Garcia	Childhood Lead Poisoning Prevention Risk Factors: Would require the following risk factors be included in the standard risk factors guide, which are to be considered during each beneficiary's periodic health assessment: <ul style="list-style-type: none"> ■ A child's residency or visit to a foreign country ■ A child's residency in a high-risk ZIP Code ■ A child's relative who has been exposed to lead poisoning ■ The likelihood of a child placing nonfood items in the mouth ■ A child's proximity to current or former lead-producing facilities ■ The likelihood of a child using food, medicine, or dishes from other countries 	06/23/2020 Referred to Senate Committee on Health 06/10/2020 Passed Assembly floor; Referred to Senate floor 02/14/2020 Introduced	CalOptima: Watch
AB 2422 Grayson	Blood Lead Screening Tests Medi-Cal Identification Number: Would require the Medi-Cal identification number to be added to the list of patient identification information collected during each blood test. Would require the laboratory conducting the blood lead screening tests to report all patient identification information to the Department of Health Care Services.	02/27/2020 Referred to Committee on Health 02/19/2020 Introduced	CalOptima: Watch
SB 1008 Leyva	Childhood Lead Poisoning Prevention Act Online Registry: Would require the Department of Public Health to design, implement, and maintain an online lead information registry available to the general public. Would require the information registry to include items such as the location and status of properties being inspected for lead contaminants.	03/05/2020 Referred to Committees on Health; Judiciary 02/14/2020 Introduced	CalOptima: Watch

CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL (CALAIM)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2042 Wood	CalAIM Enhanced Care Management and In-Lieu-Of Services: Similar to SB 916, would require enhanced care management as a covered benefit for Medi-Cal beneficiaries, including the coordination of all primary, acute, behavioral, oral, and long-term services and supports. Additionally, would require the Medi-Cal managed care plan to include a variety of in-lieu-of services as an optional benefit for beneficiaries posted on their website and in the beneficiary handbook.	03/12/2020 Referred to Committee on Health 02/03/2020 Introduced	CalOptima: Watch
AB 2055 Wood	CalAIM Drug Medi-Cal and Behavioral Health: Would require the Department of Health Care Services to establish the Behavioral Health Quality Improvement Program. The Behavioral Health Quality Improvement Program would be responsible for providing support to entities managing the Drug Medi-Cal program as they prepare for any changes directed by the CalAIM initiative. Additionally, would establish a voluntary intergovernmental transfer (IGT) program relating to substance use disorder treatment provided by counties under the Drug Medi-Cal program. The IGT program would fund the nonfederal share of supplemental payments and to replace claims based on certified public expenditures.	03/12/2020 Referred to Committee on Health 02/03/2020 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2170 Blanco Rubio	CalAIM Medi-Cal Eligibility for Juveniles Who are Incarcerated: Would require the county welfare department to conduct a redetermination of eligibility for juveniles who are incarcerated so that, if eligible, their Medi-Cal would be reinstated immediately upon release.	02/20/2020 Referred to Committee on Health 02/11/2020 Introduced	CalOptima: Watch
SB 910 Pan	CalAIM Population Health Management: Would require Medi-Cal managed care plans (MCPs) to implement the population health management program for those deemed eligible, effective January 1, 2022. Would require the Department of Health Care Services to utilize an external quality review organization (EQRO) to evaluate the effectiveness of the enhanced care management and in-lieu-of services provided to beneficiaries by each MCP. Additionally, would require each MCP to consult with stakeholders, including, but not limited to, county behavioral health departments, public health departments, providers, community-based organizations, consumer advocates, and Medi-Cal beneficiaries, on developing and implementing the population health management program.	02/03/2020 Introduced	CalOptima: Watch
SB 916 Pan	CalAIM Enhanced Care Management and In-Lieu-Of Services: Similar to AB 2042, would require enhanced care management as a covered benefit for Medi-Cal beneficiaries, including the coordination of all primary, acute, behavioral, oral, and long-term services and supports. Additionally, would require the Medi-Cal managed care plan to include a variety of in-lieu-of services as an optional benefit for beneficiaries posted on their website and in the beneficiary handbook.	02/03/2020 Introduced	CalOptima: Watch

COVERED BENEFITS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 4618 McBath	Medicare Hearing Act of 2019: Effective no sooner than January 1, 2022, would require Medicare Part B to cover the cost of hearing aids for Medicare beneficiaries. Hearing aids would be provided every five years and would require a prescription from a doctor or qualified audiologist.	10/17/2019 Passed the Committee on Energy and Commerce 10/08/2019 Introduced	CalOptima: Watch
H.R. 4650 Kelly	Medicare Dental Act of 2019: Effective no sooner than January 1, 2022, would require Medicare Part B to cover the cost of dental health services for Medicare beneficiaries. Covered benefits would include preventive and screening services, basic and major treatments, and other care related to oral health.	10/17/2019 Passed the Committee on Energy and Commerce 10/11/2019 Introduced	CalOptima: Watch
H.R. 4665 Schrier	Medicare Vision Act of 2019: No sooner than January 1, 2022, would require Medicare Part B to cover the cost of vision care for Medicare beneficiaries. Covered benefits would include routine eye exams and corrective lenses. Corrective lenses covered would be either one pair of conventional eyeglasses or contact lenses.	10/17/2019 Passed the Committee on Energy and Commerce 10/11/2019 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 1904 Boerner Horvath	Maternal Physical Therapy: Would include pelvic floor physical therapy for women post-pregnancy as a Medi-Cal benefit.	01/17/2020 Referred to Committee on Health 01/08/2020 Introduced	CalOptima: Watch
AB 1965 Aguiar-Curry	Human Papillomavirus (HPV) Vaccine: Would expand comprehensive clinical family planning services under the program to include the HPV vaccine for persons of reproductive age.	03/17/2020 Hearing canceled at the request of the author 01/30/2020 Referred to Committee on Health 01/21/2020 Introduced	CalOptima: Watch
AB 2258 Reyes	Doula Care: Would require full-spectrum doula care to be included as a covered benefit for pregnant and postpartum Medi-Cal beneficiaries. The program would be established as a 3-year pilot program in 14 counties, including the County of Orange, beginning July 1, 2021. Prior authorization or cost-sharing to receive doula care would not be required.	02/20/2020 Referred to Committee on Health 02/13/2020 Introduced	CalOptima: Watch

