



October 23, 2015

Andy Slavitt, Administrator  
Centers for Medicare and Medicaid Services (CMS)  
Department of Health and Human Services  
Room 445-G, Hubert H. Humphrey Building  
200 Independence Avenue SW  
Washington, DC 20201

**Re: Support for California's Section 1115 Medicaid Waiver Request: Medi-Cal 2020**

Dear Administrator Slavitt:

On behalf of California patient, consumer, and community organizations, we write in support of the state's Medi-Cal 2020 waiver proposal, and to emphasize the urgency of getting new waiver framework agreed to by the October 31 deadline.

We are proud that working together, California has made significant progress implementing and improving upon the Affordable Care Act (ACA), but we recognize that there is much more to do to fulfill the goals of health reform. We support California's recent proposal for the Medi-Cal 2020 waiver as another step toward that vision, to support a safety net that survives and thrives, that reforms the delivery of care, that

moves to smarter care to the remaining uninsured, that improves access to critical dental services, and that allows for innovative integration with other human services.

We support the most recent California proposal—significantly scaled back from the initial proposal, in line with federal financing constraints and past precedents, but specific to meet the unique situation of California as a state that has already led on coverage expansion, coordinated care, providing care, and other efforts that other states are just starting on.

We strongly support all of the elements of California’s plan for the full five years of the proposed waiver, including a new five-year phase of delivery system reforms of safety-net incentive programs, a five-year global budget for smarter care for the remaining uninsured as well as the Whole Person Care pilot projects and the reform of Medi-Cal dental services.

In particular, we are excited by the “global budget” proposal that allows for smarter and more accountable use of DSH and safety-net care pool dollars. Community groups have worked with several counties, from Monterey to Contra Costa to Los Angeles over the past year to start limited pilot programs to realign and revamp their post-ACA safety nets for the remaining uninsured, offering upstream primary and/or specialty care outside the hospital walls. Yet these initial efforts are cautious first steps that are financially precarious, and could disappear without the flexibility and safety-net care pool dollars proposed, or if those incentives are only offered for one year. We believe the state’s original proposal, on the other hand, would spur innovation across California counties, as counties see they need to provide more value-based preventive care to the remaining uninsured in order to get reimbursed with valuable DSH and safety net care pool dollars. This advances the principles described in Florida’s agreement, but with a small amount of dollars.

We are also excited about the whole person care pilots to create incentives for local collaborative efforts to provide a range of coordinated health, behavioral health and supportive services to high-needs Medi-Cal members, including homeless individuals and frequent users of emergency rooms. The component to improve access to dental services is also vital in California where problems to accessing dental care are well documented.

California is unique enough—certainly with our demographics, a high cost-of living, one of the highest remaining uninsured percentages despite having done the Medicaid expansion—that CMS’ decision with respect to California should not obligate the federal government with respect to requests from other states. Before the Affordable Care Act, California literally had more uninsured than Massachusetts had people. Since January 2014, California has cut in half the number of uninsured through expanding Medicaid fully and creating a state exchange, Covered California. But even though no state has covered more uninsured than California, we have gone from a very high proportion of uninsured to a state that is still above average in its uninsured rate, according to the latest Census date. Californians need this waiver and this proposal to truly fulfill the

promise of the Affordable Care Act, rather than to have our safety-net go backwards, penalized for California's leading efforts.

California's Medi-Cal 2020 proposal was submitted after an extensive stakeholder engagement process that our organizations participated in and served on key workgroups. The current proposal builds on the successes of the Bridge to Reform waiver and DSRIP to take waiver demonstrations onto unfamiliar but promising new terrain: whole person care and global payments to fully engage counties and local communities in building a value-driven health care system that is responsive to local needs.

We share concerns about timely access and network adequacy in Medi-Cal, and appreciate the inclusion of additional oversight on this issue, following on the work we have pursued over many years. Managed care is almost the exclusive model in commercial coverage and is now the dominant model in Medicaid, and as such has had time and distance standards for networks *since 1975*: other states are only now beginning to adopt such standards. Timely access standards, the first in the nation, were enacted at our urging in 2003. SB964, enacted in 2014, will now provide oversight distinguishing between the networks used in commercial coverage and the networks used in Medicaid managed care. We are actively working on implementing SB 964 to regularly survey these networks, including looking at network adequacy and timely access for Medicaid managed care plans, and this additional oversight is properly structured to take another step.

A timely renewal of the waiver, which is tailored to the unique elements of our state's health system while advancing national goals, will allow California to build on that success to create a high-value health care system that works better for all Californians. With a timely waiver renewal, California will be poised to demonstrate what happens when an entire community has, at a minimum, access to quality primary care —as well as emergency care.

For all these reasons, we encourage the Centers for Medicare and Medicaid Services to approve the state's Medi-Cal 2020 waiver, including its component elements, for the full five years and to do so as close as possible to the October 31 2015 deadline.

Sincerely,

Sarah de Guia  
California Pan-Ethnic Health Network

Kristen Golden Testa  
The Children's Partnership

Gary Passmore  
Congress of California Seniors

Anthony Wright  
Health Access California

Elizabeth Landsberg  
Western Center on Law and Poverty

cc:

The Honorable Diane Feinstein, United States Senate, D-California  
The Honorable Barbara Boxer, United States Senate, D-California  
The Honorable Nancy Pelosi, Minority Leader, D-San Francisco, United States House  
of Representatives,  
The Honorable Zoe Lofgren, D-San Jose, Chair, California Delegation, D-United States  
House of Representatives,  
Senate President Pro Tempore Kevin De Leon, California State Senate  
Assembly Speaker Toni Atkins, California State Assembly  
Secretary Diana Dooley, Health and Human Services Agency  
Jennifer Kent, Director, California Department of Health Care Services  
Mari Cantwell, Medicaid Director, California Department of Health Care Services  
Victoria A. Wachino (CMS/CMSO), Centers for Medicare and Medicaid Services