

Starting in 2014, California has worked with health plans to implement the Cal MediConnect (CMC) duals demonstration program. Under CMC, people who are dually eligible for both Medicare and Medi-Cal (referred to as duals) in certain counties have the opportunity to enroll in an integrated product that provides patient-centered health care. CMC health plans provide coverage of all Medicare and Medi-Cal covered services under a single benefit package and includes a full continuum of medical and community-based long term services and supports. Care for duals outside of the CMC duals demonstration remains fragmented and inefficient with two distinct delivery systems that cause member confusion and may result in delays in care delivery due to the lack of coordination. Beneficiary satisfaction with their care and care coordination under CMC has steadily increased since 2014. Health plans continue to work with the Department of Health Care Services (DHCS) and the Centers for Medicare and Medicaid Services (CMS), which provide joint oversight, to implement additional program improvements. The CMC duals demonstration is currently under a one-year extension through December 31, 2020.

WHAT IS MEDICARE?

A federal system that provides health coverage to those 65 and older and people with certain disabilities or medical conditions

PRIMARY PAYER FOR MANY SERVICES:

- Hospital services
- Outpatient, physician, other provider services
- Skilled nursing facilities
- Home health care
- Dialysis
- Prescription drugs
- Durable medical equipment
- Hospice

WHAT IS MEDI-CAL?

(California's Medicaid program)

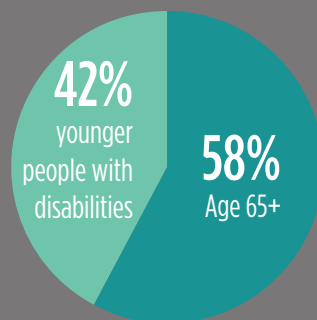
A state-based system that provides health coverage to low-income Californians; covers certain services not covered by Medicare and helps beneficiaries pay some of their Medicare premiums, copays, and deductibles

MEDI-CAL IS THE PAYER "OF LAST RESORT" AND COVERS DUALS':

- Medicare cost-sharing (Part A and B deductibles, Part B premiums and coinsurance, some prescription drug costs)
- Nursing home care
- Transportation to medical appointments and non-medical appointments
- Some home- and community-based services, personal care, home health care
- Some services and costs not covered by Medicare

DUAL = Someone who is eligible for health coverage through Medicare AND Medicaid

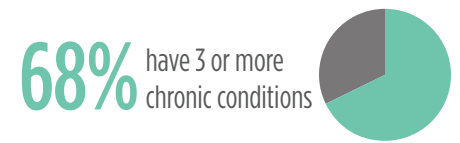
Eligible



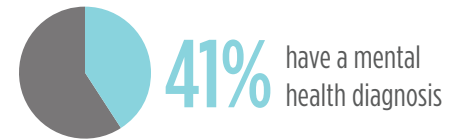
Dual Eligibles are a High-Needs, High-Cost Population

On the whole, duals suffer from complex, high-cost medical conditions and take multiple prescription medications.

1.4 MILLION
Dual Eligibles in California

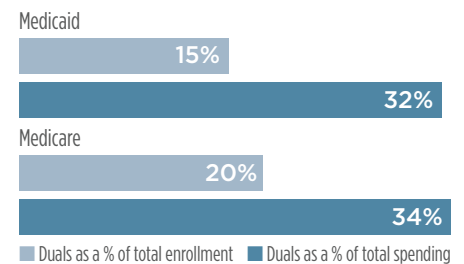


Average Health Care Costs **\$30,000** PER DUAL/PER YEAR



MORE THAN HALF of duals use Long Term Services and Supports (both institutional and HCBS services)

Duals: Medicaid vs. Medicare



Costs for dual eligibles is roughly evenly split between the Medicare and Medi-Cal programs. However, Medi-Cal typically covers 80% of dual eligibles' long term care costs while Medicare pays for most of dual eligibles' inpatient and outpatient care.

Cal MediConnect: Managed Care for Dual Eligibles

How Cal MediConnect Works

Cal MediConnect health plans manage Medicare and Medi-Cal benefits and services, including medical care, long-term supports and services, behavioral and mental health care services, and social supports. The coordination helps ensure patients get the right care at the right time in the right setting

The managed care health plans receive a fixed monthly payment to provide beneficiaries access to all covered, medically necessary services. Monthly payments create strong financial incentives to ensure beneficiaries receive preventive care and home- and community-based services to avoid unnecessary hospital or nursing home admissions. Coordinated care also reduces duplicative, unnecessary, or delayed care that increases costs. The state has seen a 20% reduction in hospitalizations and a 4% reduction in nursing home usage among Cal MediConnect enrollees.

Duals are 3 times more likely
than Medicare only beneficiaries
to report having poor health status

More than half of duals
need assistance with one or more
Activities of Daily Living (ADLs)

Benefits of Managed Care

- Simplified, streamlined services:
 - *One point of contact for all covered benefits*
 - *One health plan membership card*
 - *One phone number to call for help*
- Improved access to home- and community-based services and reduced reliance on institutional settings
- Care and Setting Transition Teams
- Patient-centered care:
 - *Access to nurses, social workers, and a care coordination team*
 - *Beneficiaries and their families may participate in the care team*
 - *Continuity of care and care coordination between settings*
- Access to interpreters for non-English speakers and documents in their language

Safeguards & Consumer Protections

- Can opt-out any time before or after passive enrollment
- Health plans required to ensure network adequacy
- Access to out-of-network Medicare providers for up to 6 months and out-of-network Medi-Cal providers up to one year
- Same standards for appeals and grievance processes for Medi-Cal and Medicare services, including fair hearing process for in-home supports and services
- Defined quality of care measures
- Right to hire, fire and train in-home supports and services workers
- Continual monitoring by Department of Health Care Services
- DHCS will enforce consumer protections
- DHCS can make changes to the program at any time
- Cal MediConnect will have a dedicated Ombudsman under DMHC

Up to 475,000 DUAL ELIGIBLES in 7 Pilot Counties

LOS ANGELES (up to 200,000 duals)

- CareMore Cal MediConnect
- Blue Shield Promise Cal MediConnect
- Health Net Cal MediConnect
- L.A. Care Cal MediConnect
- Molina Dual Options

ORANGE

- OneCare Connect (CalOptima)

RIVERSIDE

- IEHP DualChoice
- Molina Dual Options

SAN BERNARDINO

- IEHP DualChoice
- Molina Dual Options

SAN DIEGO

- Blue Shield Promise Cal MediConnect
- CommuniCare Advantage (Community Health Group)
- Health Net Cal MediConnect
- Molina Dual Options

SANTA CLARA

- Anthem Blue Cross
- Santa Clara Family Health Plan

SAN MATEO

- CareAdvantage Cal Medi Connect (Health Plan of San Mateo)