



CalAIM Resources and Timeline

April 2022

What is CalAIM?

[California Advancing and Innovating Medi-Cal](#) (CalAIM) is a multi-year initiative by the Department of Health Care Services (DHCS) to enhance care coordination and improve the quality of care provided to Medi-Cal members by implementing broad delivery system, program, and payment reforms.

The major components of CalAIM build upon the lessons learned of various pilots, including:

- [Whole Person Care Pilots \(WPC\)](#)
- [Health Homes Program \(HHP\)](#)
- [Coordinated Care Initiative \(CCI\)/Cal MediConnect](#)

Three Primary CalAIM Goals

1. Identify and manage member risk and need through whole-person care approaches and addressing social determinants of health.
2. Transform Medi-Cal into a more consistent and seamless system by reducing complexity and increasing flexibility.
3. Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

CalAIM Focus Populations

- Individuals Experiencing Homelessness
- Individuals with Serious Mental Illness (SMI) or Substance Use Disorder (SUD)
- High Utilizers of Care
- Individuals Transitioning to the Community from Incarceration
- Foster Youth
- Individuals at Risk of Institutionalization

Overview of Key CalAIM Initiatives

Shift Towards Population Health Management Approach

Medi-Cal managed care plans (MCPs) will assess enrollee risk levels, determine an individual's unmet social needs, and provide care coordination across all health settings. MCPs are encouraged to offer [Community Supports](#), such as housing services and medically tailored meals, to address the social drivers that impact overall health and wellbeing. For the highest-need members designated as "populations of focus", MCPs will provide intensive in-person case management through [Enhanced Care Management \(ECM\)](#).

Standardized Managed Care Benefits

DHCS is currently revising managed care contracts across the state to standardize member benefits so that all Medi-Cal members have access to the same set of services.

All Medi-Cal MCPs must provide new dental benefits beginning in 2022 and deliver long-term services and supports (LTSS) by 2027.

Mandatory Medi-Cal Managed Care Plan Enrollment for Dual-Eligibles

Nearly 1.1 million Californians are eligible for both Medi-Cal and Medicare, commonly referred to as [dual eligibles](#).

Beginning January 1, 2023, DHCS will require that dual eligibles enroll in a Dual Eligible Special Needs Plan (D-SNP).

Behavioral Health System Transformation

CalAIM consolidates eligibility criteria, screening procedures, and documentation to reduce barriers to mental health and SUD services. Counties may consolidate activities into one behavioral health MCP with a value-based payment system.

Also, a "no wrong door" policy will be established to quickly connect Medi-Cal members to behavioral health services, regardless of where they initially seek care.

Resources

There are many sources of information about CaAIM. ITUP has categorized informational webpages and provided direct links below.

CaAIM Resources

- a. [DHCS CaAIM Webpage](#) and [Additional Resources Webpage](#)
- b. [DHCS CaAIM News & Updates](#)
- c. [DHCS Revised CaAIM Proposal](#)
- d. [DHCS CaAIM Approval Press Release](#)
- e. [CMS 1915\(b\) Approval Letter](#)
- f. [CMS 1115 Approval Letter and Special Terms and Conditions](#)
- g. [Approved CaAIM Waivers Presentation, January 2022](#)
- h. [Enhanced Care Management, Community Supports, and Incentive Payment Program Webpage](#)
- i. [DHCS Fact Sheet: CaAIM Community Supports](#)
- j. [DHCS Fact Sheet: CaAIM ECM](#)
- k. [Behavioral Health Initiative Webpage](#)
- l. [Justice-Involved Initiative Webpage](#)
- m. [Dental Initiative Webpage](#)
- n. [Foster Care Model of Care Workgroup](#)

