



Government Programs Committee

Thursday, July 12, 2018

11:10am-12:30pm

Robin Affrime, Chair

Agenda

ORDER OF BUSINESS	RELEVANT ATTACHMENTS	REPORTING	ACTION A = Approval D = Discussion I = Information
I. Call to Order		Robin Affrime	A
II. Approval of Agenda	<ul style="list-style-type: none"> Executive Summary 	Robin Affrime	A
III. Approval of Minutes	<ul style="list-style-type: none"> April 26, 2018 Meeting Minutes 	Robin Affrime	A
IV. 340B Federal and State	<ul style="list-style-type: none"> 340B Memo 	Andie Patterson Liz Oseguera	D
V. OSHPD 3 and Licensing	<ul style="list-style-type: none"> OSHPD 3 Memo Licensing Memo 	Michael Helmick Emily Shipman	D I
VI. Managed Care	<ul style="list-style-type: none"> Managed Care Memo 	Meaghan McCamman Nenick Vu	D
VII. Behavioral Health	<ul style="list-style-type: none"> State BH Memo 	Meaghan McCamman Allie Budenz Liz Oseguera Michael Helmick	D
VIII. 2703 PCHH	<ul style="list-style-type: none"> 2703 PCHH memo 	Allie Budenz	I
IX. Lifeline Grant Program	<ul style="list-style-type: none"> Grant Program Memo 	Michael Helmick	I
X. Adjourn		Robin Affrime	A



Executive Summary

Date: July 12, 2018
To: Government Programs Committee
From: Meaghan McCamman, Assistant Director of Policy

MEMORANDUM

340B Federal and State Update

- CPCA's advocacy efforts have paid off - the enacted budget reflects no changes to the 340B program.
- CPCA will continue to work with DHCS, the health plans and our partners to develop legislative language to address duplicate discounts and avoid having the administration attempt to remove the 340B program from managed care again next year.
- The Senate health committee has been holding oversight hearings over the 340B program that may lead to changes around how covered entities can use their saving and how to properly calculate the savings received.

OSHPD 3 and Licensing

- CPCA has selected a consultant to complete the research project which will examine the Licensing process for Primary Care Clinics, including the OSHPD 3 building standards.
- Staff have continued to move forward with the additional, board-approved, multi-pronged strategy to addressing OSHPD 3.
- CPCA's bill to allow for consolidated billing in conjunction with a consolidated license is advancing through the legislature.
- Staff are tracking bill that would allow for provisional licensing to mitigate effects of processing delays in CAU. Metrics are now available to track licensing applications online, though backlog is still causing delays.

Managed Care

- CPCA's Managed Care Work has been defined by 4 overarching priorities, developed by the Regional Consortia.
- CPCA and other RAC have begun developing materials to forward our mutual goals in the 4 priority areas – the new administration; commercial plan procurement; P4P and quality alignment; enrollment efficiency and default assignment

Behavioral Health

- CPCA has developed a draft 'action plan' to prepare CCHCs for a conversation around envisioning a better and less fragmented BH system in the 2020 waiver
- We also continue our work to support CCHCs in the current delivery system by removing regulatory barriers to FQHC participation in the full spectrum of care; expanding access to

resources; and ensuring health centers are included in all behavioral health policy discussions

2703 PCHH

- Plans are currently developing their HHP business plans with program guidance from DHCS. Health centers interested in being a HHP CB-CME should reach out to their managed care plan with contract inquiries.
- CPCA's impression of the Harbage training materials is that it outlines the HHP requirements but it falls short of explaining how to be successful in care coordinating HHP patients. MCPs may train on care management best practices; but CPCA is also considering a webinar series to get care management trainings to CB-CME health centers.

Lifeline Grant Program

- On June 28th, 2018 the CA Health Facility Financing Authority announced over \$8 million in grants for the Clinic Lifeline Grant Program.
- 42 grant awards were made and 26 of the awards were made to FQHCs. The additional 16 grants were made to Planned Parenthood Affiliates.
- \$11,723,690 remains in the Clinic Lifeline Grant fund.