DENTAL

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2535 Mathis	Denti-Cal Education Pilot Program: Would establish a 5-year pilot program to provide education and training to Denti-Cal providers providing care to individuals who attend a regional center and are living with a developmental disability. Additionally, Denti-Cal providers who participate in the pilot program and complete the required continuing education units would be eligible for a supplemental provider payment. The supplemental provider payment amount has yet to be defined by the Department of Health Care Services.	02/27/2020 Referred to Committee on Health 02/19/2020 Introduced	CalOptima: Watch

ELIGIBILITY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 4 Arambula	Medi-Cal Eligibility Expansion: Would extend eligibility for full-scope Medi-Cal to eligible individuals of all ages regardless of their immigration status. The Legislative Analyst's Office projects this expansion would cost approximately \$900 million General Fund (GF) in 2019-2020 and \$3.2 billion GF each year thereafter, including the costs if In-Home Supportive Services.	07/02/2019 Hearing canceled at the request of the author 06/06/2019 Referred to Senate Committee on Health 05/28/2019 Passed Assembly floor 12/03/2018 Introduced	CalOptima: Watch CAHP: Support LHPC: Support

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 526 Petrie-Norris	Women, Infants, and Children (WIC) to Medi-Cal Express Lane: Similar to SB 1073, would establish an “express lane” eligibility pathway for pregnant women and children from the California Special Supplemental Nutrition Program for WIC to Medi-Cal. WIC, within the Children’s Health Insurance Program, is a federally funded program that provides supplemental food, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and postpartum women, and infants and children up to age five. The bill intends to leverage the similarity between WIC and Medi-Cal eligibility rules, to ensure that uninsured children and pregnant women who are eligible for Medi-Cal are able to conveniently enroll in the program through the express lane. Of note, the express lane program was never implemented due to a lack of funding.	08/30/2019 Senate Committee on Appropriations; Held under submission 06/27/2019 Passed Senate Committee on Health 05/23/2019 Passed Assembly floor 02/13/2019 Introduced	CalOptima: Watch
AB 683 Carrillo	Adjusting the Assets Test for Medi-Cal Eligibility: Would eliminate specific assets tests, such as life insurance policies, musical instruments, and living trusts, when determining eligibility for Medi-Cal enrollment, effective July 1, 2020. Additionally, would prohibit the Department of Health Care Services from using an asset and resource test when determining eligibility for Medi-Cal enrollment when the individual is enrolled in the Medicare Shared Savings Program, effective January 1, 2020.	06/23/2020 Referred to Senate Committee on Health 01/20/2020 Passed Assembly floor; Referred to Senate floor 02/15/2019 Introduced	CalOptima: Watch
SB 29 Durazo	Medi-Cal Eligibility Expansion: Would extend eligibility for full-scope Medi-Cal to eligible individuals ages 65 years or older, regardless of their immigration status. The Assembly Appropriations Committee projects this expansion would cost approximately \$134 million each year (\$100 million General Fund, \$21 federal funds) by expanding full-scope Medi-Cal to approximately 25,000 adults who are undocumented and 65 years of age and older. The financial costs for In-Home Supportive Services is estimated to cost \$13 million General Fund.	09/13/2019 Held in Assembly 05/29/2019 Passed Senate floor 12/03/2018 Introduced	CalOptima: Watch
SB 1073 Gonzalez	Women, Infants, and Children (WIC) to Medi-Cal Express Lane: Similar to AB 526, would establish an “express lane” eligibility pathway for pregnant women and children from the California Special Supplemental Nutrition Program for WIC to Medi-Cal. WIC, within the Children’s Health Insurance Program, is a federally funded program that provides supplemental food, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and postpartum women, and infants and children up to age five. The bill intends to leverage the similarity between WIC and Medi-Cal eligibility rules, to ensure that uninsured children and pregnant women who are eligible for Medi-Cal are able to conveniently enroll in the program through the express lane. Of note, the express lane program was never implemented due to a lack of funding.	04/03/2020 Referred to Committee on Health 02/18/2020 Introduced	CalOptima: Watch

HOMELESSNESS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<p>H.R. 1978 Correa/Lieu</p>	<p>Fighting Homelessness Through Services and Housing Act: Similar to S. 923, would establish a federal grant program within the Health Resources and Services Administration to fund comprehensive homeless support services through the appropriation of \$750 million each year for five years, beginning in FY 2020. Included would be a one-time grant of \$100,000 to support program planning for existing programs serving those who are homeless or at risk of being homeless. Each eligible entity would be able to receive up to \$25 million each year for up to five years.</p> <p>Government entities eligible to apply for grant funding would include counties, cities, regional or local agencies, Indian tribes or tribal organizations. Each agency would be able to enter partnerships to meet eligibility status. Additionally, comprehensive homeless support services, such as mental health services, supportive housing, transitional support, and case management must be provided by the agency to be considered to receive grant funding. Individuals eligible to receive comprehensive homeless support services through this program include persons who are homeless or are at risk of becoming homeless, including families, individuals, children and youths.</p>	<p>03/28/2019 Introduced; Referred to the House Committee on Financial Services</p>	<p>CalOptima: Watch</p>
<p>S. 923 Feinstein</p>	<p>Fighting Homelessness Through Services and Housing Act: Similar to H.R. 1978, would establish a federal grant program within the Health Resources and Services Administration to fund comprehensive homeless support services through the appropriation of \$750 million each year for five years, beginning in FY 2020. Included would be a one-time grant of \$100,000 to support program planning for existing programs serving those who are homeless or at risk of being homeless. Each eligible entity would be able to receive up to \$25 million each year for up to five years.</p> <p>Government entities eligible to apply for grant funding would include counties, cities, regional or local agencies, Indian tribes or tribal organizations. Each agency would be able to enter partnerships to meet eligibility status. Additionally, comprehensive homeless support services, such as mental health services, supportive housing, transitional support, and case management must be provided by the agency to be considered to receive grant funding. Individuals eligible to receive comprehensive homeless support services through this program include persons who are homeless or are at risk of becoming homeless, including families, individuals, children and youths.</p>	<p>03/28/2019 Introduced; Referred to Committee on Health, Education, Labor, and Pensions</p>	<p>CalOptima: Watch</p>