Medi-Cal 1115 and 1915(b) Waivers

- a. [CaAIM 1115 and 1915\(b\) Waiver Renewal Webpage](#)
- b. [Section 1915\(b\) Medicaid Waiver Resources](#)
- c. [Section 1115 Medicaid Waiver Resources](#)
- d. [Medi-Cal 2020 1115 Waiver Webpage](#)
- e. [Medi-Cal Specialty Mental Health](#)
- f. [DHCS Whole Person Care Pilots](#)
- g. [DHCS Health Homes Program](#)
- h. [DHCS Dental Transformation Initiative](#)
- i. [PRIME Webpage](#)
- j. [Cal MediConnect Webpage](#) and [CalDuals.org](#)
- k. [Drug Medi-Cal Organized Delivery System](#)

SUBSCRIBE to DHCS Stakeholder Updates

CA State Legislative Bills

- a. [Legislative Bills and Committee Analyses Look-Up Tool](#)
- b. [Senate Legislative Committees](#)
- c. [Assembly Legislative Committees](#)

DHCS Medi-Cal Managed Care

- a. [DHCS Medi-Cal Managed Care Plan Procurement Webpage](#)
- b. [DHCS Medi-Cal Managed Care Resources](#)
- c. [Medi-Cal Managed Care Plan Models Fact Sheet](#)
- d. [DHCS Medi-Cal Direct Contract with Kaiser Permanente](#)

CA State Budget

- a. [State Budget Webpage](#)
- b. [January 2022 Health and Human Services Budget Summary](#)
- c. [DHCS January 2022 Budget Highlights](#)
- d. [CA State Senate Budget Subcommittee #3 on Health and Human Services](#)
- e. [CA State Assembly Budget Subcommittee #1 on Health and Human Services](#)

ITUP Resources

- a. [ITUP Governor's Fiscal Year 2022-23 Budget Proposal Blog](#)
- b. [ITUP Fact Sheet: Medicare and Health for Aging Californians](#)
- c. [ITUP 2021 Coverage At A Glance Fact Sheets](#)
- d. [ITUP 2022 Introduced Legislation Blog](#)
- e. [ITUP Fact Sheet: Health Information Exchange](#)
- f. [ITUP Fact Sheet: The Intersection and Coordination of Public Health & Health Care in California](#)
- g. [Snapshot: Remaining Uninsured in California](#)
- h. [ITUP Fact Sheet: Community Health Workers and the Health Care Delivery System](#)

CalAIM Timeline and Major Elements

CalAIM Initiative	Description	Implementation Date
Hospital Quality Incentive Program	PRIME Program transitions to the Quality Incentive Program.	July 1, 2020
<u>Foster Care Model of Care Workgroup</u>	Workgroup meets to discuss implementing a long-term plan for improving quality of health care services provided to foster youth.	The next stakeholder workgroup meeting will be held on August 4, 2022.
<u>CMS Approval of Waiver Renewal Requests</u>	CMS approval of 1115 and 1915(b) waiver requests from DHCS.	December 29, 2021
<u>New Dental Benefits</u>	Adds new benefits: silver diamine fluoride for children and high-risk individuals and Caries Risk Assessment (CRA) bundle for children. Continues existing and enhances pay for performance initiatives to increase use of preventive and continuity of care services.	January 1, 2022
<u>Enhanced Care Management (ECM)</u>	New MCP benefit provides intensive care management for both medical and non-medical needs for high-need Medi-Cal members. The new ECM benefit builds upon both the Health Homes and Whole-Person Care Pilot Programs.	<p>January 1, 2022—Counties with existing Health Homes and Whole Person Care Pilot Programs transition current populations to ECM benefit.</p> <p>July 1, 2022—Counties with existing Health Homes and Whole Person Care Pilot Programs add new populations; other counties begin implementation.</p> <p>January 1, 2023—All counties provide ECM services to all adult focus populations.</p> <p>July 1, 2023— All counties provide ECM services to all youth focus populations.</p>
<u>Community Supports</u>	New MCP option for high-risk/high-need Medi-Cal members to provide wrap-around services to help them avoid hospital or skilled nursing facility services, among others. The 14 Community Supports include housing services, sobering centers, and medically-tailored meals. MCPs choose which Community Supports they offer and are not required to provide all 14 Community Supports. MCPs may expand the number of Community Supports that they provide over time. This initiative builds upon the Whole-Person Care Pilot Program.	January 1, 2022
<u>Drug Medi-Cal Organized Delivery System (DMC-ODS) Program Renewal and Policy Improvements</u>	Renews and updates the DMC-ODS program to improve quality and access. The program is authorized for the next five years.	January 1, 2022
Update Behavioral Health Medical Necessity Definition and Specialty Mental Health Services (SMHS) Criteria	Updates medical necessity criteria for behavioral health service eligibility by streamlining criteria to clearly delineate and standardize requirements and to improve access to appropriate services statewide.	January 1, 2022