CALIFORNIA PRIMARY CARE ASSOCIATION

GOVERNMENT PROGRAMS COMMITTEE

April 26, 2018

10:10am – 11:30am

Members: Robin Affrime – Chair, Lucinda Bazile, David Becerra, Doreen Bradshaw, Edgar Chavez, Carl Coan, Deb Farmer, Rachel Farrell, Ben Flores, Tim Fraser, Alvaro Fuentes, Britta Guerrero, Nik Gupta, Alicia Hardy, Haleh Hatami, Kerry Hydash, Tina Jagtiani, Deborah Lerner, Marty Lynch, Louise McCarthy, Danielle Myers, Christine Noguera, Rakesh Patel, Tim Pusateri, Tim Rine, Sarah Ross, Gary Rotto, Laura Sheckler, Suzie Shupe, Graciela Soto-Perez, Deanna Stover, Vernita Todd, Chad Vargas, Richard Veloz, Christy Ward, Anthony White

Guests: Raphael Irving, Jennifer Hunter, Paula Zandi, Sabra Matovsky, Ticey Brown, Esen Sainz, Mary Renner, Phil Curtis

Staff: Carmela Castellano-Garcia, Andie Patterson, Meaghan McCamman, Daisy Po’oi, Elizabeth Oseguera, Michael Helmick, Nenick Vu, Emili Labass, Allie Budenz, Ginger Smith, Val Sheehan, Beth Malinowski, Kearsten Shepard, Peter Dy, Emily Henry, Emily Shipman

I. Call to Order

Robin Affrime, Committee Chair, called the meeting to order at 10:12am.

II. Approval of Agenda

A motion was made to approve the agenda as presented. **The motion carried. (L. McCarthy, D. Myers)**

III. Approval of Minutes

A motion was made to approve the minutes of January 18, 2018. **The motion carried. (T. Rine, D. Bradshaw)**

IV. 340B Federal and State

The Governor’s budget proposes an elimination of the 340B program in Medi-Cal. DHCS has released a draft All Plan Letter (APL) to clarify the role that Medi-Cal managed care organizations (MCOs) are required to have in eliminating duplicate discounts under the 340B program. CPCA is leading a multi-pronged effort to ensure that 340B remains in the Medi-Cal program and that a workable solution is developed between providers, plans, and DHCS to identify and remove duplicate discounts. CPCA staff submitted a coalition letter to DHCS with recommended amendments on April 2nd.

IV. OSHPD3 and Licensing

CPCA has continued to make progress on the licensing and OSHPD 3 multi-pronged strategies approved by the CPCA Board. Our work is focused on research, exploring waivers and exemptions, impacting the building code cycle, and pushing CDPH to work with health centers on our licensing priorities. CPCA has begun coalition-building with other statewide advocacy organizations frustrated with OSHPD 3 and licensing process. Staff have identified the HSC 1206(g) licensure exemption as one possible option for health centers who desire to be out of the challenges of licensure and OSHPD3 building standards.

V. Managed Care

CPCA continues work on our three existing managed care priorities: strengthening relationships between CCHCs and their managed care partners, increasing managed care plan investment in quality improvement, and increased state oversight of beneficiary access and network adequacy. While our work in these areas will not stop, under the new RAC managed care plan, state and local RAC will work together to forward new, state and regional collaborative priorities. The four RAC/CPCA priorities include promoting the role of CCHCs to the new

Administration and leadership at DHCS, Leveraging the commercial plan procurement, working with plans on P4P, HEDIS, and quality alignment, and increasing enrollment efficiency and default assignment to CCHCs

VI. Behavioral Health

CPCA has been making progress on our BH goals, which expand the ability of CCHCs to provide behavioral health care within the current trifurcated system. In advance of the 2020 Waiver negotiations, we propose a bigger goal-setting conversation to vision a better coordinated and more thoughtful BH delivery system in CA. CPCA staff will use the BHWG, BHPN and interested CEO's to conduct a visioning session. The goal will be to develop the community health center vision of a preferred behavioral health delivery system, which will help CPCA and CaliforniaHealth+ Advocates to position and drive the necessary policy changes for the 2020 Specialty Mental Health Services Waiver.