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 1907 Santiago, Gipson, Quirk-Silva	California Environmental Quality Act (CEQA) Exemption for Emergency Shelters and Supportive Housing: Would exempt the development of emergency shelters, supportive housing or affordable housing by a public agency from CEQA regulations, expiring on December 31, 2028.	05/13/2020 Hearing canceled at the request of the author 01/30/2020 Referred to Committees on Natural Resources; Housing and Community Development 01/08/2020 Introduced	CalOptima: Watch
AB 2295 Quirk-Silva	Fairview Developmental Center: Would require the State Legislature to enact legislation relating to the development of the Fairview Developmental Center (Center) located in Costa Mesa, CA. Of note, the Governor’s Fiscal Year 2019-2020 budget included funds to utilize the Center temporarily to provide housing and services for those experiencing a severe mental illness. Additionally, AB 1199, signed into law in 2019, allows a public hearing to determine the use of the Center. This bill is still early in the legislative process. The pending legislation to define use of the Center is unknown at this time.	02/14/2020 Introduced	CalOptima: Watch
AB 2746 Petrie-Norris, Gabriel	Accountability of State Funds Used for Homelessness: Would require an agency that receives state funds for programs related to homelessness, including, but not limited to, the Whole-Person Care pilot program, California Work Opportunity and Responsibility to Kids (CalWORKs), or the Housing and Disability Income Advocacy Program, to submit a report regarding the use of state funds. The report would be sent to the state agency granting funds for these programs. Additionally, would require the report to the state agencies to be submitted within 90 days of receiving program funds, or by April 1, 2021, if the recipient already received program funds as of January 1, 2021.	07/01/2020 Referred to Senate Committee on Human Services 06/10/2020 Passed Assembly floor; Referred to Senate floor 02/20/2020 Introduced	CalOptima: Watch
AB 2848 Santiago	Homelessness Reduction Plan: Would require each city or county to develop a plan to reduce homelessness by no less than 10% each year through a state mandate. The plan would be effective no later than January 1, 2022 and would be under the direction of the state’s Homeless Coordinating and Financing Council. Additionally, would authorize the Office of the Inspector General to be in compliance with the Homeless Reduction Plan.	05/05/2020 Re-referred to Committee on Housing and Community Development 02/20/2020 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 3269 Chiu, Bloom, Bonta, Quirk- Silva, Santiago	<p>State and Local Homelessness Reduction Plan: Would require the State Homeless Coordinating and Financing Council (coordinating council) to seek federal support from the Department of Housing and Urban Development (HUD), if available, to conduct a statewide needs and gaps analysis relating to homelessness. Would require the coordinating council to identify state programs that provide housing or services to individuals experiencing homelessness. With that information, would require the coordinating council to collaborate with HUD to create a financial model that will assess the costs of providing transitional support into permanent housing for those experiencing homelessness.</p> <p>Furthermore, this bill would require state and local agencies aim at reducing homelessness by 90% by December 31, 2028, based on the 2019 homeless point-in-time count. Would establish the Office of the Housing and Homelessness Inspector General to monitor the reduction plan and to bring action against a state and local agency that fails to adopt and implement a homelessness reduction plan within a reasonable time frame. Additionally, on or before January 1, 2022, each state and local agency shall develop an actionable plan to reduce homelessness and submit that plan to the Homeless Coordinating and Financing Council. This bill would also require HUD to set a benchmark goal for the reduction plan for each state and local agency to meet by January 1, 2028.</p>	<p>07/02/2020 Referred to Senate Committee on Housing</p> <p>06/10/2020 Passed Assembly floor; Referred to Senate floor</p> <p>02/21/2020 Introduced</p>	CalOptima: Watch
AB 3300 Bloom, Bonta, Gipson, Quirk-Silva, Santiago, Wicks	<p>California Access to Housing and Services Act: Would authorize the Department of Finance to allocate no more than \$2 billion General Fund to establish the California Access to Housing and Services Fund.</p>	<p>07/01/2020 Referred to Senate Committee on Housing</p> <p>06/15/2020 Passed Assembly floor; Referred to Senate floor</p> <p>02/21/2020 Introduced</p>	CalOptima: Watch

MEDI-CAL MANAGED CARE PLANS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2625 Boerner Horvath	<p>Ground Emergency Medical Transportation (GEMT): Would require managed care plans that offers coverage for GEMT services to include those services as in-network services.</p>	<p>03/02/2020 Referred to Committee on Health</p> <p>02/20/2020 Introduced</p>	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2836 Chen	Medi-Cal Emergency Medical Transportation Reimbursement Act: Would impose a quality assurance fee (QAF) for each emergency medical transport provided by an emergency medical transport provider, beginning Fiscal Year 2021-2022. Would require the Department of Health Care Services to calculate the annual QAF to a specified program period at least 150 days before the start of the fiscal year. The bill would also redefine “emergency medical transport provider” to mean any provider of emergency medical transports, except during the entirety of any Medi-Cal managed care rating period.	05/05/2020 Referred to Committee on Health 02/20/2020 Introduced	CalOptima: Watch
SB 936 Pan	Medi-Cal Managed Care Plans Contract Procurement: Would require the Department of Health Care Services Director to conduct a contract procurement at least once every five years with a contracted commercial Medi-Cal managed care plan providing care for Medi-Cal beneficiaries on a state-wide or limited geographic basis.	02/20/2020 Referred to Committee on Health 02/06/2020 Introduced	CalOptima: Watch

