

May 13, 2002 Response to:

San Diego Development Application Request for Clarification 2002-03

GENERAL COMMENTS

Throughout the application two main issues continue to present themselves and appear problematic. The first issue is that the targeted population identified in the application is not consistent with the eligibility criteria as listed in Welfare and Institutions (W&I) Code 14139.41. Secondly, it appears that the development of the San Diego Long Term Care Integration (LTCI) project is contingent on the analysis of the 'feasibility study data' and that funds for the study may not be available.

RESPONSE

The first issue appears to have been caused by lack of explanation regarding enrolling the entire Medi-Cal Aged, Blind, and Disabled population. Not only will those individuals defined under the eligibility criteria in W&I Code 14139.1 be served, but all persons in San Diego County who are eligible to Medi-Cal through the ABD aid categories will be served. This means that all those identified in the LTCIP eligibility criteria will be served as well as the expanded population who do not yet have severe cognitive impairment or two or more functional dependencies. This latter population will be offered an improved system of care, in addition to the more functionally impaired group, with the advantages of prevention, education, and access to wraparound services to maintain independence and functioning in the community.

The second issue may be a problem of definition. The first year of the Development Phase is described as preparing San Diego for the development of an Implementation Plan, based on continued stakeholder activity and the completion of a final actuarial study. The Development Phase will commence with Development Grant funding on July 1, 2002. The goals to be completed during the Development Year 2002-2003, as described in the proposal, will enable San Diego to prepare an Implementation Plan that will include a period of developing infrastructure, relationships with providers, contract language, etc. A second Development Grant will be requested next year for the purpose of completing the Implementation Plan to prepare for LTCIP implementation.

While the level of funding needed for the actuarial study has not yet been determined, it is anticipated that the work of the Long Term Care Integration Center will provide a high level starting point and significantly lower the cost from what it might otherwise have been. San Diego County does not have funds to pay for the actuarial study, but will use resources of the Development Grant and seek other sources as needed to procure the analysis that will determine whether HSD expansion as a service delivery model for LTCIP is a fiscally sound decision. The actuarial study is critical to the decision to move forward with implementation.

EXECUTIVE SUMMARY

QUESTION 1

Please clarify how San Diego County plans to phase in other eligibles who are either, cognitively and/or functionally impaired, need assistance with two or more activities of daily living (ADL) or who are unable to live independently yet do not qualify as Aged, Blind or Disabled (ABD). (Welfare and Institutions Code 14139.41)
(Refer to Question 15)

RESPONSE

San Diego recognizes that some individuals who are Medi-Cal eligible but not under the Medi-Cal Aged, Blind, and Disabled aid categories, may also qualify for LTCIP. These individuals may include members of the TANF population who have chronic illness or cognitive impairment and would be unable to remain living independently without services provided by the LTCIP. Broad community, provider, and options counsellor education will assist in serving these individuals in San Diego's LTCIP.

SECTION B – CURRENT STATUS

QUESTION 2

Page 10 of the application states that the applicant's Development Grant resources may be insufficient to fund an adequate actuarial study and as a result the county may need to explore other resources for assistance.

How and when will the applicant determine if it has enough money to fund an actuarial study?

QUESTION 3

If it is determined that more money is required to fund the study, what other potential funding resources have been identified and what is the time frame for applying for more funds?

RESPONSE TO QUESTIONS #2 AND #3

The State Office of Long Term Care (OLTC) has contracted for data analysis of 1996 and 1997 Medi-Cal expenditure data with the Long Term Care Integration Center at USC/UCLA which will be used as a basis to develop rates from the state for San Diego's LTCIP. Local stakeholders have identified the importance of actuarial work for local rate-setting and risk adjusters for health plan contractors that will insure the success of the locally designed system of care.

It is desired to contract with a national firm (such as the Lewin Group or William Mercer, Inc.) with expertise in health and long term care data analysis. The final parameters of the County's Request for Proposal (RFP) will determine the cost range. It is estimated that such a study may cost two or three times the Development Grant award amount of \$150,000 from the OLTC. The timing of finalizing the RFP is expected to be October 15, 2002. While the RFP is being prepared, funding will be requested from foundations such as the local Alliance for Healthcare, the California Endowment, and other national sources to insure that San Diego can move forward with a high quality study..