CalAIM Initiative	Description	Implementation Date
Mandatory MCP Enrollment	Requires all non-dual eligible Medi-Cal members to enroll in managed care. <i>(NOTE: some populations will not be subject to this requirement)</i>	January 1, 2022
Regional Rate-Setting	Implements regional rate-setting for MCPs instead of county-based rate-setting.	January 1, 2022—Begin implementation in targeted counties. No sooner than January 1, 2024—Full statewide implementation.
<u>Update Behavioral Health No Wrong Door Policy</u>	Updates guidance so that members may easily access mental health and SUD services, regardless of where they initially receive care. Streamlines screening and transition tools, criteria, and documentation for behavioral health services.	July 1, 2022—Guidance updated. January 1, 2023—Standardized screening and transition tools implemented.
Serious Mental Illness (SMI)/Serious Emotional Disturbance (SED) Demonstration Opportunity	Permits counties to explore receiving Medi-Cal funding for treating people with a SMI or a SED in an institution for mental disease (IMD) with more than 16 beds.	Develop proposal no sooner than July 2022. CMS must approve proposal.
<u>Population Health Management (PHM)</u>	MCPs required to develop and implement a PHM plan, in coordination with county public health and behavioral health departments.	January 1, 2023
<u>Justice-Involved Re-Entry Population Medi-Cal Enrollment</u>	Requires jails to have inmates apply for Medi-Cal prior to their release back into the community and to actively coordinate with MCPs, county behavioral health departments, and DMC-ODS programs.	January 1, 2023
MCP Standard Benefit Package	Requires all MCPs to provide the same benefit package, including long-term care (LTC) and organ transplants carved into managed care in all counties.	January 1, 2023
<u>Dual Eligible Mandatory MCP Enrollment/Cal MediConnect Ends</u>	Requires most partial and full-scope dually eligible Medi-Cal /Medicare members and members receiving LTC services to enroll in managed care. The Cal MediConnect demonstration ends December 31, 2022, and those counties must transition to D-SNPs.	January 1, 2023
<u>Behavioral Health Payment Reform</u>	Transitions county behavioral health payments from a cost-based system to payments based on quality and value.	July 1, 2023
<u>Non-Cal MediConnect Counties Transition to D-SNPs</u>	MCPs in non-Cal MediConnect counties required to operate D-SNPs.	January 1, 2025
MCP National Committee for Quality Assurance (NCQA) Accreditation Requirement	Requires all MCPs to be accredited by NCQA.	January 1, 2026
<u>Transition to Statewide LTSS and D-SNP (CCI ends)</u>	LTSS benefit implemented statewide in Medi-Cal managed care.	January 1, 2027
<u>Integrate County Mental Health and Substance Use Treatment Administrative Services</u>	Allows counties to simplify administrative activities for mental health and substance use treatment services into one behavioral health MCP.	January 1, 2027
Full-Integration Pilot	Allows counties to apply to bring together physical, behavioral, and oral health benefits under a single entity contracted with DHCS.	No sooner than January 1, 2027

*Please note, this is not an exhaustive list. For full details, please see the [CMS-approved CalAIM proposal](#) and [CalAIM Timeline webpage](#).

CaAIM Interactions

CaAIM interacts with other DHCS initiatives, the CA State budget, and bills introduced in the CA State Legislature. Below is more information and context on each of these four categories.