The opioid epidemic has been receiving heightened attention at the Federal level from Congress and the Administration. Staff has continued to keep abreast of the federal actions and how they may affect health centers, including providing written comments to the White House Opioid Epidemic Commission. There are two streams of funds which will affect health centers: 1. SAMHSA- The omnibus, among other priorities, included an additional \$1 billion to support treatment and prevention of opioid abuse. 2. HRSA- As part of the CR reallocation of the 330 grants, Health Centers will receive an additional \$200 million to specifically address the opioid epidemic. The exact mechanism or timing for the funds to be distributed is unknown.

Mental Health Services Act (MHSA) has come under increased scrutiny in light of the Department of Health Care Services (DHCS) and the Mental Health Oversight and Accountability Commission (MHSOAC) inability or unwillingness to effectively regulate the program, either programmatically or through fiscal oversight. CPCA is prepared to capitalize on the new changes to the program management within the state agencies in order to ensure that counties are leveraging the expertise and extensive reach of community-based providers, especially in their outreach to underserved populations.

VII. 2703 PCHH

DHCS has modified the HHP implementation schedule; several plans, including Partnership, have moved to Group 3. Only San Francisco, Riverside, and San Bernardino are going live in group 1 and 2. DHCS released a program guide intended to serve as a resource for the MCPs in the development, implementation, and operation of the HHP. John Snow, Inc. released a free tool for CB-CME health centers to identify the costs, staffing, and infrastructure needs associated with implementing a care management program and identify the ROI.

VIII. Lifeline Grant Program

CPCA is launching 2018 with a Managed Care Strategy summit with all of the RAC to examine the changing managed care landscape, including the commercial procurement, new administration, and major market changes. CPCA will continue to work on key existing priorities such as unseen patients, network adequacy, provider directories, and plan relations.

Currently, the Clinic Lifeline Program within the State Treasurer's Health Facilities Financing Authority (CHFFA) is in their 45 day application review process until May 10th and will be announcing the grant awardees, should there be any, at the June CHFFA meeting.

IX. Oral Health

Many providers, including community health centers, may have received overpayment for Program Year January and July incentive payments in the Dental Transformation Initiative. Approximately 76 individual clinics were identified and sent a letter that specified the overpayment amount and provided instructions to repay and/or appeal. CPCA reached out to impacted community health centers on Monday, April 2, 2018 to alert them of this recoupment effort and to provide more detailed information on how to appeal. Continuing our work as a member of the Core Group of the California Oral Health Network, CPCA has continued to assist CPEHN with the foundational

development of the Network.

XIV. Adjourn

The meeting was adjourned at 11:28am.

Respectfully submitted,

Daisy Po'oi
Meeting Minutes Recorder



Date: July 1, 2018
To: Government Programs
From: Elizabeth Oseguera, Senior Policy Analyst
Re: 340B Update

MEMORANDUM

I. 340B State Budget Battle

The Governor's proposed budget from January included language that would've eliminated the 340B Drug Discount Program (340B) from Medi-Cal in both Fee-for-Service and Managed Care Programs. However, we are excited to share that our advocacy efforts have paid off, since the enacted budget reflects no changes to the 340B program.

CaliforniaHealth+ Advocates (Advocates) fought the Governor's proposal on behalf of health centers and continues to work with Department of Health Care Services (DHCS), plans, and covered entity stakeholders to find a solution to the duplicate discount concerns.