QUESTION 4

If additional funding is unavailable, will San Diego “drop out” of the LTCI development process or will another method be used to complete the actuarial study (e.g., use of existing data, in-kind donation or borrowing of manpower, etc.)?

RESPONSE

San Diego County is committed to, and has already invested three years in, planning long term care reform. However, if adequate resources are not identified to complete the actuarial, San Diego may “drop out”. It is the intent of the San Diego LTCIP to complete the actuarial study as due diligence toward insuring the success of the model chosen for LTCIP service delivery. Use of existing data needs to be coupled with trending forward to make it useable in today’s market. Much work has been completed in partnership with local health plans toward envisioning the new system of care and how it might be designed under different scenarios for improved chances for success. It is anticipated that resources will be secured to fund the necessary actuarial work. San Diego is applying for the Development Grant to continue making progress toward Long Term Care Integration.

SECTION C - IDENTIFICATION OF LOG (Board of Supervisor’s Letter of Support to follow.)

SECTION E – IMPLEMENTATION PLAN AND TIMELINE FOR PHASES

QUESTION 5

Please clarify page 22 of the application where it states, “The Development Phase is contingent upon San Diego receiving final actuarial information that supports the expansion of HSD for the LTCIP service delivery system.” Isn’t this grant for the Development Phase?

RESPONSE

Funding available within the Development Grant is insufficient for the work that needs to be completed. “The Development Phase as described below..” covers a potential two year period in which feasibility for HSD expansion would be established by the actuarial findings and then a plan would be developed to prepare for implementing that expansion. This Development Grant RFA asks for sites to look into the future regarding the path to full long term care integration. This description provided for two years may change at the end of the first Development Year, depending on the outcome and recommendations of the actuarial findings. It is San Diego’s intent to continue moving forward toward long term care integration, but using the actuarial results to determine the best model toward that end.

QUESTION 6

As a requirement on page 20 of the RFA please “Provide a proposed LTCI project implementation work plan and **timeline** for implementing or phasing in the LTCI project.”

RESPONSE

Completion and analysis of the financial feasibility study is essential before a decision on implementation can be reached. Section E. Implementation Plan and Timelines has been revised to reflect tentative dates/timelines and is included after the Questions and Responses.

QUESTION 7

Please further clarify how Healthy San Diego (HSD)+ plans to recruit and obtain the necessary large number of additional acute and LTC providers required to care for the huge influx of new LTCI patients for Phases I and II.

RESPONSE

Included in the description of the Development Phase (page 23) is reference to the major educational campaigns that will focus on consumers and on providers. During this six month campaign, provider recruitment will be a major thrust as providers become familiar with the plan for integrated care in San Diego. Many provider industries have been represented within the LTCIP planning process for three years already. Provider networks are in the process of being developed through a local workgroup, and are considering necessary expansion/updating of home and community-based services capacity.

While there will be a “huge influx of new LTCI patients...”, these individuals are currently receiving primary and acute care services, mostly through fee-for-service providers. Therefore, recruitment of these current providers into the newly designed service delivery system under HSD expansion will be critical. It will also be important to plan for the expansion of community-based levels of care options, such as Adult Foster Care, and the Assisted Living Waiver to provide additional alternatives to institutionalization.

QUESTION 8

The middle of page 22 of the application states that “...the Development Phase may last up to 24 months...”

Please clarify that the applicant understands that any money awarded from the 2002-03 RFA period can only be used for the 12 month 2002-03 fiscal year.

RESPONSE

It is understood that money awarded for FY 2002-2003 can only be used during that 12 month period, in which there will be no actual implementation. It is hoped that a second Development Grant might be procured for the last 12 months of the Development Phase as San Diego gears up to implement LTCIP.

