

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

12/09/2019

2. Department

Health Care Services

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

Local Governmental Financing Division

4. CEA Position Title

Chief, Local Governmental Financing Division

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

The Chief, Local Governmental Financing Division (LGFD), will serve as the principal policy maker for all county and local governmental federal reimbursement and financial oversight activities. Specifically, the Chief, LGFD, will provide policy and organizational leadership in the formulation and administration of the Department of Health Care Services' (DHCS/Department) financing policy; oversee methods in establishing reimbursement methodologies and related statutory and contractual requirements for reimbursement; serve as the primary contact for communications and information sharing with local and county partners and providers on the Department's reimbursement policies and procedures impacting local governmental programs; direct and oversee program staff to ensure uniform program direction and maximum efficiency of program delivery in accordance with state and federal requirements and agreements; and, direct and evaluate the policy, planning, fiscal, and ongoing performance management activities necessary within the division. With these responsibilities, the Chief, LGFD, ensures access to high quality and cost efficient health care to the Medi-Cal population, via DHCS' contracted local governmental agencies, which provide both behavioral health care coverage, as well as, supplemental school-based health care.

6. Reports to: (Class Title/Level)

Exempt, Deputy Director, Health Care Financing

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.

The Chief, LGFD, in collaboration with other DHCS divisions, will be responsible for policy development and administration of the financing and reimbursement framework for all county and local governmental entities. Under the direction of the Deputy Director (DD), Health Care Financing (HCF), and Assistant Deputy Director (ADD), HCF, the Chief, LGFD, will develop, interpret, evaluate, and implement highly complex and sensitive policies, legislation, and regulations related to reimbursement policies and payment reform.

Specifically, the Chief, LGFD, will perform the following duties and responsibilities:

Medi-Cal Reimbursement and Claims Processing (R & CP):

- Review appropriateness and quality of R & CP methodologies developed by state staff;
- Provide technical advice and direction on complex analysis and computations;
- Evaluate policy and the R & CP methodologies to ensure program/service compliance with the Department's mission as well as state and federal policies, rules, procedures and regulations;
- Direct timelines and processes for R & CP activities according to DHCS priorities including plan/provider communications and submissions to the federal government for approvals;
- Function as a policy expert in the development and use of sound methods in establishing R & CP methodologies and related statutory and contractual reimbursement provisions for all county and local governmental reimbursement programs;
- Coordinate with other DHCS divisions to clarify, implement, and monitor policies and procedures related to Medi-Cal reimbursement and how they impact the delivery of services, the quality of the service and Medi-Cal beneficiary access to care for services provided via local governmental programs including behavioral health;
- Coordinate with other DHCS divisions to assure that Medi-Cal policies are interpreted and implemented in a way that is consistent and follow state and federal guidelines, regulations, and mandates;
- Research, review, and make recommendations to the DD, HCF, and ADD, HCF, regarding related efficiencies and opportunities for improving R & CP mechanisms to drive quality of care and cost efficiency;
- Develop new policy and operational strategies, and procedures in response to changing state and federal regulations, statutes, and initiatives for existing and future DHCS initiatives such as those proposed under the California Advancing & Innovating Medi-Cal (CAAIM) proposal, a framework for the upcoming waiver renewals that encompasses broader delivery system, program and payment reform across the Medi-Cal program;
- Develop, interpret, and issue policy on the R & CP methodologies for local governmental entities (e.g., counties, Mental Health Plans [MHP], etc.), including necessary contractual changes and issued guidance via informational notices or equivalent;
- Collaborate with the federal Centers for Medicare and Medicaid Services (CMS) to ensure timely processing and approval of the R & CP methodologies and rates;
- Interface with providers regarding the appropriateness of the R & CP methodologies and provide responses to feedback regarding R & CP methodologies;
- Lead stakeholder meetings and workgroups; and,
- Coordinate annual ad-hoc data collection and review for R & CP, including submissions of various required financial reports, utilization, cost and encounter data.

Overall Division Oversight and Operations:

- Provide day-to-day operational and financial management and direction of a growing division comprised of resources that provide financial oversight and process rates that result in health plan reimbursements totaling billions of dollars annually;
- Manage the work and processes including procurement, budget authority, and assessment of cross divisional needs for such resources;
- Participate in the DHCS annual budgeting and legislative process, including reviewing budget change proposals and budget change concepts;
- Advise the directorate on critical issues of financial risk as well as political and legal sensitivity;
- Coordinate and respond to rate related litigation in collaboration with other divisions, as necessary; and,
- Provide written analysis and responses as well as oral presentations to the media, public, Legislature, stakeholders, local governmental entities, and control agencies on impacts of budget and policy proposals and legislation.