PHARMACY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 1938 Low, Eggman	340B Discount Drug Purchasing Program: Would define a “designated entity” eligible for the 340B discount drug purchasing program as a nonprofit organization, including any subsidiary of that organization, that individually or collectively meets specific requirements. This would require: <ul style="list-style-type: none"> ■ The designated entity to be a licensed managed care organization that has previously contracted with the department as a primary care case management organization; ■ The designated entity to be contracted with the federal Centers for Medicare and Medicaid Services (CMS) to provide services in the Medicare Program as a Medicare special needs plan; and ■ The designated entity to be an existing participant of the 340B program. <p>Additionally, would prohibit a designated entity from using any revenue from a contract with the Department of Health Care Services, a contract with CMS, and from the 340B program for specific activities, such as:</p> <ul style="list-style-type: none"> ■ Funding litigation under the California Environmental Quality Act; or ■ Influencing or funding any ballot measure actions related to housing. 	05/19/2020 Passed Committee on Health; Referred to Committee on Appropriations 01/17/2020 Introduced	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2100 Wood	Pharmacy Carve-Out Benefit: Would require the Department of Health Care Services to establish the Independent Prescription Drug Medical Review System (IPDMRS) for the outpatient pharmacy benefit, and to develop a framework for the system that models the requirements of the Knox-Keene Health Care Service Plan Act. Would require the IPDMRS to review disputed health care service of any outpatient prescription drug eligible for coverage and payment by the Medi-Cal program that has been denied, modified, or delayed or to a finding that the service is not medically necessary. Additionally, would establish prior authorization requirements, such as a 24-hour response, a 72-hour supply during emergency situations, and a minimum 180 days for continuity of care for medications regardless if listed on the Medi-Cal contract drug list.	07/01/2020 Referred to Senate Committee on Health 06/10/2020 Passed Assembly floor; Referred to Senate floor 02/05/2020 Introduced	CalOptima: Watch
AB 2348 Wood	Pharmacy Benefit Management (PBM): Would require a PBM, who contracts with a health care service plan, beginning on October 1, 2021, to report to the Department of Managed Health Care the PBM's revenue, expenses, health care service plan contracts, the scope of services provided to that plan, and the number of enrollees the PBM serves. The PBM would also be required to submit a report on all covered prescription drugs, including generic, brand name, and specialty drugs dispenses at a plan pharmacy, network pharmacy, or mail order pharmacy for outpatient use.	05/05/2020 Referred to the Committee on Health 02/18/2020 Introduced	CalOptima: Watch
SB 852 Pan	California Affordable Drug Manufacturing Act of 2020: Would establish the Office of Drug Contracting and Manufacturing (Office) to reduce the cost of prescription drugs. No later than January 1, 2022, would require the Office to contract or partner with no less than one drug company or generic drug manufacturer, licensed by the United States Food and Drug Administration, to produce or distribute generic prescription drugs.	06/18/2020 Passed Committee on Appropriations; Referred to Senate floor 05/13/2020 Passed Committee on Health 01/13/2020 Introduced	CalOptima: Watch CAHP: Support
SB 1084 Umberg	Secure Dispensing of a Controlled Substance: Would require a pharmacist who dispenses a controlled substance in a pill form to dispense the controlled substance in a lockable vial no sooner than June 30, 2021. Would require the manufacturer of the controlled substance to reimburse the pharmacy dispensing the medication the cost of using a lockable vial within 30 days of receiving a claim. Would also require the pharmacy to provide educational pamphlets to the patient regarding the use of a controlled substance.	03/05/2020 Referred to Committees on Business, Professions and Economic Development; Judiciary 02/19/2020 Introduced	CalOptima: Watch

PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 2492 Choi	Program of All-Inclusive Care for the Elderly (PACE) Enrollment: Would require the Department of Health Care Services to establish a maximum number of eligible participants each PACE center can enroll.	03/17/2020 Hearing postponed by Committee on Aging & Long-Term Care 03/12/2020 Referred to Committees on Health; Aging & Long-Term Care 02/19/2019 Introduced	CalOptima: Watch CalPACE: Oppose
AB 2604 Carrillo	Pandemic and Health-Related Emergency Protocols for Health Facilities Act: During a health-related state of emergency or local emergency, would require a health facility to limit the possible introduction of a pathogen, infection, or illness that is related to a pandemic or emergency by: <ul style="list-style-type: none"> ■ Postponing non-emergency medical procedures or office visits; ■ Prohibiting or limiting visitors of patients to the health facility; ■ Ensuring all patients and staff are always wearing surgical masks or personal protective equipment; ■ Providing education and enforcing regarding hand hygiene and cough etiquette for patients and staff; ■ Regularly disinfecting the health facility at least three times per day; ■ Adding air cleaning equipment to ventilation systems; ■ Establishing contaminated, partially contaminated, and clean zones with buffers between each of the three zones; ■ Implementing outdoor triage stations; and ■ Considering all patients to have “suspected cases” of the pathogen, infection, or illness until ruled out or confirmed. 	05/07/2020 Re-referred to Committee on Labor and Employment 02/21/2020 Introduced	CalOptima: Watch

PROVIDERS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 890 Wood	Nurse Practitioners: Would permit a nurse practitioner to practice without direct, ongoing supervision of a physician when practicing in an office managed by one or more physicians. Would, until January 1, 2026, create the Advanced Practice Registered Nursing Board within the Department of Consumer Affairs to certify nurse practitioners wanting to practice without direct, ongoing supervision of one or more physicians.	06/23/2020 Referred to Senate Committee on Business, Professions and Economic Development 01/27/2019 Passed Assembly floor 02/20/2019 Introduced	CalOptima: Watch LHPC: Support

REIMBURSEMENT RATES

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 66 Atkins/ McGuire	Federally Qualified Health Center (FQHC) Reimbursement: Would allow an FQHC to be reimbursed by the state for a mental health or dental health visit that occurs on the same day as a medical face-to-face visit. Currently, California is one of the few states that do not allow an FQHC to be reimbursed for a mental or dental and physical health visits on the same day. A patient must seek mental health or dental treatment on a subsequent day for an FQHC to receive reimbursement for that service. This bill would distinguish a medical visit through the member's primary care provider and a mental health or dental visit as two separate visits, regardless if at the same location on the same day. As a result, the patient would no longer have to wait a 24-hour time period in order to receive medical and dental or mental health services, while ensuring that clinics are appropriately reimbursed for both services. Additionally, acupuncture services would be included as a covered benefit when provided at an FQHC.	09/13/2019 Carry-over bill; Moved to inactive filed at the request of the author 08/30/2019 Passed Assembly Committee on Appropriations 05/23/2019 Passed Senate floor 01/08/2019 Introduced	CalOptima: Watch CAHP: Support LHPC: Co-Sponsor, Support
AB 2871 Fong	Drug Medi-Cal Reimbursement Rates: Would require the Department of Health Care Services to establish reimbursement rates for services provided through the Drug Medi-Cal program to be equal to rates for similar services provided through the Medi-Cal Specialty Mental Health Services program.	03/05/2020 Referred to Committee on Health 02/21/2020 Introduced	CalOptima: Watch