SECTION F – IDENTIFICATION OF THE AGENCY TO OPERATE LTCIPP

QUESTION 9

Please respond to page 21 of the RFA under ‘REQUIREMENTS’ and identify the relationship of the Agency with relevant local agencies and advisory committees, the BOS, and the County (or governance structure).

RESPONSE

The Healthy San Diego (HSD) Program is a division of the Health and Human Services Agency of the County of San Diego, governed by the local Board of Supervisors. It is responsible for the Medi-Cal Managed Care Program in San Diego. Expanded for LTCIP, this division would support staff with expertise in aging and long term care issues and services. Under an expansion model, HSD would be responsible for the operation of LTCIP rather than directly providing LTCIP services. Its relationship to the governance structure is as staff to provide support for the Joint Consumer and Professional Advisory Committee, to monitor local quality standards, to develop provider contracts, etc. A revised organization chart for the HSD program is included at the end of this document.

SECTION G – DEFINITION OF GOVERNANCE STRUCTURE

QUESTION 10

Page 22 of the RFA under REQUIREMENTS states, “Identify the proposed governance structure (of the county) and describe any variances that will occur between each phase. Five bullets follow.

Please clarify the inconsistency of the statement in the application, under Definition of Governance/Advisory Structure (first paragraph of page 31) where it claims the State will be responsible for most governing duties.

RESPONSE

If HSD is expanded to integrate acute and LTC services for the aged and disabled population, the current plan includes development by the local LTC Agency (HSD+) to develop designation criteria that local health plans would agree to meet or exceed before being able to contract with state. Once approved locally, the plan could apply to the state to be a LTCIP provider for a consolidated rate(s) for integrated, at-risk service delivery, with additional state and federal requirements for quality and cost. The state will also contract with the County (HSD+) for the administrative duties required to monitor the quality and integrity of the local program.

The entity providing the local structure for governance would then be the Healthy San Diego Joint Consumer and Professional Advisory Committee. The monthly meeting includes representation as described in the application, the attendance of State Department of Health Services (DHS) staff, and surfacing of quality issues which allows for problem resolution and system improvement. Recommendations for system improvement may be generated locally and are subject to approval by the State DHS. Health plans take financial responsibility by contract.

QUESTION 11

Please clarify what the role of the care manager (CM) is. There are several contradicting statements regarding the scope of responsibility of the care manager. Page 37 of the proposal states *CM is contact for all but health services. Further down

the same page, it states that the care manager **will** authorize health-related services. Later on page 42 it states “The care manager becomes the consumer’s contact person for all health related and social and supportive services.”

RESPONSE

The case manager will provide the single point of contact between an individual consumer and the care management team. The statements referenced were not meant to confuse, but to illustrate that the consumer may call any member of the team as desired. Additionally, the consumer can rely on the care manager to provide access across the continuum of health and social services, including referrals, authorization of services, advocacy, and coordination as needed by the individual.

SECTION K – DESCRIPTION OF THE TARGET POPULATION & GEOGRAPHIC AREA

QUESTION 12

Please define any non Medi-Cal population to be covered as cited in W&I Code 14139.42.

RESPONSE

The Executive Summary of the Proposal includes a brief mention of the future plan to extend LTCIP enrollment to non-Medi-Cal populations. However, this vision is far down the road and will be taken up for planning after successful implementation of Phase I and II. During Phase I and II, the only non-Medi-Cal population to be served will be individuals on the In-Home Supportive Services Residual Program, who services are currently funded with a combination of state and county dollars.

QUESTION 13

Are eligibles residing in rural areas currently being excluded from LTCI? More specifically, what steps are currently be taken to reach LTC eligibles residing in rural areas to assure they are informed about the United Way InfoLine and the AIS Call Center (page 18 of the proposal)?

QUESTION 14

What steps are being taken to help rural LTC residents, seeking services, aware of the InfoLine and AIS, that the proposal claims can provide them with extensive health and social service referrals?

