



California's Duals Demonstration Memorandum of Understanding

Fact Sheet | March 2013

The Department of Health Care Services (DHCS) is pleased to announce the approval for the Dual Demonstration Memorandum of Understanding (MOU) to integrate care for dual eligible beneficiaries as a component of California's Coordinate Care Initiative (CCI).

As of the MOU signing, the demonstration will be called the Cal MediConnect program.

The MOU reflects the commitments of the Centers for Medicare & Medicaid Services (CMS) and DHCS to providing the highest quality, integrated care to beneficiaries eligible for both Medicaid and Medicare. The goal of the demonstration is to examine how patient-centered, coordinated care delivery can improve beneficiaries' health and quality of life, while reducing fragmentation and inefficiencies.

1. What is the significance of the MOU between CMS and the State?

The MOU details the procedures under which CMS and California plan to implement and operate Cal MediConnect. It also outlines the activities that CMS and the State plan to conduct in preparation for implementation before the parties execute a three-way contract with the health plans. Those contracts will have additional operational detail that will follow the rules contained in the MOU.

2. Does this MOU grant federal approval for the Duals Demonstration?

Yes. The MOU means that CMS and the State have agreed on needed steps to move forward with the Duals Demonstration, now called Cal MediConnect. Following the signing of this MOU and prior to the implementation of the Cal MediConnect program, the State and CMS will ultimately enter into three-way contracts with the health plans. The health plans will have met the Medicare components of the plan selection process and also will go through an extensive readiness review process that includes desk and on-site reviews.

3. Does this mean that the Duals Demonstration will start in October?

The MOU is clear that the Duals Demonstration, now called Cal MediConnect, cannot start until several requirements are met. The most significant of these is that the federal government and the state will assess the readiness of the participating health plans. DHCS and CMS will collaborate on a readiness review process throughout Spring 2013 that will ensure the plans are prepared to perform the requirements established under the MOU and the contracts. DHCS and CMS also will be developing three-way contracts that will be signed with each health plan. Additionally, CMS and DHCS will continue working on their operational systems for enrollment, monitoring and evaluation.

4. How has stakeholder input on previous documents impacted the MOU?

The MOU details a system of care built on a foundation of strong beneficiary protections and ongoing stakeholder engagement. Meaningful involvement of external stakeholders, including consumers, was critical and helped the state and CMS round out such policies to ensure they continue during the actual implementation. Health plans will develop a process for gathering ongoing feedback from external stakeholders on program operations, benefits, access to services, adequacy of grievance processes, and other protections. Moreover, stakeholder feedback led to policy changes in MOU, including but not limited to: care coordination and home and community based services (HCBS).

5. Can Stakeholders Provide Feedback on the MOU?

The MOU itself is a compilation of the 18 months of stakeholder feedback on policies that have been vetted by the state through public meetings, stakeholder comments, and countless individual meetings. With the signing of the MOU, the state will continue to solicit feedback on implementation of the MOU, not the MOU itself.

6. What changed in the final MOU from the state's original proposal?

The MOU reflects the ongoing conversations with beneficiaries, providers, advocate, health plans, and stakeholders over the last 18 months. The State and CMS took into consideration these comments and changed policies. As such, there are differences from the Proposal submitted to CMS last May in this MOU. The major changes include:

- **Timeline:** The MOU calls for implementing Cal MediConnect no earlier than October 2013. This means that the first notices that any beneficiaries would receive about these transitions would come no earlier than July 2013. This is a change from the original proposal that had a launch date of March 2013. The state's development of this project will have lasted more than two years before the first person is enrolled.
- **Enrollment Strategies:** Eight counties will implement the Cal MediConnect program: Alameda, Los Angeles, San Bernardino, San Diego, San Mateo, Santa Clara, Orange and Riverside. The original proposal stated all counties would phased in enrollment process over 12 months. The MOU lays out enrollment strategies for each county. Specifically, assuming an October 2013 start, San Mateo County enrollment will complete enrollment in January 2014 and Los Angeles County enrollment will happen over a 15-month period.
- **Stable Enrollment Period:** In last year's proposal to CMS, California promoted an "initial six-month stable enrollment period, during which [eligible beneficiaries] will remain in the same health plan." The MOU contains no language regarding a stable enrollment period. Beneficiaries enrolled in the demo can opt out at anytime.
- **Home and Community Based (HCBS) Waiver:** The original proposal called for closing most of California's HCBS waivers. Those waivers will now remain open.
- **Size of the Demonstration:** The total number of enrollees allowed under the MOU is estimated at 456,000. This is almost half the size of the original proposal for 800,000 enrollees called for in the Governor's 2012-13 budget (released in January 2012).
- **Number of Participants in Los Angeles County:** The MOU sets a cap of no more than 200,000 enrolled beneficiaries in Los Angeles County to be enrolled. The earlier proposal had no such cap.