In June DHCS presented the stakeholders (health centers and hospitals) with updated language from January budget. The language had all of the elements important to ensure the 340B program was protected, including eliminating the duplicate discount issue with assistance from the managed care plans. Newly added to the conversation was transparency language requiring covered entities to reveal to the state how much they are saving through 340B and what they are doing with the savings. In response to this language the stakeholders – health centers and hospitals- updated it to ensure a program that would best meet our needs, and in so doing eliminated the language about the transparency. At this point in time we are still awaiting a response by DHCS.

II. Federal Legislative Update

Several 340B bills have been introduced in both Houses of Congress this year. Most of those bills focus on hospital access to 340B and include some transparency provisions and reporting requirements.

Congresswoman Matsui recently introduced H.R. 6071, the Stretching Entity Resources for Vulnerable (SERV) Communities Act. This bill highlights how covered entities are achieving the original intent of the 340B program by using their savings to stretch scarce Federal resources as far as possible to ensure comprehensive services reach more eligible patients. It is a positive bill to counter the negative narrative that is being spread by some Members of Congress and the pharmaceutical industry. CPCA was an original supporter of the bill.

340B Committee Hearings

The House Energy and Commerce Committee has tentatively scheduled a hearing on 340B for mid-July, and Congresswoman Matsui hopes that her bill will be part of that conversation.

Additionally, the Senate HELP committee has held several oversight hearings about the 340B program where they've invited industry and the administration to testify. The last hearing focused on the Health Resources and Services Administration's (HRSA) oversight of the program. HRSA, the Government Accounting Office (GAO), the Health and Human Services (HHS), and Office of the Inspector General (OIG) have all used these hearings to explain the limitations of the current laws and regulations with regard to 340B oversight. Senators, including Senate HELP Committee Chairman Alexander, expressed interest in crafting legislation to provide HRSA more comprehensive oversight. These hearings have not yet led to legislation, and it is unlikely that the Senate will act of 340B legislation before the end of the session.

CaliforniaHealth+ Advocates will continue to track these developments and seek advocacy from members when appropriate.

III. Utilization of 340B Savings

In anticipation of the federal government or perhaps the state trying again to dismantle the 340B program, staff recommend the board and members consider coming to consensus on a process for how savings is calculated and what is done with it.

The first step to this strategy is first to ensure that all health centers are appropriately tracking their savings. In the resources section we have linked to tools that can help health centers properly monitor and report their savings.

Below we provide a few areas to consider investing 340B savings. These "buckets" are by no means required for 340B, but are a strategy to help protect the program. If all health centers can say, for example, that 340B is spent on workforce to retain providers we could more easily translate the figures to an economic impact on the state of California. When every health center approaches the savings differently it makes it harder to defend. While we have prevailed two years in a row, we are concerned that in an economic recession we may have a harder time preserving the program as it is today.

Discussion:

1. Should we task ourselves with defining the areas for where 340B savings are invested?
2. If yes what areas should we focus on?

Ideas for consideration:

- Workforce
 - o Retaining providers
 - o Expanding provider skills through trainings
 - o Hiring new staff
- Drug Management Programs
 - o Expanding and refining drug management programs
 - o Covering costs of drugs for low income patients
 - o Open new service delivery sites in underserved or unserved areas, including rural locations.

- Care Coordination and Wrap around care
 - o Support the Patient Centered Medical Home Initiative, which includes case management and care coordination, nurse triage and specialty referral support.
 - o Provide robust care coordination for HIV and Hepatitis C patients, as well as STI prevention (PrEP and PEP).
 - o Create Charity Care Programs, including Diabetes education and nutrition classes, legal advocacy, food pantries, transportation services, transitional housing and other enabling services.

IV. Resources

- [340B Coalition Sign On Letter](#)
- [DHCS Trailer Bill Language with our recommended edits](#)
- [CA FQHCs Use of 340B Savings](#)
- [Use of 340B Savings University Tool 1](#)
- [Benefits and Use of 340B savings, University Tool 2](#)

Proposition 64. This is reflected in the language of SB 275, which would require DHCS to work with an expert panel, of which health centers will be a part of, to develop quality standards for providing SUD services to TAY population and lists health centers as a key provider of these services.