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 preserve and improve the health status of Californians. DHCS is the Single State Agency for the administration of the Medicaid program, called Medi-Cal in California; however, California has delegated the administration of several components of the Medi-Cal program to other departments and local governments and local governmental agencies, such as counties and Local Educational Agencies (LEA). The Chief, LGFD, will lead the work to provide appropriate reimbursement and financial oversight of local governmental entities. The local governmental entities include, but are not limited to, the 58 counties and tribal organizations, LEAs, County MHPs, state prisons, local jails and school districts. Since most of these entities receive reimbursement related to their provision of health services to Medi-Cal beneficiaries or administrative activities related to the Medi-Cal program from federal funds, the Chief, LGFD, will also be responsible for the development and maintenance of uniform rate methodology and payment structures that are consistent with federal laws, policies, rules and regulations.

With LGFD providing appropriate financial oversight, local governmental entities will be able to maximize the use and provision of federal funds making them more financially secure to create better networks which in turn opens more access to care. With more access to care, efforts will be made to reach the Department's goal for achieving improved health outcomes and create cost efficiencies.

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.

Effective July 1, 2012, the Department of Mental Health (Assembly Bill [AB] 102, Chapter [Ch.] 29, Statutes of 2011), and Alcohol and Drug Programs (AB 106, Ch. 32, Statutes of 2011), were eliminated and their critical programs were transferred to DHCS. DHCS assumed responsibility for the administration of Medi-Cal specialty mental health (MH) services, the Early and Periodic Screening, Diagnosis and Treatment Program, the Drug Medi-Cal Treatment Program, and other applicable federal Medicaid functions. The transfer of these programs to DHCS was intended to:

- (1) Improve access to and coordination of culturally appropriate community-based MH services, including a focus on client recovery, social rehabilitation services, and peer support;
- (2) Effectively integrate the financing of services, including the receipt of federal funds, to more effectively provide services;
- (3) Improve state accountabilities and outcomes; and,
- (4) Provide focused, high-level leadership for behavioral health services within the state administrative structure.

In order to give the transfer of these services the consideration it deserved, DHCS approached the transition and evaluation of changes to these programs as a multi-step, multi-year process. The first and primary goal, was the successful transfer of the programs and functions to DHCS in 2012. This initial transfer resulted in the various functions being established within a single line of control within the organization. Since 2012 and with passage of the 2016 Final Rule (federal), which is applicable across all health and behavioral delivery systems, DHCS has been focused on creating consistency and integrating behavioral health with physical health Medi-Cal programs.

In August 2019, DHCS reorganized the MH and Substance Use Disorder services to integrate and organize functions within behavioral health, as well as within the larger DHCS health care program. The guiding objectives used to determine the new structure were to increase program administration accountability and improve efficiencies department-wide, while also reducing duplication of work by placing like-functions together. As part of this reorganization, LGFD was created.

LGFD encompasses programs from behavioral health and the Safety Net Financing Division (SNFD), whose administration is delegated to local governmental entities. As a result, LGFD centralizes the financial oversight of local governmental entities; therefore, increasing the Department's span of control. The R & CP methodologies for the Medi-Cal behavioral health programs will be re-evaluated and likely mirror that of the physical health programs (e.g., school-based health care), providing consistent policy direction and fiscal oversight. Consistent R & CP methodologies will reduce scrutiny from the federal government. Further, LGFD will improve service delivery and program outcomes, better leverage experience and expertise that exist in other areas of the Department, improve communication and engagement for stakeholders and employees, and most importantly, improve the health care provided to Medi-Cal beneficiaries.

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.

DHCS maintains oversight responsibility and sets all R & CP in accordance with state and federal requirements. The Chief, LGFD, will serve as the Department's principal policy maker for all R & CP policy for the programs delegated to local governmental entities. With increased scrutiny by the federal government on, but not limited to, the implementation of the 2016 Final Rule, the appropriateness of reimbursements, and the appropriateness of federal claiming periods, the Chief, LGFD, will provide strong oversight to mitigate the risk of losing federal funding. Loss of federal funds to local governmental entities, due to a miscalculation or claiming error, could result in potential loss to the provider network which would adversely impact beneficiaries, result in financial recoveries on counties and local entities, and could result in an adverse General Fund impact in order to return federal funding that was later deemed to be unallowable.

