



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

VACANT
Fourth District

JIM DESMOND
Fifth District

DATE: May 23, 2023

06

TO: Board of Supervisors

SUBJECT

RECEIVE THE SAN DIEGO ADVANCING AND INNOVATING MEDI-CAL ROADMAP AND AUTHORIZE AN INTERGOVERNMENTAL TRANSFER AGREEMENT FOR BEHAVIORAL HEALTH SERVICES (DISTRICTS: ALL)

OVERVIEW

On July 13, 2021 (14) the San Diego County Board of Supervisors (Board) committed to provide opportunities to achieve better health outcomes and reduce health disparities for vulnerable populations by supporting the County of San Diego's (County) Wellness Delivery System. In alignment with this Board priority, the County mobilized planning and coordination to support implementation of California Advancing and Innovating Medi-Cal (CalAIM). CalAIM is the California Department of Health Care Services' (DHCS) long-term commitment to improve the quality of life and health outcomes of Medi-Cal beneficiaries by implementing broad delivery system transformation including program and payment reforms across the Medi-Cal Program.

Active participation in the CalAIM Medi-Cal delivery system transformation allows the County to facilitate the integration of primary health, behavioral health, and social services and to streamline service coordination for vulnerable San Diegans enrolled in Medi-Cal. The County Health and Human Services Agency, Medical Care Services San Diego Advancing and Innovating Medi-Cal (SDAIM) Unit was established in July 2022 to support local CalAIM implementation. The SDAIM Unit has developed an initial workplan (roadmap) to align County priorities with the CalAIM initiative and guide future planning and coordination of implementation activities. Specific to behavioral health, CalAIM will allow for consistent and seamless administration of Medi-Cal services by reducing complexity, increasing flexibility, improving outcomes, reducing health disparities, and driving behavioral delivery system transformation through policy improvements and payment reform that will shift from the existing cost-reimbursement system to a fee-based reimbursement system. This will involve transitioning existing and new County-operated and contracted behavioral health and Medi-Cal services from the current certified public expenditure-based reimbursement methodology to an Intergovernmental Transfer (IGT)-based reimbursement methodology for certain services.

Today's action requests the Board to receive the SDAIM Roadmap, authorize agreements and all necessary documents for submission and regulatory processing for CalAIM implementation,

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authorize the IGT agreement with DHCS for the CalAIM Behavioral Health Payment Reform implementation and transfer local funds to DHCS, amend behavioral health contracts funded by Medi-Cal Federal Financial Participation to reflect changes associated with CalAIM Behavioral Health Payment Reform implementation, and authorize application for future funding opportunities to build capacity and infrastructure to ensure successful local implementation.

This item supports the County's vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the *Live Well San Diego* vision of healthy, safe, and thriving communities. This approach will ensure higher quality care and more equitable health outcomes by improving and integrating care for people with complex health and social needs.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Receive the San Diego Advancing and Innovating Medi-Cal Roadmap.
2. Authorize the Agency Director, Health and Human Services Agency, or designee to execute agreements, certification forms, and all necessary documents for submittal and regulatory processing as required for California Advancing and Innovating Medi-Cal (CalAIM) implementation.
3. Authorize the Agency Director, Health and Human Services Agency (HHS), or designee, to execute, upon receipt, the Intergovernmental Transfer (IGT) agreement with the Department of Health Care Services (DHCS) for CalAIM Behavioral Health Payment Reform implementation, and transfer local eligible funds to DHCS, as specified in the agreement, and authorize the Agency Director, HHS, or designee, to execute, upon receipt, future updates or amendments to the agreement, as required, that do not materially impact or alter the services.
4. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, authorize the Director, Department of Purchasing and Contracting, subject to successful negotiations and a determination of a fair and reasonable price, to amend behavioral health contracts funded by Medi-Cal Federal Financial Participation to reflect changes associated with CalAIM Behavioral Health Payment Reform implementation, subject to the availability of funds, and amend the contracts as required in order to reflect changes to services and funding allocations as a result of CalAIM, subject to the approval of the Agency Director, HHS.
5. Authorize the Chief Administrative Officer or designee to apply for any additional funding opportunities to ensure successful CalAIM implementation in San Diego County.