Ensuring Health Centers are included in all behavioral health policy discussions:

1. *Leveraging FQHC's in California's Behavioral Health Care Continuum*

CPCA published a report (funded by the Blue Shield of California Foundation, supported by Harbage Consulting, and endorsed with a forward by the California Behavioral Health Directors Association) that builds on the CaliforniaHealth+ Advocates 2017 legislative victory of Senate Bill 323. The content provides a wealth of context about California's behavioral health delivery system and, most importantly, elaborates on four models of partnership to improve consumer access to specialty mental health and substance use disorder treatment by leveraging FQHCs as the centerpiece of the behavioral health delivery system.

CPCA staff have presented findings from this report at numerous venues, most recently presenting to the Drug Medi-Cal-Organized Delivery System (DMC-ODS) Waiver forum, a group of county SUD administrators tasked with developing and implementing the ODS in their county. CPCA's goal with these presentations is inform the audience about the dynamic breadth and depth health centers SUD services and the valuable role CHCs can play in meeting network adequacy requirements in or out of DMC.

2. *MHSA - Innovations Incubator*

CPCA has been invited and participated the Mental Health Services Oversight and Accountability Commission's (MHSAOAC) Innovations Incubator discussions. The Incubator would help improve the process of developing, approving, and implementing County Innovations programs. In addition to participating in these meetings, CPCA has joined our partners at CPEHN in making recommendations to the MHSAOAC on how they can effectively improve the community planning processes for all MHSA programs. These recommendations included targeted outreach to CCHCs, and other linkages to safety-net providers. For more information please see the resource section below.

3. *California Behavioral Health Planning Council*

As a member of the California Behavioral Health Planning Council, CPCA has representation in discussions occurring around the Medicaid 2020 waiver and the development of the Workforce Education and Training Program (WET) 5 year plan to ensure the health center perspective is represented in these important discussions. As part of the Council, we are also advocating to improve how mental health services are offered to our underserved and culturally diverse patient population.

IV. Resources

- [Envisioning the future of the BH delivery system](#)
- [Leveraging FQHC's in California's Behavioral Health Care Continuum](#)



INFORMATIONAL

Date: July 12, 2018
To: Government Programs Committee
From: Allie Budenz, Associate Director of Quality Improvement
Re: Section 2703/Health Home Program Update

MEMORANDUM

HHP Status Update

In December 2017, CMS approved amendments to the California Medicaid State Plan to authorize DHCS to implement an ACA Section 2703 Health Homes Program (HHP) through the Medi-Cal Managed Care delivery system. DHCS has modified the HHP implementation schedule significantly based on feedback they received from MCP preferences for implementation phases. San Francisco will go live July 1, 2018, followed by Riverside and San Bernardino in January 2019; and the remaining 26 counties who indicated interest will go live in July 2019.

Health centers interested in being a HHP CB-CME should reach out to their managed care plan with contract inquiries. Plans are currently developing their HHP business plans with [program guidance](#) from DHCS. JSI deployed a [rate setting tool](#) for CB-CME health centers to consider the costs, staffing, and infrastructure needs associated with HHP or other care management/coordination initiatives.

FQHCs are not at risk of reconciling out supplemental HHP payments due to protections that CPCA was successful in getting into the SPA.

Technical Assistance Update

DHCS contracted with Harbage Consulting to provide technical assistance on outreach, education, and communications to MCPs, providers, CB-CMEs, eligible Medi-Cal beneficiaries, and other stakeholders through all three implementation phases of the HHP. CPCA has reviewed the member toolkit and the Care Coordination curriculum (not yet available for public comment) and given feedback to Harbage on a number of occasions about their approach. Our impression of the materials is that it outlines the HHP requirements but it falls short of explaining *how* to be successful in care coordinating HHP patients. Harbage insists that MCPs are responsible for developing a training plan for their CB-CMEs with information unique to their plan and their care management approach.