RESPONSE TO QUESTIONS #13 AND 14

Currently, planning for LTCIP does not exclude individuals residing in rural areas. Aging and Independence Services (AIS) provides Call Center responses to over 4000 callers/month. Barriers to accessing service often involve lack of information or transportation. The problem of getting information on a needed service has been proactively addressed by AIS with new Outreach staff that provide information on the Call Center as an access point to over 5,000 individuals/month during health fairs and other educational forums. Transportation barriers are being removed and access

improved through the targeted effort of AIS to develop a community plan and increase funding available to support transportation for the elderly and disabled in San Diego.

QUESTION 15

Please clarify at what point San Diego will cover eligibles who meet W&I Code, Section 14139.41 who are not aged, blind or disabled but, who still qualify for services under AB 1040.

RESPONSE

It is anticipated that this non-aged, blind, disabled population will be a small one. Therefore, it would be feasible to enroll these individuals into the LTCIP at any time that it was identified that a person on Medi-Cal needed LTCIP services to remain living independently. Plans for this sub-group will be considered more specifically as the Implementation Plan is developed.

QUESTION 16

Please clarify the discrepancies on page 55 of the application under Phase II of Implementation Target Population. A bullet describing the 50,000 persons who will be added, indicates “21 years of age and older” and in the following paragraph it states, “Inclusion of persons with developmental disabilities who are 18 to 20 years...”

RESPONSE

The reason for not listing the 18-20 year olds is explained in the paragraph below. A recommendation from the Stakeholder Workgroup for Persons with Developmental Disabilities will advise LTCIP on whether this group is included during Phase II by coordination at the care management level or by some consolidation of funding. Thus, this group will be included during Phase II, but the method of inclusion is not yet known.

QUESTION 17

Phase III of San Diego’s LTCI program addressing private pay, LTC insurance buy-in, and possibly sliding fee scale participants is mentioned in Section E (page 17) but, is missing from this section. Please clarify.

RESPONSE

Phase III is mentioned in the Executive Summary as stakeholders have expressed strong interest in having a system eventually available to all who need it. However, the first two phases have occupied the bulk of the planning time to-date, and no details regarding Phase III have been designed. The mention on page 17 was to illustrate to the reviewers that San Diego is aware that LTCIP service provision to non-Medi-Cal eligible individuals would require a separate tracking and funding system. We are aware that Medi-Cal funds cannot be used for non-Medi-Cal eligible individual services.

SECTION N -- GRANT GOALS AND OBJECTIVES

QUESTION 18

Throughout the application San Diego repeatedly refers to completing the actuarial study before determining if LTCI is feasible however, Goal 4 on page 65 indicates it will

be completed in the spring of 2003. Please clarify how this goal can be completed when the outcome of other goals is contingent upon the results of the actuarial study.

RESPONSE

San Diego is concerned about the timing as well. Goal 1 and 2 are to be completed before the Actuarial Request for Proposal can be finalized. Information upon which to build rate-setting assumptions within an actuarial table must include populations, services, phasing and a description of service delivery models as the basis for calculation to develop rate-setting. Goal 3 is preparing the RFP and contracting for the actuarial study. While the study is in progress, the Implementation Plan (Goal 4) can be developed with several contingencies pending the outcome of the actuarial recommendations. While timing is overlapping and could become an issue, it has always been an issue due to the enormity of the undertaking for acute and long term care integration at the local level. Due diligence requires San Diego's LTCIP to insure that a partnership with local health plans will be successful.

SECTION O – SCOPE OF WORK

QUESTION 19

How can Goal 4 be completed by early 2003, if feasibility of LTCl project hinges on another goal of completing the actuarial study?

RESPONSE

Please refer to response to Question 18. There will be some overlap, but Goal 4 can be developed with contingency plans as information is forthcoming from the actuarial study.

SECTION P – OVERVIEW OF EXPECTED ACHIEVEMENTS (TIMELINE)

QUESTION 20

Please clarify the short timeframe for Goal #4 when it depends on the actuarial study.