TELEHEALTH

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 4932 Thompson	Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2019: Similar to S. 2741, would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Would also: <ul style="list-style-type: none"> ■ Provide the Secretary of Health and Human Services with the authority to waive telehealth restrictions when necessary; ■ Remove geographic and originating site restrictions for services like mental health and emergency medical care; ■ Allow rural health clinics and other community-based health care centers to provide telehealth services; and ■ Require a study to explore more ways to expand telehealth services so that more people can access health care services in their own homes. 	10/30/2019 Introduced; Referred to the Committees on Energy and Commerce; Ways and Means	CalOptima: Watch AHIP: Support

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
S. 2741 Schatz	<p>Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2019: Similar to H.R. 4932, would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Would also:</p> <ul style="list-style-type: none"> ■ Provide the Secretary of Health and Human Services with the authority to waive telehealth restrictions when necessary; ■ Remove geographic and originating site restrictions for services like mental health and emergency medical care; ■ Allow rural health clinics and other community-based health care centers to provide telehealth services; and ■ Require a study to explore more ways to expand telehealth services so that more people can access health care services in their own homes. 	<p>10/30/2019 Introduced; Referred to the Senate Committee on Finance</p>	CalOptima: Watch AHIP: Support
AB 1676 Maienschein	<p>Telehealth Mental Health Services for Children, Pregnant Women, and Postpartum Persons: Would create a telehealth program used to conduct mental health consultations and treatments for children, pregnant women, and postpartum persons, effective no sooner than January 1, 2021. Consultation and treatment services, provided by a psychiatrist, would be accessible during standard business hours, with the option for evening and weekend hours. Would also require adequate staffing to ensure calls are answered within 60 seconds. Payment structure has yet to be defined.</p>	<p>01/31/2020 Died in appropriations</p> <p>05/16/2019 Committee on Appropriations; Held under submission</p> <p>04/24/2019 Passed Committee on Health</p> <p>02/22/2019 Introduced</p>	CalOptima: Watch CAHP: Oppose
AB 2164 Rivas, Salas	<p>Expanding Access to Telehealth: Would no longer require the first visit at a federally qualified health clinic to be an in-person visit by authorizing telehealth appointments that occur by synchronous real time or asynchronous store and forward. This would allow the new patient the option to utilize telehealth services and become an established patient as their first visit.</p>	<p>07/01/2020 Referred to Senate Committee on Health</p> <p>06/10/2020 Passed Assembly floor; Referred to Senate floor</p> <p>02/11/2020 Introduced</p>	CalOptima: Watch
AB 2360 Maienschein	<p>Telehealth Mental Health Services for Children, Pregnant Women, and Postpartum Persons: Similar to AB 1676, which was held under submission by the Assembly Committee on Appropriations in 2019, would create a telehealth program used to conduct mental health consultations and treatments for children, pregnant women, and postpartum persons, effective no sooner than January 1, 2021. Consultation and treatment services, provided by a psychiatrist, would be accessible during standard business hours, with the option for evening and weekend hours.</p>	<p>07/01/2020 Referred to Senate Committee on Health</p> <p>06/10/2020 Passed Assembly floor; Referred to Senate floor</p> <p>02/19/2020 Introduced</p>	CalOptima: Watch CAHP: Oppose

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 1278 Bradford	Health Care Provider License for Telehealth: Would require that accepted standards of practice applicable to a health care provider under the health care provider's license shall also apply to that health care provider while providing telehealth services.	<p>05/15/2020 Hearing canceled at the request of the author</p> <p>03/05/2020 Referred to Committee on Business, Professions and Economic Development</p> <p>02/21/2020 Introduced</p>	CalOptima: Watch

TRAILER BILLS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
Trailer Bill Medi-Cal Expansion	Medi-Cal Eligibility Expansion: Would extend eligibility for full-scope Medi-Cal to eligible individuals 65 years of age or older regardless of their immigration status. The Governor's Fiscal Year 2020-2021 proposed budget anticipates the expansion of full-scope Medi-Cal will cost \$80.5 million (\$62.4 million General Fund) in 2021 and \$350 million (\$320 million General Fund) each year after, including the cost of In-Home Supportive Services.	<p>01/31/2020 Published on the Department of Finance website</p>	CalOptima: Watch
Trailer Bill Drug Price Negotiations	Med-Cal Drug Pricing Negotiations: Would authorize the Department of Health Care Services negotiate "best prices" with drug manufacturers, both within and outside of the United States, and to establish and administer a drug rebate program in order to collect rebate payments from drug manufacturers for drugs furnished to California residents who are ineligible for full-scope Medi-Cal. Would authorize a Medi-Cal beneficiary to receive more than six medications without prior approvals. Additionally, this Trailer Bill would modify the current co-pay amount for a drug prescription refill.	<p>01/31/2020 Published on the Department of Finance website</p>	CalOptima: Watch
Trailer Bill Medication-Assisted Treatment	Medication-Assisted Treatment (MAT): Would expand narcotic treatment program services to include MAT under Drug Medi-Cal.	<p>01/31/2020 Published on the Department of Finance website</p>	CalOptima: Watch
Trailer Bill Managed Care Savings and Efficiencies	Managed Care Savings and Efficiencies: In alignment with the 2020-2021 State Budget May Revise, would reduce Medi-Cal capitation rate increments by up to 1.5 percent for capitation rates associated with the July 1, 2019 through December 31, 2020 rate period. Additionally, the Department of Health Care Services (DHCS) would be able to apply these reduced capitation rates for rating periods starting on or after January 1, 2021 and to account for the impacts of the COVID-19 public health emergency. To ensure capitation rates are actuarially sound, DHCS would be required to evaluate the impact of the changes in the level of health care funding for health care services on capitation rates it develops and pays under any applicable managed care health plan contract with a Medi-Cal managed care plan.	<p>05/14/2020 Published on the Department of Finance website</p>	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
Trailer Bill Federally Qualified Health Center and Rural Health Clinic Prospective Payment System Carve-Outs	Elimination of Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) Prospective Payment System (PPS) Carve-Outs for Pharmacy and Dental Services: Would require all Medi-Cal covered services provided by an FQHC or RHC, including but not limited to pharmacy and dental services, to be reimbursed only through the clinic's PPS rate, effective January 1, 2021. If an FQHC or RHC is unable to revert to its prior base PPS rate, it would be required to adjust the FQHC or RHC PPS base rate through scope-of-service adjustments. Of note, this Trailer Bill language would exclude any payment changes for services related to specialty mental health and Drug Medi-Cal.	05/14/2020 Published on the Department of Finance website	CalOptima: Watch
Trailer Bill Proposition 56 Payments	Sunset of Proposition 56 Value-Based Payments: In alignment with the 2020-2021 State Budget May Revise, would eliminate the Proposition 56 Value-Based Payment Program for provider incentive payments, effective July 1, 2020.	05/14/2020 Published on the Department of Finance website	CalOptima: Watch
Trailer Bill COVID-19 Medi-Cal Response	COVID-19 Medi-Cal Response: Would require the Department of Health Care Services to implement any federal Medicaid program waivers or flexibilities approved by the Centers for Medicare & Medicaid Services related to the COVID-19 pandemic, pending approval from the State Department of Finance. Additionally, would require DHCS to continue providing COVID-19 related testing and treatment for individuals currently uninsured, regardless of immigration status, through Medi-Cal fee-for-service. This would be in effect for the duration of the State of Emergency.	05/22/2020 Published on the Department of Finance website	CalOptima: Watch
Trailer Bill Nursing Facility Financing Reform	Nursing Facility Financing Reform: Would make modifications to the skilled nursing facility (SNF) Quality Assurance Fees (QAFs): <ul style="list-style-type: none"> ■ Would exempt a unit that provides freestanding pediatric subacute care services in a SNF from the QAF for the rate period of August 1, 2020 through December 31, 2020, and every subsequent calendar year after; ■ Would allow the Department of Health Care Services (DHCS) to enforce new mechanisms for the collection of delinquent QAFs; and ■ Expand the use of the SNF Quality and Accountability Special Fund to December 31, 2021. Additionally, would adjust the Medi-Cal reimbursement rate methodology for the rate period of August 1, 2020 to December 31, 2020 to be no less than the rates established for 2019-2020 and no more than the applicable federal upper payment limit.	05/26/2020 Published on the Department of Finance website	CalOptima: Watch
Trailer Bill Long-Term Care at Home	Long-Term Care at Home: Would include long-term care services at home as a Medi-Cal covered benefit for beneficiaries enrolled in managed care and fee-for-service. Would require the entity providing long-term care at home benefits to be licensed and certified by the California Department of Public Health. Additionally, would require the benefit to include services such as, health assessments, transitional care services, care coordination, and home- and community-based services.	06/12/2020 Published on the Department of Finance website	CalOptima: Watch