EQUITY IMPACT STATEMENT

Historic inequities within the healthcare system and across broader social and economic factors have resulted in worse health outcomes among Black, indigenous, and people of color, including reduced life expectancy and increased risk for some chronic diseases and other morbidities. The COVID-19 pandemic further exacerbated disparities in health and healthcare, particularly for Black, Hispanic/Latino, and American Indian/Alaska Native and Pacific Islander populations. As a major source of healthcare coverage, Medi-Cal can help advance equity goals and reduce

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disparities by increasing access to health care, identifying new and innovative approaches to service delivery, and implementing changes to managed care, provider payments, and benefits. Medi-Cal is the main source of health insurance coverage for California's low-income children, adults, and seniors and people with disabilities. Over one million people in San Diego County meet income eligibility requirements for Medi-Cal. People of all ages are enrolled in Medi-Cal for health care coverage: as of March 2023, those age 19 to 44 years old represent the largest Medi-Cal population in San Diego County (38.3%), followed by children age 0 to 18 years old (32.3%), adults age 45 to 64 (20.4%), and adults age 65 and older (9.0%). Among individuals with a reported race/ethnicity, 37.5% were Hispanic, 17.3% were White, 6.9% were Asian and Pacific Islander, 5.0% were Black, and 0.4% were American Indian and Alaska Native; race/ethnicity was not reported for 33.0% of enrollees. As of March 2023, 1,062,906 individuals were enrolled in Medi-Cal in San Diego County, representing one-third of the county's population and the second largest Medi-Cal population in the state.

California Advancing and Innovating Medi-Cal (CalAIM) is the Department of Health Care Services' framework to improve health equity by addressing social drivers of health and prioritizing prevention and whole person care beyond healthcare settings. To guide local CalAIM implementation efforts, community partners including County of San Diego (County) departments, managed care plans, health and social care providers, community organizations, consumer and community advocates were engaged in the development of the County's San Diego Advancing and Innovating Medi-Cal (SDAIM) Roadmap. Community and stakeholder engagement took place between November 2022 and February 2023 and included focused input sessions, community listening sessions, and a presentation at a local conference. Input gathered from these efforts informed the development of the SDAIM Roadmap.

SUSTAINABILITY IMPACT STATEMENT

The proposed action supports several County of San Diego (County) sustainability goals and commitments that strengthen the resilience of the community, including community participation, ensuring equitable access to services, and affirming services meet health and social care needs which align, respectively, with the County's Sustainability Goal #1 to engage the community in a meaningful way, Sustainability Goal #2 to provide just and equitable access to services, and Sustainability Goal #4 to protect the health and wellbeing of everyone in the region. This will be accomplished by funding a more efficient system that will improve care coordination and serve as an essential first step toward implementing added enhancements with long-lasting benefits.

FISCAL IMPACT

Recommendations 1, 2, and 5

There is no fiscal impact associated with today's actions for Fiscal Year (FY) 2023-24. There may be future impacts based on recommendations. Any such recommendations would be brought to the San Diego County Board of Supervisors for consideration and approval. There is no change in net General Fund costs and no additional staff years.

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Recommendations 3-4

Funds for this request are included in the FY 2023-25 CAO Recommended Operational Plan Change Letter for the Health and Human Services Agency. If approved, the current behavioral health system impacted by the Intergovernmental Transfer (IGT) process will be approximately \$500 million across existing Medi-Cal eligible services annually. The funding sources for the IGT are local funds, including Realignment, Mental Health Services Act and existing General Purpose Revenue. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Health Services Advisory Board will be provided an informational presentation during the next meeting since there was not a quorum to allow for the May 2, 2023 meeting.

BACKGROUND

On July 13, 2021 (14) the San Diego County Board of Supervisors (Board) committed to providing opportunities to achieve better health outcomes and reduce health disparities for vulnerable populations by supporting the County of San Diego's (County) Wellness Delivery System. In alignment with Board action, the County mobilized planning and coordination to support implementation of California Advancing and Innovating Medi-Cal (CalAIM). CalAIM is the Department of Health Care Services' (DHCS) long-term commitment to improve the quality of life and health outcomes of Medi-Cal beneficiaries by implementing broad delivery system transformation including program and payment reforms.

Active participation in Medi-Cal delivery system transformation allows the County to facilitate the integration of primary health, behavioral health, and social services and streamline service coordination for vulnerable San Diego County residents enrolled in Medi-Cal. The County Health and Human Services Agency (HHSA), Medical Care Services (MCS) San Diego Advancing and Innovating Medi-Cal (SDAIM) Unit was established in July 2022 to serve as the County's centralized approach to support local CalAIM implementation. Specific to behavioral health, CalAIM will allow for consistent and seamless administration of Medi-Cal by reducing complexity, increasing flexibility, improving outcomes, reducing health disparities, and driving behavioral health delivery system transformation through policy improvements and payment reform that will shift from the existing cost-reimbursement system to a fee-based reimbursement system.

About CalAIM

CalAIM is a transformational plan to modernize the State's Medicaid program (referred to as Medi-Cal) by shifting to a statewide population health approach that prioritizes prevention and whole person care beyond healthcare settings and addresses social drivers of health. As the State agency overseeing the health care provided to Medi-Cal recipients, DHCS released an initial proposal in October 2019 and received Centers for Medicaid and Medicare Services approval in

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December 2021. The first CalAIM reforms began implementation in January 2022 and additional reforms will phase in through 2027.