RESPONSE

San Diego is also concerned about the short timelines given the lack of resources suffered by this Project for planning and implementation. San Diego plans to submit its first proposal of an Implementation Plan in response to the State OLTC Request for Development Grant applications next Spring. While the Implementation Plan may still be a "work in progress", that could be said about everything completed to-date on LTCIP! The planning process constantly tries to focus on our target a little closer and with a little more detail. Every stakeholder meeting influences the planning in some way. The State OLTC has been flexible and generous in allowing contract amendments, as in our shift away from the use of an expert consultant during this fiscal year. The timeframe for Goal #4 relies on this flexibility as we strive to move forward in this process.

E. IMPLEMENTATION PLAN AND TIMELINES FOR PHASES (revised)

Proposed LTCI Program Implementation and Timelines/Milestones for Phase-in

The Development Phase described below is contingent upon San Diego receiving final actuarial information that supports the expansion of HSD for the LTCIP service delivery system. After that information is received and analyzed, a decision can be made about moving forward with implementation. It will also be of primary importance to have the actuarial study recommend the smallest increments of phase-in that are actuarially feasible for the protection of the consumers during start-up. It will be very important to recruit a larger number of consumers to assist in making start-up recommendations. If recommendations support HSD expansion, and the County of San Diego is assured of being exempt from risk, the following description is what LTCIP implementation might look like under HSD expansion.

Development Phase (projected tentative timeline: 7/1/02 through 6/2/04) The Development Phase may last up to 24 months as it will require both the planning and implementation of specific tasks needed to be accomplished for LTCIP start-up. The Development Phase will complete feasibility on the populations and services to be included for final actuarial analysis, and will complete a Major Projects Plan with timelines, tasks, responsible persons, risks and anticipated problems of implementation. This Plan will provide the blueprint for LTCIP start-up activities in a manner that will coordinate timing and help prioritize the enormous amount of work to be completed. Some of the major goals will be: phase-in based on feasibility recommendations by the actuary; providing framework for the health plan contracts; preparing the community education and outreach plan and content; procuring funding for infrastructure; planning

and building the mechanisms to support the web-based central client database; and assisting health plans in gaining expertise and contracts with providers for the new population to be served. Some of these goals will be accomplished within the scope of this Development Grant, while others will need to be completed closer to actual implementation phase-in.

Implementation Phase I (projected tentative timeline: 7/1/04 to 6/30/06) With a potential beginning phase-in date approximately two years after award of the Development Grant, San Diego's LTCIP plans to enroll Medi-Cal ABD eligibles, who are not Medicare beneficiaries, into mandatory integrated care during the month of renewal for Supplemental Security Income (SSI) or recertification for eligibility to Medi-Cal over at least a one year period. The expansion of the expertise and service scope within HSD for the purpose of LTCI will hereafter be referred to as Healthy San Diego Plus or HSD+. The HSD+ care will be administered by health plans who have contracted with the State for a capitated rate that is developed by pooling all existing Medi-Cal funds to provide the full scope of health, social, and supportive services (see service list in Section J). The HSD+ office, or local LTC Agency, will develop contract language that reflects the system of care required of a health plan to contract with the State. Currently, staff, health plans, and other stakeholders are working on the specifics of the expansion of the HSD model for LTCIP that will be required within that contract process. In addition to current existing funds, HSD+ will work with the State to procure the resources of a concurrent 1915(c) waiver while amending HSD's current 1915(b) waiver. Waiver dollars will be capitated by the State to the health plans for those HSD+ members who are at a skilled nursing facility level of care.

Six months prior to the commencement of enrollment, a major educational campaign will be launched on two fronts. Consumer education will include media coverage, direct mail, and personal or video presentations at all natural gathering places of the target population (such as residential care facilities, senior centers, etc.) and at homes for those who are homebound. This campaign will include information on the newly improved system of care for elderly and disabled. It will include information on how best to use the system and how to choose a provider. It will include rights and responsibilities of consumers. It will seek to empower consumers to be proactive to improve their current health maintenance activities through improved choices regarding exercise, diet, and care plan input and compliance. It will explain the care management and quality assurance activities that will help to measure the new system's success in reaching these goals.