*Information in this document is subject to change as bills are still going through the early stages of the legislative process.

CAHP: California Association of Health Plans

CalPACE: California PACE Association

LHPC: Local Health Plans of California

NPA: National PACE Association

Last Updated: July 7, 2020

[Back to Agenda](#)

2020 Federal Legislative Dates

April 4–19	Spring recess
August 10–September 7	Summer recess
October 12–November 6	Fall recess

2020 State Legislative Dates*

*Due to COVID-19, 2020 State Legislative dates have been modified

January 6	Legislature reconvenes
January 31	Last day for bills introduced in 2019 to pass their house of origin
February 21	Last day for legislation to be introduced
April 2–12	Spring recess
May 22	Last day for policy committees to hear and report bills to fiscal committees introduced in the Assembly
May 29	Last day for policy committees to hear and report bills to fiscal committees introduced in the Senate
May 29	Last day for policy committees to hear and report to the floor non-fiscal bills introduced in the Assembly
June 5	Last day for fiscal committees hear and report to the floor bills introduced in the Assembly
June 15	Budget bill must be passed by midnight
June 15–19	Assembly floor session only
June 19	Last day for the Assembly to pass bills in their house of origin
June 19	Last day for fiscal committees to hear and report to the floor bills introduced in the Senate
June 22–26	Senate floor session only
June 26	Last day for the Senate to pass bills in their house of origin
July 2–July 27	Summer recess
July 31	Last day for policy committees to hear and report fiscal bills to fiscal committees
August 7	Last day for policy committees to meet and report bills to the floor
August 14	Last day for fiscal committees to report bills to the floor
August 17–31	Floor session only
August 21	Last day to amend bills on the floor
August 31	Last day for bills to be passed. Final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature
November 3	General Election
December 7	Convening of the 2021–22 session

Sources: 2020 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County's community health plan, our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. We provide coverage through four major programs: Medi-Cal, OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), OneCare (Medicare Advantage Special Needs Plan), and the Program of All-Inclusive Care for the Elderly (PACE).

2020–21 California Enacted State Budget: Analysis and CalOptima Impact

July 2020

Overview

On January 10, 2020, Governor Gavin Newsom released his Fiscal Year (FY) 2020–21 state budget proposal. Prior to the COVID-19 pandemic, the total proposed budget was \$222.2 billion, with General Fund (GF) spending at \$153.1 billion, including \$107.4 billion allocated for Medi-Cal. With a strong economy, the January Proposed Budget included new and expanded programs, including Medi-Cal reforms, known as California Advancing and Innovating Medi-Cal (CalAIM), funding to address homelessness, and the expansion of full-scope Medi-Cal to older adults, regardless of immigration status.

In response to the COVID-19 recession, on May 14, 2020, Governor Newsom released a revised FY 2020–21 state budget proposal (May Revise), which reflected a calculated budget shortfall of approximately \$54.3 billion for the next FY.¹ The May Revise proposed a total state budget of \$203.3 billion, with GF spending at \$133.9 billion.² Furthermore, the May Revise proposed significant changes and cuts to state programs, including the elimination of optional Medi-Cal benefits and senior programs, the delay of Medi-Cal expansion to undocumented older adults, and the withdrawal of funding for CalAIM.

The state legislature spent two weeks drafting a budget plan, restoring proposed cuts, relying more on the state’s reserves, borrowing, deferrals, and federal funds. To meet the constitutionally obligated deadline to pass a balanced budget, on June 15, 2020, the State Assembly and State Senate passed Senate Bill (SB) 74, a preliminary state budget for FY 2020–21.³

Following negotiations with the Legislature to balance the deficit, on June 29, 2020, Governor Newsom signed into law Assembly Bill (AB) 89, the Enacted State Budget for FY 2020–21.