The CalAIM initiative involves several key components, including Enhanced Care Management (ECM), Community Supports, Population Health Management, Behavioral Health Delivery System Transformation, Services and Supports for Justice-Involved Adults and Youth, and Managed Long-Term Services and Supports, among several others that will be phased in through 2027. The initial emphasis is on the introduction of a new Medi-Cal ECM statewide benefit and new optional Community Supports often associated with, but not limited to ECM.

ECM is person-centered care management provided primarily through in-person engagement where enrollees live, seek care, and choose to access services. ECM is part of a broader CalAIM Population Health Management system design through which Managed Care Plans (MCPs) will offer care management interventions at different levels of intensity based on member need, addressing the fact that half of Medi-Cal spending is attributable to the five percent of enrollees with the highest-cost needs. These enrollees typically have several complex health conditions that require them to access services from several different delivery systems. ECM implementation is being phased in from January 2022 through January 2024 to the most vulnerable Medi-Cal beneficiaries who meet eligibility criteria within one or more CalAIM Populations of Focus:

- Adults and their Families Experiencing Homelessness;
- Adults at Risk for Avoidable Hospital or Emergency Department Utilization;
- Adults with Serious Mental Health and/or Substance Use Disorder Needs;
- Adults with Intellectual or Developmental Disabilities;
- Adults Living in the Community and at Risk for Long Term Care Institutionalization;
- Adult Nursing Facility Residents Transitioning to the Community;
- Adults with Dependent Children/Youth Living with Them Experiencing Homelessness;
- Children and Youth Populations of Focus;
- Birth Equity Populations of Focus; and
- Individuals Transitioning from Incarceration.

Community Supports, also known as “In-Lieu of Services,” are new services offered by Medi-Cal MCPs as cost effective alternatives to traditional medical services or settings. Community Supports are designed to address social drivers of health and are provided by community-based organizations and other social care providers through contracts with MCPs. DHCS has initially approved 14 Community Supports, including housing navigation, housing deposits, short-term post-hospitalization housing, recuperative care (medical respite), sobering centers, and medically tailored meals. Community Supports are voluntary, but DHCS is encouraging all Medi-Cal MCPs to offer as many of the 14 pre-approved Community Supports as possible to eligible Medi-Cal members, regardless of whether they qualify for ECM services.

Local CalAIM Implementation Update & SDAIM Roadmap Development

The County has established essential infrastructure and developed an initial workplan (roadmap) to align County priorities with the CalAIM initiative and guide future planning and coordination

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of implementation activities. This demonstrates the County’s commitment to a healthier region that fosters coordinated and equitable access to health and social care for Medi-Cal beneficiaries through a cross-sector collaborative approach involving the County, MCPs, and community partner organizations.

Local CalAIM Implementation Accomplishments

The County has achieved the accomplishments detailed below since the statewide roll-out of CalAIM:

Focus Area	Accomplishments
Infrastructure	<ul style="list-style-type: none"> • Established SDAIM Unit within MCS (July 2022). • Committed thirteen staff years to MCS to carry out essential SDAIM planning and implementation activities (July 2022). • Established a dedicated County SDAIM webpage to serve as a repository for public documents for MCPs, providers, and the community about CalAIM and associated County activities (June 2022). • Awarded CalAIM Providing Access and Transforming Health (PATH) Justice-Involved Capacity Building Program Round 1 funding totaling \$250,000 (August 2022). • Awarded CalAIM PATH Capacity and Infrastructure Transition, Expansion, and Development Round 1b funding totaling \$2,491,507 (March 2023).
Leadership & Policy Advocacy	<ul style="list-style-type: none"> • Participated in regular meetings with DHCS (ongoing). • Submitted public comments and letters to DHCS, the Secretary of California Health and Human Services, and to the local Medi-Cal MCPs (March 2021-January 2023). • Participated in forums, collaboratives, and information exchanges through DHCS, County Health Executives Association of California, and National Association of Counties (ongoing).
Stakeholder Engagement and Collaboration	<ul style="list-style-type: none"> • Engaged with internal and external stakeholders to share information and carry out essential CalAIM planning and coordination (August 2022-March 2023). • Established a multi-departmental SDAIM Steering and Operational Committee with the purpose of ensuring ongoing coordination, collaboration, and communication between the many County departments with interests and responsibilities in CalAIM (July 2022). • Engaged local MCPs through Healthy San Diego, the DHCS PATH Collaborative, and ancillary meetings (ongoing).
Assessment, Data, and Evaluation	<ul style="list-style-type: none"> • Conducted a preliminary inventory to identify current ECM and Community Supports and to quantify utilization of services (August 2022). • Conducted CalAIM implementation assessment to explore the local health and social service landscape serving the Medi-Cal population (October 2022-present). • Completed a preliminary internal assessment to identify intersections between County programs and services and CalAIM (September 2022). • Started to explore data platform and Information Technology solutions to facilitate data sharing among County departments and with the community (ongoing).