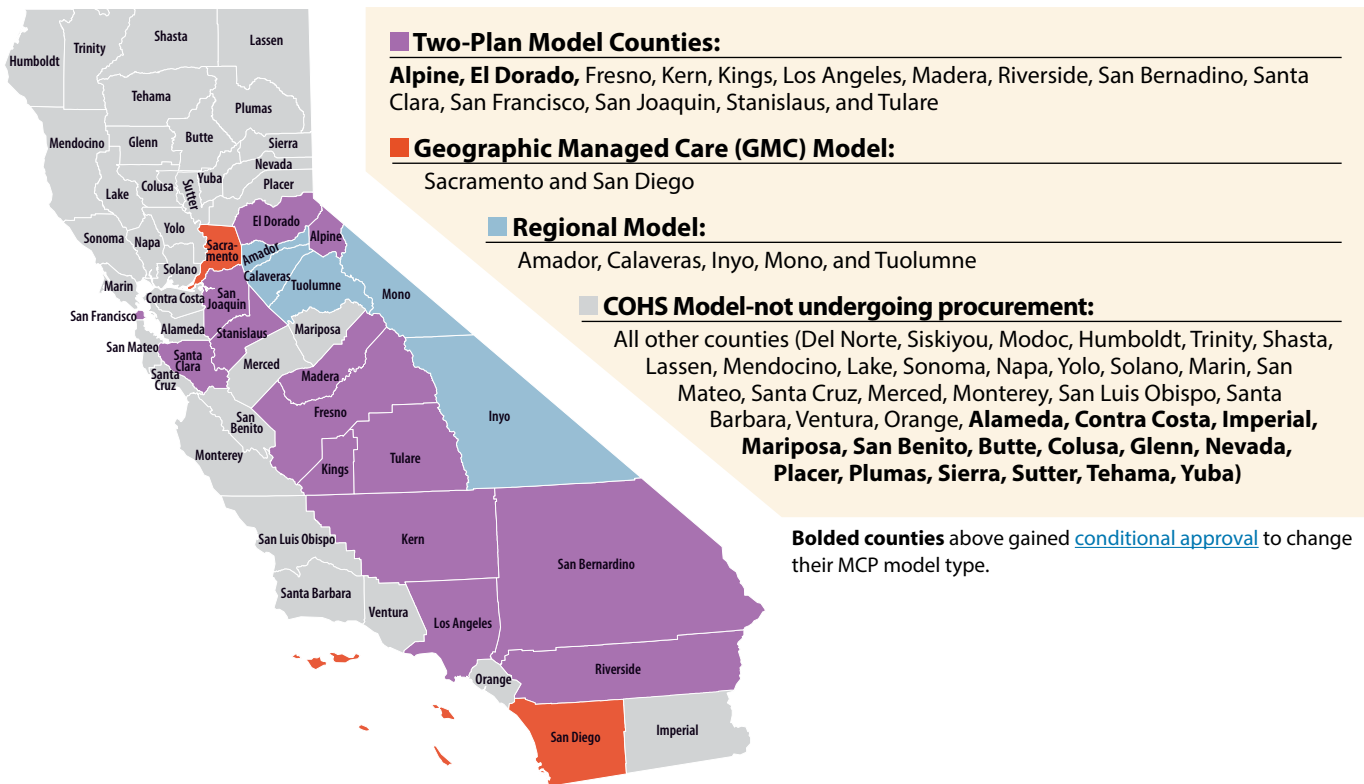
Medi-Cal Managed Care Plan Procurement	Medi-Cal 1115 Waiver and 1915(b) Waiver Renewals	California State Budget	California State Legislature/Bills
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Medi-Cal Managed Care Plan Procurement: Context and Timeline