Enacted Budget

AB 89 enacts a \$202.1 billion spending plan for FY 2020–21, including \$133.9 billion GF. When compared to the FY 2019–2020 Enacted Budget (\$214.8 billion (\$147.8 billion GF)), this reflects a decrease in state spending of nearly 6 percent. Building on the Governor’s May Revision framework to address the \$54.3 billion shortfall, including

the state’s economic and revenue forecast, the Enacted Budget reflects the assumption of \$14 billion in federal relief, uses state reserves, including \$8.8 billion from the Rainy Day Fund, and relies on other state balances.

Budget Trailer Bills

On June 29, 2020, Governor Newsom also signed into law AB 80 and AB 81. AB 80 and AB 81 are health trailer bills designed to implement policy changes referenced in the budget bill. These trailer bills contain policy changes impacting the Medi-Cal program:

Table 1. Enacted Public Health Budget Trailer Bills

AB 80	AB 81
<ul style="list-style-type: none"> • Medi-Cal managed care capitated payment rate reduction of 1.5 percent for the 18-month bridge period • Implementation of a Medi-Cal risk corridor for the 18-month bridge period • Managed care rate efficiencies beginning 01/01/2021 • Prop 56 value-based payments and supplemental payments • Extension of the Medi-Cal 2020 Demonstration* • 340B Supplemental Payment Pool for non-hospital clinics • Expansion of full-scope Medi-Cal to seniors, regardless of immigration status • Extension of coverage for COVID-19 to uninsured individuals • Health Care Payment Data Program • Reimbursement for medication-assisted treatment services 	<ul style="list-style-type: none"> • Medi-Cal rate reimbursement methodology adjustments for skilled nursing facilities during the COVID-19 pandemic • Implementation of the skilled nursing facility quality assurance fee • County access to Mental Health Services Act funds for additional support related to COVID-19
*Pending federal approval	

These and other major issues pertinent to CalOptima are

2020–21 Enacted State Budget: Analysis and CalOptima Impact (continued)

addressed below.

Medi-Cal Budget

In response to the COVID-19 pandemic, the allocation of Medi-Cal funds continued to increase through this year's budget process (Chart 1). Even with the reduction in state spending, the Medi-Cal budget increased 16 percent, from to \$99.5 billion (\$22.7 billion GF) in FY 2019–20 to \$115.4 billion (\$23.3 billion GF) for FY 2020–21.⁴ This includes \$6.9 billion (\$2.4 billion GF) for increased Medi-Cal caseloads, which is expected to peak at 14.5 million enrollees by July 2020.

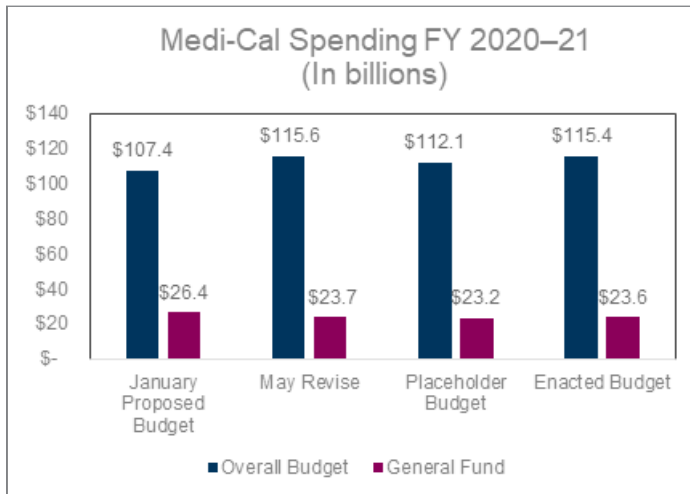


Chart 1. Medi-Cal Funds

The overall Medi-Cal budget also relies on federal funds, including funds from the enhanced Federal Medical Assistance Percentage (FMAP), a portion of the state's Coronavirus Relief Fund allocation. As authorized by the Families First Coronavirus Response Act, the Centers for Medicare & Medicaid Services (CMS) provided the state with an emergency increase in the FMAP for Medicaid of 6.2% (California's FMAP would be increased from 50% to 56.2%), through June 30, 2021. FMAP funds are to be utilized for expenses, such as emergency paid sick leave and unemployment insurance, COVID-19 testing at no cost, food aid, and other provisions related to COVID-19.

Managed Care Efficiencies

To address the state's budget shortfall, the Enacted Budget implements changes to the way that managed care capitation rates are determined. These changes include various acuity, efficiency, and cost containment adjustments. These adjustments are effective for the managed care rate year starting January 1, 2021 and would result in a savings of \$193.6 million (\$63 million GF) in FY 2020–21. The Enacted Budget also includes a 1.5 percent rate reduction for July 1, 2019, through

December 31, 2020 (18-month bridge period), resulting in savings of \$586 million (\$182 million GF) in FY 2020–21, with the implementation of a risk corridor for same period.⁵

Of note, the managed care adjustments do not include the establishment of an APR-DRG inpatient maximum fee schedule as proposed by the Administration.

Medi-Cal Programs and Benefits

In the May Revise, Governor Newsom indicated that the state is not in a fiscal position to increase rates or expand programs given the drastic budget impacts of the COVID-19 Recession, with several programs proposed for elimination. However, negotiations between the Legislature and the Newsom Administration resulted in continued appropriations to several Medi-Cal programs and benefits.⁶

Table 2. Program Funding Maintained FY 2020–21

Programs Maintained
Adult Dental
Community-Based Adult Services (CBAS)
In-Home Supportive Services (IHSS) service hours (\$410 million GF)
Multipurpose Senior Services Program (MSSP)
Other Optional Benefits:
<ul style="list-style-type: none"> • Acupuncture; • Optometry; • Nurse anesthetist services; • Occupational and physical therapy; • Pharmacist-delivered services; • Diabetes prevention program services; • Audiology and speech therapy; • Brief intervention and referral to treatments for opioids and other illicit drugs in Medi-Cal; • Incontinence creams and washes; • Optician and optical lab services; and • Podiatry.

Of note, although several programs did receive funding allocations, financing for IHSS service hours and the following Other Optional Benefits are scheduled expire on December 31, 2021 pending sufficient GF revenues in the subsequent 2 fiscal years:

- Audiology and speech therapy;
- Brief intervention and referral to treatments for opioids and other illicit drugs in Medi-Cal;
- Incontinence creams and washes;
- Optician and optical lab services; and
- Podiatry.

