

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

08/26/2019

2. Department

Health Care Services

3. Organizational Placement (Division/Branch/Office Name)

Health Care Delivery Systems

4. CEA Position Title

Assistant Deputy Director, Managed Care, Health Care Delivery Systems

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Assistant Deputy Director (ADD) – Managed Care (MC), Health Care Delivery Systems (HCDS), will work collaboratively with the Deputy Director, HCDS, to assist with the oversight of two Department of Health Care Services (DHCS/Department) divisions, Managed Care Operations Division (MCOD) and Managed Care Quality and Monitoring Division (MCQMD). The ADD-MC, HCDS, will provide leadership to: formulate and administer managed care policy development and implementation; develop and oversee the planning, delivery, coordination, and integration of DHCS' HCDS within the context of the Medi-Cal program and its managed care delivery systems; direct and coordinate programs to ensure uniform program and policy development and maximum efficiency of program development and implementation in accordance with state and federal requirements and agreements; and, direct and evaluate the policy planning and development, along with the fiscal and ongoing performance management activities, within MCOD and MCQMD.

6. Reports to: (Class Title/Level)

Exempt, Deputy Director, Health Care Delivery Systems

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the administrative direction of the Deputy Director, HCDS, the ADD-MC, HCDS, assists in overseeing the planning, implementation, coordination, evaluation, and management of the Department's HCDS services, programs, and policies associated with California's Medi-Cal managed care plans (MCPs) and the managed care delivery system. In addition to serving as a member of the DHCS Executive Management Team, the ADD-MC, HCDS, provides guidance to MCOD and MCQMD, which provides contract management and monitoring oversight to the MCPs. The ADD-MC, HCDS, serves as ADD to the Deputy Director, HCDS, on all issues associated with the responsibility of the MCPs and the managed care delivery system, and may work directly with the California Health and Human Services Agency, legislative representatives, other state, local and federal representatives, members of the public, and the media.

The ADD, HCDS, serves as an integral component in the formulation of policy to achieve the mission of the Department. The ADD-MC, HCDS, has primary responsibility for policy development associated with the managed care delivery system and California's 24 Medi-Cal MCPs, ensuring that beneficiaries have access to high-quality care.

The ADD-MC, HCDS, provides day-to-day operational management of the HCDS Deputy Director's Office and indirect supervision of HCDS Deputy Director's Office staff in the work they perform specific to managed care. Specifically, the ADD-MC, HCDS:

- Advises and consults with the Deputy Director, HCDS, concerning issues of significant policy impact related to the Medi-Cal MCPs and managed care delivery system.
- Shares responsibility and works in collaboration with the Deputy Director, HCDS, in providing overall management of and guidance to the Chiefs of MCOD and MCQMD, to ensure program/service compliance with the Department's mission as well as state and federal policies, procedures, rules, and regulations.
- Advises the Deputy Director, HCDS, and provides guidance to the Chiefs of MCOD and MCQMD regarding new initiative development; policy development, implementation and oversight; changes or improvements to existing programs; new program development and implementation; budget development and oversight; and legislative issues.
- Reviews, edits, and approves on behalf of the Deputy Director, HCDS, any HCDS-related studies, reports, policy changes, legislative and budget proposals and analyses, and sensitive correspondence submitted by MCOD and MCQMD to ensure compliance with DHCS policies and mission, as well as existing state and federal laws and regulations.
- Assists the Deputy Director, HCDS, in representing DHCS during meetings with and presentations to public and private organizations, local/state/federal government officials, legislative representatives, and the media on MCPs and managed care delivery system issues.
- Oversees legislatively mandated engagement with stakeholders associated with the MCPs and managed care delivery systems, during most phases of policy changes, planning, development, and implementation. This includes significant engagement with consumer advocates and state associations on policy changes involving their respective constituencies.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: DHCS' mission is to provide Californians with access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services and long-term care.