The Chief, LGFD, will be a principal policy maker for the following policy areas:

GENERAL R & CP METHODOLOGIES:

The Chief, LGFD, will provide fiscal oversight and accountability to ensure appropriate reimbursement and claiming levels by collaborating with the delegated entities and federal/state stakeholders. The Chief, LGFD, will increase accountability and transparency by providing guidance to the entities on reporting changes and/or federal concerns. In conjunction with payment reform, the Chief, LGFD, will provide policy changes to how entities currently seek reimbursement. Specifically, the Chief, LGFD, will perform the following duties and responsibilities:

- Direct research and recommend appropriate action when R & CP issues arise, such as when a delegated entity indicates potential inadequate reimbursement;
- Strategize on order and content of various submissions to CMS to ensure timely approvals in collaboration with the Chief, Medi-Cal Behavioral Health Division;
- Coordinate and review responses to federal reviews of R & CP methodology and data;
- Provide policy direction on efforts to move R & CP toward a more prospective basis and establishes methodologies that provide sufficient funding to maintain beneficiary access that also incentivizes appropriate quality care; and,
- Develop necessary R & CP contract language, guidance, and other key communications.

PAYMENT REFORM:

Currently, the payment structure, for Medi-Cal behavioral health programs administered by local governmental entities, is inconsistent with those for the Medi-Cal physical health programs. By developing and implementing this reform, the Chief, LGFD, will evaluate the fiscal/cash impact to the existing structure, and also future impacts (both on the state and local entity). Additionally, the Chief, LGFD, will be responsible for changes to existing state statutes and federal regulations, which may preclude a change to existing payment structures. Specifically, the Chief, LGFD, will perform the following duties and responsibilities:

- Provide policy input and recommendations regarding payment reform efforts for delegated entities such as moving from a cost based Certified Public Expenditure methodology to a risk based capitated payment methodology funded via Intergovernmental Transfers;
- Provide input and direction on various reforms including proposals contained in the CalAIM proposal;
- Develop and implement incentives and associated processing R & CP policy related to shared savings to drive quality and efficiency; and,
- Direct implementation of value-based purchasing reforms and reimbursement efficiencies and improvements for risk adjustment.

NEW POPULATIONS AND BENEFITS TO DELEGATED PROGRAMS:

With any new growth to the Medi-Cal program, review of R & CP methodologies needs to be completed. Changes to population types (inclusive/exclusive) and/or services/benefits, do not automatically fall in line with an existing reimbursement or federal claiming rate. The Chief, LGFD, will not only need to develop what happens to the entities, but also seek approval from the federal government. Specifically, the Chief, LGFD, will perform the following duties and responsibilities:

- Develop and implement R & CP methodologies for expansion populations;
- Provide recommendations and policy direction on R & CP for risk based organizations that take on the benefits or populations served under the delegated programs;
- Collaborate with other divisions on the implementation of new services to ensure they are feasible and provide policy direction related to R & CP policies; and,
- Provide recommendations on policy action in response to delegated entity requests for benefit inclusion/exclusions in collaboration with other DHCS divisions to ensure consistency in policy and alignment with DHCS mission and goals.

C. ROLE IN POLICY INFLUENCE (continued)

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

The Chief, LGFD, decision-making authority is significant and expansive, as it relates to reimbursement and claiming policy for local governmental entities. In this role, the Chief, LGFD, will establish, implement, monitor, evaluate and adjust policies and processes, as necessary, to provide appropriate reimbursement and claiming policy for local governmental agencies. Reimbursement is estimated to be more than \$5 billion in State Fiscal Year 2019-20. The Chief, LGFD, will also make decisions based on any federal waiver and/or State Plan Amendment renewals and convey to multiple levels (from the public to the Legislature) any new guidance and processes.

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

The Chief, LGFD, will develop and implement new and existing local governmental financing policy. With increased Medi-Cal programmatic changes and a corresponding increase in enrolled beneficiaries, plus new population and benefits, there is a direct financial impact on the local governmental programs. With growth, rates do not stay static.

For example, the Chief, LGFD, will be responsible for the development and implementation of new financing mechanisms for the specialty MH services program authorized under federal 1915(b) waiver, which requires interfacing with County MHPs; beneficiary stakeholder groups; provider associations; and, appropriately incorporating federal and state statutory requirements. Similarly, the Chief, LGFD, will be in charge of the dissemination, collection and analysis of newly developed Narcotic Treatment Program cost reports that will be used to further inform rate setting policies in the future. The Chief, LGFD, will also be in charge of implementing and integrating the newly required Random Moment Time Study process for school-based program federal claiming.