The second part of the education campaign will be targeted to providers across the acute and long term care continuum. Physician forums will be held regarding the new system and the need for their participation. Training will be offered physicians on geriatric and disability standards of care. Resources will be made available to all providers through the "Network of Care" web site that the California Department of Aging funded in Alameda, and which has been loaded with San Diego information. Access to the web-based HSD+ client database will be assigned to providers at varying levels of security and confidentiality. Community-based health and social service organizations are already in a formal planning process to develop networks to prepare for participation.

Implementation of the project will begin with consumer enrollment and risk-screening. An individual's chosen health plan will provide all Medi-Cal acute and long term care benefits as authorized by his/her care manager. However, the Data/Finance Workgroup and the final actuarial analysis may lead to feasibility recommendations to phase in the risk associated with specific services/populations at varying phases of implementation. (It should be noted that the stakeholders have been steadfast in supporting full integration of all health, social, and supportive services for all aged and disabled persons.) Health plans will contract with the State for a capitated rate for the full scope of health, social, and supportive services. Health plans then will subcontract with existing community-based organizations to provide community-based long term care services. Two of the guiding principles of the local LTCIP initiative have been to 1) utilize existing community providers rather than developing new resources, and 2) insure fair and equitable compensation for all providers across the continuum. Contract language included between the health plans and the State will operationalize these principles.

HSD health plans have infrastructure in place that currently serves some 160,000 members of the Temporary Assistance to Needy Families (TANF) program. HSD has quality ratings higher than the Statewide average according to several recent independent studies, referenced in Section F. Health plans and the LTC Agency will have added aging and disabled expertise regarding health and social service needs and resources for the HSD+ expansion. Health plan benefits will be expanded to include social and supportive funding and services to be authorized based on consumer need. This pooling of funds will mark the beginning of a new era in San Diego: the creation of

an integrated system of care where the incentive is to provide low cost community-based services to stabilize the consumer and avoid high cost services and unnecessary utilization. Integrated care under HSD+ will have the primary goal of effective care management, which will result in cost containment.

There is a distinct advantage in expansion of the HSD system in that it is highly regarded by the California Department of Health Services Division of Managed Care staff and by local stakeholders. The successful and mature infrastructure of HSD will provide a foundation to build HSD+ and reduce the time and resources that must be dedicated to building all the appropriate consumer and provider safeguards into the system. It is the intent of HSD+ to enroll all Medi-Cal only recipients within 12 months of start-up or an extended period if deemed actuarially feasible. The ensuing 12 months will allow for responding to unanticipated start-up issues so that the system is running smoothly before Phase II Implementation activity takes place. Required Medi-Cal managed care trend analysis and consumer satisfaction surveys will be coupled with actuarially advised monitoring data to continuously improve the system for consumers and to evaluate readiness to move to Phase II of Implementation.

Implementation Phase II (projected tentative timeline: 7/1/06 to 6/30/08) During the last 12 months of Implementation Phase I, staff and stakeholders will work with the State and federal government to gain approval to begin enrolling the county's Medi-Cal ABD population dually eligible to Medicare. It will be very important to health plans to receive both Medicare and Medi-Cal ("Medi-Medi") rates, as this will align the incentives for one entity to provide stabilizing, in-home services to prevent acute utilization for those who are dually eligible. HSD+ systems will need to be expanded to serve the

larger population with the full range of acute and LTC services. Enrollment will occur as in Phase I during the month of SSI renewal or Medi-Cal recertification. Approximately 95,000 members will be enrolled in HSD+ by the end of Implementation Phase II. As described for Phase I, consumer response will be evaluated before consideration of moving forward to Phase III of Implementation.

Implementation Phase III (projected tentative timeline: after 7/1/08, if decided) As the final year of Phase II Implementation unfolds, it will become clear whether or not HSD+ will be a system that could also support private pay and LTC insurance buy-in, and perhaps even sliding fee scale participation. LTCIP resources have not yet been focused on the specifics of planning for Phase III. However, the stakeholder vision includes the availability of the improved, integrated system of care to all aged and disabled persons in San Diego.