To accomplish this mission, DHCS finances and administers a number of individual health care service delivery programs, including the California Medical Assistance Program (Medi-Cal) to approximately 13.5 million beneficiaries. These programs provide health care services to low-income persons and families who meet defined eligibility requirements; emphasize prevention-oriented health care programs that promote human health and well-being; ensure access to comprehensive health services using public and private resources; and, ensure appropriate and effective expenditure of public resources to serve those with the greatest health care needs.

Managed care has become the primary health delivery system of Medi-Cal with 82 percent of beneficiaries being enrolled in an MCP. Medi-Cal managed care provides high quality, accessible, and cost effective health care to Medi-Cal beneficiaries primarily through California's 24 Medi-Cal MCPs. DHCS contracts for health care services through established networks of organized systems of care, which emphasize primary and preventive care. MCPs are a cost-effective use of health care resources that improve health care access and assure quality of care. Today, approximately 10.5 million Medi-Cal beneficiaries in all 58 California counties receive their health care through six models of managed care: Two-Plan, County Organized Health Systems, Geographic Managed Care, Regional Model, Imperial, and San Benito.

The ADD-MC, HCDS, serves as an integral component in the formulation of policy to achieve the mission of the Department, as they have primary responsibility for policy development associated with the managed care delivery system and California's 24 MCPs. The ADD-MC, HCDS, ensures all activities associated with these policy changes are handled appropriately and in a timely manner, assuring beneficiaries have access to high-quality care. Further, the ADD-MC, HCDS, provides oversight to MCO and MCQMD. MCO oversees the operational and program activities of the MCPs such as plan enrollment systems, payment systems, contract processing, and internal operations support for managed care. MCQMD monitors and oversees the MCPs through plan monitoring, data analysis and reporting, policy development and interpretation, maintenance of the Medi-Cal managed care performance dashboard, encounter data reporting compliance, ensuring network adequacy, and quality improvement efforts. The work performed by these divisions is critical in meeting the Department's mission in providing high-quality health care through the managed care delivery system.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In recent years, many changes have been made at both the state and federal levels specific to managed care requirements.

On April 25, 2016, the Centers for Medicare and Medicaid Services (CMS) issued the Medicaid and the Children's Health Insurance Program Final Rule (Final Rule), which aligns the Medicaid managed care program with other health insurance coverage programs in several key areas:

- Modernizes how states purchase managed care for beneficiaries;
- Adds key consumer protections to improve the quality of care and beneficiary experience; and,
- Improves state accountability and transparency.

The Final Rule was the first significant overhaul of the federal Medicaid managed care regulations since 2002, which was a response to the predominant shift to managed health care delivery systems occurring nationwide. The Final Rule was effective July 5, 2016, with a phased implementation over multiple years. It includes significant changes to the entire structure of the managed care delivery system and requires changes to MCP contracts, All Plan Letters, policies, and procedures.

In response to the Final Rule, California enacted Assembly Bill 205 on October 13, 2017, which among other things, requires DHCS to conduct network adequacy certifications for all Medi-Cal MCPs in the State of California. All network certifications must be approved by and filed with CMS.

The Deputy Director, HCDS, directs and coordinates the HCDS programs to ensure uniform policy development, program direction, and maximum efficiency throughout the statewide health care delivery system. Recent state and federal mandates associated with the Final Rule have significantly expanded the responsibilities under the HCDS Deputy Director's Office. Planning and analysis have been underway since the enactment of the rule, and a significant amount of work must be/has been undertaken in reviewing, synthesizing, and analyzing federal regulations and policy guidance. Further, these changes, and others, have required DHCS to restructure its entire managed care monitoring and oversight structure; therefore, requiring many policy decisions to be made along the way, including those related to grievances and appeals, network adequacy, credentialing, and member communications, among others. The depth and breadth of HCDS policy development and oversight have become far too complex for an effective single-point-of-management by the Deputy Director, HCDS. An ADD-MC is critical to the executive management of the Deputy Director's, HCDS, span of control.

