



March 14, 2023

The Honorable Caroline Menjivar
Chair, Senate Budget & Fiscal Review Subcommittee No. 3 on Health & Human Services
1021 O Street, Suite 6720
Sacramento, CA 95814

RE: CCS Whole Child Model Expansion Administration Trailer Bill – OPPOSE

Dear Senator Menjivar,

The County Health Executives Association of California (CHEAC), representing local health departments throughout the state, writes to regrettably oppose the Administration's proposed budget trailer bill to expand the California Children's Services (CCS) Program Whole Child Model (WCM) into additional counties.

The CCS Program provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with a CCS-eligible condition. These conditions include but are not limited to chronic medical conditions (e.g., cystic fibrosis, hemophilia, cerebral palsy, heart disease, and cancer), traumatic injuries, and certain infectious diseases. Notably, children enrolled in CCS are some of the state's most medically fragile individuals and require highly complex and specialized care and services.

Below, we outline numerous concerns with the Administration's proposal:

CCS WCM Evaluation

SB 586 (Chapter 625, Statutes of 2016), required an independent WCM evaluation to be conducted and DHCS to submit a report to the Legislature by December 2022. We understand that the department will be releasing the evaluation in the coming weeks. However, the Administration proposed trailer bill to expand the WCM before the public release of the evaluation findings. CHEAC strongly believes the Legislature and stakeholders should have time to digest and discuss an evaluation of this magnitude, impacting the state's most vulnerable children prior, to moving forward.

CCS Nurse Case Management

CCS children traditionally receive medical case management services from skilled and knowledgeable county public health nurses and professionals. These county professionals are trained to deliver case management and coordination services specific to child's CCS condition, potentially from birth until age 21. Under the WCM, medical case management becomes the responsibility of the WCM managed care plan. This transition results in the significant loss of county personnel, risking the loss of their expertise and trusted relationships established between

county personnel, CCS children and families, and medical providers.

Managed Care Plan Administration

Counties that have transitioned to the WCM per SB 586 have expressed significant challenges in coordinating with WCM managed care plans. Counties have struggled with receiving proper medical records and documentation to conduct redeterminations in a timely manner. As a result, counties are concerned about whether children are receiving care management and services related to their CCS condition in addition to what they would receive under primary care.

CCS Policy & Programmatic Changes

The CCS program is currently undergoing major policy and programmatic changes via the DHCS CalAIM CCS Monitoring & Oversight Initiative. As part of this initiative, DHCS is establishing a series of new standards and requirements relative to program performance, quality assurance, reporting, and compliance. Counties, by July 1, 2024, are expected to execute a memorandum of understanding (MOU) with DHCS establishing agreed upon compliance, monitoring, and oversight activities.

Given this significant undertaking related to CCS, CHEAC further expresses concern with the timing of this proposed WCM expansion. This proposed expansion would fundamentally change CCS model types among the identified counties at virtually the same time these counties would be making necessary operational adjustments to comply with the CCS Monitoring & Oversight Initiative.

This also comes at the same time that many jurisdictions are engaged in managed care plan negotiations to become contracted CalAIM Enhanced Care Management (ECM) providers for the CCS population. Additional policy and programmatic changes in this space may disrupt progress for jurisdictions to become contracted providers to support the broader objectives of CalAIM.

Managed Care Model Changes

Relatedly, the proposed WCM expansion counties will be transitioning Medi-Cal managed care plan models as of January 1, 2024. This transition to different models is a major adjustment, in many cases requiring counties to establish new relationships with managed care plans. This process is anticipated to be labor- and resource-intensive and is likely to involve planning for referrals, data sharing, and contracting, among other relevant functions.

CHEAC expresses concern with these WCM expansion timeframes as counties will need additional time to acclimate to their new Medi-Cal managed care plan model and establish relationships with the appropriate personnel within each managed care plan.

Alternate Health Care Services Plan

Moreover, impacted local health departments have expressed significant concern around how this proposed WCM expansion would interact with the Alternate Health Care Service Plan with Kaiser Permanente that is set to begin in January 2024. It is not clear to counties how WCM would

be implemented in jurisdictions that would otherwise be a single plan county. The state's direct contract with Kaiser Permanente introduces an additional element of complexity in regard to a transition to the WCM.

For these above reasons, CHEAC strongly opposes the Administration's proposed budget trailer bill to expand the CCS Whole Child Model to additional counties. We respectfully request that the Legislature reject this proposal.

Should you have any questions, please contact me at mgibbons@cheac.org or 916-327-7540. Thank you.

Respectfully,

As signed by

Michelle Gibbons
Executive Director

cc: Honorable Members, Senate Budget and Fiscal Review Committee
Scott Ogus, Deputy Staff Director, Senate Budget and Fiscal Review Committee
Elissa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Anthony Archie, Consultant, Senate Republican Caucus
Kirk Feely, Fiscal Director, Senate Republican Caucus
Joe Stephenshaw, Director, California Department of Finance
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