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Delivered by email to: CalAIM@dhcs.ca.gov

Subject: Responses to the question "What Should the Medi-Cal Program Look Like?"

On behalf of California's hospitals and health systems, the above organizations are pleased to provide the Department with our collective thoughts on important issues that should be considered for advancing and innovating the Medi-Cal program. The renewals of the 1115 and 1915b federal Medi-Cal waivers – now called CalAIM – present DHCS and stakeholders with the opportunity to examine the building blocks of the health care financing and delivery system for nearly one-third of all Californians. We applaud this approach of moving from building on current constructs to designing a foundation that can and will serve the health needs of the state now and into the future.

The question posed to stakeholders – "What should the Medi-Cal program look like?" – challenges all to put forth their best thinking about how to structure a health care model that is efficient, effective and accessible for enrollees. The theme of our comments suggests a movement from "providing care" to "managing health" – a concept that is already prevalent in the state's health care makeup. These suggestions, however, challenge the Department to consider changes at a foundational level rather than attempting to achieve improved efficiencies through disconnected and unaligned reimbursement policies.

Below are our aspirational goals for advancing and innovating the Medi-Cal program. California's hospitals have been innovating health care delivery for decades – providing leadership in coordinated care, integrated delivery models and providing high-value patient care while managing costs. Our experience is available to you as we stand ready to work with the Department and other stakeholders to engage in discussions to refine these concepts to adapt to the Medi-Cal program.

- **Coverage for all** – Medi-Cal eligibility for remaining groups of undocumented individuals

- **Improve access**
  - For all eligible enrollees, ensure adequate access to adequate quality care for all covered services
  - Define role clarity and ensure accountability for the access to and provision of care and services

- **Expand access to mental health and substance use** disorder services and improve health outcomes for patients

    - Promote alignment and integration of physical health and behavioral health across and within Medi-Cal managed care delivery systems
    - Develop a core set of evidence-based quality and clinical standards that promote improvements in health outcomes and track changes over time to assess remaining gaps
    - Ensure enforcement of already established parity standards
    - Expand access to services provided in facilities qualifying as IMDs by pursuing available federal flexibilities

- **Fully fund Medi-Cal** at adequate rates that ensure the goals described above are achieved, without reliance on provider funds for the non-federal share, and to keep pace with the financial requirements of the program over time
    - Focus on reducing the cost drivers as opposed to just paying less for the provision of care
    - Improve the predictability and stability of payment, consider a voluntary pilot for hospital global budgets in areas with low population density

- **Incorporate integrated care delivery and payment** to reward a coordinated focus on wellness, prevention and early intervention and treatment, for all enrollees including children through seniors – shift from FFS payment models to population and community health goals across providers
    - Foster greater health system alignment by allowing providers to work together and share financial incentives
    - Encourage innovation in care delivery models, quality improvement opportunities and new technologies, such as tele-consultation models, to meet the evolving patient needs
    - Promote and reward effective transitions from medical care to community-based care
    - Promote and reward performance improvement programs to improve accountability for prevention, early intervention, treatment and outcomes for targeted deficient measures
    - Promote and reward appropriate sharing of information across providers
    - Clarify and enforce care coordination roles and assign responsibilities
    - Adopt new care models and services that are focused on the whole person's needs, including housing
    - Provide timely access to covered long-term services and supports, and where possible, provide incentives for providing LTSS and care coordination that may reduce unnecessary medical utilization
    - Seek approval for a voluntary pilot of global budget revenue for hospitals in rural and low population density areas

- **Promote efforts to address health care workforce shortages**
    - Support continued investment in GME programs
    - Identify geographic and professional shortage areas, including behavioral health, and dedicate additional investments to addressing these deficiencies
    - Allow nurse practitioners and other health clinicians to practice at the top of their clinical license, and when appropriate, without physician supervision
    - Remove barriers for physician employment to improve access to a larger number of primary and specialty care providers
    - Educate and train a new type of community mental health care worker to ensure early identification and aid in the prevention from falling into crisis

Thank you for the opportunity to provide the Department with our responses to the question - "What should the Medi-Cal program look like?" Hospitals are eager to work with you early and often to help prepare a concept paper for CalAIM. Please coordinate with our collective expertise by contacting Anne McLeod, Senior Vice President – Policy Innovation at the California Hospital Association at 916.552.7536 or amcleod@calhospital.org.