CPCA will continue to advocate that the state provide CB-CMEs with the training and resources they need to be successful in health homes. We are also coordinating a series of peer to peer learning opportunities for health centers to strategize business plans, care models, and trouble shoot common barriers in order to maximize their chances for success as CB-CMEs.

Resources

- DHCS HHP: <http://www.dhcs.ca.gov/services/Pages/HealthHomesProgram.aspx>
- State Plan Amendment (SPA 16-007) authorizing Health Homes. The FQHC reconciliation language is on page 28 of 53, under “Indicate which payment methodology the state will use to pay its plans”: <http://www.dhcs.ca.gov/formsandpubs/laws/Documents/CA16-007%20Apv%20Pkg.pdf>
- Rate Setting Tool:
<http://www.jsi.com/JSIInternet/Resources/publication/display.cfm?txtGeoArea=US&id=19343&thisSection=Resources>



INFORMATIONAL

Date: July 12, 2018
To: Government Programs Committee
From: Michael Helmick, Senior Policy Analyst
Re: Clinic Lifeline Grant Program

MEMORANDUM

I. Background

The Clinic Lifeline Act of 2017 was signed into law by the Governor on July 10th, 2017 and established the Clinic Lifeline Program within the State Treasurer's Health Facilities Financing Authority (CHFFA). The Lifeline Program appropriated \$20 million from the Health Expansion Loan Program (HELP) in order to create a grant program with the goal of assisting small health center locations (sites with a budget under \$10 million) and rural health facilities that are adversely financially affected by a reduction or elimination of federal government assistance. Applications for grants available under the program were due on March 26th, 2018.

In the first round of grants, CPCA worked with CHFFA to develop the following triggering event: Any federal executive, administrative or legislative action or inaction that impacts any reimbursement or eligibility for participation in any federal program or initiative. This definition was selected in response to a wide-array of Federal instability, such as the Health Center Fiscal Cliff, heightened immigration enforcement, CHIP repeal, and Title X uncertainties.

II. Update

On June 28, 2018 CHFFA held their meeting where the first round of Lifeline Grant Awardees were announced. There was a total of 56 grant applications received by CHFFA, however only 42 grants were deemed eligible by CHFFA. Some examples of federal triggers cited by applicants included: a reduction in Title X funding, a reduction in Medicaid/Medicare reimbursements, the elimination of the Individual Mandate Penalty, and reductions in federal grant funding such as the Health Infrastructure Investment Program.

FQHCs were awarded 26 grants and received \$5,385,066 out of \$8,276,310 awarded at this stage. The additional 16 grantees were Planned Parenthood Affiliates. The remaining 13 applicants were deemed either incomplete or ineligible.



Please see the table below which highlights the awardees.

Clinicas del Camino Real	\$750,000 (3 awards)
Golden Valley Health Center	\$1,240,450 (9)
Health and Life Organization	\$250,000 (1)
JWCH Institute	\$250,000 (1)
Laguna Beach Community Clinic	\$219,415 (1)
Lifelong Medical Care	\$750,000 (3)
Livingstone Community Health	\$250,000 (1)
Mountain Health and Comm. Serv.	\$1,250,000 (5)
Operation Samahan	\$175,201 (1)
Winters Healthcare	\$250,000 (1)

III. Next Steps

The Lifeline Grant Program was created to provide \$20 million in emergency funds to small, and rural health facilities in response to federal instability following the 2016 election. \$11,723,690 remains unallocated from the Clinic Lifeline Program fund after the first round of grants. Additionally, if the grant awardees are not able to demonstrate a loss of funds resulting from a federal trigger those funds would also revert back to the unallocated pot of funds for distribution at a later date.

CHFFA Staff is presently working to develop permanent regulations to be finalized by their August authority meeting. If the permanent regulations are implemented then CHFFA has until 2022 to expend all remaining funds.

Staff will continue to engage with CHFFA to ensure that any permanent regulations are implemented in a manner which continues to allow health centers and our partners to qualify.