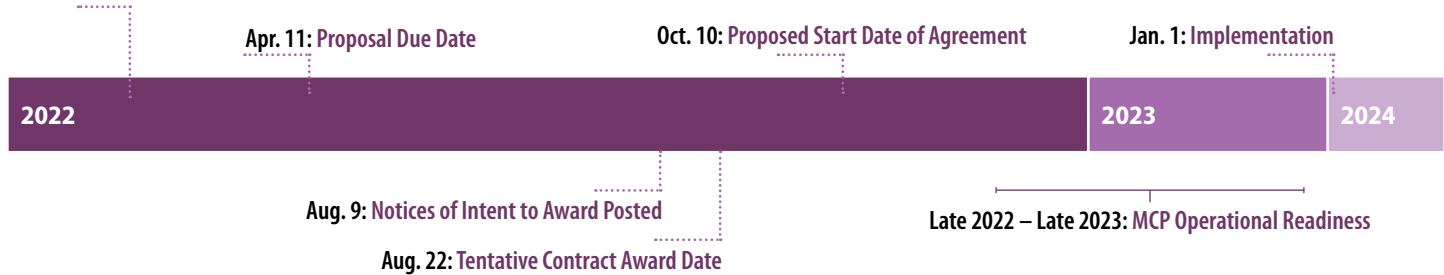
In many California counties, there are multiple MCPs that contract with DHCS to provide Medi-Cal health care coverage to Medi-Cal members. Commercial MCPs “compete” with each other and apply to DHCS through a “request for proposal” process to be selected as a Medi-Cal MCPs. This “competitive bidding process” is referred to as “procurement”.

DHCS released its final [Request for Proposal \(RFP\)](#) on **Wednesday, February 9, 2022**, for health plans to apply/bid to become an MCP for the Medi-Cal program in counties operating under Two-Plan, Geographic Managed Care (GMC), and Regional Models (see below). Health plans submitted their responses to bid for procurement on **April 11, 2022**, and selected health plans will become Medi-Cal MCPs starting **January 1, 2024**. DHCS plans to notify plans awarded in **August 2022**.

The map below shows the counties undergoing the procurement process:



Feb. 9: DHCS released its final [Request for Proposal \(RFP\)](#)



Medi-Cal 1115 Waiver and 1915(b) Waiver Renewals

California's current [Section 1115 demonstration](#) and [Section 1915\(b\) waiver](#) were approved by CMS on **December 29, 2021**, and are effective through **December 31, 2026**, subject to official [approval letters and special terms and conditions](#). These waiver renewals collectively build upon the early steps initiated by the previous Section 1115 demonstration, known as [Medi-Cal 2020 Waiver](#), to incorporate a population health approach into the Medi-Cal program.

States apply for and receive Section 1115 waivers to gain additional flexibilities with Medicaid funds, but associated programs must be budget neutral. Section 1915(b) waivers can require certain Medicaid members to receive care from a particular set of providers, which states typically use to require enrollment in MCPs. For more details on California's Medicaid waivers, see DHCS's [Waiver Renewal Page](#).

California State Budget

ITUP's [Governor's Fiscal Year 2022-23 Budget Proposal](#) summary highlights health and human services-related budget proposals for the Fiscal Year 2022-23, including those involving CalAIM. The Budget proposes \$217.5 billion total funds (\$64.7 million General Fund) for health and human services in FY 2022-23. This proposed budget includes \$1.2 billion total funds (\$435.5 million General Fund) in FY 2021-22, \$2.8 billion total funds (\$982.6 million General Fund) in FY 2022-23, \$2.4 billion total funds (\$876.4 million General Fund) in FY 2023-24, and \$1.6 billion total funds (\$500 million General Fund) in FY 2024-25 to support CalAIM implementation.

Legislative Bills

Bills introduced during the Legislative Sessions (see ITUP's [2022 Introduced Legislation Blog](#)) can impact implementation of the CalAIM initiative. There is a single two-year bill relating to CalAIM, [SB 256 \(Pan\)](#), which was introduced in the 2021 Legislative Session and remains under consideration.

About ITUP

ITUP is an independent, nonprofit, health policy institute that has been a central voice in the California health landscape for more than two decades. ITUP serves as a trusted expert, grounded in statewide and regional connections with a network of policymakers, health care leaders, and stakeholders. The mission of ITUP is to promote innovative and workable policy solutions that expand health care access and improve the health of all Californians.

ITUP is generously supported by the following funders:

- California Community Foundation
- California Health Care Foundation
- The California Endowment
- The California Wellness Foundation



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