Proposition 56 Medi-Cal Funding

California voters approved Proposition 56 in November

2020–21 Enacted State Budget: Analysis and CalOptima Impact (continued)

2016, which increased state taxes on tobacco products. A large portion of the revenue raised through this ballot initiative is designated for supplementing the state's Medi-Cal budget. The FY 2020-21 budget allocates \$1.8 billion in Proposition 56 funds for: supplemental payments and rate increases for Medi-Cal providers; value-based payments related to behavioral health services; developmental screenings for children; trauma screenings for children and adults; provider training for trauma screenings; family planning services in Medi-Cal; and the provider loan repayment program, among other allocations. Proposition 56 programs other than women's health, family planning, and the Loan Repayment Program are subject to suspension on July 1, 2021 unless certain state fiscal conditions exist. Funding may be restored pending GF revenues in the subsequent two fiscal years.⁷

Pharmacy Carve-Out (Medi-Cal Rx)

The Enacted Budget supports Governor Newsom's Executive Order N-01-19 to carve prescription drugs out of Medi-Cal managed care and transition the benefit to state administration, no sooner than January 1, 2021.⁸ In addition, the Enacted Budget allocates \$52.5 million (\$26.3 million GF) in FY 2020–21 to the 340B Supplemental Payment Pool for non-hospital clinics who participate in the federal 340B pharmacy program in order to offset 340B losses due to the implementation of Medi-Cal Rx. Medi-Cal Rx is estimated to achieve \$1.9 million in savings for FY 2020–21.⁹

Skilled Nursing Facilities (SNFs)

The Enacted Budget includes a 10-percent payment increase for SNFs during the months related to the COVID-19 pandemic. This includes \$72.4 million GF in 2019-20 and \$41.6 million GF for 2020–21. In mid-May, CMS approved this increase through a Section 1135 State Plan Amendment.

Expanding Medi-Cal Coverage

The budget prioritizes expansion of full-scope Medi-Cal coverage to seniors ages 65 years or older, regardless of immigration status for the upcoming budget year should the Department of Finance determine there are sufficient GF revenues for that fiscal year and the ensuing three fiscal years to support the expansion.

Managed Care Organization (MCO) Tax

The Enacted Budget approves the Administration's estimate of net revenue from the MCO tax of \$1.7 billion.

Homeless Services

With strategic funding to maintain fiscal sustainability while continuing to make investments, the Enacted Budget includes \$1.2 billion across multiple departments and programs to aid local governments addressing homelessness:

2020-21 Homelessness Funding (Dollars in Millions)		
Department	Program	Amount
State/Local Governments	CARES Act - Coronavirus Relief Fund: Homekey	\$550.0
	Federal Funded Programs for Homelessness	\$45.0 ^{1/}
Department of Housing and Community Development	Local Aid for Homelessness	\$300.0
	Homekey Operating Subsidies	\$50.0
	Various	\$6.0
Office of Emergency Services	Various Homeless Youth Programs	\$6.0
	Youth Emergency Telephone Network	\$0.6
Department of Social Services	CalWORKS Homeless Assistance Program	\$154.3 ^{2/}
	Housing and Disability Advocacy Program	\$25.0
Department of Health Care Services	Project for Assistance in the Transition from Homelessness	\$8.8
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 ^{3/}
	Rapid Rehousing	\$3.5
California Community Colleges	Rapid Rehousing	\$9.0
California State University	Rapid Rehousing	\$6.5
Total		\$1,179.7

1/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant program. Unawarded COVID-19 related relief funds (e.g., CARES Act) are not reflected.
2/ Amount is dependent on caseload and utilization.
3/ This program supports basic needs partnerships for low-income students facing housing or food insecurity.

In addition to the COVID-19 health pandemic, Governor Newsom pledged to continue to address the homeless crisis in California. In response to the pandemic, Governor Newsom introduced Project Room Key, using CARES Act and state funds, to secure over 15,000 hotel rooms allocated to individuals experiencing homelessness. The Enacted Budget transitions Project Room Key to Project Home Key, allocating \$550 million of the state's direct allocation of federal Coronavirus Relief Fund (CRF) for this transition. Project Home Key will continue efforts set forth by Project Room Key by implementing a statewide effort to acquire hotels, motels, residential care facilities, and other housing that can be converted and rehabilitated to provide permanent housing for persons experiencing homelessness, and who are also at risk of COVID-19.¹⁰

COVID-19 Funding

As COVID-19 continues to impact the economy, state's reserves, and legislative priorities, the Newsom Administration has allocated \$5.9 million GF (\$4.8 million ongoing) to support COVID-19 testing and resources. This includes supporting the state's ability to increase the state laboratories' testing capacity, and to purchase equipment and laboratory supplies used specifically for COVID-19 testing. Additionally, resources will support emergency coordination, communication, and response, and provide ongoing support for public health laboratory capacity and disease surveillance.¹¹

Next Steps

The Enacted Budget is effective July 1, 2020. However, the Enacted Budget may be subject to revision in the coming months based on changes in state revenue. Due to COVID-19, the state postponed the deadline for residents to file their personal income taxes, from April 15, 2020 to July 15, 2020. Once state revenues from personal income taxes are calculated, the legislature will be able to allocate additional funding, if available, to state-funded programs, such as housing and education.

About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities in Orange County. Our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. We provide coverage through four major programs: Medi-Cal, OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), OneCare (Medicare Advantage Special Needs Plan), and the Program of All-Inclusive Care for the Elderly (PACE).

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Endnotes

¹ The COVID-19 Pandemic and California's Budget Outlook, Department of Finance, May 7, 2020

² California State Budget May Revision Fiscal Year 2020-2021

³ State Assembly Floor Report 2020-2021 State Budget, June 12, 2020

⁴ Enacted California State Budget FY 2020-2021, Pg. 54

⁵ Enacted California State Budget FY 2020-2021, Pg. 54

⁶ Enacted California State Budget FY 2020-2021, Pg. 55

⁷ Enacted California State Budget FY 2020-2021, Pg. 55

⁸ DHCS: 2019-2020 Governor's Budget Highlights

⁹ Enacted California State Budget FY 2020-2021, Pg. 54

¹⁰ Enacted California State Budget FY 2020-2021, Pg. 66

¹¹ Enacted California State Budget FY 2020-2021, Pg. 61