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SDAIM Roadmap Development

On July 13, 2021 (14) the Board requested a workplan that will guide the process and development of policy reforms to improve the County's Wellness Delivery System. The proposed SDAIM Roadmap (Attachment A) was developed to guide SDAIM implementation in San Diego County, to facilitate alignment of County and regional priorities with the CalAIM initiative, and to foster coordination and collaboration between County departments, MCPs, health and social care providers, community organizations, consumers, and advocates. The SDAIM Roadmap clarifies the role of SDAIM based on stakeholder input and outlines key priority areas that will be updated with future considerations identified by community and County stakeholders as the CalAIM initiative continues to roll out. .

From August 2022 to March 2023, stakeholder input was obtained through various meetings and five community engagement events, including two focused input sessions, two community listening sessions, and one presentation at a local conference. The purpose of the community engagement was to involve stakeholders in the development of the SDAIM Roadmap and integrate their ideas and suggestions on how to ensure successful CalAIM implementation in the San Diego County region. The findings helped clarify the unique role of SDAIM, identify priority areas, and define strategic actions linked to the priorities. For the community sessions, organizations serving communities most impacted by CalAIM were invited to participate. All community engagement sessions were conducted with the assistance of a contracted facilitator. Each session included an overview of the objectives for developing a workplan to guide local CalAIM implementation. At the conclusion of the community engagement sessions, the findings and key themes were compiled in a summary report. Participation included:

- Focused Input Sessions: 27 stakeholders and community members participated across the two focused input sessions that were held in November 2022 and December 2022.
- Live Well Advance Conference and School Summit Session: 55 stakeholders and community members attended a CalAIM 101 session at the Live Well Advance Conference and School Summit in December 2022.
- Community Listening Sessions: Approximately 300 community members representing Managed Care Plans, CalAIM service providers, County departments, health professionals, community-based organizations, consumers, and advocates attended the community listening sessions, which included some participants from the focused input session groups. The community listening sessions were hosted via Zoom on February 15, 2023, and February 21, 2023. Outreach materials included information on how to request interpretation services and simultaneous Spanish interpretation was provided.

The SDAIM Roadmap is designed to be a flexible document that can address emerging needs with appropriate adaptations to policy and service delivery goals. This will allow the roadmap to evolve over the multi-year roll-out of the CalAIM initiative. The key components include: SDAIM goal, role, priority areas and strategic actions, data and evaluation, and moving forward.

Next steps will include continuing the community engagement process, conducting capacity and infrastructure assessments, operationalizing priorities and strategic actions, creating a framework for continuous improvement, and maintaining an updated roadmap that reflects progress.

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Behavioral Health Payment Reform

Beginning on July 1, 2023, County HHSA, Behavioral Health Services (BHS) will begin transitioning existing and new County-operated and contracted services from the current certified public expenditure-based reimbursement methodology to an Intergovernmental Transfer (IGT)-based reimbursement methodology for Medi-Cal Specialty Mental Health Services, Substance Use Disorder Behavioral Health Treatment Services, Expanded Substance Use Disorder Treatment Services, and costs incurred by BHS to administer those benefits. The IGT process will require a transfer of local funding, such as Mental Health Services Act and Realignment funds, to DHCS to be used as a County’s portion of the non-federal share, or match, in claiming for behavioral health Medi-Cal services, also known as Federal Financial Participation (FFP). If today’s action is approved, the current behavioral health system impacted by the IGT process will be approximately \$500 million across existing Medi-Cal eligible services annually.

Today’s action requests the Board to receive the SDAIM Roadmap, authorize agreements and all necessary documents for submission and regulatory processing for CalAIM implementation, authorize the IGT agreement with the DHCS for the CalAIM Behavioral Health Payment Reform implementation and transfer local funds to DHCS, amend behavioral health contracts funded by Medi-Cal FFP to reflect changes associated with CalAIM Behavioral Health Payment Reform implementation, and authorize application for future funding opportunities to build capacity and infrastructure to ensure successful local implementation.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions support the County of San Diego’s 2023-2028 Strategic Plan initiatives of Equity (Health) and Community (Quality of Life) by improving and integrating care for people with complex health and social needs.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Interim Chief Administrative Officer

ATTACHMENT(S)

Attachment A- San Diego Advancing and Innovating Medi-Cal Roadmap