Furthermore, new final rules set by the federal government have created a significant need for the Deputy Director, HCDS, to participate in numerous executive level meetings, and to contribute in the development of statewide policies and direction regarding the new rules. The addition of an ADD-MC will provide time for the Deputy Director, HCDS, to focus on other new and equally key issues.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The following are examples of policy areas that the ADD-MC, HCDS, will serve as a principal policy maker.

Cal AIM: Under California Advancing and Innovating Medi-Cal (Cal AIM), changes will be made to the way that the managed care delivery system is implemented resulting in a need to conduct new readiness processes with MCPs and enhanced monitoring and oversight responsibilities for DHCS. Today's delivery system is complex in nature. It provides a varied benefit package across the state whereby beneficiaries have different experiences depending on the county they reside in. Under Cal AIM, DHCS' initiative will focus on standardizing benefits on a statewide basis, therefore, making the beneficiary experience more seamless while at the same time simplifying access to care. These efforts will change the landscape of the Medi-Cal program across the state providing better quality of care to all beneficiaries. The ADD-MC, HCDS, will be responsible for leading work related to Cal AIM, including making key policy decisions. These decisions will have both budgetary and fiscal implications as Cal AIM's design and implementation will be dependent on cost. Public scrutiny of these changes will also be significant. The ADD-MC, HCDS, will lead discussions concerning health management strategies with stakeholders, and respond to all public inquiries including those made by the legislature, media, and advocates.

Final Rule: On April 25, 2016, CMS issued the Final Rule, which aligns the Medicaid managed care program with other health insurance coverage programs in several key areas:

- Modernizes how states purchase managed care for beneficiaries;
- Adds key consumer protections to improve the quality of care and beneficiary experience; and,
- Improves state accountability and transparency.

The Final Rule was the first significant overhaul of the federal Medicaid managed care regulations since 2002, which was a response to the predominant shift to managed care delivery system occurring nationwide. The Final Rule was effective July 5, 2016, with a phased implementation over multiple years. Planning and analysis have been underway since the enactment of the rule, and a significant amount of work must be/has been undertaken in reviewing, synthesizing, and analyzing federal regulations and policy guidance. It includes significant changes to the entire structure of the managed care delivery system statewide and requires changes to the 24 Medi-Cal MCP contracts, All Plan Letters, and policies and procedures. The ADD-MC, HCDS, will lead work efforts related to the Final Rule as DHCS restructures its entire managed care monitoring and oversight structure. This will require the ADD-MC, HCDS, to make many policy decisions including those related to grievances and appeals, network adequacy, credentialing, and member communications, among others. If the changes do not meet federal regulation requirements, federal financial participation may be withheld. Further, stakeholders, advocates, and the Legislature have expressed interest in the Department's implementation of the Final Rule. The ADD-MC, HCDS, will be responsible for handling communications on the issue.

Quality Improvement Efforts: On March 14, 2019, the California State Auditor (CSA) issued a report concerning DHCS' oversight of the delivery of preventative services to children in Medi-Cal. CSA concluded that approximately 2.4 million Medi-Cal children do not receive all required preventative services. The audit states that many of the children do not have adequate access to Medi-Cal providers who can deliver the required pediatric preventative services; and, the Department does not provide effective guidance and oversight of the MCPs. As such, DHCS has recently come under scrutiny by the media, legislature, stakeholders, and advocates concerning the provision of preventative services by MCPs. DHCS has taken several steps to significantly expand and increase its monitoring and oversight with respect to quality improvement efforts for MCPs. The ADD-MC, HCDS, will be responsible for leading work efforts and making policy decisions related to implementing the following with the MCPs:

- Expanding the number of quality measures the MCPs must report to DHCS from approximately 30 to 60.
- Requiring MCPs to adopt the CMS child and adult core set measures. This aligns DHCS practice with national standards that are currently being utilized by a number of other states across the nation.
- Increasing the minimum performance level for MCPs from 25 percent of the national average to 50 percent.

These changes will drive quality improvement across all 24 MCPs and directly impact 10.5 million of California's Medi-Cal beneficiaries statewide. The ADD-MC, HCDS, will be responsible for establishing a communications plan regarding this issue for the Department. In addition, the ADD-MC, HCDS, will reset priorities as needed and report back to the Deputy Director, HCDS, as appropriate.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

Under the administrative direction of the Deputy Director, HCDS, the ADD-MC, HCDS, assists in overseeing the planning, implementation, coordination, evaluation, and management of the Department's managed health care services, programs, and policies. In addition, to serving as a member of the DHCS Executive Management Team, the ADD-MC, HCDS' decision-making authority includes providing direction to MCO and MCQMD on policy matters within their organization, specifically on policy development associated with managed care delivery systems and California's 24 Medi-Cal MCPs.

The ADD-MC, HCDS, will lead work efforts relating to major policies such as Cal AIM, Final Rule, and the Quality Improvement Efforts. These policies have created high interest wherein stakeholders, advocates and the legislature have expressed interest, especially in the implementation of the Final Rule. The ADD-MC, HCDS, will lead the work related to all activities associated with Medi-Cal's 24 MCPs and managed care delivery system, and will be responsible in making key policy decisions and the implementation of those decisions. These decisions will have both budgetary and fiscal implications, including loss of and/or repayment of federal funds and increased costs to the state general fund. As public scrutiny of these changes will be significant, the ADD-MC, HCDS, will respond to all public inquiries. The ADD-MC, HCDS, will reset priorities as needed and report back to the Deputy Director, HCDS, as appropriate.

The ADD-MC, HCDS, will also serve as a liaison to federal and state partner agencies on managed care delivery system issues, and will provide focused, high-level leadership within the state administrative structure. The incumbent will oversee engagement with stakeholders regarding MCP policy planning, development, and implementation. The ADD-MC, HCDS, will direct DHCS' effort to work with external stakeholders including MCPs, other state departments, and consumer health advocates who will advise DHCS on policy development associated with HCDS issues.

The decisions made by the ADD-MC, HCDS, support the overall mission and vision of DHCS. These decisions at times will generate media and legislative attention due to the nature of their sensitivity and can have far-reaching impact, given the myriad of issues that impact managed health care delivery systems. These policy decisions can have significant fiscal implications and must be accounted for in the DHCS budgeting process. Consideration of policy decisions must also weigh the extent to which legislative authority is needed to effect the given policy. To the extent such decisions are not fully informed, misguided decisions can result in negative budgetary impact for the Department, and may subject the Department to litigation and further oversight by state and federal control agencies.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Given the extensive coordination, management, and oversight needed for the HCDS changes, the ADD-MC, HCDS, will oversee several work group efforts, including Cal AIM, trauma screenings, Medi-Cal MCP procurement, and the Managed Care Advisory Group, among others.

The policy work of the ADD-MC, HCDS, involves policy development and implementation for both new and existing programmatic areas. The new policies originate from state and federal statutory and/or regulatory changes that impact programs under the direction of the ADD-MC, HCDS. Examples of policy areas that the ADD-MC, HCDS, will have responsibility for include the Final Rule, County Children's Health Initiative Program transition, Cal AIM, and a myriad of other new and existing policies that are under varying stages of implementation. Policy development strategies will leverage best practices and lessons learned from prior efforts of bringing up new programs and policies.

Additionally, in an effort to manage the influx of needed program changes related to health care delivery system requirements resulting from new federal rules, the ADD-MC, HCDS, will continue to work to develop effective strategies for meeting with and engaging key stakeholders and health plan partners in developing policies and procedures for the required changes. This effort, performed in concert with the overall departmental stakeholder process, will help to decrease stakeholder criticism of enacted policies and will result in increased transparency and active engagement of stakeholders in the development of the new HCDS policies. These efforts include having pre-meetings with key consumer advocates and/or health plan partners to prepare meeting agendas, identifying actions and timelines to address identified issues; and, determining the responsible party for the needed follow-up. The ADD-MC, HCDS, will leverage similar stakeholder engagement processes for the aforementioned new policy areas.